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in cooperation with

**Faculty of Law University of Split**  
**University of Split**

**University Department for Forensic Sciences**  
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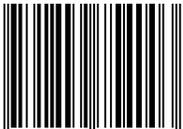
## **Economic and Social Development**

31st International Scientific Conference on Economic and Social Development -  
“Legal Challenges of Modern World”

Editors:

**Marijan Cingula, Douglas Rhein, Mustapha Machrafi**

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**Book of Abstracts**

Split, 7-8 June 2018

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## **CURT RESOLVE OF THE COMMERCIAL DISPUTES IN THE REPUBLIC OF KOSOVO IN THE PERIOD 2013-2015**

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### **ABSTRACT**

*The aim of this paper is to analyze the legal provisions which adjust the procedure for resolving commercial disputes in the court, the paper, particularly aims to identify the problems that are encountered in practice. The paper is divided into two parts. The first part of the paper deals with the jurisdiction of the court on commercial disputes and the rules that apply to the conduct of commercial contest proceedings whereas, the second part of the paper analyzes the empirical data extracted from the research conducted at the Basic Court in Pristina regarding the trade disputes resolved during 2013-2015. The questions raised in this paper are:- the Rules defining the jurisdiction of the court on economic issues are found within a law or in different laws; -If the rules defining the jurisdiction of the court are found in different laws, is the court competence consistently determined by such rules?; How often business subjects address to the court to resolve their disputes and how effective the courts are in resolving these disputes, and from which relationships the most commonly the trade disputes arise. At the conclusion of the paper, it results that the commercial disputes mostly arise from the violation of the contractual obligations.*

**Keywords:** *business organization, commercial dispute, court, competence*

## **POSSIBILITIES AND CHALLENGES OF APPLICATION OF FLEXICURITY MODEL IN CROATIAN LABOR LAW**

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### **ABSTRACT**

*Flexicurity comes from the words flexibility and security. The term flexicurity dates back to the 90s of the twentieth century and means employment security, not job security, in fact, it should be a worker protection institute, not a workplace protection institute. This paper will explore the possibilities and challenges of applying flexicurity within labor relations and the labor market of the Republic of Croatia. After the war, the unemployment in the Republic of Croatia was high. What is important to do in such a situation is to strengthen the economy in the country, employ workers, taking into account social standards to preserve the dignity of workers, because the crisis in the new EU member states has led to precarious labor, whose characteristics are insecurity, fixed-term employment, almost nonexistent workers' rights, preferring illegal work, seasonal work etc. Each EU member state needs to build its own path leading to employment security and to social standards appropriate to that particular country. Most experts in this field believe that current labor law institutes will have to change or adapt to labor market conditions, but that's not a quick and easy task. The Croatian labor market must also change in terms of employment protection, payroll, social unemployment measures, labor disputes. According to Professors Bodiroga and Laleta there are possibilities for this and these are:*

- *higher labor market flexibility that affects the reduction of unemployment and*
- *one-off structural reforms*

*In this way flexicurity would reach its full potential in practice. The professors give preference to the German "new model" that brings out the best from the current state so that it is apparent that the application of this model results in high employment.*

**Keywords:** *Croatian labor market, flexicurity, German “new model”, precarious work*

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## **NEXUS BETWEEN HUMAN CAPITAL DEVELOPMENT AND HUMAN CAPITAL INVESTMENT IN NIGERIA**

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### **ABSTRACT**

*Human capital development has been identified as one of the major keys of economic development. This study examines the nexus between human capital investment and human capital development in Nigeria using time series data spanning through 1983 to 2015. The study made use of Phillip Peron to test for stationarity and Vector autoregressive model (VAR) was employed in the study to analyze the complex relationship of human capital investment and human capital development. The study revealed causality relationship between human capital investment and human capital development in Nigeria. The findings also show that both Total Factor Productivity, Education expenditure, Health expenditure and Life expectancy exhibited impact on human capital development in Nigeria. The study recommended that concerted effort should be made to improve on both Education and Health spending in order to increase human capital development in Nigeria. In addition government should make appropriate policy that will increase life expectancy.*

*This will guarantee improvement in Nigeria human capital development.*

**Keywords:** *Human Capital Development, Human Capital Investment and Total Factor Productivity*

\*\*\*\*\*

## **POLISH LABOR MARKET: ISSUES OF OVER AND UNDEREMPLOYMENT AMONG HIGHLY EDUCATED EMPLOYEES**

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### **ABSTRACT**

*This paper presents the situation of people in the Polish labor market with higher education. Particular attention has been paid to the issues of underemployment (time-related and invisible underemployment) and over-employment. Time-related underemployment occurs when a person would like to work more hours for the same hourly rate, but is unable to do so. Invisible underemployment occurs when employees are over-qualified for their position. There is also overemployment which occurs when an employee works more than the employee expected. Analyzing the extent and consequences of these issues and potential ways of dealing with them are the focus of this paper. The source of the data are the results of a survey conducted among a group of over*

*900 respondents with higher education. Statistical methods were used. The Polish labor market seems to be very attractive for people with higher education. There is basically no problem of unemployment among highly educated people. This does not mean, however, that such people find work that meets their expectations. Over 15% work less than they would like, and twice as many would like to work less than at present. About 40% work in positions that do not need a college education, which are below their qualifications. Underemployment significantly contributes to achieving lower income than expected (especially time-related underemployment) and to less satisfaction with work. Overtime work, in turn causes fatigue and can negatively affect family relationships, as employees spend less time at home.*

**Keywords:** *higher education, over-employment, underemployment*

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## **CIVIL LAW PROTECTION FROM EMISSIONS IN THE CASE OF LANDFILL**

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### **ABSTRACT**

*According to numerous data, Split has become a tourist centre. Countless cruise ships dock here and the world renowned Ultra music festival has been held here for years now. Tourism has developed to the extent that people started to move out of their homes (at least during summer months) and stay with their families in order to rent their apartments to tourists. One of the most important components for economy of a country is precisely tourism. In the last few months, Split citizens have been faced with the rehabilitation of the largest landfill south of*

*Zagreb, Karepovac in Split. Due to the rehabilitation in Split, especially when the wind blows, there is an unbearable stench. The smell is so strong that in certain parts of the city people must wear protective masks on their face. The legal framework in a regulated state must contain a solution for such situations. This means determining who is entitled to request that such a situation be disrupted and / or to compensate for the damage as well as deciding who is entitled to compensation. In conclusion- who will pay for all of it? Formally in the foreground is the municipal utility company and, consequently, its founders. However, the Republic of Croatia cannot be released from responsibility, because its bodies formally forced the City of Split and Karepovac to accept garbage from a number of other municipalities and cities, despite the opposition of the utility company and the City of Split. The aim of this paper is to analyse the solutions in the Croatian legal framework de lege lata, in particular the Ownership and Other Rights in Rem Act and the Civil Obligations Act and de lege ferenda to provide suggestions where necessary and to encourage discussion on this topic among others in order to analyse the situation in their countries. If there is place for prognosis, this whole case would probably represent a "cash cow" for Croatian lawyers, but also a huge burden on the judiciary system.*

**Keywords:** *civil law aspect, economics, emissions, landfill, tourism*

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# **THE APPLICATION OF THE EUROPEAN PRINCIPLES FOR GOOD ADMINISTRATION IN THE REPUBLIC OF MACEDONIA DE LEGE LATA AND DE LEGE FERENDA**

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## **ABSTRACT**

*It is common knowledge that the organization, the functioning and the modeling of the administrative systems is a national question for every state, which leaves the European Union without a direct influence in the respective area. On the other hand, there is no doubt that by constantly emphasizing the public administration reforms as a key factor for integration, the Union becomes more and more relevant in that respect. Hence, the European institutions and organizations - especially the European Council - play a major role in the establishing of the fundamental European public administration principles. SIGMA is an organization also responsible for control over the fulfillment of the European public administration principles and gives*

*directions on how to achieve these principles. As a part of numerous international acts, declarations and resolutions, these principles' aim is to harmonize the member states' governance systems in light of the way administrative bodies enforce their competences covering also the quality of services and the overall relationship between the authorities and the citizens. This way, certain European standards which, among other things, have a mandatory character are set. All the states striving to join the European Union have to undertake all the measures that will ensure a consistent application of the principles of the European administrative space and the *acquis communautaire*. Consequently, as one of the states claiming to join the Union, the Republic of Macedonia is also obliged to acquire such administrative capacities that will guarantee the application of the *acquis communautaire* - the general Administrative Law principles. This research is therefore focused on the importance of the European principles when speaking about the public administration quality, efficiency, effectiveness, transparency and responsibility. It analyses the legal framework where the European principles are set out, as well as the mechanisms the authorities and bodies undertake in order to ensure better execution of their responsibilities (e.g. electronic communication, enhanced inter-institutional cooperation and communication, training for officials and servants, etc.). Thus, by examining the applicable legislation which regulates the public administration organization and operation we will try to identify and outline the key measures to be taken by the policy makers as to ensure not just *de jure* but also *de facto* strengthening of the public sector. In other words, we are referring to the steps necessary to improve the quality of public services and to modernize the administrative procedure, while still achieving depolitization and higher ethical standards. This is in fact the basic objective of the Public Administration Reform Strategy which is based on the progress Reports the European Commission delivers regularly (annually) delivers to the Republic of Macedonia.*

**Keywords:** *acquis communautaire. European integration, public administration, principle of efficiency and effectiveness*

**SAFETY AND LEGAL FRAMEWORK ON  
PREVENTING OF USE OF THE FINANCIAL  
SYSTEM FOR MONEY LAUNDERING  
ACCORDING TO SOLUTIONS OF DIRECTIVE  
(EU) 2015/849**

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**ABSTRACT**

*Directive (EU) 2015/849 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing replaces Regulation (EU) 648/2012 and exempts Directive 2005/60 / EC and 2006/70 / EC and upholds the legislative basis for preventing the use of the financial system for the purpose of money laundering or terrorist financing. The fact is that illegal cash flows may endanger the stability of the financial system as a whole or a specific sector of that system. This can undermine the stability of the European Union's internal market. For this reason, Directive (EU) 2015/849, the fourth dealing with money laundering, has guidelines to protect society against criminal activities such as money laundering and the protection of the stability of the European Union market as well as the markets of each of its members separately.*

*An important part in this process is the national risk assessment of money laundering and terrorist financing that has the purpose of identifying Member States money laundering risks and setting specific targets in the fight against these same threats. In order to do so, it is important to have quality information in a timely manner, statistically based and complemented by intelligence agencies, expert opinions and clear data from the private and public sector. In order to facilitate Member States transitional period for the implementation of the Directive (EU) 2015/849 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing, the Financial Action Task Force on money laundering and terrorist financing (FATF) establishes certain standards and recommendations for easier implementation of the Directive. Accordingly, it is important to distinguish key concepts such as risk, threat, vulnerability, and consequence, so that the money laundering risk assessment itself could be applied in further steps to mitigate and prevent such risks.*

**Keywords:** *financial system, legal framework, money laundering, national risk assessment, security*

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## **CIVIL SOCIETY IN THE REPUBLIC OF CROATIA**

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### **ABSTRACT**

*The purpose of the paper is the research itself regarding the civil society in the Republic of Croatia. The definition of the civil society and its financing possibilities and also its opportunities,*

*the main advantages and disadvantages have been used in order to assess the benefits and the problems, that the civil society in Croatia is coping with. The major guidelines, regarding the possible steps in improving the situation in plain view of every citizen and the state have been offered, as well as the steps that the public and the state need to undertake in order to ensure the justified recognition which the civil society deserves.*

**Keywords:** *civil society, organisation, state, cooperation, recognition, democratic society, sustainable development, participatory democracy*

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## **SOME ASPECTS OF CIVIL AND CRIMINAL LAW REGULATION OF FOOD QUALITY – CROATIAN AND EUROPEAN POINT OF VIEW**

