

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



## **Economic and Social Development**

36th International Scientific Conference on Economic and Social Development –  
"Building Resilient Society"

### **Book of Abstracts**

Editors:

**Rozana Veselica, Gordana Dukic, Khalid Hammes**



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# **OLIVE OIL FOR HEALTHY CONSUMERS AND WEALTHY ECONOMIES: THE CASE OF SELECTED EUROPEAN UNION COUNTRIES SINCE ACCESSION**

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## **ABSTRACT**

*Since the dawn of the civilisations that olive has been playing a critical role on both the society and the economy. Indeed, one can argue that olive, and olive oil, were as critical as they shaped a form of culture, a seminal pillar that supported the Mediterranean civilisations and that has since then spread worldwide, influencing others. Taking into consideration this framework, the research presented in this paper is focused on the examination of the main trends on olive and olive oil in the Iberian Peninsula, from production to retail and consumption, by analysing several datasets covering recent decades. Ultimately, this research intends to examine whether olive oil production is effectively thriving in spite of the sector efforts, as the challenges being faced cannot be disregarded as well. In terms of findings for more recent years, it was possible to conclude that despite the increasing recognition of the benefits of olive and olive oil by the*

*society, and despite the increase in olive production, the consumption of olive oil has been decreasing internally, being replaced by increases in exports. This is most probably due to the economic conditions that have deteriorated due to the 2008's financial crisis, which, together with an increase in olive oil prices, has prevented a considerable portion of the population to have financial conditions to access to the consumption of such an important component of the Mediterranean diet.*

**Keywords:** *Olive and Olive Oil, Production, Consumption and Retailing, Iberian Peninsula, European Union Accession*

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## **ENTERPRISE IN TURBULENT ENVIRONMENT – INFLUENCE OF ENVIRONMENTAL POLICY IN POLAND**

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### **ABSTRACT**

*Growing competition, increased complexity of internal and external processes as well as changing customer expectations force managers to adapt to new market conditions. The response to the growing turbulence of the environment is the adoption of a process management model in the enterprise that takes into account environmental aspects that support an important process - gathering and presenting environmental information in the form of management environmental reports. Environmental reports prepared by energy sector companies are obligatory, but there is also a second group of reports that the entity draws up, resulting from voluntary environmental management instruments that include ISO standards systems. According to the author, the environmental policy of the State exerts a huge influence on the environmental strategy of enterprise development, which is based*



*on environmental management. Thanks to the implementation of this management model, it is possible to efficiently and comprehensively generate environmental information in the entity, contributing to limiting and rectifying adverse business impacts, assessing the company's environmental impact and adapting to environmental law, etc.*

**Keywords:** *environmental information, state's environmental policy, turbulent business environment*

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## **FORECASTING THE DEVELOPMENT INDICATORS OF MECHANICAL ENGINEERING IN RUSSIA**

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### **ABSTRACT**

*Structural approach to economic development represents a radical transformation of the production structure of the economy in terms of*

*increasing the complexity of production and increasing labor productivity. In this regard, the development of the mechanical engineering for the national economy is important in terms of increasing labor productivity through the growth of mechanization and automation of production. This paper provides an overview of the main trends in the development of the mechanical engineering in Russia, including availability of state programs for modernization of the industry. To forecast the parameters of the development of the mechanical engineering market, we use the model of interspecies interaction Lotka-Volterra. Such choice in this study is due to its ability to predict the parameters of interaction between market participants taking into account the change in ownership. The findings of the study show that large-scale projects of public-private partnerships and/or joint joint ventures and foreign enterprises may determine the key trends and main growth directions of industrial enterprises.*

**Keywords:** *Innovation potential, mechanical engineering, form of ownership, Lotka-Volterra, Russia*

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## **EFFECTIVE WAYS TO COMMUNICATE ENTREPRENEURSHIP CONCEPTS TO MOROCCAN MILLENIALS**

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### **ABSTRACT**

*Entrepreneurship, as a course, is a debatable issue. As a discipline, there exist lots of ways and or methods of evaluating the level of students' success. It is one of the newest disciplines*

*assigned in many fields not only in business schools. There is an on-going debate in the entrepreneurship academy about whether it can actually be taught and when it is the case, is it an art or a science? Its resolution is connected with some theoretical assumptions because they affect how and what is taught within Entrepreneurship.*

**Keywords:** *Entrepreneurship, business plans, venture, learning by doing, pitching*

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## **CORRELATION ANALYSIS OF SEARCHING TREND OF THE TERM VIRTUAL REALITY IN SELECTED SEGMENTS IN CONDITIONS OF THE SLOVAK MARKET**

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### **ABSTRACT**

*In this article, we tried to analyse search trends for virtual reality keywords. When looking at the search trend, we have first drawn attention to the most searched terms for 2016 and 2017. The most searched expression was subjected to a correlation analysis of Spearman's specific test within the various available search engine categories.*

*In the last part we pointed out what influences the search trend related to virtual reality in Slovakia and we also described suggestions to support the overall perception of this new platform on the Slovak market.*

**Keywords:** *Virtual reality, Search trend, Correlation analysis, Slovak market*

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## **STATE AID IN THE EU AGRICULTURE**

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### **ABSTRACT**

*The EU agriculture receives substantial support from the common agricultural policy. Yet, there are also member state instruments that are applied to remedy for certain market failures. To ensure fair competition on the EU single market the state aid offered by member states is subject to strict regulations limiting its scope and amount. The aim of the state aid for agriculture is to make up for market failures and to offer support in specific problematic situations faced by agricultural sector. The aim of this paper is to present the current rules related to the EU state aid in agriculture and show its extent and scope. Moreover, the paper tries to answer the question of the necessity of changes in the agricultural state aid given the planned alterations in the CAP and the challenges faced by the EU agriculture. The paper is based on the analysis of regulations related to state aid and the data on the scope and scale of the state aid applied by the EU member states. The results of the study show that there is still much room for simplification of the rules. Moreover, especially in the cases of plant and animal diseases it is worth considering whether the support should not be limited*

*only to SMEs. Such situations are a serious problem not only to SMEs but to any enterprise and when not tackled properly can spread to other entities and endanger agricultural activity in whole regions or countries.*

**Keywords:** *common agricultural policy, EU agriculture, state aid*

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## **TWO SCENARIOS OF FINANCIAL ACTIVATION OF THE GUARANTEED MINIMUM INCOME RECIPIENTS, IN TERMS OF REDUCING POVERTY IN ROMANIA**

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### **ABSTRACT**

*The Guaranteed minimum income is one of the most important social programs that prevent and reduce poverty and social exclusion in Romania. Prior to its implementation in 2002, sustained concerns to improve this social program existed. In recent years, efforts to reduce poverty have been increasing by introducing financial activation elements within the guaranteed minimum income to stimulate employment among its beneficiaries. The current law on guaranteed minimum wage includes such an activation component, but it was found,*

*however, that this is not stimulating, as the beneficiaries are not thus encouraged to find a job and get out of the social care network. As a more pronounced activation of the guaranteed minimum income recipients is desired in the recent years, the present paper proposes two exercises of simulation, namely the introduction of this incentive support within the Guaranteed minimum income (two simulation scenarios, one pessimistic and another optimistic, respectively with two thresholds of 35% and 65%), to analyze the degree to which poverty incidence would be reduced among these recipients. The two impact assessment exercises will be carried out using the classic simulation model, based on HBS/Household Budget Survey data. Considering these financial activation elements, poverty rates will be calculated in each of the two scenarios to analyze to what extent these proactive components, upon its insertion in the guaranteed minimum income, would contribute to poverty reduction among social aid beneficiaries. These simulations could provide some basic guidelines to be subsequently improved and supplemented, helping to improve this social assistance benefit concerning the Guaranteed minimum income, while promoting and enhancing the employment and social inclusion among the beneficiaries of this important social policy.*

**Keywords:** *Activation financial elements, Guaranteed minimum income, Impact evaluation, Relative poverty, Simulations scenarios*

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## **AUDIT OF PUBLIC PROCUREMENT EFFORTS AND REVIEW OF RECOMMENDATIONS**

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### **ABSTRACT**

*The paper outlines the research on the implementation of the recommendations given to companies after public procurement performance audits. Performance audits were conducted by the State Audit Office, which compiled individual reports. Companies were given recommendations in order to improve their business operations. After a certain period, audits were conducted to determine whether the given recommendations had been implemented. The paper explores the possibilities of improving the efficiency of public procurement procedures in companies and the impact of such improvements on business operations. Based on the research conducted in the companies, it was established that the progress made by the companies included in this paper was satisfactory. The given and implemented recommendations were studied and analysed. Conclusions were reached regarding the impact of the implemented recommendations on the companies' business operations. Legal framework and the significance of public procurement in business operations were also researched. The paper used the data from the audits performed by the State Audit Office, as well as from other reference materials.*



*The research described in the paper pertains to seven companies in which a public procurement performance audit was conducted. Public procurement performance audits were conducted for the period from 2011 to 2013 in three companies, the period from 2013 to 2015 in another three companies and the period from 2012 to 2014 in one company. The paper also mentions other companies in which public procurement performance audits were conducted (six companies), whose public procurement procedures were also assessed in terms of efficiency. However, for them, no follow-up audit was conducted to review the implementation of the given recommendations up until the moment of writing this paper. Each performance audit was followed by a report containing an assessment of the public procurement system. Another report was also made after conducting a follow-up audit to review the implementation of the given recommendations. The paper confirmed the assumption that companies can significantly influence their financial result by implementing the recommendations given in the public procurement audits. Monitoring the implementation of the given recommendations in entities in which an audit was conducted highlights the importance and role of audit in the business process, improves transparency and public influence.*

**Keywords:** Auditing, Business, Efficiency, Enterprises, Recommendations

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## CHATBOT EVALUATION METRICS: REVIEW PAPER

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### **ABSTRACT**

*The past few years popularity of chatbots is constantly growing, and companies have been focused on developing them more than ever. Therefore, it is not surprising to see the news about various aspects of chatbot, from design and development to commercialization and marketing, are being daily published. Nevertheless, the topic of the chatbot evaluation is very often neglected. The metrics that should be used to evaluate the success of a chatbot are not systematized nor unified. One way to solve this problem is to align the metrics to the different perspectives of the chatbot evaluation: user experience perspective, information retrieval perspective, linguistic perspective, technology perspective and business perspective. In order to build the evaluation framework, the following categories of chatbot should be analyzed: usability, performance, affect, satisfaction, accuracy, accessibility, efficiency, quality, quantity, relation, manner, grammatical accuracy, humanity and business value. This paper provides a review on the evaluation metrics available for measuring success of efforts invested in chatbot, and proposes the chatbot evaluation framework based on five perspectives. The contribution of this paper is to help researchers to identify opportunities for the future research in evaluation of chatbot performance.*

**Keywords:** *chatbot, chatbot assessment, chatbot performance, evaluation metrics*

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## **“GREEN” MANAGERIAL DELEGATION AND ENVIRONMENTAL CORPORATE SOCIAL RESPONSIBILITY IN DIFFERENT MARKET STRUCTURES**

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### **ABSTRACT**

*Assuming Cournot competition in a duopoly industry characterized by the presence of polluting production processes, this work studies the firms' choice to engage in Environmental Corporate Social Responsibility (ECSR) (modeled as an investment in cleaning technology) by means of “green” managerial delegation. In other words, a firm hires a manager with preferences for environmental concerns and to whom the firms' owners delegate both sales and the decision with regard to the optimal level of green technology adoption. When the duopoly is the given market structure of the industry, if the environmental sensitivity of the “green” managers is extremely low, then the engagement in ECSR is the firms' dominant strategy, regardless the efficiency level of the available abatement technology. Nonetheless, firms are cast into a prisoner's dilemma situation. On the other hand, if the “green” manager has low-intermediate/intermediate environmental sensitivity levels, then it occurs that either no ECSR, multiple symmetric equilibria, or ECSR engagement emerge in equilibrium, depending on the efficiency levels of the available abatement technology. Finally, if the environmental sensitivity of the managers is adequately high, then firms do not engage in ECSR, regardless of the*

*efficiency level of the abatement technology. When it is considered a market entry game in which the entrant has to follow the established common practice in the industry, it is shown that an incumbent firm can strategically adopt ECSR for entry deterrence reasons. These results provide additional reasons for the recently observed widespread diffusion of ECSR activities related to carbon emissions reductions and their reporting.*

**Keywords:** *Environmental Corporate Social Responsibility, "Green" Managerial Delegation, Duopoly, Monopoly, Entry deterrence*

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## **THE PROBLEMATICS OF USING MOBILE DEVICES FOR E-COMMERCE IN THE V4 COUNTRIES**

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### **ABSTRACT**

*Based on Google Consumer Barometer data, the objective of this article is to explore the specifics of consumer buying behaviour within the Visegrád Four countries, focusing on the use of mobile*

*devices in the purchasing process. Mobile devices are also a reflection of the changing purchasing habits of an increasingly demanding consumer. Mobile devices and integrated technologies serve not only as a means of purchasing products, but also have an irreplaceable position at all stages of the entire purchasing process. Many research also draw attention to the strength of their potential, which reflects the changing dynamics of e-commerce. The present article therefore captures the preferences of V4 consumers in terms of the use of different types of Internet access devices, identifies the activities that the consumers of the monitored countries perform through smart phones, and also focuses on defining the types of devices through which consumers search for and buy products.*

**Keywords:** *M-commerce, Smartphone, Mobile shopping, Mobile apps, E-commerce*

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## **CORPORATE GOVERNANCE IN INDIA: AN ANALYSIS**

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### **ABSTRACT**

*Corporate governance is a process, relation and mechanism set up for the corporations and firms based on certain guidelines and principles by which a company is controlled and directed. The principles provided in the system ensure that the company is governed in a way that it is able to set and achieve its goals and objectives in the context of the social, regulatory and market environment, and is able to maximize profits and also benefit those whose interest is involved in it, in the long run. The division and distribution of rights and responsibilities among different*

*participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and inclusion of the rules and procedures for making decisions in corporate affairs are identified with the help of Corporate Governance mechanism and guidelines. The need to make corporate governance in India transparent was felt after the high profile corporate governance failure scams like the stock market scam, the UTI scam, Ketan Parikh scam, Satyam scam, which were severely criticized by the shareholders. Thus, Corporate Governance is not just company administration but more than that and includes monitoring the actions, policies, practices, and decisions of corporations, their agents, and affected stakeholders thereby ensuring fair, efficient and transparent functioning of the corporate management system. By this paper, the authors intend to examine the concept of corporate governance in India with regard to the provisions of corporate governance under the Companies Act 2013. The paper will highlight the importance and need of corporate governance in India. We will also discuss the important case laws which contributed immensely in the emergence of corporate governance in India.*

**Keywords:** *Corporate governance Mechanism, Companies, Firms, Companies Act 2013*

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# **ANALYSIS OF INVESTOR BEHAVIOR: MARKET FEELING AND HERDING BEHAVIOR IN THE PORTUGUESE STOCK MARKET**

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## **ABSTRACT**

*This paper aims to analyze the behavior of investors in the Portuguese capital stock market, in particular while studying the relationship between the herding behavior phenomenon and the market sentiment. The results obtained allow observing the existence of a significant level of herding behaviour intensity, especially when there is price variation occurrence. On the other hand, when herding is related to market sentiment, the statistical evidence allows one to conclude that herding behavior is encouraged when investors are attentive to the expectations of*

*other market participants, suggesting that the emotional condition inherent of market capitalism is decisive in explaining the phenomenon of herding behavior.*

**Keywords:** *Herding Behavior, Market Sentiment, Behavioral Finance, Capital Markets, Portuguese Stock Market, PSI-20*

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## **ONLINE SHOPS AND ONLINE SHOPPING FROM THE POINT OF VIEW OF THE SLOVAK CONSUMER**

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### **ABSTRACT**

*Nowadays, Internet and information technologies have become a daily part of life for billions of people around the world, as they allow a rapid exchange of information. Online shopping has gained more and more profit in recent years, both on the Slovak and foreign markets. The Internet has a huge impact on the consumer's final decision when making a purchasing decision. This phenomenon is a colossal source of information that greatly affects the shopping behaviour and consumer decision-making. Consumers are very well informed about products or services about the prices, quality and reviews. The objective of the paper is the theoretical processing of the researched problems in the field of internet marketing and online shopping, as well as the analysis of the influence of purchase on the examined consumers*



*and the discovery of the differences in internet shopping from the point of view of the Slovak consumer.*

**Keywords:** *Internet, Consumer, Price, Online Purchase, Internet Advertising*

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## **GAME MECHANICS DIFFERENCES FOR KOSOVANS SOCIAL MEDIA PURCHASERS**

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### **ABSTRACT**

*Consumer behaviour in theoretical aspect has evolved through the years. Moreover, numerous seller have moved from physical retailer to online e-commerce websites or pages on social media. Social media within years have expanded the usage in the commercial world. In the digitization era, where consumers are daily users of technology and social media, gamification has been seen as an innovative engaging and motivating technique. So far, gamification has been employed in different fields such as healthcare, sustainability, government, transportation, education, and so on. Although, gamification appliance in consumer behaviour domain is not that much explored. Furthermore, one of gamification elements is game mechanics, which has been applied for the research purpose. This paper aims to explain the differences between consumers of different age groups and cities in Republic of Kosovo regarding the game*

*mechanics influence when purchasing via social media. A qualitative approach followed by a non-parametric test, Chi-Square test, has been employed to describe and explain the differences between the groups. This paper contributes to the existing theory of gamification, game mechanics and its impact for social media purchasers.*

**Keywords:** *game mechanics, gamification, online buying behaviour, social media, user behaviour*

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## **SUPPRESSION OF CORRUPTION AND SPECIAL INVESTIGATION TECHNIQUES IN CROATIA WITH REFERENCE TO STANDARDS OF EUROPEAN COURT OF HUMAN RIGHTS**

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### **ABSTRACT**

*The paper deals with the problem repressive anticorruption reaction in Croatian legislation and jurisprudence. It includes respective changes brought by the Criminal Code, entered into force on January 1<sup>st</sup>, 2013. These changes were focused on harmonization of Croatian and international anticorruptive standards, in order to set a better basis for prosecution of perpetrators of these offences. In this regard, it focuses on the specific problem: difficulties in collecting evidence when it comes to corruption. To overcome this problem, special investigation techniques are used. Two of them are of a significant value: the use of undercover investigators and the simulations of giving and receiving a bribe. However, there is a potential risk of entering*

*in punishable stage – incitement to commission of an offence. In order to avoid this risk as well as to enable the conviction of perpetrators, it is necessary to analyse the separation line between incitement and legitimate actions under investigator's authority. This is done by taking in consideration the relevant provisions of Croatian legislation, judicial practice as well as legal standards deriving from case law of European Court of Human Rights.*

**Keywords:** *corruption, criminal offence, incitement, undercover investigator, simulation*

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## **GEO-ECONOMICS TO FIGHT AGAINST HUNGER IN AFRICA: WHAT ROLE FOR EMERGING COUNTRIES?**

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### **ABSTRACT**

*The food crisis of 2008 with its food riots that have undermined the development efforts of many African countries has once again put the agricultural issue at the center of international concerns. The China-India-Africa triangle is now in the midst of this great break in the early 21st century. The question that arises at this level is the following: Can we feed a growing world population with changing diet in emerging markets and simultaneously distribute the commodity's global and combating undernourishment that affects nearly one billion people?*

*Given their weight, both in terms of supply and demand, La Chinidiafrique is now at the center of the response. Our communication is split into two parts. A first portion that is descriptive of the threat that weighs on food security in the world and the role of China and India in this reversal of the situation. The second part seeks to highlight the measures to be taken by Chindiafrique to overcome this situation.*

**Keywords:** *Geo-Economics, Hunger, Africa, Emerging Countries, Food crisis*

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## **THE USE OF ICT POTENTIAL IN V4 COUNTRIES**

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### **ABSTRACT**

*The development of information and communication technologies (ICT) and their widespread use in various areas of life pose great challenges to both the microeconomic and macroeconomic level. Research on the impact of ICT on economic growth, efficiency, productivity, and the level of well-being more and more often draw the attention of scientists from various fields, and their results are important for decision-makers at various levels of state administration. The problem of measuring the impact of ICT on the economy is an extremely complicated issue, due to the multitude of variables and the problem with the selection of those most appropriate for that task. ICT development and its use have been regarded in the European Union for a long time as an important factor for maintaining the competitiveness of the European Union's economy, and in the longer term, the standard of living of its citizens. Despite actions taken, the use of ICT is notoriously different across the Member States.*

*The aim of this paper is to analyse the position of V4 countries concerning the use of ICT and compare it with selected European Union Member States and other developed countries. The analysis of available indicators describing the current level of using the ICTs' potential and the selection of the most suitable ones should enable to achieve the stated aim of the article. Both literature review and analysis of statistical data were used.*

**Keywords:** *European Union, ICT potential, ICT use, V4 countries*

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## **SPACE-TIME CLASSIFICATION OF THE COUNTRIES OF THE EUROPEAN CONTINENT IN THE CONTEXT OF THE DEVELOPMENT OF GLOBALIZATION**

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### **ABSTRACT**

*The aim of the article is to identify a group of countries characterized by a similar development of globalization over various time spans, i.e. both in the long term and short term. The analysis described in this article is based on the globalization index, which combines the following in one figure: actual economic flows, economic restrictions, data on information flows, data on personal contact and data on cultural proximity. The research analysis was based on wavelet analysis, discrete wavelet analysis and non-linear ordering. Non-linear ordering consists, in geometric terms, in projecting objects placed in a multidimensional space of variables onto a plane. It does not allow the objects to be placed in a hierarchy, but only permits*

*definition of objects similar to each of the objects. A discrete wavelet was used for wavelet analysis of the time series studied. In the process of discrete wavelet transformation, the received signal is divided into so-called approximation and detail. Approximation is then subjected to a subsequent division into further approximation and detail, while details are not subject to further divisions. In this way, the signal is presented as the sum of the approximation of the last level and the details from all levels. In the article, globalization is understood as a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world.*

**Keywords:** *classification, globalization, internationalization, ordering, wavelets*

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## **WHY REVENUES FROM PAYROLL TAXES DO NOT FOLLOW TRENDS IN TAXATION OF INCOME OF CORPORATIONS?**

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### **ABSTRACT**

*Tax competition is commonly believed to erode revenues from taxes. Further to the literature this concerns in particular income taxes. However, despite increasing globalization processes, according to empirical data for EU Member States the revenues*

*from income taxes have provided for comparable inflows to state budgets over the last years. Moreover, the volatility of revenues of income taxes over time is generally low. Interestingly, in general changes in size of revenues from corporate income tax do not follow trends for payroll taxes. This suggests that receipts from those two kinds of taxes are determined (i) either by separate factors or (ii) the causes are the same but they act in opposite direction. As a result the importance of widely discussed matter of tax competition is questionable or understanding of its influence should be redefined. As an attempt to explain the diverging behavior of corporate and personal income tax revenues I present in this article some remarks on origins such developments.*

**Keywords:** *Income Tax, National Budget, Public Finance, Revenue, Taxation*

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## SHADOW CASHING SCHEMES IN THE CONTEXT OF JUDICIAL EXPERTISE

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### **ABSTRACT**

*In this article the main theoretical and practical issues of expert investigation of cash flow through the banks accounts of investigated entities are discussed. The aim of the paper is to work out the algorithm of the cash flow investigation for the purpose of shadow schemes revealing. Directions for expert investigation of cash flows are identified; the requirements to automated information-analytic system are substantiated. The conclusions, suggestions and recommendations can be used in educational, law creation, law enforcement, judicial activity and judicial and expertise activities.*

**Keywords:** *economic crimes, illegal banking, shadow economy, shadow cashing schemes, cash flow investigation, financial expertise*

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## **CORRELATION BETWEEN MOBILE GAMES MARKET AND THE DEVELOPMENT OF VIDEO GAME MARKET IN CHINA**

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### **ABSTRACT**

*The aim of this paper is to point to the link between the development of mobile video game markets and the development of video game markets in China. The mobile video game industry, as a "new" media industry, already has higher revenue on the Asian and Pacific market than the traditional media markets in the US and Europe. Mobile video games designed for smart phones and handhelds have taken the lead in earnings over the long range of video games. At the same time, the video game market in China has taken the lead in earning revenue on the global video game market. The rapid development of mobile gaming markets in China points to a change in the social paradigm and the development of post-industrial society. The growth of video game markets in Asia and the Pacific and the domination of mobile games clearly points to the trends of developing video game industry in the future.*

**Keywords:** *global video games market, mobile games market, „new media industry”, post-industrial society*

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## THE PRINCIPLE AND THE DEVELOPMENT OF VAT GAP IN SELECTED EU COUNTRIES

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### **ABSTRACT**

*European tax studies estimate 1 trillion € in public money is lost due to tax fraud and tax avoidance every year in the EU. The current tax gap in Europe represents an alarming loss of public revenue. It is also a threat to the proper functioning of the Single Market and a dent to the efficiency and fairness of tax systems within the EU. Lot of analyzes have confirmed that the status and the development of the VAT Gap is influenced by several economic variables as well as by policy actions. The article deals with examining VAT Gap in selected EU countries. The analysis is based on theoretical background about tax gap. Besides the dimension of VAT Gap in selected Member States we have analyzed other significant indicators, which affect the VAT Gap too. Further we have focused on the situation within the European Union and compared the Member States among themselves. During the comparing we observed some similarity between countries, so we used the cluster analysis to verify this assumption of similarity. Main objective of the article is to explore several indicators affecting the VAT Gap and compare them.*

**Keywords:** *Cluster analysis, European Union, VAT Gap*

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## THE LIABILITY OF LEGAL ENTITIES FOR CRIMINAL ACTS IN CROATIAN COURT PRACTICE

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### **ABSTRACT**

*The normative model of liability of legal entities for criminal acts in the Croatian legal system has already been present for almost fifteen years. The Republic of Croatia's legislation has completely harmonized this with the European one and in particular with the Anglo-American system in which types of liability had always been in place. The responsibility of a legal entity is founded on its individual (responsible) person and accepting the model of implemented liability with the theory of identification because the person responsible is identified with the legal entity and their acts and omissions are considered to be the acts/omissions of the legal entity. In Croatian legal criminal theory, a range of disputable issues of this type of liability have notionally been defined. An example of this is the circle of individual and legal entities liable which our court practice mainly accepts. However, research into the processing and structure of criminal acts of legal entities point to the fact that inquests and investigations of legal entities are lengthy; that a large number of reports are rejected because the informers are individual or legal entities who believe they are injured parties in a legal-civil way; that the court criminal policy towards legal entities is substantially different from the legislative; that the security measures are very rarely applied, just like confiscation of pecuniary gain and so on. Also, less legal entities are criminally reported than responsible individuals in these legal entities, which can be explained by the fact many legal entities have ceased to exist or by the fact a legal entity has several responsible persons.*

*The structure of the acts of legal entities most commonly appearing in court practice shows that they are in particular from the area of white-collar crime. That is, mainly reported is fraud in business, abuse of trust in business, tax or customs evasion and so on. Then come acts against employment relations and social insurance, against the environment, against safety in general, against property, document forgery, against intellectual property and so on. Research into the judicature uncovers the existence of a kind of gap between normative solutions and their application in court practice.*

**Keywords:** *liability of legal entities, legislative framework, criminal capacity, responsible individuals, economic crime*

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## **A MULTIDIMENSIONAL APPROACH TO VALUE MANAGEMENT IN A SMALL AND MEDIUM-SIZED ENTERPRISE**

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### **ABSTRACT**

*An enterprise is an economic entity established with the purpose of conducting economic activity. In compliance with legal regulations in Poland, this involves for-profit manufacturing, construction, commercial and service activity as well as prospection, exploration and extraction of mineral reserves as well as professional activity carried out in an organized and*

*continuous manner. The necessity of self-financing and market competition forces enterprises to constantly search for new manufacturing, technical, organizational and financial solutions as well as to improve their financial performance. In these conditions, the basic characteristics of an enterprise are:*

- a) volatility resulting from the need to constantly adapt to market conditions,*
- b) uncertainty and the resulting risk inherently involved with an enterprise's operations,*
- c) economic rationale of decisions and the systematic and professional nature of the conducted activity,*
- d) the need to sustain innovation and entrepreneurship in an enterprise's activity.*

*Economic sciences encompass, on the one hand, theories related to economic growth and development and, on the other, enterprise development theories. These theories come together with the concept of "value". In the late 20<sup>th</sup> century, theoreticians and practitioners of management began to advocate a closer connection of company management with creating shareholder value. Shifting the focus from maximizing profit to maximizing value for owners changed the approach to assessing the performance of an enterprise. Business management that is focused on stimulating value maximization for owners is referred to as Value Based Management (VBM). It points to the need to maximize value for all stakeholders. It is a "management philosophy that uses analytical tools and processes to bring individual objects of an organization around creating value for owners".*

**Keywords:** *Value of enterprise, small business, Value Based Management*

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## HAPPINESS AS A RESILIENCE RESOURCE FOR THE SOCIAL REPRODUCTION OF HUMAN CAPITAL IN THE PRIVATE SPHERE

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### **ABSTRACT**

*In a globalized world, contemporary economy and social development need to cope with complex challenges. There is a growing body of literature that recognizes the importance of resilience in today's societies. Most of these studies focus on economic, social or urban resilience, little attention being paid to relationship resilience. Globalization involves not only the spread of the capitalist and neoliberal ideologies, but also the individualization and reflexivization of the private life. In a public space in which competitive, transactional and instrumental relationships are becoming the norm, in the private sphere, the opposite phenomenon emerges, by growing cooperation, happiness, and emotional bonding. By studying relationships from the private sphere, one could gain a more nuanced understanding of how resilience works, so that it could be better mobilized as a resource for the reproduction of human capital. As main analysis materials, we used the results of a longitudinal psychological explicative research on the human development theme, conducted in the American context. The results show that the strongest predictors of a subjective evaluation of life as a fulfilled one are the variables measuring the management dimensions of intimacy (specific for family, friendship and community life). We discuss implications for conceptualizing happiness as a resilience resource to be taken into account by policy making for the reproduction of human capital in modern welfare economies.*

**Keywords:** *Human capital, Intimacy, Private sphere, Resilience policy, Wellbeing*

## **PRICE COMPETITION AND ENTRY UNDER CORPORATE SOCIAL RESPONSIBILITY PRODUCT DIFFERENTIATION**

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### **ABSTRACT**

*Do firms adopt social concerns and advocate social progress for the sake of philanthropy, or is there also a strategic rationale for social engagement? In a monopoly with threat of market entry, this paper analyzes the potential competitor entry decisions in the presence of strategic use of Corporate Social Responsibility (CSR) by the incumbent and, therefore, the potential anticompetitive effect of CSR. We consider profit sharing (with stakeholders, i.e. a firm's donation) as a form of CSR that is valued by consumers and affects their purchase decisions. An incumbent adopting CSR creates product market differentiation and thus weakens the price competition among firms. On the other hand, weaker price competition can encourage potential entrants. To show this result, we develop a three-stage entry game. In the first stage, the incumbent monopolist determines the level of CSR. In the second stage, the potential rival decides whether to enter. In the case of entry, Bertrand competition among the two rivals takes place in the product market in the third stage. Solving the game using backward induction to obtain subgame perfect Nash equilibria, we find that natural barriers to entry (sunk costs) and CSR activity are strategic substitutes, and either of two equilibria can arise: accommodation with a market segmentation or blockaded entry of the potential competitor,*

*depending on the cost structure of firms. This result is in line with the observation that CSR activity can lead to higher market concentration, market segmentation, or both.*

**Keywords:** *CSR, Product differentiation, Market entry, Market segmentation, Monopoly, Duopoly, Price competition*

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## **ANALYSIS OF THE EFFECTS OF APPLYING THE NEW IFRS 16 LEASES ON THE FINANCIAL STATEMENTS**

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### **ABSTRACT**

*Current model of lease accounting pursuant to IAS 17 Leases requires the classification of leases on operating and finance leases. There is a distinction in accounting treatment of each type of lease. Significant differences are observed in financial statements of lessee. According to IAS 17, if there is a contract about the operating lease the lessor recognize the asset in lease in its financial statement of financial position, while the lessee recognizes only the costs of rent in its income statement (but not the assets in lease and financial liabilities related to lease during lease period). If there is a contract about the finance lease, the lessee recognizes the assets in lease and financial liabilities related to lease in its financial statement of financial position. Many of financial statements users have highlighted*



*disadvantages of accounting model for operating lease, primarily because there are not evident financial liabilities during whole lease period in the statement of financial position of a lessee. Therefore, the financial statements of a lessee are not representing faithfully its financial position as well lessees' indebtedness is not appropriate presented. In order to enhance the accounting model for leases, in January 2016 the International Accounting Standards Board (IASB) issued a new accounting standard IFRS 16 Leases that will become effective for annual reporting periods beginning on or after 1 January 2019 (IFRS 16 will replace IAS 17). New IFRS 16 implement unique accounting model for all leases in financial statements of a lessee. Changes in lease accounting are focused on better and comprehensive presentation of accounting information related to leases in financial statements. The implementation of new accounting model will influence on the coverage of information presented in financial statements, and consequently on financial ratios of a lessee. The goal of this paper is to investigate and analyse key effects which the implementation of IFRS 16 and new accounting model for lease will have on financial statements. The main consequences and effects of implementation of IFRS 16 are analyzed through the case study.*

**Keywords:** *Assessment of effects, Financial statements, IAS 17, IFRS 16, Lease accounting*

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## **FACTORS EFFECTING MARKET ACTIVITIES THAT LEADS TO INVESTOR'S OVERCONFIDENCE: PAKISTAN STOCK EXCHANGE CASE**

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### **ABSTRACT**

*The purpose of the research is to review the results of study conducted in 2008 that claim to investigate the relationship of investors' happy sentiment and overconfidence effect. Cloud coverage, temperature and temperature change, former returns, and short term loan l change rate are used as proxies for happy sentiment. Data from Pakistan stock exchange and Metrological department is collected to check the Relation. The happy sentiment index is divided into two categories: "natural environment happiness" and "investment atmosphere happiness." The results suggest that short term loan rates, Previous day turnover and previous day activities have significant low effect on investment overconfidence of investor so trading activities are affected. Natural environment factors have less impact while investment atmosphere happiness has moderately high effect on market activities of investors.*

**Keywords:** *Behavioural finance, weather effect, investors' overconfidence, market turnover, stock markets*

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## **HOBBY CULTURE AS A SOURCE OF ENTREPRENEURSHIP – INNOVATION AND RISK MANAGEMENT**

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### **ABSTRACT**

*For economists, leisure time is most often the period in which people consume and spending is the main aspect of free time they are studying. However, leisure is the time in which people create. In this paper the emphasis has been put on the creative potential of free time, and in this connection, the idea of hobby culture development as a catalyst for entrepreneurship. The reason lies in the complementarity of the hobby culture and entrepreneurial culture. If we distinguish between innovation and entrepreneurial risk as the two fundamental theoretic determinants of the concept of entrepreneurship, we will see that hobby activity unobtrusively solves the underlying problem of encouraging the expansion of entrepreneurial behavior. The hobby itself hides the potential for mitigating risk aversion. The reason lies in an interesting phenomenon that deserves more attention, for the purposes of this paper we call it a phenomenon of double benefits; hobbyists are often prepared to bear a serious financial loss, just to satisfy their interest. This tendency of general spending often turns into a tendency to capital spending, ie investment.*

*The reason for this kind of behavior is hidden in the promise of double benefits. For a hobbyist, investment is not only a promise of future higher spending geared towards meeting its interests and needs, but it additionally meets the present need to deal with its hobby. There is also another effect of the hobbyist activity that contributes to the reduction of aversion to risk. A hobby in its essence is a game, the consequence of such pursuit of leisure is feelings of enthusiasm and optimism. Such is the effect of hobbies on the nature of things because the hobby is, among other things, a quest for pleasure. On the contrary, the fact is that the pessimistic social climate is one of the reasons for the insufficient development of the entrepreneurship. The active pursuit of leisure time in the form of hobbies also promotes creative behavior that creates a suitable climate for the emergence and development of innovations.*

**Keywords:** *hobby culture, entrepreneurship, innovation, risk management*

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## **NON-FINANCIAL INFORMATION DISCLOSURES AND CSR REPORTING VERSUS THE INFORMATION ASYMMETRY PROBLEM**

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### **ABSTRACT**

*The 21st century is called the era of information. Access to information is equally important for potential investors as well as recipients of financial statements. As researches show, reports users expect a growing range of disclosed information regarding not only traditional financial, but also non-financial data. Therefore, there arises a question about the scope and reliability*

*of data disclosures and their impact on the problem of information asymmetry. Poland's implementation of the Directive 2014/95/EU has crucial importance taking into account the changes in the Accounting Act, which introduced an obligation for the largest Polish companies to disclose non-financial data. The aim of the article is to draw attention to the concept of CSR reporting as well as non-financial information disclosures and their impact on the problem of information asymmetry observed in modern companies. On the basis of a critical analysis of the literature of subject and legal acts, author will describe the problem of information asymmetry and the possibilities of its's reduction by implementation concept of CSR and CSR reporting as well as non-financial information disclosures. In empirical part of this paper, PARP Report will be analysed in order to present results of implementing CSR concept in 123 Polish companies in 2016. The aim of article is also to underline the differences between CSR reporting and non-financial information disclosures. Research contribution of this paper is to provide a better understanding of discussed phenomena as well as to initiate a discussion on the problem of information overload.*

**Keywords:** *asymmetry of information, corporate social responsibility (CSR), modern financial reporting, non-financial data*

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## **TECHNOLOGY, ORGANISATION AND STRETEGY AS THE TOOL TO OVERCOME NEGATIVE EXTERNALITIES**

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### **ABSTRACT**

*Globalization forces companies to improve financial performance and system coordination through new technology, new organization schemes and new strategic approach considering the changes caused by international environment and faster dialectic of time on global scale. Participation of manufacturing in Croatian GDP is showing very volatile trend but within time frame from year 2002. till 2017. it has grown and trend is still positive, although still very volatile. The main jeopardy that Croatian companies are exposed to is lack of labourers which is already very conspicuous and is to become even more in middle term because of negative demographic trends. The decision by companies to enter into a structural changes through new strategic approach, considering new technologies and new organization schemes inquired by mentioned changes is influenced by the management's decision and assessment how to maintain and improve company's profitability and increase the productivity in order to compensate lack of labourers. In other words, companies are forced to use new strategy, technology and organization in order to maintain competitiveness on global scale.*

*The main objective of this paper is to investigate how the companies are using new technologies and organization schemes in order to improve productivity and to create products at same price and better quality with increased cost. Moreover, a qualitative study among companies in manufacturing was conducted in order to get knowledge how the top management in Croatian companies understands the concept of modified strategic approach, new technology and modified organization and to determine factors for successful cost effective operating, and to investigate what impediments are the managers expecting and their predictions how to overcome them.*

**Keywords:** *Organisation, Strategy, Technology*

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## **DISPARITIES IN DEVELOPMENT BASED ON TAXONOMIC RESEARCH – THE CASE OF SELECTED LATIN AMERICAN COUNTRIES**

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### **ABSTRACT**

*Economic development is a multidimensional category, including not only quantitative changes expressed by indices of economic growth but also qualitative changes in socio-economic structure of a national economy. It is broadly accepted that economic development constitutes a key category describing economic structure of contemporary world economy. Improvement of life quality is considered one of crucial development challenges. Economic development is determined by numerous internal and external, economic and non-economic factors. Discussions regarding stimulants and barriers of economic development, as well as development disparities and the ways adopted for their measurement can be found in scientific literature. The problem of*

*possible ways and methods of overcoming negative effects of 2008+ global crisis arouses considerable interest of researchers. The main goal of the paper is to examine and evaluate disparities in development of ten Latin American countries. The economic development of the following economies was analysed: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guatemala, Mexico, Peru and Venezuela. Because of the complexity of the category of economic development, many elements had to be taken into consideration during the comparative study. The following diagnostic variables were taken into account: GDP growth, GDP per capita, share of service sector in GDP creation, inflation rate, unemployment rate, general government deficit, general government gross debt, infant mortality rate and life expectancy. Selected taxonomic methods were used, and in particular classification and hierarchization methods. Multidimensional comparative analysis resulted in identification of economies in the best economic condition and the worst one. Additionally, the analysed countries were classified into four classes in terms of synthetic measure of economic development. Moreover, the scale of income inequalities in the analysed economies was presented. Finally, international competitiveness of studied Latin American economies was presented.*

**Keywords:** *Latin America, development, taxonomic research, multidimensional comparative analysis*

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## **SETTING BID PRICES IN CONSTRUCTION: CASE STUDY OF FORMWORKS**

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### **ABSTRACT**

*This article deals with the issue of turnover material and its individual types, in particular the formwork. The authors characterise the individual types of formwork from multiple perspectives: traditional formwork and formwork systems; ceiling formwork, wall formwork and column formwork. The paper's analytical part deals with the issue of assembly and disassembly of formwork and tangentially addresses the issue of formwork rental. Based on the interviews conducted, the factors influencing the price of formwork rental are discussed. The authors also analyse the prices of assembly and disassembly of formwork established based on market research and the related influencing factors. The analysis is conducted on a sample of real data relating to construction projects and draws on interviews with experts in the field. A detailed sample analysis is conducted using foundation structures; aggregate results are further presented in respect of vertical and horizontal structures and staircases.*

*The analysis shows that the price of assembly and disassembly of formwork is most significantly affected by the complexity of the construction element, i.e. its shape and appearance.*

**Keywords:** *formwork, calculation, turnover material*

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## **COMPARING CUSTOMER MANAGEMENT OF THE NEW CUSTOMER GENERATION USING DESKTOP VERSUS SMARTPHONE IN E- COMMERCE CONDITIONS**

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### **ABSTRACT**

*We live at a time when the technical world is significantly ahead of other factors influencing human life and it is almost impossible to stop this development. A great breakthrough can be seen in the year 1990, when the emergence of the Internet caused immediate access to information. Given the social, cultural or financial differences in the society, access to the Internet has been largely limited or even totally excluded. Countries that have not experienced this scarcity have begun to understand the strength and potential of its use. There is a surplus of products within the global market, so new companies have to differentiate considerably from others in order to break the market for their products. Here it comes to the e-commerce scene, which becomes*