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### **ABSTRACT**

*In the consumer protection regime, there are three legal instruments applied, criminal law, civil law and finally administrative law instrument. EU consumer legislation aims at ensuring that products are safe, that consumers are properly informed as to the nature and characteristics of products, and that they are not misled through unfair commercial practices. This article provides information and describes the current situation of food safety and quality in Croatia.*

*Paper analyzes some problems, first of all Croatian consumers have the right to know whether, and, if so, what differences exist in the quality of foods sold under the same name in the „old Member States“ and the ‘new Member States’. Identically, branded products which are advertised and sold as being the same in different Member States should not in fact have a lower quality in one country or another. The European Commission published a notice laying out guidelines on the application of EU food and consumer protection law to issues of dual quality of food products on 26 September 2017. The Commission Notice on dual quality contains quite specific clues about the future approach of the measures that will be adopted to resolve the complicated problem of the marketing of differentiated food products in the Single Market. Consumer protection regime encompasses also sanctions in Croatian legal system mostly using forms of misdemeanor. Responsibility for criminal offence can be found, but using in consideration fact that foods sold in „new Member States“ is in accordance with health standards, so exists smaller legal good threat or injury, this article analyzes misdemeanor in Croatian Food Act, The Law on Ban on Discriminatory Practices in the Supply Chain, Consumer Food Information Act and Consumer Protection Act.*

**Keywords:** *civil liability, consumers, food quality, misdemeanor, unfair commercial practices*

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## **DYNAMICS AND FACTORS OF BUSINESS SUCCESS OF MIDDLE-SIZED ‘GAZELLE ENTERPRISES’ IN RUSSIA**

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### **ABSTRACT**

*The success of medium-sized businesses in Russia is overwhelmingly determined by the presence of so-called “star” enterprises. By their very existence and development, they prove the possibility of successful achievement and show other start-up enterprises the path to success. ‘Gazelle enterprises’ or gazelles (fast-growing enterprises) are an example of such entrepreneurial leaders. This article analyses the success of fast-growing enterprises’ in Russia on the basis of financial statements in comparison with the success of “ordinary” medium-scale businesses from 2009 to 2013. The results conclude that rapid growth is more typical of “younger” enterprises and that fast-growing enterprises have a much higher share of added value in revenue. The ability to generate added value contributes to rapid growth in the future. Comparing the profitability of sales between typical and fast-growing enterprises elucidates which ‘gazelle enterprises’ were proven to be more successful according to growth ability and profit-generating ability.*

**Keywords:** *fast-growing enterprises, ‘gazelle enterprises’, small and medium-sized business, business success, business success factors*

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## **MONITORING EMPLOYEES COLLABORATION IN WORKING TEAMS – LEADER’S PERSPECTIVE**

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### **ABSTRACT**

*Nowadays companies that aim at improving their efficiency, innovativeness and thus competitiveness have to focus on the issues of collaboration both inside and outside a firm. Collaboration becomes a strategic initiative for business entities focusing on the increase of productivity and cross-functional capability within their workforce. Smart companies make use of employees networks and their ability to work together. However, in order to take the advantages of employees collaboration within a company, in particular within working teams, managers have to monitor this collaboration. They can do it through implementing the organizational climate fostering employees cooperation, applying several tools dedicated to managing employees collaboration, rewarding employees collaboration outcomes as well as being sensitive to the problem of collaboration overload. The paper is an attempt to contribute to the research in the field of teamwork management, in particular by examining the problem of employees collaboration monitoring preventing collaboration overload. The paper addresses two following tasks. The first part of the paper provides an theoretical overview of the issues regarding employees collaboration in teams, collaborative leadership as well as the ways and tools for monitoring employees collaboration in teams. The second, empirical part of the paper, explores the problem of employee collaboration monitoring. particularly.*

*The aim of the paper is to assess the scope and importance of employees collaboration monitoring within working teams in a company. In order to answer research questions and achieve the aim of the study the exploratory case study analysis is applied. Generally, the study proves the crucial role played by the monitoring employees collaboration by the leaders. In the conclusion the further research ideas arising from this one are presented.*

**Keywords:** *collaboration overload, employees collaboration in working teams, monitoring collaboration in working teams*

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## **REVISION OF THE POSTED WORKERS DIRECTIVE - IS THERE EQUALITY OF OPPORTUNITY FOR POSTED WORKERS?**

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### **ABSTRACT**

*Although posted workers represent only 0.7% of total EU employment, the posting of workers supports the cross-border provision of services across the Internal Market, particularly in the construction and some personal and business services sectors. Directive 96/71/EC (hereinafter: Posted Workers Directive) within the EU law aimed to provide a clear framework to guarantee fair competition and respect for the posted workers' rights so that both businesses and workers can take full advantage of the internal market opportunities. However, no society is free from injustice as we can see in example of posted*

*workers who receive different wage for the same job as workers in European Union host country where they temporarily provide services for their employers. This shows that issue of inequality regarding labour rights is indeed a universal and permanently evolving phenomenon that could be analysed from philosophical and legal perspective. From philosophical perspective, fair equality of opportunity requires that social positions, such as jobs, be formally open to each individual. In other words, each individual should have a fair chance to attain these positions. Nevertheless, it is obvious that if every person and job were the same, wage levels other additional benefits that a worker receives for work would be uniform. However, this is not the case of Posted Workers Directive where posted workers wage differentials are result of inequality of wage. If we think of a wage as compensation for a worker, i.e., for the loss of leisure time, it would be just that same loss of leisure time should require equal compensation as well as the cost of separation from the family, staying in an unknown environment, and the inability to directly influence their situation. In the light of Rawlsian principles of justice authors will analyse the proposal for the change of the Posted Workers Directive and some aspects of controversies that have been raised between European Union Member States.*

**Keywords:** Directive 96/71/EC, Directive 2014/67/EU, Equality, EU Internal Market, Posted Wokers

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## **DAMAGES CLAIMS FOR THE INFRINGEMENT OF COMPETITION LAW IN THE EUROPEAN UNION AND CROATIA**

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### **ABSTRACT**

*Breaches of competition law have negative effects on the relevant market as well as on the participants of the affected market. Protection of the market and competition is provided through the public enforcement where competent authorities investigate and sanction violators. On the other hand, injured participants, individuals or undertakings, can obtain civil law remedies in private proceedings, such as nullity of a contractual obligation, injunction, or an award of damages. To obtain damages award injured person must prove a breach of competition law provision, sustained harm, and a causal relationship between the harm and an infringement of competition law provision. Although the compensation for injured represents the first and the main goal of private enforcement, the other role could be observed through the deterrence effect on future violators of competition law provisions. That was a path pursued by the creators of the Directive 2014/104/EU of the European Parliament and of the Council on certain rules governing actions for damages under national law for infringements of the Member States and EU competition law provisions. This paper analyses the development of tort liability for the infringements of competition law within the European Union law, but also in Croatia, where such damages claims are still an exception. After the adoption of the Procedure on damages actions for infringements of the competition law Act in July 2017, the situation could be different. New Act contains substantive and procedural law provisions, which put injured market participants in better position in achieving their right to damages award.*

**Keywords:** *competition law, damages claims, Directive 2014/104/EU, tort liability, Procedure on damages actions for infringements of the competition law Act*

## **SCIENTIFIC AND TECHNOLOGICAL «BREAK» IN RUSSIA: CAPACITY OF MONOPOLISTIC STRUCTURES**

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### **ABSTRACT**

*Today large corporations are the dominating structures in the Russian economy. The corporate sector of the country is presented mostly by oligopolies and monopolies. The share of such structures in Russian GDP makes about 70% by estimates of some experts. Fuel and energy complex, metallurgy, mechanical engineering, electric power, transport, telecommunications, trade dominate among sectors of monopolistic structures. As for the contribution to scientific and technological development of national economy the problem of monopolistic structures capacity is relevant. Transition to a new technological way is relevant for the Russian economy. Only large business has financial and economic potential for such transition. It is capable to concentrate those large resources which are necessary for modernization of the Russian economy. Moreover, large business has access to information resources that are one of the “driver” of national scientific and*

*technological development for today. The purpose of our research is to estimate the capacity of large monopolistic structures concerning scientific and technological development of the country. In the research the authors show the review of monopolistic structures in Russia. The nature of scientific and technological development of national economy is investigated in the paper. The authors have developed the evaluation technique of the contribution of such structures to scientific and technological development of the country. The authors use quantitative methods of the analysis of a contribution of monopolistic structures to scientific and technological development of Russia.*

**Keywords:** *scientific and technological development of Russia, monopolistic structures, large business, role of large business in modernization of economy*

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## **POVERTY AS A PROBLEM OF THE GLOBALIZED WORLD**

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### **ABSTRACT**

*Globalisation brings many opportunities but also has a number of negative effects. One of the most serious problems in the world today is poverty and social inequality. Poverty has a number of elements ranging from lack of material needs for dignified life across obstructed access to services or education to non-application to the labor market. These aspects lead to the fact that*

*individuals and families find themselves in poverty, which is accompanied by social exclusion. In the Slovak Republic, we are seeing an increasing incidence of visible poverty caused by a change in the nature of poverty, from horizontal to vertical. The causes of poverty are mainly related to the loss of work. Loss of regular income leads to people's inability to secure basic living needs. New poverty affects the unemployed, people who are disadvantaged on the labor market, and people with low earnings - working poor. The disadvantaged groups on the labor market include people with health problems, with reduced working capacity, with low skills, ethnic groups, especially Roma. The paper focuses on the various aspects of poverty, its causes and the possibilities of solving poverty in the Slovak Republic.*

**Keywords:** *globalisation, poverty, working poor, unemployment, social inequalities*

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## **REGIONAL DISPARITIES IN THE SLOVAK REPUBLIC**

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### **ABSTRACT**

*The issue of regional disparities within the European Union has come to attention, especially after the largest enlargement in 2004, following the accession of relatively economically less*

*developed countries, including Slovakia. The development of economic, social and geographical inequalities is an important subject of society's interest. In the context of theory, two fundamental tendencies are related, in particular, to the role of the state in mitigating regional disparities. The first approach is based on the assumption that there are forces in the long run leading to balancing regional disparities and therefore the state should not interfere significantly. The second approach inversely highlights the role of the state in reducing regional disparities and thus supports the development of regional policy as a set of tools for economic and social cohesion. Differences in economic development and its dynamics, economic activity, the level of living, the level of unemployment, and the level of wage vary between regions. There is a tight link between wage levels and unemployment, the nature of which is the subject of frequent expert discussions. Both unemployment and wage rates show a considerable degree of regional differentiation in Slovakia, especially between the capital Bratislava and other regions of Slovakia, which is related to the status of the capital as an economically dominant region and, on the contrary, to the economic challenges of lagging regions, especially in Central and Eastern Slovakia. Monitoring regional disparities enables the less developed regions of a particular region to be targeted by regional aid. Regional development in Slovakia is largely provided through EU funds. Investment incentives also play an important role as one of the tools to motivate investors to place their new branch offices mainly in less developed regions, in areas with higher levels of unemployment. The main objective of the contribution, based on the analysis of the current situation of the labour market situation and wage inequalities, is to identify the impact of the main factors on the phenomena examined, i.e. unemployment and wage differences.*

**Keywords:** *Regional disparities, Regional policy, Unemployment, Wage differences*

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## USING THE RISK-LIST METHOD FOR RISK ASSESSMENT IN THE PROJECT

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### **ABSTRACT**

*Each action undertaken by a human being is accompanied by risk, it also refers to actions with unrepeatable character, such as projects. Projects as such are perceived as enterprises of unique character, referring to future solutions, the results of which may differ from accepted assumptions and goals in the project. In order to restrict the occurrence of events risking the reaching of the goal and positive benefits arising from effective implementation of projects is a need for identification of risk and its management. It is worth emphasizing that in practice, despite the occurrence of various kinds of risk the projects are implemented. However, the risk assessment in the project is a basis for managers to undertake decisions on its implementation or abandonment. Various methods may be used for risk assessment in the project. The goal of the article is the emphasizing of significance of risk identification in the project as a significant element of effective management of the project. Moreover, the risk-list method expanded by the author serving for risk assessment was presented. In the article the following thesis was presented: identification and risk assessment in the project contributes to effective implementation of the project and for achievement of the planned results.*