*the main means of dealing with this situation. The objective of this article is to highlight how to manage a new generation of customers when shopping online and what are the preferences when choosing between desktop and smartphone.*

**Keywords:** *Consumer behaviour, E-commerce, New generation of customers, Smartphone*

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## **ECONOMIC ASPECT OF COUNTERING THE FINANCING OF TERRORISM**

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### **ABSTRACT**

*The paper considers the problem of economic counteraction against terrorism from the standpoint of elimination the channels of its financing. The aim of the paper is to identify the ability of the Russian system of national security to increase effectiveness of countering the financing of terrorism. Theoretical explanations of terrorism is studied, methodology of economic counteracting the financing of terrorism stated in legal documents is analyzed, evolution of the Russian system of countering the financing of terrorism is traced, the today practices are discussed, existing problems are identified. Recommendations on interstate co-operation, monitoring of financial operations, operational work and changes in the system of personnel training are formulated.*

**Keywords:** *counteraction against terrorism, financing of terrorism, methodology of countering financing of terrorism, Russian system of counteraction against financing of terrorism*

## **YOUTH AND THE LABOUR MARKETS IN THE EUROPEAN UNION**

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### **ABSTRACT**

*Young people have been hit harder by the recession than any other age group, and, moreover, the subsequent economic growth has not been accompanied by sufficient job creation that is suitable for young people. This is despite the fact that today's young people are the most educated generation in history. The current situation of young people has significant economic, political and social consequences. With insufficient public support, declining household incomes increase the risk of poverty. In recent years, the NEET indicator has been used to a greater extent. The reason was the group so-called discouraged young people who are not captured in the unemployment indicator according to the standard definition of unemployment. So, it is not about young people who want to work while actively looking for job - in other words, discouraged young people. Attention has begun to focus on the NEET indicator, as it has several advantages over the unemployment rate. The main objective of the paper is to analyse recent trends in youth unemployment and it seeks to identify the main issues related to youth unemployment and joblessness that need to be solved.*

**Keywords:** *European Union, NEET, Unemployment, Youth*

## **THE RELEVANCE AND DISTRIBUTION OF CERTIFIED B CORPORATIONS IN THE EUROPEAN UNION ECONOMY**

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### **ABSTRACT**

*The origins of B Corp movement date back to 2007 when a non-profit organization B Lab introduced the B Corp certificate in the USA. The first B Corporations (the for-profit Corporations Beneficial to society) were certified in 2007. Since then 2655 companies in 60 countries around the world across 150 industries have been certified. The European B Corp movement, officially launched in 2015 with 60 companies, has now grown to more than 500 B Corps. The purpose of the paper is to elaborate the motivation behind the B Corp certificate, its application process and its effects on the customers, regional economies, and employee candidates. The authors analyse the growing presence of certified B Corporations in the European Union, its distribution across EU countries, and across different industries, and debate its advantages and shortcomings. The companies reach for B Corp certificate to visibly differentiate themselves, to protect their mission and to measure and improve their social and environmental performance/impact. However, the certificate recognizability is still to be further developed, especially in countries where B Corp certification has not yet taken place. The authors elaborate the pro and contra of the certification process (its transparency, the review and verification processes, and its recertification character).*

*The paper is based on the desk research method (secondary data used in the paper are based on B Lab statistics) and on the critical analysis approach to the theme-relevant papers and research studies. The results indicate that the value of B Corp certificate is not fully realized in the modern EU economy, mostly because of a lack of knowledge and awareness on its effects. There is also an evident lack of academic papers on this subject. This paper's aim is to fill that gap. The conclusions given in the paper could be a valuable input for future primary research.*

**Keywords:** *B Corporations, certification process, European Union, impact*

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## **THE IMPACT OF SHAREHOLDER PERCEPTION OF CAPITAL ON OWNERSHIP STRUCTURE IN THE CONTEXT OF SHAREHOLDER DEMOCRACY - CASE OF THE CROATIAN CAPITAL MARKET**

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### **ABSTRACT**

*The problem of share ownership structure in the Republic of Croatia is closely connected to the development of the financial market itself, as well as to the privatisation of companies that were state-owned in the previous economic regime. In general, we can say that higher limitations related to the range of privatisation in terms of income and shares sold appear in*

*countries with inefficient legislation, where shareholders are less protected, banks are strong and capital markets less developed. Therefore, in the development typology context within the frame of mapping out institutional cooperation and changes necessary for development, it is necessary to observe the Croatian capital market in relation to the chronological development stage of capital market and shareholding, volume of shareholders, shareholder structure and volume as well as value of shares. This paper provides an analysis of data on share ownership structure in relation to the nominal and market value of shares traded on the Croatian capital market from 2006 to 2018. Analyses conducted through SOM and ANFIS indicate that the essence of the problem of share ownership/ value structure is the concentration of legal entities and that the share in the structure of legal entities affects nominal value, while the market value can be connected to the share of natural persons and others. Shareholder democracy in the Croatian capital market has given way to the concentration of ownership with the tendency of over-the-counter and non-transparent increase in ownership, while a strong corporate control of few is replacing corporate democracy and the corporate management code. These circumstances of ownership transformation are encouraging social exclusion and enhancing the impact of connected ownership and interest groups (crony capitalism) instead of developing a modern shareholder democracy, as well as social and market inclusion.*

**Keywords:** *shareholder perception of capital, ownership structure, shareholder democracy*

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## THE CHARACTERISTICS OF MERGERS AND ACQUISITIONS AND THEIR IMPACT ON PERFORMANCE IN EMERGING COUNTRIES: A SAUDI ARABIAN STUDY

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### **ABSTRACT**

*Mergers and acquisitions are attracting interest from financial researchers who are trying to determine the performance of these high-risk operations. It is not easy to identify variables that precisely map into the various factors that affect value creation through cross border mergers and acquisitions nor to pick an appropriate performance indicator because the definitions of performance vary in terms of accounting, financial and operational views. In this paper, we focused on the impact of the characteristics of the transaction on the corporate financial performance of mergers and acquisitions, which are return on investment, return on equity and Marris ratio, using data on the deals that occurred during the period 2010-2015 in Saudi Arabia. Panel data and precisely random effect method are applied to carry out empirical analysis. In this paper, we examine whether specific merger characteristics impact the M&A's performance. The results show that the performance is negatively influenced by the level of indebtedness for the 3 performance indicators and by the sectorial proximity for the return on equity. The cash level has a very slight positive impact on the 3 indicators. Concerning the other explanatory factors, they do not have a significant effect on performance for the acquiring firms.*

**Keywords:** *Emerging economies, mergers and acquisitions, operation characteristics, performance measures*

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## **PUBLIC CONSULTATIONS IN THE LIGHT OF CO-MANAGEMENT IN LOCAL GOVERNMENT**

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### **ABSTRACT**

*Public consultations are a commonly used form of engaging local communities in public life. They may regard various matters relevant to a particular community. They include information, opinion research and a debate. Their effect is to develop the most optimal solution for interested parties. Thanks to them, self-governments on the one hand inform local citizens about their intentions, on the other – they allow the citizens to express themselves in a given matter. Well-conducted public consultations build a sense of local community and shared responsibility for the decision. Inhabitants who unite around common for them important for the implementation of tasks can affect the level of social dialogue and contribute to the feeling of greater responsibility for the use of public funds and transparency of decisions. The main goal of the article is therefore to draw attention to the importance of social consultations – not only mandatory - in the management of the local government unit. The article mainly used the method of desk research in the form of literature analysis of the subject, industry reports and exploitation of online resources, as well as case studies.*

**Keywords:** *citizens, local government, management, public consultations*

## **POTENTIAL OF CROWDFUNDING AS A FINANCIAL AND MARKETING INSTRUMENT IN THE REPUBLIC OF CROATIA**

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### **ABSTRACT**

*Crowdfunding could be described as a process of raising funding online. Crowdfunding works through collecting small amounts of capital from a large number of people and therefore it could be seen as an alternative way of collecting resources for financing projects, non-profit organization or private initiatives and new business ventures. At the same time crowdfunding can also be viewed as marketing instrument. In order for crowdfunding to be successful, it is crucial that idea or project are presented in a way that attracts, interests and motivates people on engagement. Successful crowdfunding campaign generates financial result and at the same time creates strong awareness, personal engagement and buying willingness of potential target audience. Current world wide practice of crowdfunding is relied on spread and reach of the internet and on the impact of social networks. First crowdfunding campaign in Croatia appeared in 2011 and its use grows ever since. But the term crowdfunding means different things to different people and still this mechanism is not very well known in general public in Croatia. The paper presents research results about understanding, knowledge, experience and future intentions about usage of crowdfunding instrument in*

*Croatia. The research was done in 2018 by online questionnaire on which 131 people responded.*

**Keywords:** *Crowdfunding, Financial and Marketing Instrument, Innovative Entrepreneurship, Republic of Croatia*

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## **INVESTIGATING CONSUMERS' BRANDS CONNECTION ON FACEBOOK**

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### **ABSTRACT**

*Due to the fact that social networks have become an irreplaceable part of modern life, their effectiveness for business purposes is increasing, too. The development of social networks and the growing number of users have a strong impact on companies' attempt to improve the communication with their fans and/or followers. Social networks are recognized as a popular and widely used marketing tool hence they present different information about the product and the brand to various market segments. Specifically for these media, every contact with the brand via social network does not necessarily mean that the user is also an actual or a potential buyer. Taking into account the*

*dominance of Facebook usage among others social networks in Croatia, this paper aims to understand the primary motives driving the Facebook users to be connected with the brand. The research methodology includes a questionnaire-based study on a sample of 207 Facebook users. The results point out that the main motivation attribute is to have real-time information about product and events related to the product. In addition, some study observations show that there is a significant statistical positive correlation between benefits of being informed of competition and social interactions and information as motive, as well as the respondents' engagement in social networks positively affects self-esteem.*

**Keywords:** *brand connection, Facebook users, motivation, community management, social networks*

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## **CLASSIFICATION OF R&D ACTIVITY COSTS IN FINANCIAL ACCOUNTING**

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### **ABSTRACT**

*The aim of the article is to show the way classification of research and development activity determines the expression of research and development work from the perspective of financial accounting. The article has made use of: the method of analysis utilized during the review of subject related literature, a comparison analysis applied to contrast national balance sheet regulations contained within the Polish Accounting Act as well as in the International Accounting Standard 38, observation of economic practice and the deduction and synthesis method utilized to formulate final conclusions. From the perspective of balance sheet law the initiation of the innovation process requires*

*that the enterprise separate research work from development work. The classification of conducted work as well as the assessment of their results becomes a key issue. Classification of work in the framework of R & D activity due to the technical and production criterion was adopted as binding in the balance sheet law, thus determining the principles of recognizing costs under the financial accounting. Research costs are incurred at the stage prior to development phase. From the Polish Accounting Act and IAS 38 point of view it is possible to capitalize only the costs of development work after specified conditions have been met. In the practice of various countries lack of a uniformed approach to R&D cost in accounting laws make it difficult to compare financial statements depending on the type of business activity and to assess the sources of innovation. Many entities discern only the aspect of product and technological innovation of production.*

**Keywords:** *Financial accounting, Research an development acticity, Research and development activity classification, research costs, development costs, Polish Accounting Act, IAS 38*

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## **AN ANALYSIS OF THE LEVEL OF INTERNET- BASED INFORMATION PROCESSING IN THE USA AGAINST A BACKGROUND OF GLOBALIZATION**

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### **ABSTRACT**

*Globalization is one of the drivers behind scientific and technological advances, including the development of information technologies. It impacts on a great number of economic and social spheres of human activity. The paper presents an analysis of a particular set of diagnostic features. The variables, whose relevance and statistical accuracy were first verified, formed a basis for the classification of the the US states in terms of the computer and Internet use by physical persons aged 16-74. The data comes from the statistical yearbooks published by the Central Statistical Office and from the Eurostat websites; it covers the years 2016, 2010 and 2005. The aim of the analysis is to apply a selected taxonomic method – the Wrocław method for the analysis of the US states in terms of the computer and Internet use – to identify groups of the US states with a similar level of Internet usage.*

**Keywords:** *Econometric Methods, Globalisation, Information Society, Taxonomic analysis*

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## THE POLITICAL AND ECONOMIC INTEGRATION OF LATIN AMERICA

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### **ABSTRACT**

*It was in the early 19<sup>th</sup> century that the idea of uniting the entire continent of South America under the banner of a single great nation was first conceived. Several former Spanish Empire estates and provinces, having broken free from the reign of Spain, decided to unite as a single state organism. However, it was not until the second half of the 19<sup>th</sup> century that this idea of unity began to come to life. There were several favourable factors at play: the nation states, similar social structures, coinciding economic situations, a common history, a common Catholic creed, cultural relatedness and the weakening of the Kingdom of Spain. The rapid inflow of new ideas from Western Europe – new philosophy and ideals of the Enlightening – also played a major role in the process. Unfortunately, it ended in failure almost as soon as it started. Even at the beginning of the second half the 19<sup>th</sup> century, new issues arose which managed to successfully shut down the ongoing efforts, primarily including the increasing sense of difference between the individual nations' ideals and beliefs, as well as a feeling of strong territorial independence of the local populations. These differences had the painful and bloody result of nearly a hundred years of conflict and strife across the entire continent. Another major effect was the formation of several independent, sovereign countries, whose borders have almost not changed since. Due to the success of the Cuban Revolution, the thought of a political and territorial unity of Latin America resurfaced in the 1950s. The ideals of socialism and communism are well received among the poorest classes, with all manner of leftist groups propagating, among others, the concept of creating a melting pot of the various nations in the region.*

*On the other hand, far right and oftentimes authoritarian parties tended to seize power in the individual countries, frequently with external support. These parties were not always opposed to the idea of collaboration and integration with their neighbours, but would accept it merely in terms of economy. Nowadays, Latin America is internally torn by diametrically opposed political and ideological forces to a degree unlike any other continent. Which of these forces will prevail and complete the task of uniting the region has not yet been determined.*

**Keywords:** *Latin America, idea, integration, conflict, strife, united*

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## **INFLUENCE ON DECISION-MAKING PROCESS FOR MOBILE MODELS AND PHONE TARIFF OPTIONS: CASE OF CHILDREN POPULATION**