**Keywords:** *Project, Risk, Risk assessment, Risk-list method*

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## **ACCOUNTING INFORMATION AS INDICATOR OF MONEY LAUNDERING**

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### **ABSTRACT**

*The main aim of this research was to analyse which financial statements information can be used to deduce distinctive characteristics of companies involved in money laundering. Findings indicate several »red flags« which can potentially implicate fraudulent and unlawful activities. Some of these are significant increase of income while conducting such activities and decrease of income in years after, collaboration with fictitious companies which exist only to aid unlawful activities, using companies which are mostly small entrepreneurs and not subjected to rigorous regulations, internationality of operations usually exists etc. It is important to note that aforementioned »red flags« are more apparent and easier to detect when analysing financial statements of micro and small entrepreneurs, because medium and large entrepreneurs have large figures in their balance sheets and income statements, which is more suitable for camouflage. The process of auditing has not proved to be very effective in detecting accounting manipulations and unlawful activities related to money laundering.*

*Presumptive reasons for aforementioned fact are absence of auditor's rotation and engaging audit firms which do not belong to »Big Four«. Considering lack of relevant and available information, inductive approach was optimal for this research given that it enables »in depth« analysis of financial statements in order to determine distinctive characteristics which can be basis for future researches.*

**Keywords:** *accounting, financial statemets, forensic accounting, fraud, money laundering*

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## **WRITTEN COMMUNICATION OF A LARGE ORGANIZATION WITH MATURE CONSUMERS**

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### **ABSTRACT**

*The objective of the article is to identify and adapt key elements of written communication of a large company with mature consumers. The article contains an analysis of the consumers'*

*expectations regarding the communication channel, the adaptation of individual elements of the writing, the visual side and the substantive content of the written communication. The article includes the results of qualitative research carried out by the authors in cooperation with a large energy company in Poland and the universal principles of constructing written communication. It was proposed to adapt the identified elements, which are important for mature consumers, to their preferences.*  
**Keywords:** *energy, mature consumers, qualitative research, written communication*

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## **AN ANALYSIS OF WORKING CAPITAL MANAGEMENT IN CENTRAL UNITS OF GROUP PURCHASING ORGANIZATIONS**

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### **ABSTRACT**

*Working together, creating various types of multi-entity organizations is the current standard. This activity is generally preferred by small and medium-sized enterprises and those who see that in a given period and in a given market competition is strong and that functioning without additional support may end up in the bankruptcy of the company. The most common way of such cooperation is functioning within purchasing organizations. They are a type of organizations where there are no capital ties. They are created in all industries and are managed through a separate company, a central unit. This unit is often called a purchasing group or a central group of the purchasing group. It is the 'brain' of the entire organization, and in principle it depends on its effectiveness whether the purchasing group will achieve the*

*intended results. In order the central unit could run effectively the entire purchasing group, it must have a stable financial base and, above all, have a positive working capital. The purpose of the article is to analyze the management of working capital in central purchasing groups.*

**Keywords:** *working capital, central unit, purchasing group organization*

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## **SOCIETAS UNIUS PERSONAE – POSSIBILITY FOR ENHANCING CROSS BORDER BUSINESS OF SMALL AND MEDIUM SIZED ENTERPRISES?**

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### **ABSTRACT**

*The purpose of this paper is to analyse the regulatory framework of different supranational forms in European Company Law, and how it can benefit small and medium-sized enterprises. Furthermore, what are the potential benefits of introducing the new form - Societas Unius Personae? Special focus will be put on similar forms of companies in national company laws, the number of registered companies in the national court register, and problems that arise in everyday national and cross-border operations. In April 2014, the European Commission, as part of its package on corporate governance and company law, published a proposal for a directive on single-member private companies with limited liability, the so-called Societas Unius Personae (SUP). As part of the Europe 2020 growth strategy, its main objective was to make it easier and less costly to set up of companies across the EU, as well as to facilitate cross-border trade. According to the proposal, the SUPs would have only one*

*share and one shareholder. The Member States would be required to provide for its online registration, giving the possibility to SUP founders to incorporate and register an SUP from their computer, without a need to travel to the country of registration. In addition, the minimum capital requirement to set up an SUP would be 1 EUR. The Directive was especially intended to benefit small and middle-size enterprises active outside their country of incorporation. Such objectives are commendable; however, some stakeholders expressed concerns regarding the actual implementation of such a proposal. In October 2017, the proposed Directive has been withdrawn, and so the author will propose possible practical solutions and further steps.*

**Keywords:** *Cross-border operations, European Company Law, Directive on single-member private companies with limited liability, Societas Unius Personae*

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## **COURT SETTLEMENT – THE HISTORICAL CHALLENGE OF THE CIVIL PROCEDURE OF THE FEDERATION OF BOSNIA AND HERZEGOVINA**

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### **ABSTRACT**

*The historical turning point of the classical civil procedure in Bosnia and Herzegovina in the big and extensive reforms of the civil procedural law was brought by the regulations about court*

*settlements regulated by the Civil procedure act of Bosnia and Herzegovina in 2003. This document follows the trend of international and European standards of human rights' protection in regard to the rights of a fair trial. The Institute of court settlement as enforceable document allows the parties to terminate the dispute and to avoid all possible anomalies of the classical civil procedure.*

**Keywords:** *historical development of court settlement, the settlement agreement, enforceable document*

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## **ONLINE DISPUTE RESOLUTION IN RUSSIA AND EUROPE - CURRENT SITUATION AND PROSPECTS OF DEVELOPMENT**

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### **ABSTRACT**

*Online dispute resolution is a relatively new area, but it is quickly developing throughout European countries and Russia in particular. Settlements, especially out-of-court settlements are an efficient and cheap way to resolve disputes, but it requires using other alternative dispute resolution methods. For example, mediation proved effective as a stand-alone procedure and as an additional measure to help with peace settlements in courts. Arbitration is another useful alternative dispute resolution forum. Going online makes these methods even more efficient and easier to use and in some cases even leads to resolving disputes without participation of lawyers. The article is an in-depth research of this field, aiming to provide understanding of different forms of online dispute resolution, online mediation and electronic arbitration in particular and legal framework behind these forms of dispute resolution. Uses, strengths and weaknesses of online*

*dispute resolution are being discussed. Some countries already provide necessary legal background for wide array of possibilities in online dispute resolution, while other countries could benefit from changes to legislation. The established European regulations and national legislation are being compared with Russian law; the author researches possible avenues for further advancing online dispute resolution specifically in Russia, and factors that may assist or hinder development of online dispute resolution in Russia considering recent arbitration reform. Online dispute resolution lessens the burden on courts in any country and greatly helps the public as a whole. Part of the article is dedicated to the problem of consumer rights dispute. High cost of court procedure compared to alternative dispute resolution makes it unviable to continue with established Russian trend of keeping consumer disputes in courts. Possible solutions to this problem are being discussed with focus on finding implementable solutions within current legislation framework. This development is necessary to ensure economic growth and investment attractiveness of Russia.*

**Keywords:** *Arbitration, Consumer Rights, Online Dispute Resolution, Russian Law*

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## **CHALLENGING OF THE COURT SETTLEMENT**

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### **ABSTRACT**

*Disputing parties can conclude an agreement about the subject of the case (settlement agreement) before the court, during the process of the legal proceeding until its definitive end. The Civil Procedure Act does not specify that the settlement agreement can*

*be challenged i.e. it does not predict it to be declared inefficient. On the other side, the academic legal writing and the case law – including different standpoints on the nature of the settlement agreement and its effects – provide different solutions on how to challenge the settlement i.e. how to define its inefficiency. The paper examines the dominant standpoints of the Croatian academic legal writing and its case law concerning the means, reasons and instruments needed for challenging the settlement agreement, i.e. how to declare it null and void. The paper also reviews the legal aspects of these issues in the legal systems in some other countries – member states of the European Union. The paper aims at discovering and recommending specific legislative solutions (de lege ferenda) answering the questions concerning the reasons why the settlement agreement should be challenged, the remedy, time-limit and the moving party demanding to challenge the settlement agreement i.e. to declare it null and void. Good legal regulations are important preconditions for the legal security and the rule of law as a conditio sine qua non in every regulated community.*

**Keywords:** *challenging of settlement agreement, defining the inefficiency of the settlement agreement, legal settlement agreement, reasons and legal instruments for challenging the agreement*

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## **GLOBALIZATION AND NEW SOCIO - ECONOMIC PROCESSES**

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### **ABSTRACT**

*Globalization brings new theoretical problems, new socio-economic processes and also increases the demands on the specific qualities, abilities and performance of individuals and society as a whole. Knowledge and scientific knowledge are an important attribute of the present era, which increases the importance of human capital development. Each of us has an impact on the lives of people around the world, and people in other parts of the world are also influencing our lives. In order to better know these connections and to be able to positively change the environment around us and the whole planet, it is essential to innovate all forms of education so that the acquired education is a prerequisite for ensuring a quality life. Based on the results of sociological research, insufficient education makes it impossible to get better work and thus a higher standard of living. People with lower education buy statistically unhealthy food, which is cheaper, have a demanding manual job, and are often unable to provide quality housing that allows personality development. People who have just the knowledge they need to live their lives can fulfill their lives by doing what they want to achieve. However, if they live in a society where higher education is a vision for a better life, the educational factor has an impact on overall quality life. The contribution focuses on the analysis of the level of education, the level of income and the possibility to live in the Slovak Republic in the context of global differences. The level and differentiation of employees' salaries in the context of globalization processes has been a problem for a longer time. Inadequate income make a polarization within society, degrades*

*the behavior of households, their economy, and consequently the economy of public institutions, the functioning of organizations and the entire economic system. As the real estate prices do not coincide with local revenues in the economy, the real economy is exposed to credit-deformation distortions, which has an impact on the distortion of financial flows.*

**Keywords:** *Education, Human capital, Migration, Quality of housing*

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## **PROMISING METHODS FOR ASSESSING THE WELL - BEING AND QUALITY OF LIFE OF PEOPLE IN DIFFERENT REGIONS**

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### **ABSTRACT**

*Background In our opinion, quantitative methods of assessing the wealthy level of population cannot determine the quality of life of people; different modes to measure happiness and well-being show results that are not the same with those of the quantitative assessment. In this way, differences about life conditions in macro-regions, including several countries of similar economic development and traditions are important; another important aspect is the regional differentiation of the standard of living within the state, including the processes of urbanization. Complete measuring well-being and quality of life can be represented by taking in consideration the peculiarities of a person's perception of their situation; moreover, is necessary to*

*take into account the conditions created by public environment and infrastructure. Method In the article, based on an analysis of various approaches to measuring social welfare, we suggest a methodology that allows us to appreciate the well-being and quality of life of people. For this reason, we are considering the possibility to make a comparative assessment of the well-being of macro-regions and micro-regions, with a new criterion, which reflected comfort and life satisfaction. Findings Looking at studies of various approaches to assessing of standard's life, it is revealed that financial performance does not fully and not always correctly reflect the real perception of their well-being by people. The inaccurate reflection of this information may distort many decisions and recommend measures about the government regulation; an examination of migration movements can also provide an opportunity to better assess the perception of the level of well-being and potential opportunities. Improvements Representatives of different regions base the consideration of criterion in assessing the quality of life on the study on the contribution of the level of comfort to the perception of well-being, so the formation of a system of indicators of comfort may assess level of well-being and its impact on the quality of life.*

**Keywords:** *Harmonious Development, Macro-Regions, Micro-Regions, Quality of Life, Well-Being*

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## **MONEY LAUNDERING IN INTERNATIONAL COMMERCIAL ARBITRATION**

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### **ABSTRACT**

*International commercial arbitration is currently the preferred method of resolution of disputes originating from international business transactions. It is not only the number, but also the*

*diversity and complexity of disputes that have been growing. At present, arbitrators also deal with criminal offences that may have serious impact on society and economy, e.g. corruption, fraud and last but not least money laundering. It is not disputed that decisions on criminal sanctions remain exclusively in the hands of national courts. However, this does not mean that the arbitrators are precluded from applying criminal laws. The occurrence of money laundering within the international commercial arbitration is a complex issue raising a lot of questions, e.g. arbitrability of such disputes, validity of arbitration agreement, applicable criminal law, evidence, duties of arbitrators, review of arbitral awards etc. As it is not possible to deal with all these question this paper focuses only on several aspects. Two possible situations in which money laundering can manifest in international commercial arbitration are identified. First, money laundering can be alleged by a party as defence to the enforcement of a contract in dispute. Second, arbitration can be abused for laundering of illicit assets. The paper further deals with the arbitrators' legal obligations under criminal and regulatory law in the face of suspected or alleged money laundering. In this part the paper focuses especially on the second scenario, e.g. when arbitration is abused for money laundering. The paper analyses if the arbitrators are covered by criminal law provision on money laundering and on notification duties. The paper also analyses if the arbitrators fall within the scope of regulatory system imposing identification and reporting duties. In this part the paper reflects especially relevant provisions of Czech and EU law.*

**Keywords:** *international commercial arbitration, money laundering, criminal laws, arbitrator, criminal liability, intention, negligence, investigation, notification, witness, EU directive*

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## **PASSENGER (CONSUMER) LEGAL POSITION IN PACKAGE TRAVEL REGULATIONS**

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### **ABSTRACT**

*There have been great changes in the market of travel services with regard to growing use of new technologies and digital online platform for the sale and reservation of travel, which resulted in the provisions on the protection of the passengers as consumers no longer corresponding to modern conditions in the market of services of the travel. This paper presents the author's reflections on passenger (consumer) legal position in new package travel regulations, according to the Croatian newly enacted Act on the providing of Services in Tourism, which came into force on January the 1<sup>st</sup> 2018, incorporating into national legal framework Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market and the (EU) Directive 2015/2302 of the European Parliament and of the Council of 25 November, 2015 on package travel and linked travel arrangements. One of the most important novelties represents the extended area of the protection of passengers (consumers) in traditional package travel. The new regulation, in author's opinion, reinforces and clarifies passengers (consumers) rights, but there are also cases of lowering of consumers rights.*

**Keywords:** *Act on the providing of Services in Tourism, consumer, Directive 2015/2032, Package travel, Tourism Law*

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## **PRINCIPLES FOR EFFECTIVE PUBLIC ADMINISTRATION UNDER MODERN CONDITIONS OF «TECHNICALIZATION» OF HUMAN ACTIVITY**

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### **ABSTRACT**

*In modern conditions, human activity and their motives and purposes are closely connected with technologies and anthropogenic influence on the environment that cannot be neglected in the public administration. This is reflected in the scope of the public administration, or to be more precise, in its widening due to the incorporation of new kinds of human activities, methods of legal regulation, e.g. in employing various mathematical criteria (impact indicators) in normative provisions, legal language, for example, in terms (notions) used in law making and applying the law, as well as in the ways of representing legal prescripts, for example, in the use of charts, columns, graphs and other “non-standard” technical legal instruments of representing legal norms. The efficiency and effectiveness public administration is largely determined by its systemic nature, based on systems approach principles ranged from achieving practical objectives in biology to the analysis of systemic human impact on nature to modelling global development to organizing a space program to shipping and transport management. Public administration should comprise today the issues connected with administrating the behavior of the subjects’ of law with regard to public relations in the industrial sphere and environmental control (ecosystems). In the 21st century anthropogenic impact, admittedly, is coming into the lime light. Its results and consequences, particularly in the long term, are rather difficult to forecast with scientific precision, forestall and eliminate.*

*So the prognosis principles to measure the technology related impact on a human is one of the urgent issues for effective, good faith and responsibility public administration.*

**Keywords:** *Anthropogenic impact, Prognosis principles, Public administration, Systems approach*

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## **STATE OF THE EARLY STAGE MARKET IN CROATIA**

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### **ABSTRACT**

*The availability of various sources of funding for start-up, development and growth of entrepreneurial activity is very limited in Croatia. The financial market for entrepreneurial project in Croatia is still tradionional. Bank and credit union loans, government incetive programmes and subsidised credit lines dominante over alternative sources of finance like venture capital and business angels. Furthemore, Croatia records low availability of non-traditional sources of financing for small and medium enterprises during the entire period of the GEM research period from 2002 till 2016. The activity of business angels, early venture capital and crowdfundig on the domestic market are still small and at early stage of development ie the market is*

*underdeveloped. The goal of this paper is to examine and analyze the presence, current state and the importance of the early investment market in Croatia.. The research is both qualitative and quantitative and involves an identification, analysis and research on the early stage investment market in Croatia. The data for business angels and early venture capital are shown for the period from 2008 to 2015, while the period for crowdfunding is from 2014 to 2016. The data necessary for the current research were taken from three different public available sources.*

**Keywords:** *business angels, Croatia, crowdfunding, venture capital*

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## **COURT SETTLEMENT BETWEEN PARTIES IN CONTEMPORARY CRIMINAL PROCEDURAL LAW**

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### **ABSTRACT**

*Negotiation between parties in criminal procedure is analyzed here as a mutual way of finalizing criminal procedure. Procedures, which in themselves contain a strong consensual element, are dealt with. These are a part of negotiated justice in a wider sense which is a fundamental link amongst various legal solutions in certain national legislatures. Mentioned is the negotiation among parties within a framework which needs to point out basic differences between Anglo-American and European continental conceptions of that legal institute. Under continental law, these are procedures in which a hearing is not carried out, but rather the court reaches a meritorious decision usually at the preparatory hearing or eventually during investigation or at a special hearing for sentencing criminal law*

*sanctions. This occurs after hearing the parties, and on the basis of files and without presenting particular evidence. It is assumed that there is agreement between parties on the legal qualification of acts and/or punishments. Regarding the application of these procedures, unification does not exist because some procedures can be implemented for minor criminal offences and for others, there is no limit regarding the seriousness of the criminal act. Within consensual types of criminal procedures falls the French procedure of coming to the hearing upon previous admission of guilt, the Italian application of punishment upon request by the parties, expression of guilt and negotiating guilt in Bosnia and Herzegovina and verdicts on the basis of agreement among parties in Croatia. The Swiss summary procedure which represents original agreement solution with reduced public main hearing also belongs to this type of procedure. It seems that the penetration of consensual elements in the area of criminal law is unavoidable together with a warning that this penetration has to be harmonized as best possible with the traditional legal procedural principles and values of continental European Law. Uncritical acceptance of ‘contractual’ criminal procedural solutions with broad ‘bargaining’ possibilities appears to be unacceptable regardless of the nature and seriousness of the criminal act.*

**Keywords:** *criminal procedure, consensuality, plea bargaining, negotiated justice, negotiations between parties*

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# **DATA RETENTION IN THE FIELD OF TELECOMMUNICATIONS – PRIVACY AND ELECTRONIC COMMUNICATIONS DIRECTIVE IN THE RECENT CJEU JURISPRUDENCE AND ITS IMPACT ON FIGHTING ECONOMIC CRIME**

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## **ABSTRACT**

*Data retention law is of great significance in fighting crime. Each communication via electronic devices leaves certain traces; most important of them are traffic and location data. These data can be used by law enforcement agencies to identify suspects of the crime, or to check credibility of statements of defendants of witnesses in criminal proceedings, or, generally, gather evidence for court proceedings. Legal regulation of this area of data retention in European Union, where interest of fighting crime and public safety confronts with the right to privacy and the right to protection of personal data, is one of the most debated topics, and therefore it is no wonder that Court of Justice of European Union (CJEU) in its jurisprudence met several very important decisions, among others Digital Rights Ireland & Seitlinger and Ors (joined cases C-293/12 and C-594/12) in 2014. and Tele2/Watson (joined cases C-203/15 and C-698/15) in 2016. These cases deal with application of certain important provisions of Privacy and Electronic Communications Directive and some other EU Directives. In the last judgment in Tele2/Watson case, the Grand Chamber of European Court of Justice determined that Article 15(1) of Directive 2002/58, as amended by Directive 2009/136, read in the light of Articles 7, 8 and 11 and Article 52(1) of the Charter of Fundamental Rights, must be interpreted as precluding national legislation governing the protection and security of traffic and location data and, in particular, access of*

*the competent national authorities to the retained data, where the objective pursued by that access, in the context of fighting crime, is not restricted solely to fighting serious crime, where access is not subject to prior review by a court or an independent administrative authority, and where there is no requirement that the data concerned should be retained within the European Union. Although the aforementioned judgments of CJEU set some mandatory requirements, the national legislators still have difficult task regulating this sensitive legal area.*

**Keywords:** *right to respect for private life, protection of personal data, data retention, traffic data, location data, European Union, Court of Justice of European Union*

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## **MEDIATION IN BUILDING MANAGEMENT – AUSTRIAN AND CROATIAN PRACTICE**

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### **ABSTRACT**

*„Condominium est mater rixarium.“ Ancient Romans have known that there is no co-ownership without obstacles, especially when real property is in question. There is a lot of ways to solve co-owners' dispute, but just one can offer a win-win situation. Mediation is one of the most successful ways of resolving disputes today. The most important advantage of mediation is parties' participation in the organization of future relationship. On the other hand, in the modern world, people like to have somebody to manage their property. Building management has been increased these days, but expectations have been increased together with the market. Good building manager has to balance between co-owners, their individual interests, and collective interest, usually,*

*it includes resolving disputes and being a mediator in a community. Austria is one of the most successful countries when mediation is in question. They have the full system of education of mediators, as well as very good system offered to their citizens when it comes to the real property dispute. Local authorities provide different types of resolving disputes, including mediation and arbitration in some cases. Croatian system meets advantages of mediation on daily basis, but it could be said that we are at the start of the journey. At some point, Croatian building managers will have to consider how to resolve co-owners' disputes cheaper, faster and more effective. Are we still at the ancient maxima or we are ready to try some new ways which lead us to the win-win situation, even in a case of a condominium?*

**Keywords:** *building management, co-owners, mediation*

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## **SOCIAL AND RENTAL HOUSING AS ONE OF THE CONDITIONS OF INTERNAL MIGRATION FOR WORK - ON THE EXAMPLE OF THE SLOVAK REPUBLIC**

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### **ABSTRACT**

*The Slovak Republic is specific for its large regional differences. These are predominantly in terms of unemployment, income levels and the resulting social situation and region's maturity. Migration for work could be a solution. Among other conditions, however, it primarily assumes the possibility of adequate housing. This could be ensured through rental housing. The public housing sector consists of flats and houses owned by towns and municipalities. The hired public housing sector is identical to*

*social housing. This segment of housing is subject to a significant degree of regulation of state housing policy. Through its tools, the state regulates and corrects the construction, respectively the development of social housing and, in particular, the target population for which the type of housing is primarily intended. The negative impact of the preference of private property housing by households is low labor mobility, the risk of housing loss in case of failure to pay for the purchase of an apartment and, last but not least, the indebtedness of families and individuals over their entire decades of life. Private property housing is mainly intended for middle and higher income groups of the population. Within Slovakia, the bulk of migration for work is directed to Western Slovakia. People come from less developed regions of Slovakia especially to Bratislava and the surrounding area. The article deals with the possibilities of the capital city in the field of social housing in the interests of unemployment and migration within the Slovak Republic.*