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### **ABSTRACT**

*Consumer behaviour of the twenty-first century is more complex than ever before. Globalisation and digitalisation have shifted the balance of the sales process in the favour of modern consumers.*



*In order to stand out, modern companies must be capable of comprehending all of the aspects of the consumers' environment and anticipate consumers' demands, as well as the approach to be used as part of their integrated marketing communication. In the past twenty years, the mobile phone and telecommunications market has seen immense growth marked by yearly advancements in technology. The market is saturated with a large number of substitutes and the supply greatly exceeds the demand. The emphasis in this paper has been put on studying consumer behaviour, more specifically on the influences involved in choosing a mobile phone and tariff for the population of children. The children of today have come to own mobile phones earlier than ever before and have come to reach levels of technological literacy the likes of which are rarely encountered in adults. As such, they are becoming more and more noticed as a source of influence within the family. The paper summaries results of empirical researches; focus groups and a survey. Researches studied what influences families when it comes to the process of purchasing a mobile phone and a tariff for the population of children. The subjects were children in the age from seven to fourteen years and their parents. Both researches studied what influences families when it comes to the process of purchasing a mobile phone and a tariff for the population of children. The subjects were children between the ages of seven and fourteen and their parents. The research examined the way children use mobile phones, the reasons behind mobile phone usage in children as well as the customer journey of choosing the mobile phone model and tariff option for children. The parents of children who are not active mobile phone users were separated from the parents of children who actively use and own mobile phones. This thesis encompasses all of the factors affecting the process involving the decision of making a purchase and states the conclusions deduced from the research.*

**Keywords:** *Children, Decision making, Mobile phones, Telecommunications tariffs, Consumer behaviour*

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## THE DECISION-MAKING ON INVESTMENT IN INDUSTRIAL ENTERPRISES – CASE STUDY

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### **ABSTRACT**

*The article focuses on the analysis of the process of investment decision-making in two medium-sized industrial enterprises and on the comparison of these processes. The pieces of information were gathered via personal interviews with the managers of the enterprises, and they were compared with the results from the questionnaire survey conducted among other industrial medium-sized enterprises operating in the Slovak Republic. The enterprises start the process of investment decision-making with the identification of a problem, and then proceed to the definition of variants, assessment of these variants, and the subsequent selection of the optimal one. The substantial criteria during the assessment are represented by the amount and return on investment but also by qualitative criteria, such as the impacts of the investment on the quality of products, or the previous experience. The enterprises acquire the information on opportunities in the market or on possible investment variants from various sources but mainly from the solutions of their competitors, trade fairs, customers, and from their employees. Even though the analysed enterprises belong among the efficient ones in relation to their investment process, they do not use the methods of appraisal of economic efficiency of investment during the assessment of investment variants, or they use them only to a low degree. Mainly, the amount of investment is important for them. The absence of these methods of appraisal is directly connected to the absence of analysis and quantification of risk of investment problems. The results of comparison of processes of investment decision-making in enterprises shall contribute to the identification of those factors that can make the investment*

*process more efficient and inspire these enterprises to implement them.*

**Keywords:** *Investment, Investment decision process, Industrial enterprises, Comparison, Medium sized enterprises*

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## **STAKEHOLDER COLLABORATION: IMPLICATIONS FOR IMPROVING TOURIST DESTINATION MARKETING ACTIVITIES**

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### **ABSTRACT**

*In order to establish a high quality tourist experience and create the ideal destination product, it is important to ensure a good collaboration between stakeholders, especially among hotel businesses and tourist boards, as well as to coordinate their marketing activities. The aim of this paper is to research the attitudes on stakeholder collaboration in the process of planning and executing the marketing activities of a tourist destination. Empirical research was conducted on hotel businesses and tourist boards in the Primorje-Gorski Kotar and Istria Counties. This empirical study provides useful insights into the nature of collaboration between stakeholders in conducting marketing activities in the most developed tourist regions in the Republic of Croatia. This research resulted in useful implications for marketing management of hotel businesses and tourist boards in order to contribute to improving the quality of the tourist offer and thus respond to the challenges imposed by modern tourism. Management of hotel businesses and tourist boards should primarily collaborate regarding strategic marketing planning of tourist destinations.*

*The synergic effects of collaborating in this area can enable stimulating the growth of developing new products. By achieving synergic collaboration effects it is possible to establish modern destination tourism development and be(come) competitive on the tourism market.*

**Keywords:** *collaboration, stakeholders, tourist destination marketing activities, hotel businesses, tourist boards*

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## **THE LEGAL ENVIRONMENT OF BUSINESS – REMEDIAL PROCEEDINGS IN CASE OF INSOLVENCY OF THE ENTERPRISE IN POLAND (SELECTED ISSUES)**

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### **ABSTRACT**

*The aim of the study is to discuss the remedial proceedings as a way to avoid declaring bankruptcy and ensure further activity of the enterprise which is insolvent or threatened with insolvency in Polish legal system. The analysis reflects the comparison between the remedial proceedings and other restructuring procedures established under Polish regulations. The paper concentrates on the characteristics of the subsequent stages of the remedial procedure and the possibilities of using different legal measures to safeguard the interests of the insolvent enterprise at each stage of the procedure. In particular, the procedure to secure the property of a debtor, the restructuring plan and the restructuring measures are in focus. The article not only pays attention to legal regulation of the abovementioned procedure but also to practical consequences and possible threats to the wellbeing of the enterprise after issuing an application for the opening of remedial*

*proceedings. Subject to analysis is also the right time to initiate the remedial proceedings and possible consequences of not initiating it in the right time. Last part of the text concentrates on the process of concluding the arrangement by the debtor with his creditors. Description of the procedures of establishing the inventory of receivable debts and convening the meeting of creditors in order to hold a vote on the arrangement is limited with the stress being put on the receivable debts which are covered by the arrangement.*

**Keywords:** *bankruptcy, insolvency, remedial procedure, restructuring procedure, restructuring plan*

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## **THE IMPACT OF WRITTEN CORRESPONDENCE ON BUILDING CUSTOMER RELATIONSHIP**

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*Relationship marketing is the theory most associated with the Nordic School of Marketing, which deals with the issues of creating and strengthening the relationships of companies with clients, and also addresses the issues of customer satisfaction and their loyalty. The problem of building relationships has found practical applications due to the increasing competition on the market, causing the need to calculate the costs of acquiring new buyers and maintaining existing ones. Especially in mature industries, which include the energy supply market, companies try to take care of relationships with customers so that they do not leave them and do not use the offers of competing companies. Customer service is an important element in creating customer*

*relations, especially an appropriate communication strategy. The aim of the article is to explain how to shape written communication in a company to build relationships with clients, and in particular to determine the key elements of correspondence important for the formation of relationships. The paper reviews the available literature and contains the results of a qualitative research conducted by the authors in a cooperation with a large energy company in Poland.*

**Keywords:** *Communication, Customer relationship, Qualitative research, Written correspondence*

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## **FIGHT AGAINST DOMESTIC VIOLENCE IN REPUBLIC OF CROATIA AND THE REPUBLIC OF SERBIA**

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### **ABSTRACT**

*The phenomenon of domestic violence has been known from the earliest days of human civilization and has only recently been studied, no longer as a private, but as a social and public category. In accordance with the international standards the EU countries (Croatia) have adopted adequate legislation to combat domestic violence. Similarly, Serbia has acted as a candidate country for EU accession. The paper deals with more important international legal sources and EU standards for combating domestic violence, among which a significant place belongs to the Istanbul Convention. Criminal offenses of domestic violence*

*envisaged by the criminal law of Croatia and Serbia have been specifically addressed. Other legal sources for the prevention of domestic violence were also pointed out and research was conducted on the types of domestic violence committed against women on the territory of Croatia and Serbia. The conclusion provides the de lege ferenda proposals for improvement of legal solutions in the function of prevention of domestic violence.*

**Keywords:** *domestic violence, criminal liability, legislation, Croatia, Serbia*

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## **EXAMINING THE EFFECTS OF TRAVEL CONSTRAINTS, TOURIST SATISFACTION AND WEBSITE IMAGE ON TOURIST LOYALTY IN DEVELOPING COUNTRIES CONTEXT**

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### **ABSTRACT**

*This study aimed to investigate the underlying dimensions of travel constraints tourist satisfaction and destinations website image on behavioral and attitudinal intentions of travelers. This study contributes to the body of knowledge that how tourist organization can retain their customers by studying antecedents of travel constraints, satisfaction and web image. In addition to that, this study extends the previous research by examining the role of travel constraint, satisfaction and web image within emerging economies like Pakistan. Deductive approach and positivism paradigm is used for research design. Data is collected*



*through questionnaires from those customers who have travelled recently on selected destinations. For sampling, simple random sampling technique is used. A pilot study is conducted with 100 respondents. Structural equation modeling was used to examine the hypothesized relationship. This study is unique in its nature as it examines the dimensions of travel constraints and destination image in South Asian context.*

**Keywords:** *Travel Constraints, Destination image on the website, Satisfaction, Attitudinal and behavioral intentions of loyalty, Pakistan*

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## **THE DEVELOPMENT OF TRADE WITH WHEAT AT THE GLOBAL LEVEL**

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### **ABSTRACT**

*The progress of world agriculture has highlighted the contribution of this activity to economic growth. For all countries, agriculture has been a powerful balance factor in harmonizing domestic economic development and settling social conflicts generated by the food problem. The development of*

*agriculture has favored economic growth in the most diverse sectors, contributing to ensuring national independence and food security. World trade in cereals accounts for about 10% of agri-food trade. This percentage is important if we consider that cereals are basic raw materials for the manufacture of agri-food products or as animal feed. The present study analyses the evolution of indicators such as area cultivated, production, average yield and trade with wheat at the global level between 2010 and 2016. In the year 2016, at the worldwide level, the area cultivated with wheat is based on 12 countries which cultivate around 66% of the total area of 220 million hectares.*

**Keywords:** *agriculture, cereals, global commercial exchange, wheat*

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## **THE VIRTUAL PRODUCTION LINE AS A MODEL FOR A CREATIVE LABOUR ANALYSIS**

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### **ABSTRACT**

*It is useful to divide a work (labour) into routine and creative and define a creative labour as a here and now negation of a routine one. For instance, using computers and the internet was creative in the scientific community (here) some 25 years ago (then), but it is a routine activity in 2018 (now). Scientists who do not use computers and the internet are exceptions that prove the previous sentence here (scientific community) and now (2018). A work of blue collars on the assembly line, brought by Henry Ford in motor industry a hundred years ago, is a commonly used example of a routine labour. We introduce a concept of the Virtual Production*

*Line (VPL) as an extension of the Ford's invention, study its structure, and show how it can be used in an analysis and modelling of creative labour. We also demonstrate that the VPL should be considered as a new example for the ICT support to business activities. By an example of the Linux (system), we demonstrate that each bug fixing or a codebase extension can be considered as an example of a successful or not creative activity, done by at least two developers on a corresponding VPL. The line is virtual, since it does not exist physically and developers may be located in different parts of the world. They join efforts in a given project and exchange information via internet. Thus, there exists the one to one correspondence between a Linux project and its VPL. Then, the motivation and governance in a Linux project can be studied as formal and informal relations among developers working on the corresponding VPL. We generalize these findings to the case of any creative activity and discuss a possible impact of them on labour market in the nearest future.*

**Keywords:** *Assembly line, Creative and routine labour, Labour market, Linux system, Project management*

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## **POST-FORDISM AS A SOCIO-ECONOMIC CHANGE IN "TRANSITION" SOCIETIES**

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### **ABSTRACT**

*The essay is analyzing the new perspective of transition societies in the former socialistic and Soviet states through its history from state socialism to current hybrid model of in-between socialism and capitalism. Postfordist type of transition created subcontractors from all the transition countries (now mostly*

*members of EU) and made them subordinated participants of multinational chains, dependent on international companies. This tendency has had a very important impact on the whole socio-economic process. All post-socialistic societies had an idealistic hope to establish an economic system of social justice. However, the real transition took a direction of changes, which were not expected by its citizens. A dream of welfare of social market economy and state-providence have become the reality of liberal capitalism (capitalism of subcontractors), As some countries adopted to the model of postfordist dependent development, the other transition societies had implemented an oligarchic model. In this system a social order has been ideologically based on foundation of an idealistic vision of “ the golden age” (e.g. idealized welfare of soviet past).*

**Keywords:** *Change, Transition, Post-Fordism, Subcontractors, Peripheral State*

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## **SIMULATION OF THE INTEREST ON SAVINGS IMPACT ON THE CONSTRUCTION COMPANY VALUE DURING THE ECONOMIC CRISIS PERIOD**

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### **ABSTRACT**

*This paper deals with the simulation of interest on savings impact on the construction company value in the economic crisis*

*environment when any measure that may help the company to survive on the market or even improve its value is welcome. A substantive value valuation method was applied to assess the construction company value for the purpose of this research and simulation was carried out to analyse the impact of the interest on different amount of savings. A substantive value valuation method took into account both the reproduction cost and accounting values. Furthermore, different types of savings were considered, i.e. saved financial resources on (1) a term account without commitment and (2) with 1-year commitment. These two variants were compared with the valuation of the company in real time (zero variant). Savings were achieved through year-on-year decrease in inventory since decreasing the inventory level is one of the first decisions a company makes during economic crisis. Real construction company operating on the Czech construction market was selected as a subject of analysis for the case study. Data shows considerable deviations in terms of company value during the economic crisis (2008- 2015). Furthermore, results have revealed that the analysed interest on savings impact on the construction company value is minimal. However, the results of the article have also indicated that the crisis management factor is of a considerable importance.*

**Keywords:** *Construction company, interest, inventory, savings, value*

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## **EFFECTIVENESS OF THE REVIEW OF PUBLIC PROCUREMENTS IN SELECTED COUNTRY**