**Keywords:** *housing supply, labor migration, rental housing, unemployment*

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## **IMPLEMENTATION OF THE STRATEGY FOR PUBLIC ADMINISTRATION DEVELOPMENT IN CROATIA (2015-2020): A MID-TERM EVALUATION**

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### **ABSTRACT**

*Paper analyses the implementation process of the Strategy for public administration development in Croatia (2015-2020) that was adopted by the Croatian Parliament in 2015. The adoption of the Strategy is mainly a result of external pressures and mostly*

*conditioned by the conditionality rules of the EU structural and investment funds (ESI). The lack of authentic devotion of domestic actors to public administration reform is evident during implementation process as many of the proclaimed goals are attained with great difficulties and delays and some of them are not accomplished at all. After the introductory chapter paper proceeds as follows: second chapter describes and analyses political and economic context in which the Strategy was adopted as well as the state of public administration in Croatia at that time. Third chapter critically analyses the content of the Strategy, its individual objectives and measures, their coherence and appropriateness for addressing main challenges of public administration in Croatia. Fourth part of the paper is dedicated to the implementation process of the Strategy and to the identification of problems and shortcomings that severely jeopardize its proper implementation. Conclusive remarks and main insights of the analysis comprise the final chapter. They are the basis on which several propositions and policy recommendations are formed that are necessary prerequisites for the modernization of Croatian public administration and for the adoption of main European administrative standards.*

**Keywords:** *public administration reform, Croatia, implementation, evaluation, Europeanization*

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# **CERTAIN LEGAL ASPECTS OF EFFICIENT USE OF WATER RESOURCES IN THE PRACTICE OF THE EUROPEAN COURT OF HUMAN RIGHTS**

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## **ABSTRACT**

*The broadest document in the area of water protection, as one of the basic living resources, refers to the solutions provided by Directive 2000/60/EC on the establishment of a framework for Community action in the field of water policy and by Directive 2013/39/EC amending Directive 2000/60/EC. The most important document of the European Union with regard to sustainable water management is Directive 2000/60/EC. By prescribing the aims at maintaining and improving the aquatic environment and the sustainable water use based on a long-term protection of available water resources, Directive 2000/60/EC establishes strategies against water pollution. Among the most significant provisions of Directive 2000/60/EC, are provisions which determine water prices as a measure designed to incentivize users to use water resources efficiently. To this end, the author analyzes the relevant provisions of Directive 2000/60/EC by providing interpretation of its provisions by the European Court of Human Rights.*

**Keywords:** *European Court of Human Right, legal aspects, water resources*

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## **THE IMPORTANCE OF INFORMATION TECHNOLOGY EDUCATION FOR THE FUTURE**

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### **ABSTRACT**

*Education is a central issue in the complex development process and it is associated with population growth, working skills, as well as cultural and infrastructural development in general. This paper shows some of the important dynamics of education and change in society. Some countries that have taken great steps to increase enrolment and which currently have disappointing results will surely benefit from it in the future. Education levels have a long-term impetus and the growth of adult education is non-linear. This is an important aspect in defining scenarios for future population growth. It is estimated that by 2020, 1.5 million new digitized jobs will be available worldwide. At the same time, some 90% of organizations currently lack IT skills and 75% of educators and students think there is a gap between their IT skills and job requirements. In order to provide the competence required for a digital economy, education needs to respond quickly to the needs for IT skills that are ever growing and developing. Personalized learning, experiential learning and skills-based learning is the future of educational systems in the world.*

*This paper presents these very ideas and a possible future direction of education which combines artificial intelligence, information technology, and several new design paradigms that could change education forever.*

**Keywords:** *Information technology, IT education, personalized learning, STEM*

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## **QUESTION OF ENTREPRENEURIAL DECISION: THE EVIDENCE FROM CROATIAN LAW**

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### **ABSTRACT**

*Board liability is a topic that is intensively discussed in jurisprudence. The primary task of the managing director is not only to ensure a constant return on the capital invested but, albeit as a custodian of foreign assets, to run a business and to make the necessary entrepreneurial decisions. Entrepreneurial decisions always carry the risk of failure no matter how elaborately and meticulously are executed. Furthermore, in the majority of cases, there is not "the" right decision. An entrepreneurial discretion of the managing director exists as far as no instructions of the shareholders are present,. Therefore, directors are given a liability-free scope for entrepreneurial decisions based on the model of the "Business Judgment Rule" from the American Law. The Business Judgment Rule applies to business decisions only. An entrepreneurial decision is a decision of the management in matters of the management, which is not predetermined by the law, the statutes or instructions of the shareholders' meeting. Decision that is bound by the strict legal norm is not an entrepreneurial one. The entrepreneurial decision is*

*characterized by the following: In the context of an entrepreneurial decision, the managing director, in the given situation, selects among various actually possible and legally permissible action alternatives. At the time of the decision, it is not yet clear whether the chosen alternative will be the most economically advantageous. The managing director is therefore required to make a prognosis. The subsequent assessment of the behaviour of the managing director also must be based on this ex-ante perspective. The decision of the managing director must be objectively comprehensible. In Croatia, the requirements of the liability of a member of the company for the obligations of the company are prescribed by the Croatian Companies Act in the provision of Art. 252. The Companies Act prescribes that the board members must conduct the business of the company with the care of an orderly and sound businessman and keep the business secret of the company. A member of the board of directors does not act in contravention of the obligation to conduct the business of a company if it can reasonably assume, when making an entrepreneurial decision, that it acts for the benefit of the company on the basis of appropriate information. This paper will shed some light on Croatian case law concerning the Institute of "Business Judgment Rule".*

**Keywords:** *Business Judgment Rule, Entrepreneurial decisions, Liabilities of the Parties, Corporations, Company's interests*

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## **TOWARD NEW STRATEGY OF INTEGRATION OF WESTERN BALKANS**

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### **ABSTRACT**

*The strategy for integration of the Western Balkans arose from the analytical perception that the "price of non-affiliation" of the region towards the EU is very high in situations when it brings the potential to consolidate the disintegration scenario at a wider regional scale. The economic impoverishment of the region is presented through the striking fact that the gross domestic product is 8.5% of the European average! The analysis of the macroeconomic profile of the region confirms the thesis that contemporary tendencies are increasingly being explored within the development model of center- periphery. The degree of peripheralization of the region is a logical derivation of the unified matrix for entering the global market within International and European policies. In the modern geopolitical perspective the divergent tendencies in the region in relation to European processes have again revitalized the interest of European policies that resulted in a "new" strategy for economic integration. The strategy supports the processes of progressive EU integration through the inclusion of this region in the "convergence machine". The dilemmas and controversies regarding the innovative elements of the strategy for economic integration are seen from the point of view of new theories of economic growth and the possibilities for them to be realized in the direction of policies that will support the integrative and cooperative processes in the region Thus, the strategy becomes the ground of*

*re-examination of the mix of the national and EU policies in Western Balkan countries as highly fragmented economic spaces that will require multiple efforts and resources in the future. As a result, the shift of policy focus from stabilization to development must have a clear spatial dimension and should be characterized by the formulation and implementation of active policies toward Western Balkans. Finally it can support political cooperation and contribution to political stabilization in the region.*

**Keywords:** *Western Balkan, Economic integration, center-periphery, economic growth, convergence machine*

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## **COURT AND OUT-OF-COURT SETTLEMENT IN CRIMINAL PROCEEDINGS AS THE SIMPLEST WAY TO COMPLETE THE PROCEDURE**

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### **ABSTRACT**

*In Croatian criminal justice legislation, the fully implemented and standardized settlement, apropos a judgment under the Agreement of the Parties, as an alternative and agreed way of completing the criminal procedure, was done by the amendments of the Criminal Procedure Code in 2008. By such alternative regulation of process capabilities, Croatia joined the legal systems that had fully implemented conciliatory way of completing the criminal procedure as de iure as well as de facto. In this paper the author will try to analyze and point out the occurrence of so-called concealed agreement, since our legislator limits the possibility of achieving a strictly formal settlement under the Plea guilty and sanctions Agreement cogently to the phase of accusations exposure.*

*However, in judicial practice the possibility of concealed negotiation and informal settlements has proved to be effective and has taken up a significant percentage of the total number of criminal proceedings. Analyzing the final judgments of the Municipal and County Courts in Split, it is logical to conclude that all those judgments that became valid after the first-instance decision, that is, without the appellant's or prosecution's appeal, are essentially the result of the concealed agreement or settlement. At European and global levels, the achievement of a formal or informal, out of court settlement has proven to be the most effective model of finishing criminal proceedings. In spite of its noticable restrictions, such as the lack of "specific" mitigation of punishment, reserved for formal Plea guilty and sanctions Agreement, concealed agreement has become implemented through practice in a strictly formal court proceeding, overcoming this legal gap. This paper attempts to point out a legal disadvantage caused by a strictly formal limitation of possibility for achieving Plea guilty and sanctions Agreement at a certain stage of the proceedings, since the courts praxis has shown that, at some point, during the lengthy court proceedings, partially derived evidence and financial burden of defense costs, defendant would like to conclude a procedure by formal settlement. A settlement that applies the principle of "specific" mitigation of punishment, which would be appropriate at all stages of criminal proceedings, with the appliance of the principle of guilt individualization and compliance with the basic principle of legality. Such a model would represent a step towards modern tendencies of mixing, at a glance, the essentially different principles of legality and opportunism.*

**Keywords:** *court settlement, out of court settlement, criminal proceeding, concealed settlement, plea guilty, plea guilty agreement, sanctions agreement*

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# **INDEPENDENCE AND IMPARTIALITY OF EXPERT WITNESSES IN PROCEEDINGS DAMAGES FOR MEDICAL NEGLIGENCE IN THE LIGHT OF PRACTICE OF THE EUROPEAN COURT OF HUMAN RIGHTS**

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## **ABSTRACT**

*Case law of the European Court of Human Rights (ECHR) is a significant source of legal responsibility for medical personnel. Pursuant to the Convention on the Protection of Human Rights and Fundamental Freedoms, the State has a duty to ensure the proper implementation of the legislative and administrative framework established for the protection of the rights of the patient and must also ensure responsibility for negligence in the field of health care. States have a positive obligation to adopt regulations that oblige public and private health institutions to adopt appropriate measures to protect the life and physical integrity of their patients and also must provide victims of medical negligence with access to compensation procedures. Thus, states must provide patients with an effective and independent judicial system (criminal/civil) for compensation for damage due to negligent treatment. The responsibility for a medical error can only be determined by the court with the aid of independent and impartial opinions of medical experts. As the expert witnesses of the medical profession are at the same time part of the same public health system, the issue of their impartiality and independence and the existence of appropriate procedural guarantees in domestic law is raised. Especially due to complaints that the concept of medical errors and medical negligence is not appropriately defined in the Croatian legal system and a number of difficulties in determining whether an*

*action/omission of health workers caused harmful consequences for the patient (death, bodily injury or impairment of health). Therefore, one of the important standards of fair trial is to provide formal and factual independence and impartiality of expertise that play a key role in assessing the very complex issues of non-cure treatment. The standards expressed in the decisions of the ECHR require an independent judicial system to ensure adequate compensation in criminal and/or civil proceedings which must be effective in practice and be carried out without undue delay.*

**Keywords:** *damage compensation, effective investigation, expert witnesses, fair trial, medical negligence*

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## **OPACITY AND SILENCE SURROUNDING THE CULTURAL PROPERTIES TRADE**

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### **ABSTRACT**

*The intensification of the illicit trade and the growing number of disputes about the return of smuggled or illicitly exported cultural properties represents an alarming signal that shows serious questions on the real capacity of the restrictive laws to fulfill protective purposes. First of all, the question should be dealt with by the countries rich in cultural patrimony, which should carry out a role of “cultural avant-garde” and prepare new forms of struggle against the illicit traffic of cultural properties. The means, that can be used to reach this aim, can be various and require a change in the perspective compared to the traditional national policies in the field of the cultural property. In many cases it is a matter of solutions easily to be solved, which even if they require an organizational effort, they might not be a*

*burden on the public finance. It is to be considered, for example, the opening of an international market of works of art, where States can give the works of art that are not essential to the national history, starting from the less important archeological finds and/or from the foundation of a compulsory state system of registration of high valued artefacts and their transactions. This market should involve not only the public bodies but also the private ones. In the first case, resources are removed from the black market and the illicit purchase becomes less convenient, since it exposes to the risk of obtaining not authentic materials and being involved into judicial inquiries. The decline in the demand would have a direct effect on the safeguard of archeological sites, while avoiding the non authorized excavation in new areas and the loss of scientific information. The revenues deriving from the archeological resources might be used to finance research projects, safeguard and promotion or to support a state system of cultural heritage registration. The certification of the cultural, public and private, property, should offer to the buyers the possibility of checking the legitimacy of the title before of carrying the transaction out, by rebuilding the good faith not on the base of criteria which are probable to suppose but through documentary certainties. The birth of national or international systems of cultural property registration offers a precious occasion to stabilize and implement the art market, while clarifying the grey zone made up of “opacity and silence” that often surrounds the trade of works of art.*

**Keywords:** *archeological goods, cultural heritage, illicit trade, protectionist laws, treasure.*

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## **PERSONAL REQUIREMENTS FOR SUPERVISORY BOARD MEMBERS AND CONFLICT OF INTERESTS**

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### **ABSTRACT**

*Question of current and future (potential) conflicts of interests is of great practical importance for the work of the already established Supervisory Board in the company. The reason for this lays not only in the fact that neutrality of the conflicting Supervisory Board member is endangered, but also in the other disadvantages to the normal functioning of the Supervisory Board in general. Spectacular lawsuits involving large companies have increasingly focused public attention in Europe on the functioning and functional deficits of the supervisory bodies. Solely due to the "stricter duties of care and action" discussed in the wake of this, the standards that are applied to a responsible supervisory board activity have increased significantly. The Croatian Companies Act has regulated the post of member of the Supervisory Board as a secondary function and therefore assumes that the member of the Supervisory Board still has one main occupation (as a member of the Management Board of another company, member of a law firm etc.) or holds supervisory board mandate in the other Corporation. However, dual board mandates have considerable potential for conflict because the dual mandate holder is basically committed to the interests of two companies (servant of two masters). This loyalty conflict is particularly acute in the group of Companies. Dual board mandates holder always has to consider the interests of both "masters": while acting in the board of the parent company he*

*must consider only their interests and in the board of the daughter-company exclusively their interests. Because of this separation of obligations, he can't rely on the fact that a breach of the obligations of an organ in one area is justified in order to comply with the duties of the other organ. Furthermore, the norm in provision Art. 261 of Croatian Companies Act states that a member of the supervisory board cannot at the same time be a member of the executive board, authorized signatory or authorized representative of the company for the entire business. That norm provides for the possibility that the supervisory board appoints individual members of the executive board for a limited period of time to substitute missing or prevented members of the management board. These provisions are defined as the expression and the effectuation of the dualistic system and of the rule of separation of functions between the Management Board and the Supervisory Board. The provision deals with the fact that the executive and supervisory bodies are separated as such, but that the functions of both organs are actually carried out by the same persons, and therefore unbiased and effective supervision of the management is no longer guaranteed. This paper will cover those issues and provide for possible legal solutions.*

**Keywords:** *Company law, Supervisory Board, Management Board, Dual board mandates, Conflict of interests*

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## **RESEARCH PROJECT PROPOSAL ON INFORMATICS IN EDUCATION**

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### ***ABSTRACT***

*Inefficient processes and lack of standardization in the introduction of Informatics (IT education) into the education system prompted the authors to define the project proposal for education informatization. The paper presents the analysis of the impact made by information technology (IT) on versatile changes in society. The processes used to maintain regulatory compliance of the IT education program are criticized to illustrate the ratio between efficiency and performance, and methods are suggested to increase the value of decision-making in the selection of program contents and methods of introducing informatics in education. Factors are listed that contribute to better engagement and communication, as well as strategies to increase involvement and improve communication in the process of education informatization. Case studies and research in the world theory and practice suggest that failure in introducing information process would lead to fatigue and distraction, thus increasing the probability of the incident. Recommendations are related to building an organizational culture that promotes employee engagement and improves communication through standardization and implementation of technology and*

*educational methods. Expected results relate to more efficient use of resources leading to safer and more productive IT education.*  
**Keywords:** *action research, computer literacy, informatization, Intelligent Tutoring Systems*

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## **PERSONS WITH DISABILITIES IN THE LABOUR MARKET OF THE CITY OF SPLIT: REALITY AND PERSPECTIVES**

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### **ABSTRACT**

*Unemployment of persons with disabilities is a widely recognised problem, also present in the Republic of Croatia. Therefore, it is important to make efforts to improve the position of persons who are particularly "sensitive" and "vulnerable" in the labour market, which is certainly the case for persons with disabilities. Their employment is influenced by a number of factors, such as the potential of a country's economy, aggravating factors such as prejudice, spatial and psychological barriers, etc. As compared to the rest of the population, there are differences with respect to*

*persons with disabilities, not only in employment but also in personal income and other activities. Despite the stimulating measures, in the Republic of Croatia it is difficult to recruit persons with disabilities who often fall under the burden of family and social welfare. Such persons are last to get a job and first to lose it. For this reason, vocational training and employment of disabled persons is a basic measure of their protection. In this paper, an overview of the research results on the employment of persons with disabilities in the city of Split, conducted in August 2016, is presented. The research deals with the implementation of the Act on Vocational Rehabilitation and Employment of Persons with Disabilities. To this end, opinions and attitudes of persons with disabilities have been explored regarding their employment problems and shortcomings of the aforementioned Act. A survey was used as a research method. The research sample included an age group of 20 to 61, planned in accordance with the Report of the Croatian Institute of Public Health (2015). A sample of 49 respondents was realised in cooperation with NGOs dealing with persons with disabilities in the City of Split. According to the research results, most respondents believe that employers are not familiar with the difficulties that persons with disabilities face. The most common problems with their employment are the lack of employers' understanding, stereotypes about work efficiency, architectural barriers, few jobs available, and a lack of qualifications.*

**Keywords:** *persons with disabilities, labour market, rights of persons with disabilities, legal regulations*

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## **THE FLAT TAX: THE HOLY GRAIL FOR THE FUTURE OF EUROPEAN’S TAXATION SYSTEMS?**

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### **ABSTRACT**

*It is widely known that Western European countries’ tax systems are suffering from a deep crisis, being the current progressive taxation models no longer able to achieve their original goal, i.e. realize equality among taxpayers according to the theory of income’s decreasing marginal utility. Several economic studies show indeed that the personal income taxes currently in force in Europe no longer properly address the taxpayers’ ability to pay as only few incomes’ categories are actually subject to progressive taxation, meaning that the personal income taxes are no more shaped as “comprehensive” income taxes. Moreover, the development of these tax systems has led to very complex tax rules for the taxpayers to comply with – this characteristic, combined with high marginal tax rates often deemed confiscatory and with the lack of protection of the minimum of subsistence, has encouraged tax evasion phenomena. In order to address the before mentioned weaknesses of the progressive taxation systems, some proposed to turn to a flat taxation design. Being already adopted in more than 60 countries all around the world as of the Fifties, this model is awarded as the one able to solve most of the problems at stake, notably to remarkably simplify personal income taxation, enhance compliance, and – to certain extent – increase the tax yield. In this paper I’ll analyse pros and cons of the flat tax system, taking into account those countries which have already experienced the adoption of this model, with a particular focus on the current Italian political proposal to turn the progressive personal income tax rate structure to a flat one, combined with personal deductions to respect the principle of progressivity held at art. 53 It. Const.*

**Keywords:** *comparative tax law, flat tax, personal income taxation, progressivity*

## AMICABLE RESOLUTION OF FAMILY DISPUTES

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### **ABSTRACT**

*Resolving of family disputes, especially those including children, requires adaptable and less traumatic procedures. The most significant such mechanism in the Republic of Croatia is family mediation, but some other methods of amicable resolution of family disputes have a significant role. Family mediation as a mechanism of amicable resolution of family relationships considers not only divorce disputes and those disputes that are to be resolved with the divorce, but especially the disputes connected with exercising the right to parental care, personal relationship with the child, as well as all pecuniary and non-pecuniary disputes which are connected with the family relationships. In this paper, the author provides an overview of the legal framework of all models of peaceful resolution of family disputes in the positive Croatian legislation, with the special highlight on family mediation. That overview favours the efforts of the Croatian society encouraging and developing the institution of amicable resolution of family disputes and it thus contributes to modern and regulated society based on mutual respect and tolerance.*

**Keywords:** *amicable resolution of disputes, family mediation, family relationship*

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## **MONEY LAUNDERING PHENOMENOLOGY**

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### **ABSTRACT**

*Money laundering is a financial operation that involves converting money earned into performing criminal activities in regular cash flows. Money gained in criminal activities becomes legal. Criminal activities happen in one state, and money laundering in the other, so this treatment gets the character of an international criminal act that makes it difficult for investigators. Practice says that money laundering can take place in one country, but this is rarely happens. Money laundering prevents the normal functioning of the national and international economies, but also disrupts the social stability of the countries in which it is taking place.*

**Keywords:** *Money laundering, crime, economy*

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## **NEW COAT FOR LABOUR LAW?**

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### **ABSTRACT**

*It is widely accepted that the legal framework of labour law has been changed, which resulted many new challenges. This phenomenon created by the developing labour market cannot be handled by the traditional ways of legislation. This process has been fastening and becoming more and more complex, thus, the forthcoming tasks cannot be foreseen yet. On the other hand, it can be stated, that despite the changing economical environment, the goals and targets of labour law are persistent. Unfortunately, the recent attempts (e.g. the idea of flexicurity) were not able to divert the unwanted processes, so there is still challenge to find the ideal solution. This, we think, cannot be a command and control type legislative action, but a multi-layered complex and coherent system, in which the already achieved results of the multinational companies (e.g. International Framework Agreements) will embody a new platform of protection. To stimulate the above mentioned developing area of labour law, the state has to create some kind of relation to this process, in which a complex legal framework should be established. In this new legal environment the classical approach of law (command and control) should be overshadowed by the principle of transparency and the voluntarily co-operation. The greatest issue in this project is to find the proper tools with which the original purpose*

*of the above mentioned legal institutes can be upheld, but legal guarantee can be presented at the same time. With this method, the classical hard law frames of labour law could be covered with a band new “soft law coat”, which could result a new level of protection of the worker’s rights.*

**Keywords:** *labour law, CSR, regulation methods, hard law, soft law*

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**IMPLEMENTATION OF DIRECTIVE  
2013/11/EU OF THE EUROPEAN PARLIAMENT  
AND OF THE COUNCIL OF 21 MAY 2013. ON  
ALTERNATIVE DISPUTE RESOLUTION FOR  
CONSUMER DISPUTES AND THE  
EXPERIENCES OF THE COURT OF HONOUR  
OF CROATIAN CHAMBER OF TRADES AND  
CRAFTS BEFORE AND AFTER  
IMPLEMENTATION**

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**ABSTRACT**

*In this paper, the authors present experiences of the Court of Honour of the Croatian Chamber of Trades and Crafts as one of the 8 consumer alternative dispute resolution bodies in Croatia that have been notified by the European Commission after*