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### **ABSTRACT**

*Supervision and control of public procurement is a crucial topic as public funds are used on a considerable amount of money with a significant amount of money from public budgets. If the contracting authority favors one of the participants, this will have a negative impact on all the country's inhabitants. These phenomena must be avoided; therefore, the regulation and controls in this area are important and necessary from the point of view of the independent body. In the Czech Republic, this power is placed in the hands of the Office for the Protection of Competition. The aim of the paper is to determine how the contracting authorities react to significant fines imposed by the Office for the Protection of Competition. Also, if the fine imposed worked as a means of modifying the public procurement procedure and if there were new measures or a revision of the existing procedures adopted to avoid repeated violations of the Public Procurement Act. Based on research over the period 2013 to 2014, the effectiveness of the Office for the Protection of Competition supervision is not very high. The inefficiency stems primarily from the unwillingness to identify the responsible person who caused the breach of the law.*

**Keywords:** *Public procurements, Office for the Protection of Competition, review process, Public Procurement Act, Czech Republic*

## **WOMEN IN MANAGEMENT - RESEARCH IN REPUBLIC OF CROATIA**

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### ***ABSTRACT***

*It is unthinkable that organizations today perform without quality management that is responsible for leading and directing the organization toward goal achievements. Today, women are equally good at managerial job position as male managers. However, due to various prejudices and discrimination, woman still have difficulties climbing the corporate ladder. The glass ceiling phenomenon is still present in world researches as well as in Croatia pointing out woman under-representation on managerial positions where they face difficulties while trying to reach higher corporate levels.*

**Keywords:** *management, glass ceiling phenomenon, female managers*

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## QUALITY IN MANAGING A HOTEL ON THE EXAMPLE OF GDYNIA

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### **ABSTRACT**

*This study is an attempt to present organizational elements related to quality management in hotels. The main goal was to show whether management through quality is an important decision-making direction of managers in hotels. An attempt was made to answer the following questions: Do hotel managers consider quality issues as important? What quality systems are implemented? Who in the hotel deals with quality management? Are ITC tools used in the quality management process? The study consists of two parts. The first is an analysis of literature and an attempt to present the issue of the quality of hotel services in literature. Issues related to the quality management elements in hotels were raised here. Particular attention has been paid to modern technologies and information and communication systems that have a major impact on the quality of services in the hotel industry. The second part of the article is an analysis of empirical research conducted by means of a diagnostic survey using a questionnaire sent via the Internet to hotel managers in Gdynia. All objects defined in Polish law were examined as hotels located in the city of Gdynia. The study was conducted from July to September 2018. The analysis shows that the vast majority of respondents consider quality to be an important sphere of hotel operation. However, few hotels implement quality systems, in addition to those required by top-down regulations. ITC tools are known by the respondents, but they use them relatively little.*

**Keywords:** *hotel services, quality, quality of service management*



## **COOPERATION OF ENTITIES IN THE MARKET OF REGIONAL TOURIST PRODUCTS**

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### **ABSTRACT**

*The regional tourist product is usually developed by many entities. Its unique feature is complexity. Individual elements form one whole, although they are managed by different entities. It means that the regional tourist product consists of many elements which are complementary to one another. Cooperation of entities developing the regional tourist product is particularly important, and it is often even a prerequisite for such products. Regional tourism policy is crucial as it should focus on enhancing motivation for cooperation among entities in the region and outside it. Such cooperation affects the scope, structure, quality as well as the availability and image of regional tourist products, among others, and therefore the region's competitiveness. The aim of this paper is to present the unique nature of regional tourist products, where the development of such products is determined by cooperation. This paper also seeks to show the diversity of regional tourist products, depending on the entities involved and their objectives. Research has been conducted in order to identify the motives for cooperation, to show the level of willingness and satisfaction from such cooperation and the awareness of undertaking joint actions. The representatives of the entities participating in the development of joint regional products were surveyed. A diagnostic survey was carried out using questionnaires. A sample of 643 various entities (local governments, commercial entities, nonprofit tourism*

*organisations) were surveyed during 2013-2016 in Poland. The problem analysis has shown that regional tourist products are particularly difficult to develop. Their scope, structure, quality as well as availability and image depend on a range of factors that result from cooperation of many entities. They are the basis for the region's tourism attractiveness and competitiveness. The results of the research have shown that entities are willing to cooperate provided that the product achieves their individual objectives and there is a leading entity which motivates them properly to take action. The research has also shown that entities prefer to cooperate with the same or similar type of entities; for example, a local government with other local governments, commercial entities with other commercial entities. It is much more difficult to establish and implement cooperation with entities of different nature. Nonprofit organisations usually manage to do that. Also, it must be noted that the awareness that cooperation is necessary for developing regional tourist products is very high among the surveyed entities.*

**Keywords:** *cooperation, regional product, tourism*

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## **EVALUATION OF EU GRANT SCHEME USING WEBSITE PERFORMANCE MEASURES**

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### **ABSTRACT**

*This paper investigates the applicability of diversified indicators to measure the performance of newly created websites, backed by EU financial support in Poland. A full sample of 2730 projects*

*focused on e-services creation is analysed, with a use of various metrics focused on visibility, popularity and valuation. Two rounds of data collection were conducted in the period of 2015-2018, accounting for dynamic effects. Quality indicators of the websites in sample deteriorates quickly and there is no significant difference between subsequent calls rounds that took place over 2008-2013 period. Therefore negative conclusions on sustainability of projects as well as on efficiency of public support for e-services are drawn.*

**Keywords:** *EU funds, Internet, websites, performance*

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## **WOMEN IN THE SLOVAK IT SECTOR: FROM EDUCATION TO LABOR MARKET**

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### **ABSTRACT**

*The difference between men's and women's average earnings and other gender issues in the Slovak Republic is one of the largest in the EU and has been very persistent over time. This paper explores the origins of recruitment gender issues using the sample of young and highly skilled workers looking for IT position at the beginning of their career in Slovakia. The data for this study comes from different sources to combine information about graduate's university, employment and employer's characteristics. The study describes the current state of the gender issues in Slovakia IT sector based on data sets obtained from National Social Security insurance institution and the biggest job and recruitment portal („Profesia“) in Slovakia. The analysis combines data from administrative records on the whole*

*cohort of graduates including information on graduate's university, gross monthly earnings and graduate's characteristics. Data further includes information from CVs such as various skills characteristics and number of CVs seen by potential employers per graduate. We further discuss whether employers prefer men to women, even when women have the same skills as men in Slovakia during recruitment process for IT positions. Results from logistic regression models have shown that odds male's CV seen by employer's is not significantly different from female seen CV's.*

**Keywords:** *discrimination, IT, Slovak labor market, wage gap, women, information technology, gender equality, information and communication technologies*

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## **MODELING ECONOMIC IMPACT OF NUCLEAR POWER PLANT FOR POLAND**

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### **ABSTRACT**

*This study analyzes the factors affecting the development of energy sector in Poland, particularly envisaged construction of first nuclear power plant. The input output model Empower.PL is employed to account for changes in economic aggregates, as well as the reduction in greenhouse gas emissions. Set of equations is described that constitute the full version of the model, reflecting the four types of multiplier mechanisms present in the economy. Preliminary results of model use for*

*estimating the effects of the construction of nuclear power plant in Poland are presented, that demonstrates model capacities. Financing nuclear power plant construction from public funds, without changing the amount and structure of existing expenditures, means the need to limit and reallocate resources previously allocated for consumption. Further development of the model should lead to more accurate than preliminary results presented in this paper.*

**Keywords:** nuclear energy, greenhouse gas, emission, input output model, Poland

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## **THEORETICAL POSSIBILITIES FOR CREATION OF ERASMUS+ PROGRAMME FOR NAVAL STUDIES AT THE UNIVERSITY OF SPLIT**

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### **ABSTRACT**

*The European Union is a community of countries which was conceived by the integration of several European countries more than 50 years ago. One of the EU goals is successful foreign and security politics, achieved mostly through international cooperation. International cooperation is therefore important for strengthening of the overall EU politics and for strengthening of the sense of belonging among the EU members. Erasmus+, as a programme whose aim is to enable the youth mobility, is the best example of the EU initiative for the international cooperation. In fact, Erasmus+ is being focused on exchanges and mobility that have a positive effect on quality development of the work within young people, on strengthening of the higher education quality*

*and on the inclusion of youth in the international business sector. Except for the above, 21th century is the time where multilingualism is necessary for successful business in each sector and organisation. Therefore, army as an institution dealing with missions outside its regional areas tends to achieve quality cooperation with other countries with a goal to prepare their cadets and officers for missions in foreign countries and for communication with the administration of countries they are located in. This paper analyses study programmes of prominent EU members with which the Naval Studies in Split plans to cooperate. The author recommends introduction of Erasmus+ courses in Naval Studies programme after the comparison of the existing study programme and Erasmus+ courses on universities and academies within the EU.*

**Keywords:** *European Union, international cooperation, Erasmus+, naval studies, University of Split*

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## **PROTECTION OF INTELLECTUAL PROPERTY RIGHT IN POLAND**

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### **ABSTRACT**

*Intellectual property rights protection is a crucial element which contributes to the development of modern economics. Poland is considered as developed, high-income country. As a member of the European Union Poland should fulfill all high requirements and standards connected with intellectual property. The main aim of the paper is to show the assessment of intellectual protection in Poland using three measures of intellectual property protection created by well-known institutions: Property Rights Alliance, World Economic Forum and the U.S. Chamber of*

*Commerce. In the paper brief description of their methods is also presented.*

**Keywords:** *intellectual property rights, protection of intellectual property, Poland*

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## **CUSTOMERS' REACTION TO UNETHICAL COMPANIES' BEHAVIOUR – COMPARING WEST VERSUS EAST EUROPE**

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### **ABSTRACT**

*This research examines the customers' reaction to unethical behaviour of companies. The study focuses on the differences between Eastern versus Western European customers. More specifically, two main hypotheses were formulated: (1) The self-perception of customers about ethics (concerning ethical, ecological and social issues) is different in Eastern and Western Europe; (2) The mean of customers' reaction on unethical behaviour of the companies is different in Eastern and Western Europe. A quantitative study was conducted through hypothesis tests. The empirical study involved a sample of two-hundred-and-two responses from customers from different countries from Europe and Post-Soviet era countries as well.*



*The findings suggest there are differences between Eastern and Western European customers as their reactions on unethical behaviour differ. Moreover, the results gave support to the main hypotheses outlined, i.e. that the mean of customer's reaction on unethical behaviour and their self-perceptions are different in East and West Europe. Customers from West Europe rate themselves better and are more prone to react against unethical companies' behaviour. Furthermore, Western consumers are more keen and likely to disclose and diffuse unethical corporate procedures.*

**Keywords:** *Ethics, Culture, Consumer Behaviour, Corporate Practices and Management, West Europe, East Europe*

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## **FACTORS OF COMPETITIVENESS OF THE EUROPEAN MARKETS TO SUPPORT BUSINESS DECISION MAKING**

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### **ABSTRACT**

*Several well established studies measure competitiveness at the country level such as the World Economic Forum and the Institute for Management Development. The former defines competitiveness as the set of institutions, policies and factors that determine the level of productivity of a country. In this paper we focus on factors of competitiveness of the European markets to support business decision making with emphasis on the strategic marketing decision of doing business internationally. In the context of managerial economic decision making the objective is usually defined as profit maximization. However, due to rapidly changing business environment managers nowadays are dealing*

*with higher percentage of nonprogrammed decisions which are characterized by novelty, risk and uncertainty. In order to reach efficient and effective business performance, to compete, grow and be profitable when doing business internationally companies should research factors of competitiveness to allocate resources efficiently and to avoid risk and uncertainty.*

**Keywords:** *Competitiveness, Factors of competitiveness, Business decision making, Strategic decisions, Factor analysis, Measurement model*

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## **THE EFFECT OF SYSTEMIC STRESS IN THE UNITED STATES ON BILATERAL EXPORTS**

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### **ABSTRACT**

*The global financial crisis has shown that international trade is not resistant to financial shocks. In this paper, we study the effect of systemic stress in the US on bilateral exports, using the gravity model of international trade. We found that systemic stress in the*

*US has a negative impact on bilateral exports. This finding complements our knowledge of the effects of systemic stress on other economic variables.*

**Keywords:** *bilateral exports, CISS, gravity model of international trade, PPML, systemic stress*

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## **RETHINKING THE NEOLIBERAL PRESCRIPTIONS OF STATE-BUILDING: THE CASE OF BOSNIA AND HERZEGOVINA**

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### **ABSTRACT**

*Despite the long years of political, economic and military presence of the international community with its remarkable amount of aid in post-conflict Bosnia and Herzegovina (BiH) is still one of the most divided societies in Europe which include ethnic competitions, decentralized political instabilities, lack of economic growth and high rates of unemployment. The current state structure was put forward by the Dayton Peace Accords signed in 1995 to end the violent war turning out an ethnic cleansing and caused unforgettable humanitarian and economic loss. The Dayton vision for the BiH was based on the neoliberal agenda which put a strong emphasis on the belief that ethnic harmony and sustainable peace would only be achieved through a reconstruction programme of neoliberal policies e.g. liberal democracy and open market economy. However, ethnic collective identities between contending groups are still seen to be the major*

*obstacle to reach an upper level of shared collective identity. With this regard, this paper aims to discuss the effectiveness- or ineffectiveness- of Dayton recipe for BiH to build a functional and sovereign state along with an upper level of shared collective identity.*

**Keywords:** *Bosnia and Herzegovina, collective identity, Dayton Peace Accords, neoliberal restructuring*

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## **IMPACT OF UNIVERSITY DEGREE ON THE LABOR MARKET IN SLOVAKIA**

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### **ABSTRACT**

*A knowledge-based economy is one of the most effective ways for a country to move forward in a strong competitive environment. Generally speaking, the development of the country includes*

*high-quality human resources as an efficient, flexible, well-trained, professionally creative and accessible workforce. In Slovakia, over the last decade, the number of university graduates has grown to a large extent. High school students continue to pursue their studies with great expectations, hoping to find a better job and faster career growth after graduation. Unfortunately, young people tend to learn more from less demanding disciplines, pedagogy, andragogy, social work, prestigious law and medical science. Studying the more demanding sciences such as mathematics, physics, chemistry, electrical engineering is of minimal importance. Therefore, we have a large demand after such graduates on the labour market today. Currently, learning opportunities are almost unlimited. If students who want to continue studying in college have chosen the appropriate field of expertise they want to deal with in the future, they should also find the right university. What is the basis for choosing a student university if you have already found the right area for yourself? We think a possible answer to the question can be hidden in the post-university opportunities or the opportunities given by the University.*