*implementation of Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR) into Croatian legislation by passing the 2016 Consumer Alternative Dispute Resolution Act. The authors start by providing an overview of the procedure before the Court of Honour in the period between 2000, when the Court was established, and the most recent developments of adapting its rules and practice to the new legislation in 2017. The authors also describe how the Court was continuously adapting to EU policies and legislation on consumer alternative dispute resolution over the course of its practice, and how it built trust and gained recognition among consumers and traders as an independent, transparent and efficient dispute resolution body. Furthermore, the changes that were necessary to make after the Consumer Alternative Dispute Resolution Act was passed in 2016 are described, as well as the impact that those changes made on the Court's practice. The authors proceed by analyzing benefits of consumer alternative dispute resolution before the Court of Honour of Croatian Chamber of Trades and Crafts and proposing possible solutions to questions that remain open. In conclusion, the authors put forward the opinion on how positive experience of nearly 20 years of the Court's practice in consumer alternative dispute resolution can be utilized to increase efficiency of this procedure in certain types of disputes in regular courts.*

**Keywords:** *alternative dispute resolution, ADR, consumer alternative dispute resolution, Court of Honour, Croatian Chamber of Trades and Crafts, Directive 2013/11/EU, Directive on consumer ADR , notified ADR body*

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## THE FORMAL - ORGANIZATIONAL CONCEPT OF STATE ADMINISTRATION

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### **ABSTRACT**

*The Constitution of Republic of Macedonia contains basic provisions in the form of universal juridical principles regarding the status of the central state administration. The Law on the organization and work of the state administration bodies (Official Gazette of the Republic of Macedonia, no. 58/2000), adopted in 2000 by the Parliament of the Republic of Macedonia. The respective law has prescribed general provisions with regard to the organization, structure, competencies and control over the activity and work of state administration authorities at the central level. State administration perform administrative tasks as a part of executive of the Republic of Macedonia. The state administration bodies, are established in the domains, or areas important for performance of functions of state and for efficient exercising of rights and duties of the citizens and legal entities. In servicing clients the administration must respect the personal dignity and the personality of clients, and guarantee a speedy and easy exercising of their rights and legal benefits.*

**Keywords:** *state administration, administrative tasks, ministries, administrative organizations*

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## **COMPARATIVE OVERVIEW OF MONEY LAUNDERING IN CRIMINAL LEGISLATION OF THE REPUBLIC OF CROATIA AND THE REPUBLIC OF SERBIA**

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### **ABSTRACT**

*Money laundering today is the most dangerous corruption offense whose main motive is the acquisition of unlawful property gains by concealing its unlawful origin. The aggravating circumstances in detecting this criminal offense relate to sophisticated perpetration and organization of perpetrators, different modes of execution, but also to its transnational character. In this paper the authors have presented a comparative overview of the criminal offense of money laundering in the legislation of Croatia, a EU Member State and Serbia, an applicant country. The first part of the paper sets forth the basic concepts of money laundering, its characteristics and forms. Furthermore, given is the international legal framework for the suppression of money laundering and, accordingly, the criminal justice framework of Croatia and Serbia with a goal of fighting this very widespread economic crime. A survey was conducted and an analysis of the state and movements of the corruptive criminal offenses of money laundering in Croatia and Serbia in the last two years. Attention was drawn to the jurisdiction in the criminal proceedings as well as the necessary international cooperation of the states in the suppression of this, in most cases, transnational criminal offense. Concluding considerations include de lege ferenda proposals to improve the normative legal framework and measures are*

*proposed to prevent money laundering in order to successfully combat this progressive financial crime of today.*

**Keywords:** *money laundering, corruption, economic crime, EU, Croatia, Serbia*

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## **SMES ENCOURAGING ECONOMIC DEVELOPMENT**

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### **ABSTRACT**

*The structure of the Albanian businesses is the same of that of other economies. It has a predominance of the micro businesses (less than 10 employees), which make 95.3% of the total businesses while small businesses (10-49 employees) make 3.7% (INSTAT, 2016). This significant value SMEs has in total businesses is translated in corresponding contribution in economy. They are important as they generate the biggest number of new ideas, affecting this way the innovation generated by a country. On the same time it is essential to take into consideration the structure of SMEs themselves. There are businesses that go bankruptcy after a while their entrance in the market. This happens as their entry in the market is not the right way, they don't bring anything new in the market and they do not survive as there are a lot of similar companies already in the market. In the same time there are entrepreneurs that bring new ideas, related to the technological innovations and these are the proper businesses that contribute to the economy and society. This paper gives a picture of the Albanian SMEs, their contribution in the economy of the country and their situation in relation to the businesses in the region and in the EU. Albania is inspiring to enter the EU and companies has to be aware of the process.*

*Are they able to compare to the businesses in other countries? Do they have any advantage in the EU market? What do they have to do in the meantime in order to gain competitive advantage in the EU market? The pros and cons of the Albanian SMEs are to be considered in this paper.*

**Keywords:** *competitive advantage, developing country, SMEs*

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## **LEGAL AND ECONOMIC MECHANISMS OF INSTITUTIONAL SUPPORT OF IMPLEMENTATION OF EUROPEAN PROJECTS IN VIEW OF THE EUROPEAN UNION LAW**

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### **ABSTRACT**

*Intensification of social and economic development of European Union member states, including Poland, is possible as a result of support for implementation of projects in various areas, coming from European funds. Support for implementation of European projects is regulated with legal norms of the European Union law. Basic principles concerning granting of assistance for*

*implementation of European projects are contained in the European Union primary law, especially in the Lisbon Treaty, which consists of the European Union Treaty and Treaty on functioning of the European Union and they concern permanent development of Europe the basis of which is the sustainable economic growth. Pursuant to the cohesion policy implemented in the European Union the EU law – on one hand – details the principles of obtaining support from the European Funds, and on the other hand – allows in certain scope the public aid from the side of member states, what significantly expands the existing institutional support for implementation of projects. Currently in Poland in the period of programming for the years 2014-2020 the possibility of co-financing projects from EU funds takes place within the European Funds and other special programs. The purpose of the article is the explanation of norms of the EU law in the scope of support for implementation of European projects with special consideration paid to the situation of Poland and forming remarks de lege lata and de lege ferenda.*

**Keywords:** *European funds, European Union law, Projects*

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## **THE BANKRUPTCY DRAFT LAW OF THE FEDERATION OF BOSNIA AND HERZEGOVINA**

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### **ABSTRACT**

*The Law on Bankruptcy Proceedings, which is in effect in the Federation of Bosnia and Herzegovina, was passed in 2003 and has undergone two insignificant changes and amendments, while*

*the economic conditions have significantly changed. New circumstances in the development of the economic business impose on the need for passing new legal solutions, stressing the affirmation of reviving lapsed economic entities. This is visible in the suggested legal text by implementing completely new legal provisions about the economic entity reconstruction through a pre-bankruptcy proceeding. Its implementation is supposed to lead to the removal of the very clear problems in the business of the economic entity.*

**Keywords:** *The Bankruptcy Draft Law of the Federation of Bosnia and Herzegovina, bankruptcy, pre-bankruptcy settlements, commercial courts*

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## **THE EXPORT COMPETITIVENESS OF NAFTA COUNTRIES**

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### **ABSTRACT**

*The paper analyzes export competitiveness characterized using selected trade indicators of NAFTA Member countries. The main goal of the research is to indentify international trade performance and export competitiveness among the NAFTA member states. Results of this research indicate international competitiveness detected by measuring, analysis of the countries' GDP and trade openness, recommendations and proposals in*

*order to realize a higher level of international trade. The methodology of this research includes implementation of different trade performance indicators like intra-industry trade, balance of trade, export as a share of GDP and other relevant indicators.*

**Keywords:** *NAFTA Member countries, export, import, export competitiveness*

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## **USE OF CONSUMPTION INDICATORS IN RESEARCH INTO SOCIO-ECONOMIC DEVELOPMENT ON AN EXAMPLE OF POLAND**

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### **ABSTRACT**

*The issue of measuring socio-economic development is an important and current focus of interest for researchers representing various scientific disciplines, including economics. Systematic monitoring of changes in the area of social and economic life of contemporary societies is one of the most important tasks for economists. In particular, this remark concerns countries that have undergone transformation, integration and globalization changes, including Poland. The monitoring of changes in the individual elements that fit into the broadly understood socio-economic development is used to verify the basic objectives of changes related to the improvement of the standard of living of people, and also constitutes an important premise for conducting socio-economic policy. The analysis of consumption indicators in Poland, beginning with the accession to European Union, confirms the improvement of standard of living, and thus the progressing socio-economic development of the country. From the value-related point of view, the*

*consumption was growing real each year, but the pace of this increase was diversified. The positive changes in the structure of individual consumption in Poland could be observed as well. They were emphasized in the decrease of food expenditures in general expenditures, while the free choice expenditures share was increased.*

**Keywords:** *consumption, consumption expenditure, consumption indicators, Poland, socio-economic development*

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## **THE STATE CAPITALISM IN RUSSIA: NEW ECONOMIC IDEOLOGY**

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### **ABSTRACT**

*Today an exit of the Russian economy from stagnation and its further growth and development directly depend on activity of business sector. Both economists-theorists and real businessmen speak about it. The economic science abounds with theories about importance of the liberal capitalism. However, today's realities have shown insolvency of many both microeconomic, and*

*macroeconomic theories. For today more often political, economic and business agents unanimously declare specifics of the Russian capitalism, calling it state. The key principle of the liberal economy of "l'assès-faire" has shown the insolvency. Large business concentrates huge resources, and therefore its potential is enormous. The state capitalism is the ideology which is actively criticized in foreign researches. Nevertheless, there is a question of relevance of that for Russia. The set of researches is devoted to medium and small business: the question of the importance of small and medium business constantly are taken up among science, business and political elits. However, there is also other point of view – small business in view of the existing features of the Russian reality simply can't become a "locomotive" of economy. If to pay attention to the sphere of large business, then here, frankly speaking, monopolies and oligopolies function. If to trust neoclassical economic theories, then any monopoly (as well as an oligopoly, just to a lesser extent) distorts efficiency of a market mechanism, so, reduces welfare of all contractors (both the consumer, and the state) due to redistribution of excess profits in own favor. Our research answers questions: "What business is necessary to the Russian economy? What structure of property of large business answers problems of scientific and technological development of Russia? In what measure does the state have to regulate and control large business?"*

**Keywords:** *capitalism, state capitalism, economic ideology, structure of property of large Russian business.*

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## DEBT TO EQUITY RATIO OF LISTED COMPANIES IN CROATIA AND POLAND

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### **ABSTRACT**

*The problems of late payment, liquidity and insolvency are present in any country's economy. Financial discipline should be one of the main priorities for both business people and national administration. All of the EU countries implement the Directive 2011/7/EU on combating late payment in commercial transactions, yet, obviously, this is not enough. In both Croatia and Poland, entrepreneurs are constantly struggling against late payment of their receivables. Legislation of both countries implements not only Bankruptcy Law, but also a procedure for faster recovery of affected debtors. Pre-bankruptcy settlement in Croatia, or Restructuring Law in Poland, aims to prevent bankruptcy. The debt to equity ratio is one of the first indicators of financial crises. The main aim of this research was to test the debt to equity ratio of 107 companies listed in Croatia and Poland as well as find if there are any differences between Croatia and Poland. The results of both countries in terms of the debt-to-equity ratio were also compared to determine the average ratio between the normal and critical ratios, or 1.5 ratio. The research showed that there are differences between the countries: the average debt to equity ratio in Croatia is 2.19 (2016), compared with 1.57 (2016) in Poland. Furthermore, the companies in Croatia, compared to the companies in Poland, use much more external financing resources.*

**Keywords:** *Debt to Equity Ratio, Insolvency, Late Payment*

## **HOW DO PENSION EXPENSES AND BENEFIT PENSIONS IN RUSSIA MEET THE IFRS REQUIREMENTS?**

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### **ABSTRACT**

*This paper aims to add to an important discussion on the main objectives of the IAS 19 in order to understand how the companies organize accounting and disclosure for employee benefits in Russia. We also aim to contribute to the discussion on the question of pension plans along with the accounting specifics of pension expenses in Russia. At the same time, Russian pension system has undergone dramatic changes recent years. The situation is complicated by the lack of pension allocation by working people and, moreover, by the decrease in demographic. We analyze the tendencies in Russian pension system through literature review and find that most of the Russian recent research literature is dedicated to the issues of state-level administration of pension expenses rather than to the companies' interests. This appears to affect more menacing on the background of the required International Financial Reporting Standards (IFRS) implementation. The findings should be of interest to the accounting academics, companies and policymakers.*

**Keywords:** *Accounting of the Pension Payments, Employee Benefits, History of Pensions, Pension Expenses.*

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## **DOING BUSINESS IN THE FASTEST GROWING LEAST DEVELOPED COUNTRIES**

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### **ABSTRACT**

*The paper presents trends in doing business in least developed countries (LDCs) which recorded the average GDP growth more than 6 per cent over the period from 2007 to 2016. The analysis covers seven Asian (Afghanistan, Bangladesh, Bhutan, Cambodia, Lao PDR, Myanmar, Timor-Leste) and eight African (Angola, Democratic Republic of the Congo, Ethiopia, Mozambique, Rwanda, Tanzania, Uganda, Zambia) LDCs and is based on the Doing Business data. To study regulations affecting business activity in the considered LDCs the following ten indicators are used: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. The Wrocław taxonomy method is applied to establish similarities and differences in the evaluation of progress in doing business achieved by the studied countries. The most favourable environment for business start-ups and entrepreneurs has been created in Rwanda, Bhutan, and Zambia. The remaining LDCs were low ranked in the Doing Business 2018. In general, the fastest growing LDCs are doing the best in the areas of getting credit and paying taxes. On the other hand, they have the biggest problem in the areas of opening a business and getting electricity. Between 2008 and 2017, the greatest progress in improving business environment was made by Rwanda, Bhutan, Uganda, DRC, and Zambia. The biggest changes in the evaluation of doing business were observed in Rwanda, Bhutan, Tanzania, and Cambodia. The following pairs of countries Bhutan-Rwanda (2009-2012), Tanzania-Uganda (2008-2010), Ethiopia-Tanzania (2013-2015), Zambia-Uganda (2015-2017), Mozambique-*

*Myanmar (2015-2017), and Angola-DRC (2008-2017) showed the smallest differences in the evaluation of doing business over the considered period. Further improvement of the business environment may lead to greater economic growth in the analysed LDCs.*

**Keywords:** *economic growth, economic regulations, doing business, LDCs*

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## **COURT SETTLEMENT AS A WAY OF DISPUTE RESOLUTION AND THE PRINCIPLE OF JUDICIAL EFFICIENCY**

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### **ABSTRACT**

*A court settlement is a manifestation of state compulsion, according to which parties are not permitted to resolve disputes between them by themselves but this can and shall be done solely by the state or in this case, court as a governmental body. Parties can enter into an out-of-court settlement to resolve disputes between them, but only within a framework set forth by the state. A court or out-of-court settlement appears as a tool only in modern states which centralize the political power, keeping it away from other parties. One of the basic effects of a court settlement is effectiveness. Effectiveness is an instrument aimed at realizing a specific legal value – legal certainty. Furthermore, a court settlement is intended for the accomplishment of another legal goal – peace.*

*While being an alternative to the mediation procedure itself, a court settlement is primarily an alternative way of dispute resolution. A court settlement (res judicialiter transacta) is based on an agreement that regulates the civil-law relations between the parties, implies the effects of an effective judgment and is concluded before the competent court in writing in either contentious or non-contentious proceedings. Due to the fact that a court settlement entails the effects of an effective court decision, it can be subject to some principles of ordinary court proceedings. However, one principle can be applied in its full scope – the principle of judicial efficiency. It requires from court proceedings to be as cost-effective and short as possible. If a court settlement is concluded prior to the initiation of ordinary court proceeding and the latter is thus prevented, it will come to the greatest possible cost- and time-saving. If the proceeding is initiated, but a court settlement is reached in the meanwhile, the costs and course of the proceedings will be reduced to a certain level. The paper has the following structure: after a brief introduction elaborating the concept, legal nature and scope of a court settlement, the main part analyses its effects, putting the emphasis both on effectiveness as an instrument for ensuring legal certainty and peace, and on the principle of judicial efficiency as a top priority principle incorporated in the court settlement concept.*

**Keywords:** *alternative dispute resolution, court settlement, effectiveness, legal certainty, principle of judicial efficiency*

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## **EU CONSUMER PROTECTION ISSUES REGARDING PAYMENT PROTECTION INSURANCE**

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### **ABSTRACT**

*Taking as a base the historical origins and sources of payment protection insurance (PPI) policy as a specific contractual clause included in credit agreements, the authors analyse the role of the insurance provider in the protection of property and personal income of the credit negotiator upon the emergence of certain risks (accident, sickness and unemployment) which cause insolvency, i.e. inability to repay credit. Stressing the importance of obtaining the PPI cover which, for a certain period, provides to the credit negotiator protection in a situation when the payment of credit is impossible, the authors draw attention to the relevance of this topic while underlining the open legal issues of misselling of that financial product and its effects (financial mis-selling) and obtaining the abovementioned insurance cover for credit negotiators who have ended up with financial product which is not in their interests. While as much as 40% of consumers were unaware that they had an insurance policy, their trust in financial institutions was permanently undermined. Since PPI mis-selling practices are a key concern for consumers, an important part of financial market, an increasing number of claims against mis-selling of PPI policies (a claim to the bank, lender or broker who sold the PPI policy) highlighted the need to change the unfair terms in PPI policy and define the legal and insurance status of that financial product. To this end, the authors analyse the provisions of the judgement of the Court of Great Britain, Royal*

*Courts of Justice in Case CO/10619/2010 from April 20, 2011 and the consequences of its implementation, i.e. the duty of banks and other financial institutions to compensate the damage caused to consumers by the financial mis-sold PPI. In addition, the authors examine the fairness of a PPI policy under EU consumer law according to the latest provisions of the European Court of Justice (ECJ) in Case C-96/14.*

**Keywords:** *EU consumer protection, payment protection insurance*

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## **SUBJECT MATTER AND CONTENT OF COURT SETTLEMENT**

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### **ABSTRACT**

*A court settlement is an agreement whereby the parties regulate their civil law relations which they may freely dispose of, concluded in written form before the competent court in civil or non-contentious proceedings. This contract has the capacity of a final judgment, and if the settlement mandates a compulsory feaſance, then it has the capacity of an enforceable instrument. As one of the ways of resolving disputes, it has found a very successful application in the practice of solving European countries. In these countries, formal assumptions have been created for the full application of legal provisions on judicial settlement as a peaceful way of resolving the dispute. The paper examines the legal sources of the subject matter and content of the court settlement in Croatian law as compared to the legal systems in some member states of the European Union. The focus is on the question whether the court settlement can be concluded on issues that are not the subject of a dispute in a particular*

*litigation, but are related, or even not related with it. It points to the attitude of the legal theory of European countries that the content of the court settlement may not be related only to the legal claim for which protection has been initiated, in order to cover all legal relations of the parties and to resolve the disputed situation. Proposals are made to improve de lege ferenda in order to create legal prerequisites for the successful resolution of disputes by the court settlement in Croatian law.*

**Keywords:** *content of court settlement, court settlement, subject matter of court settlement*

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## **DOES IFRS ADOPTION AFFECT THE QUALITY OF FINANCIAL REPORTING IN RUSSIA? - THE HISTORICAL ASPECT**

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### **ABSTRACT**

*The key idea of the paper is to compare the financial reporting quality before and after International Financial Reporting Standards (IFRS) adoption in Russia. Firstly, the paper suggests a retrospective analysis of accounting standards development in Russia. Secondly, the main problems of IFRS implementation in Russia are being discussed. The main aim of the paper is to show how the transition to IFRS process in Russia run and suggest methods to improve it. The paper contributes to the question if the convergence of Russian Accounting Standards (RAS) with IFRS affected the financial reporting quality of listed firms in Russia*

*and what was the historical influence on the quality of reporting. Since the paper is devoted to the transition of the accounting system in Russia to IFRS, it looks at the history, approaches and teaching of IFRS in Russian Federation in order to provide a broader international perspective of this important arena that shapes the view of accountants. Besides, the paper illuminates the most of the problems, connected with the transition process in Russia. It is done by describing the overall context of accounting education and experience in implementing of IFRS within the contemporary Russian accounting system and the system of higher education. These findings are consistent with the hypothesis that the globalization causes the growing interdependence of the countries around the world and paper contributes to solving the existing problems caused by transition and suggesting ways to improve this process.*

**Keywords:** Accounting Education, Accounting History, Financial Reporting, Harmonization IFRS

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**HAS THE IMPLEMENTATION OF THE ONE-STOP-  
SHOP (POINT OF SINGLE CONTACT) ENABLED  
SIMPLIFICATION OF THE CROATIAN  
ADMINISTRATIVE PROCEDURE TO INCREASE THE  
EFFICIENCY OF PUBLIC ADMINISTRATION?**

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**ABSTRACT**

*Through the public administration reform and under the influence of the processes of Europeanization, modernization, harmonization and transposition of numerous institutes of European Administrative Law, the Point of Single Contact has*

*been introduced in the Croatian General Administrative Procedure Act 2009. The author, therefore, plans to show the development of the aforementioned administrative instrument since the initial stages of it being introduced into the Croatian Administrative Procedure in accordance with the General Administrative Procedure Act Proposal and Final Proposal of the General Administrative Procedure Act. Teleological, grammatical and logical interpretation methods will be used to analyze provisions of General Administrative Procedure Act regulating the institute of Point of Single Contact. Relevant provisions of the Treaty on European Union, Directive on Services in the Internal Market and the Charter of Fundamental Rights of the European Union will also be outlined. Special attention will be given to examining the impact of this model in promoting and enhancing the efficiency of public administration with the intention of providing better quality of communication and services to citizens. Furthermore, the implications of its application in practice will be examined. The paper will also describe the advantages and disadvantages that arise from applying the one-stop-shop principle, as well as the challenges and difficulties that the Croatian Administrative System has encountered in implementing this administrative instrument. The author specifically emphasises the importance of continuous monitoring of progress as well as examples of good practice of other European Union member states applying the one-stop-shop model. To illustrate the above, a Hungarian example of “Government Windows” will be briefly mentioned.*

**Keywords:** *administrative action, efficiency, General Administrative Procedure Act, Point of Single Contact, simplification*

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## **DIFFICULTIES IN PROCEDURE OF OBTAINING EVIDENCE ON MONEY LAUNDERING THROUGH CRYPTOCURRENCIES AS A POSSIBLE THREAT TO THE MARKET STABILITY**

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### **ABSTRACT**

*Cryptocurrency is global phenomena of today, but can become the prevailing currency of the future. Bitcoin, as the most common type of cryptocurrency, is a decentralized digital money system, developed by an open community that uses it. Bitcoins are part of financial activities directly connected to IT sector, but due to the challenges they have recently caused they became the subject of legislative interest. The greatest problem of cryptocurrencies is the lack of specific legal regulation. The national legislation of the Federation of Bosnia and Herzegovina on prevention of money laundering did not include virtual money as a potential means of money laundering yet. When something is not regulated it is the opportunity for frauds and other malversations. The authors elaborate procedures of obtaining the evidences on money laundering and point out future challenges and difficulties of possible money laundering throughout the cryptocurrencies on national and international level. They emphasize the role of the insurance industry in recognition of cryptocurrencies as the new industry and part of financial market. Whether they will be part of future business or not the cryptocurrencies have already attracted enough attention to require the necessity to become the part of specific legal regulation.*

**Keywords:** *bitcoin, cryptocurrency, legal regulation, market stability, money laundering*



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