**Keywords:** *University, education, graduates, wage, employment, students*

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## **WEALTH OR HAPPINESS OF THE EUROPEAN UNION– THE DILEMMA OF THE NORMATIVE ECONOMICS**

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### **ABSTRACT**

*This paper undertakes the issue of the relation between the wealth of the nations and the happiness of their citizens. The notion of happiness and the ways of its measurement has long been left on*

*the margin of the economic science. Determining the definition of happiness has not been the only problem, but the methods of measuring it as well. A research in literature on wealth and happiness has been carried out for the sake of this paper. The specific nature of economics as part of humanities has been discussed proving that it is the challenge for economics to study both wealth and happiness. The specific nature of Positive and Normative Economics has been compared which resulted in the conclusion that it is the task of Normative Economics to shape the reality in order to provide wellbeing and happiness to ordinary people. The idea of "good economics" has been exposed to be used to focus on man and their needs. Further, empirical study of the level of happiness and wealth has been carried out in the European Union states. The level of wealth was measured with the use of the most popular tool, i.e. Gross National Product per capita. For this purpose, the data of the World Bank was used. Also the level of happiness of the UE citizens has been measured. The HPI- Happiness Index Planet was used, developed by experts of New Economic Foundation. This tool involves such elements as wellbeing, life expectancy, inequality of outcomes, ecological footprint. The findings showed a moderate correlation between happiness and wealth. They proved a significant differentiation between particular countries of the European Union showing that the countries of the so called Central-Eastern Europe make up the group of poor and least happy ones. The Scandinavian countries and Holland proved the reverse. An interesting situation was noted in Luxembourg which is regarded as the richest country in the European Union, where the results showed the worst coefficient of happiness. The Author has drawn the conclusion that the happiest countries cannot be the poorest. This means that the European Union faces a challenge and within social and political policies is supposed to provide the nations not only with wealth but happiness as well.*

**Keywords:** *wealth, happiness, well-being, economics, European Union*

## SUSTAINABLE DEVELOPMENT OF AGRICULTURAL PRODUCTION IN BALTIC STATES

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### **ABSTRACT**

*Agriculture in EU member states is supported and protected under the Common Agricultural Policy (CAP). One of the more important objectives of this policy is to ensure sustainable development of rural areas by providing the appropriate quality of life for their populations and fully utilizing factors of production in agriculture. A particular role is attributed to agri-environmental programs including organic production. Organic farms play an important role in local development by providing high quality products and environmental protection. The common agricultural policy is oriented towards supporting the development of sustainable production regardless of the farming method. This is in line with the principles of sustainable development. This is particularly significant in the case of new EU member states, in which there is high underdevelopment. The aim of the work is to assess the activities supporting the sustainable development of agricultural production in Estonia, Lithuania, Latvia and Poland in 2013-2015. Selected elements of financial analysis were applied. Research indicates that the idea of sustainable development is implemented at the level of farms. In all countries, farms benefited from subsidies for farming under unfavorable conditions (LFA) and agri-environmental programs. Public funds have contributed to the improvement of the economic situation of farms.*

**Keywords:** *agricultural production, Baltic States, development, rural areas*

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## **PROFIT AND ITS CORRELATED RISK APPEARING WHILE INVESTING IN 2008-2018**

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### **ABSTRACT**

*When discussing the issues of finances, it is particularly vital to concentrate on the efficiency of the market and refer it to an alternative risk for an income. The notion of an efficient market refers to the efficiency in terms of information, which means that prices must reflect all information. Thus, in order to be able to invest on the market, one should have information and knowledge allowing for correct investments with the lowest risk and the highest profit. It must be remembered that investing in financial instruments is connected with a possibility of both earning profits and suffering losses.*

**Keywords:** *finances, investing, financial instruments, profit, risk*

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## **POTENTIAL CONSEQUENCES OF WORKING AND STUDYING TOURISM AND HOSPITALITY: THE CASE OF STUDENTS' BURNOUT**

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### **ABSTRACT**

*Nowadays an increasing number of tourism and hospitality students (T&H) decide to work during their study time. It results from many reasons, such as a necessity to possess and develop practical skills and abilities, to gain job experience, to earn money and support themselves financially, etc. Working in the T&H industry is characterized by long, irregular and unsocial hours, night and weekend schedules, or having to deal with heavy workload and stress. All these demands of working in T&H may interfere with students' academic life and can be reflected in their fatigue, tiredness and strain when studying or attending classes. This study develops and tests a research model that investigates the relationships between time workload experienced by working students and their exhaustion from their studies. Additionally, an attempt was made to answer the question whether the reasons why young people decide to work while studying may have any consequences for their feeling of study exhaustion, as one of the dimensions of students' burnout. This study was conducted among tourism and hospitality (T&H) students who, at the time of the research, were both studying and working in T&H. It means that only students with current working experience took part in this study.*

*A questionnaire survey was conducted to elicit responses concerning students' work, their attitudes toward the undertaken studies and their socio-demographic characteristics. 121 questionnaires were analyzed in this study. The findings revealed that there are positive and significant relationships between time workload experienced by working students, reflected in a number of days per week at work and a number of hours per day at work, and the students' exhaustion. The results show that only earning money to cover the living expenses positively and significantly relates to students' exhaustion. Noteworthy, in the case of these respondents, having some kind of pressure to work (to cover the living expenses) may put a particular strain on their successful management of their work and student roles. Implications of the results are discussed, and a suggestion for future research is provided.*

**Keywords:** *tourism and hospitality, students, employees, burnout, time workload*

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## **CAN ORGANIZATIONAL CULTURE PREDICT DEVIANCE AT WORK: EXPLORING THE CAUSE EFFECT RELATION**

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### **ABSTRACT**

*The concept of workplace deviance has been recognized to have a significant impact on various aspects of organizational activities. Being seen as a disruptive and costly organizational problem, many organizations strive to prevent and discourage this form of behaviour. Among others, managers seek to develop organizational culture that diminishes this negative behaviour and creates healthy environment, as organizational norms, values and attitudes can influence employee's behaviour. Still the question that raises is can all forms of cultures influence deviance at work and which specific forms of culture are best to predict and assure low levels of deviance. Through an empirical research this paper has shown connection among types of deviance, but*

*although descriptive statistics showed differences in organizational and interpersonal deviance between groups of employees according to the dominant value orientation within their employer, such differences were not confirmed by non-parametric tests.*

**Keywords:** *Deviant workplace behaviour, Organizational culture, Personality traits*

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## **CREATIVE TOURISM AND RURAL DEVELOPMENT IN CROATIA**

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### **ABSTRACT**

*Today's tourism is experiencing continuous growth caused by constant changes and the development of tourist needs. The reason for this is adapting to the needs and new demands of contemporary tourists who want to participate in every activity and learn about other cultures, ways of life and art practices. Creativity has always been a strong engine of human activities. In the areas of low socioeconomic status, its role is even more important for developing a life standard of rural area habitants. Creative tourism considers active participation in local creative activities, such as gastronomy workshops, harvests, learning traditional dances, songs and many more cultural elements.*

*In order to keep a traditional lifestyle and keeping locals in their motherland, new management models should be brought together, including various sectors: tourism, culture, ethnology, spatial planning and agronomy. In a dynamic tourist market, with small investments, it is possible to create a competitive advantage based on the authenticity of a particular destination. This article presents a managing model on the example of Etnoland Dalmati at the hinterland of Dalmatia, Croatia, and the changes that have been made in that area.*

**Keywords:** *creative tourism, management of tourist destination, rural development, Republic of Croatia*

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## **ANALYSIS OF ROAD FREIGHT MARKET IN CROATIA**

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### **ABSTRACT**

*Road transport has crucial role for the development of any society, and a well-planned infrastructure is one of the key prerequisite of economic growth. Road transports connects production and final consumers so it is essential for adequate functioning of any economic systems. Road transport occupies the leading role in the entire transport by land in almost all countries of Union, and Republic of Croatia is not an exception. The purpose of this paper was to underline basic characteristics of road freight market in the Republic of Croatia. It is a highly fragmented industry and due to that there is no company which could significantly influence the industry's profitability, as it is consisted of a large number of small companies. Most Croatian transporting companies have small vehicle fleets (up to 5*

vehicles) with a poor average age structure. It is necessary to encourage alliances between Croatian road freight transportation companies, through clusters or associations, in order to operate together internationally and domestically. Despite the fact that in the Republic of Croatia, a few clusters have been operating for years now, their role is still marginal. Main problem is that most of Croatian road transporters are still not aware how alliances would influence their operations and make business dealings easier and more successful, both on the domestic and international market.

**Keywords:** road freight, Croatia, vehicle fleets, clusters, associations

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## **THE ANALYSIS OF COMPANIES OF THE FUEL SECTOR BASED ON THE EXAMPLE OF COMPANIES QUOTED ON THE WARSAW STOCK EXCHANGE IN POLAND AND THEIR FAIR VALUE BETWEEN 2008-2018**

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### **ABSTRACT**

*This paper examines share price of the companies listed on the WIG-FUEL and their fair value between 2008-2018. Data from 2008 to 2018 were collected from the Stooq.pl (Polish portal of shares). Two hypotheses are tested: (1) value of the shares based on the market price; (2) value of the shares as the fair value of shares. The fuel market was analysed and characterised, also the companies participating in it were described. Nevertheless, the market value of shares does not reflect the fair value of the shares*

*which is currently assigned to different companies in the sector. The research analysed the key financial ratios, the actual value of shares; also the fair value of the fuel sector companies listed on the Warsaw Stock Exchange was calculated.*

**Keywords:** *fuel sector, financial condition, profitability, fuel prices, net profit*

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## **CONSUMER POLICY AND ITS TOOLS IN CONDITIONS OF THE SLOVAK REPUBLIC**

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### **ABSTRACT**

*This paper deals with the analysis of the consumer policy in the Slovak Republic and its efficiency from the consumers' point of view. The opinions on the consumer policy were investigated by the qualitative marketing research methods with the using of structured questionnaire on the sample  $n = 625$  respondents. The research results were evaluated by the one and two-dimensional statistical methods. The paper offers the assessment of the consumers' opinions on the companies selling goods and services, on the state consumer protection and on the satisfaction with the quality of the goods and services on the market. One of the results is also the consumers' experience with the purchasing and sales returns, and with the consumer organizations. The research findings refer about the positive and negative consumers' experiences and proposals for the enhancement of the consumer policy in the Slovak Republic.*

**Keywords:** *consumer, marketing, policy*

## THE CONVERGENCE OF AGRICULTURAL GROWTH

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### **ABSTRACT**

*In the globalized world the convergence of economic growth processes in various sectors world-wide is expected and agriculture is no exception. The authors focused on convergence of development processes in agriculture sectors. The main aim of the paper is to examine whether there is such convergence globally and regionally. Using yearly data from more than 100 countries and years 1992-2016, it was proven that there are strong beta agricultural growth convergence when various technical effectiveness indicators and the share of agricultural employment in total employment are taken into account. However there are strong global divergence of the level of agricultural value added per worker across countries and Europe is the only exception. The results suggests that despite some significant agricultural growth convergence processes there are still substantial differences in agricultural sectors among analyzed countries and the capital equipment is one of the most important one.*

**Keywords:** *Agriculture, agricultural development, agricultural growth, convergence*

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## IMPLEMENTATION OF FLEXICURITY THROUGH CORPORATE SOCIAL RESPONSIBILITY

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### **ABSTRACT**

*The purpose of the paper is to present the employers' attitudes regarding flexicurity in the labour market in Croatia. The companies were selected among the winners of the CSR Index, i.e. a methodology for evaluating the implementation of the concept of corporate social responsibility (CSR) in the Croatian economy, proposed by the Croatian Chamber of Economy and the Croatian Business Council for Sustainable Development in 2008. In the period from 2008 until 2017, 38 companies were awarded for their successful implementation of CSR. 31.6% of them accepted the invitation to participate in the research. The main research hypothesis was that CSR companies are aware of, and are already implementing the principles of flexicurity in their business practice. The research has confirmed the readiness of CSR awarded companies in Croatia to implement measures that improve their working environment, resulting in many business benefits for the company, and, at the same time, contribute to flexicurity of the Croatian labour market.*

**Keywords:** *labour market, flexicurity, corporate social responsibility, EU, Croatia*

## **COUNTRY OF ORIGIN IN FASHION INDUSTRY – A LITERATURE REVIEW**

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### **ABSTRACT**

*In order to understand more the value of the Country of Origin (COO) in the fashion industry and the effect in the brand image and also consumer perceptions and purchase intentions, recent studies have highlighted the importance of considering the label “Made in” in the clothing field. The fast fashion is mostly produced in Asia, in countries like Vietnam or Bangladesh, while the luxury brands are producing in Europe with the label “Made in Italy” or “Made in France”. The trend of local production is also growing, while the new Chinese consumers are looking for the sophistication of the Western countries. Thus, in order to provide guidance for future research related to country of origin and fashion, the present paper aims at reviewing existing research and synthesizing main approaches and findings. In particular, this review seeks to screen existing studies published in period 2009-2017 using Science Direct and Scopus database with the following keywords: Country of Origin and Fashion, with regard to their a) effect of the country of origin b) research focus, c) type of study/paper, d) the sample used, e) analyzed*

*relationships, and f) the different types of fashion items which are covered and linked with country of origin.*

**Keywords:** *Country of Origin, fashion, brand image*

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## **MARKETING INNOVATIONS IN POLISH SMALL AND MEDIUM ENTERPRISES**

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### **ABSTRACT**

*The growing role of the SME sector and the need to meet the requirements of competition from domestic and foreign companies indicate the need to implement innovations in the marketing sphere. These innovations are an important source of growth in the functioning and development of many small and medium-sized enterprises and the possibility of competing for large units. Marketing strategy is a kind of business philosophy that should be implemented at the stage of market, customer, product competition analysis. The marketing strategy is based on marketing innovations, which should be part of the current business activities. The article shows the significance and the form of marketing innovations in small and medium enterprises.*

*The results of the research conducted in 2017 within the Enterprise Innovation Barometer were analysed. Focus is given to marketing innovation data. The work also shows the role of two solutions that can contribute to the implementation of marketing innovations and can be innovative at the same time.*

**Keywords:** *marketing innovations, marketing management, small and medium enterprises*

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**FORECASTING CORRECTNESS OF  
INCURRING CREDIT WITH THE AID OF E.I.  
ALTMAN'S, J. GAJDKA'S AND D. STOS'S  
DISCRIMINANT ANALYSIS MODELS ON THE  
EXAMPLE OF 200 STUDIED COMPANIES  
FROM OPOLE AND POMORSKIE PROVINCES  
WITHIN 2010-2018**

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**ABSTRACT**

*The credit risk related to issuing credit for a company is mostly the result of too high amount of the incurred credit, wrong prediction of future periods and repayment of the incurred liability. In order to minimize risk, as part of information about a credited company, there should be technical and economical information enabling to conduct "collective evaluation of the company's activity" with the use of E.I. Altman's, J. Gajdka's and D. Stos's models. Both models were used in the group of the studied companies of Opole and Pomorskie provinces. The research showed that incurred credit contributed to improvement of the financial liquidity in both groups. However, credits of*

*greater worth led to the lessened increase of net profit and contributed to the small decrease of companies showing net loss. On the other hand, the group of companies, in which credits of lower worth were incurred, could decrease the number of companies suffering from net loss.*

**Keywords:** *company, financial liquidity, credit, discriminant analysis, net profit*

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## **BUSINESS INTELLIGENCE SYSTEM FOR MANAGING NATURAL GAS CONSUMPTION OF PUBLIC BUILDINGS**

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### **ABSTRACT**

*The objective of this paper is to develop an intelligent model for managing natural gas consumption of public buildings using machine learning methods. The model is able to identify key predictors of natural gas consumption and while incorporated*

*into a business intelligence system could provide an effective decision support for managers in public sector. Several machine learning methods based on decision trees were tested and the best model is suggested. The outcomes of this paper are expected to assist decision makers in Croatia in reducing natural gas consumption in public sector which is very important for the objectives of policy processes: strategies of energy development and national plans of energy efficiency in Croatia. Such intelligent system can be a powerful tool in decreasing expenditures of public sector and improving its efficiency.*

**Keywords:** *intelligent model, machine learning methods, natural gas consumption, public buildings*

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## **CRITICAL ANALYSIS OF THE MEASUREMENT OF POVERTY: THE CASE OF EMERGING COUNTRIES**

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### **ABSTRACT**

*Inventors of quantitative estimation of national income, which received much attention, attempted to explain that their ultimate and main interest was the wealth of human existence, although what impressed were their indices, rather than their motivations. Yet, such deep and underlying motivation has often been ignored in economic analysis where means of existence are the centre and fruit of research. It is, however, important not to confuse the means and ends. Therefore, one should not focus on the intrinsic importance of income, but rather assess it depending on what it builds, particularly lives that are worthy of living. Having a decent income helps to avoid early death. Such an enterprise depends also on other characteristics, namely the organization of*

*society, including public health, medical care, the nature of education and educational system, the scope of social cohesion and harmony, etc. Considering only means of existence or directly observing the type of life people lead constitutes a real difference. These observations and findings reveal a contrast between the approaches based on utility and resources and the approach based on capabilities, of which the initiator is Amartya Sen (Nobel Prize of economics in 1998). The capabilities approach, therefore, attempts to put things right by focusing on the possibility of effective ends concrete freedom of attaining reasoned ends, rather than focusing on means. The present paper falls into two parts. The first part will try to highlight the imperfection of traditional monetary indicators as well as the difficulties to measure the different dimensions of poverty, particularly in emerging countries, such as Morocco. We argue that poverty is not merely an idea of inadequacy of economic means of an individual, but rather a fundamental shortage that deprivation entails\_ minimum adequate capability. The second part deals with a reorientation towards capabilities in order to explain the extent to which the latter (the capabilities approach) could serve as a basis for the assessment of the level of deprivation and not that of resources, which focuses on income and wealth. The nature of real existence has always been of interest to social thinkers over the centuries. If the current criteria of economic progress, reflected by a swarm of "turnkey" statistics, focused on growth of inanimate "comfort objects" (such as GNP and GDP at the heart of innumerable economic studies on development), this focus can only be justified, if at all, by the impact of the said objects on human lives that they directly or indirectly affect.. The interest of replacing them by direct indicators of the quality of life, wellness and freedom that human lives enjoy is more and more recognized. Even inventors of quantitative estimation of national income which attracted much attention and adherence tried to make it clear that the ultimate interest was the richness of human existence, although it is their indices, rather than their motivations which had a great impact.*

*William Petty, for example, the pioneer of the measure of national income in 17th Century (He suggested means to assess it so much through the 'income' method as through that of expenses, as is said today) formulated his intention as follows: to examine whether « the subjects of the kind » lived « in as bad a condition as that of discontented people ». Based on this, he explained the different determinants of people's conditions, including « common safety» and « the particular happiness of every man». This underlying motivation was often ignored in economic analysis where means of existence were the centre and fruit of research. It is, however, important not to confuse the means and ends. Therefore, one should not focus on the intrinsic importance of income, but rather assess it depending on what it builds, particularly lives that are worthy of living. Having a decent income helps to avoid early death. Such an enterprise depends also on other characteristics, namely the organization of society, including public health, medical care, the nature of education and educational system, the scope of social cohesion and harmony, etc. Considering only means of existence or directly observing the type of life people lead constitutes a real difference. These observations and findings reveal a contrast between the approaches based on utility and resources and the approach based on capabilities, of which the initiator is Amartya Sen (Nobel Prize of economics in 1998). In his work entitled « A New Economic Model», Sen suggests that focus on means of existence should be abandoned in favor of concrete possibilities to live. This also results in a change with regard to means-oriented assessment methods, namely those laying emphasis on what John Rawls refers to as the « primary goods », which are general means, such as income, wealth, powers and prerogatives of functions, social bases for self-respect., etc. The capabilities approach, therefore, attempts to put things right by focusing on the possibility of effective ends and on concrete freedom of attaining reasoned ends, rather than focusing on means. Thus, the present paper is divided into two parts. The first part will try to highlight the imperfection of traditional monetary indicators as well as the difficulties to measure the different dimensions of*



*poverty, particularly in emerging countries, such as Morocco. We argue that poverty is not merely an idea of inadequacy of economic means of an individual, but rather a fundamental shortage that deprivation entails\_ minimum adequate capability. The second part deals with a reorientation towards capabilities in order to explain the extent to which the latter (the capabilities approach) could serve as a basis for the assessment of the level of deprivation and not that of resources, which focuses on income and wealth.*

**Keywords:** *Critical Analysis, Emerging countries, Measurement of poverty, National income, Wealth*

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## **EU INTRA-MOBILITY CAPACITY OF RESILIENCE**

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### **ABSTRACT**

*EU-intra mobility is under numerous challenges, that endanger its current features and future. To face political, economic and social challenges, EU intra-mobility legislation needs more resilience. Trials often put on the spotlight weaknesses and gaps that should be filled. The incompleteness of EU citizenship and the discordance between EU legislation and Member States' practises have to be dealt with. Resilience also requires a set of properties such as flexibility, legal certainty, consensus on core institutes, coherence and solidarity. The article will explore each of these properties in relation to current challenges and propose potential paths. It will also address the benefits of a better resilience for EU citizens, EU Member States and the European project in general.*

**Keywords:** *EU Citizens, Free movement, Gaps, Legal certainty, Resilience*

## **A COST ANALYSIS OF ALTERNATIVE THERAPEUTIC OPTIONS FOR CHRONIC KIDNEY DISEASE: A CASE STUDY**

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### **ABSTRACT**

*Chronic kidney disease is a highly complex problem. Some types of chronic kidney patients have two therapeutic alternatives: hemodialysis (hospital); or peritoneal dialysis (home). The clinical efficacy expected from each therapeutic is virtually the same. However, the economic costs and the quality of life are different. In face of the increasing expenditure of the National Healthcare System with chronic kidney disease, together with an environment of economic and financial crisis making the management function a hard challenge, health organizations and health professionals are called for real integration of clinical information and economic information in their decision-making. A longitudinal study in a central teaching hospital was designed. During the research period, it was studied which of the therapies*

*currently provided by the hospital for chronic kidney disease is economically less costly. A deep understanding of this issue may enable policymakers and hospital top managers to implement better management models to create an organizational context within which doctors, managers and accountants may work together and share common goals toward the organizational mission.*

**Keywords:** *Management, Management Accounting, Healthcare Management, Hemodialysis, New Professionalism, Peritoneal Dialysis*

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## **PRICE AS THE STRONGEST MARKETING MIX TOOL IN THE BUYING PROCESS FROM A CONSUMER PERSPECTIVE**

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### **ABSTRACT**

*Price and pricing policy are an important part of the buying process of both Slovak and foreign consumers. We meet with the price every day when buying goods and services. Too low prices for products can discourage consumers, as well as too high prices. Price policy and prices in the buying process have a psychological effect on the current consumer. Pricing and pricing policy is the only marketing mix that generates revenue. The changing political situation of a given country reflects very*

*strongly on the level of the prices that most closely affect the consumers and their purchasing decisions. The objective of the contribution is the theoretical processing of the studied issue in the field of prices and pricing policy as well as the analysis of the impact of prices and price policy depending on the changing political situation in the Slovak Republic from the point of view of a Slovak consumer living in the region of Eastern Slovakia.*

**Keywords:** *Price, Consumer, Price Reductions, Political Situation, Pricing Policy*

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## **GENDER PAY GAP IN THE ICT SECTOR IN POLAND IN 2010-2016**

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### **ABSTRACT**

*The ICT sector, defined by the Central Statistical Office in Poland as the branch of economy dealing with information and communication technologies, is ever more important in providing equal opportunities in the access to information. It also overcomes barriers, even geographical ones. However, the analysis of statistical data on the structure of remuneration in the Polish ICT sector illustrates that in itself there is inequality that has not been eradicated – inequality in the remuneration of women and men who provide work at the same positions. Therefore, the aim of the presented study is to analyse the existence of the phenomenon of gender pay gap at individual positions in the ICT sector in Poland (in general and with division into voivodeships) in 2010-2016. The structure of the study is as follows: the first part of the article exemplifies the overall characteristics of the ICT sector in Poland in the analysed period*

*and presents the structure of remuneration at individual positions, with division into gender; then, an analysis of the relationship between the profession and the gender pay gap in the studied years was depicted. For this purpose, the Pearson's correlation coefficient was used, which determined the level of linear dependence between the position held and the gender pay gap. The study is completed by a summary and the most vital conclusions from previous deliberations. The literature studies on the phenomenon of gender pay gap and the analysis of statistical data made available by the Central Statistical Office in Poland and Voivodeship Statistical Offices for the years of 2010-2016 constitute the research methods.*

**Keywords:** *gender pay gap, ICT sector, remuneration structure*

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## **THE SYMBIOTIC RELATIONSHIP BETWEEN STARTUPS AND INCUBATORS**

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### **ABSTRACT**

*As the number of "garage" startups that became ending very large and influential corporations continues to increase, no one*

*can disregard them anymore. Indeed, startups are increasingly regarded as potential powerful engines of innovation and incredible fast growth, being able to change the way how society and economies operate, as they often coin new visions, coupled with the inception of new technologies. Becoming easily state-of-the-art businesses, the number of startups achieving the unicorn status is not standstill either, adding therefore further interest to this phenomenon. Nevertheless, managing a startup is often harsh, and the great majority fail soon after being founded. It is very hard for entrepreneurs to achieve success, and the star status achieved by a few of them reveals to be a mirage to barely every startup. It is therefore natural to recognise the importance of the incubators for these new, fresh, but fragile forms of businesses. Accordingly, this paper has the purpose to try to understand and evaluate the startups' expectations and what the incubator truthfully offers for their development, as well as to verify whether such expectations match with the reality offered. Furthermore, it is expected that this paper may have practical and social implications, as it attempts to contribute to the incubators' strategies and actions, allowing them to analyze externally and internally the needs and motivations of their incubates. Concurrently, this research presents also a valuable contribution for the startups and for the regions where they are headquartered. This work is actually based on the startups perspective, which will contribute to a more efficient and adapted relationship between startups and incubators, since it emphasizes on what they actually expect and perceive from the incubation process.*

**Keywords:** *Startups, Incubators, Management, Customer Satisfaction, Innovation, Performance, Entrepreneurship*

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# MAINTAINING UNION REGULATIONS IN THE FORM OF SECTOR EXCLUSIONS WITH THE DETERMINANT OF THE DEVELOPMENT OF COMPETITIVENESS OF THE EUROPEAN AND EUROPE AUTOMOTIVE MARKET

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## **ABSTRACT**

*Body The aim of the article is to draw attention to the essence of research issues regarding the need to maintain legal regulations in the form of sectoral exemptions as determinants of competitiveness development on the European and Polish market of automotive services and products. The verification of the following research hypothesis was used to achieve this goal. Sectoral exclusions are a basic tool that protects this market from the influence of producers of given vehicle brands on the structure of production and sales of cars and spare parts in the European Union and there is a need to extend the regulation after 2023. Achieving this task required the use of appropriate research methods and techniques, such as: analysis of available literature sources, methods of induction and deduction, and observation in order to assess the benefits of this regulation for both the demand and supply side. On the other hand, direct recipients of the presented research results may be both legislative and executive bodies in Poland and the European Union, which in the near future are considering changes in legal regulations in relation to the automotive products and services market.*

**Keywords:** *competitiveness, European Union regulations, sectoral exclusions, services and products, consumer, automotive market*

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## THE IMPACT OF NEW TECHNOLOGY ADOPTATION IN BUSSINES

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### **ABSTRACT**

*Trends in globalization change market rules on a daily basis, which faces everyday companies with sudden, unexpected and unpredictable changes, where companies need promptly and accurately to respond on market and make business decisions in order to achieve market competitiveness. It is precisely technology and its sudden and everyday development that are one of the key factors that today make the company recognizable on market and focused on achieving business goals. Nowadays technologically-motivated companies find new ways to communicate with existing and new consumers and, in order to gain competitive advantage, are embedded and ready to accept new technologies in their strategy. The main aim of this paper is to explore the impact and the importance of new technology and its adaptation and application in business.*

**Keywords:** *Business, Globalization, New Technologies*

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