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Economic and Social Development

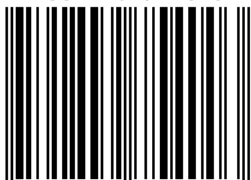
108th International Scientific Conference on Economic and Social Development –
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Book of Abstracts

Editors:

Humberto Ribeiro, Daniel Tomic, Igor Klopotan

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MANAGEMENT IN THE FUNCTION OF MANAGING HUMAN RESOURCES IN ORDER TO ACHIEVE BUSINESS EXCELLENCE

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ABSTRACT

Management and human resources are the basis of the functioning of every company. The perception of the importance of human resources has changed throughout history, but today they are the most important factor of a company, putting material assets in second place. Human resource management is a process and a skill, and as a result, it can have multiple effects, both positive and negative. Quality strategies for assessing future manpower needs and procurement processes affect business. Human resource management mistakes affect business, employees, customers, stakeholders, that is, the entire internal and external system of the company. By implementing a quality system and quality management, companies have all the predispositions to achieve business excellence, which is reflected in all factors of the company, from employees, managers, owners and other stakeholders.

Keywords: *management, human resources, human resources management, quality management, business excellence*

UNDERSTANDING FINANCIAL STABILITY IN THE EUROZONE: IS CROATIA FOLLOWING THE PIGS COUNTRIES' TRAJECTORY?

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ABSTRACT

This paper delves into the economic dynamics within the European Monetary Union (EMU) among its members, focusing on the period before and after 2008, particularly emphasizing Croatia's comparison with the 'PIGS' nations (Portugal, Italy, Greece, Spain) during their integration into the Eurozone. Utilizing Eurostat data, the analysis centers on the Macroeconomic Imbalance Procedure (MIP) indicators. Pre-crisis, certain countries displayed strengthened current account balances and increased external demand due to improved

competitiveness, while others faced deficits prompted by reduced nominal interest rates. Despite adhering to Stability and Growth Pact criteria, the PIGS nations accumulated considerable debts, leading to post-crisis reforms aimed at rectifying structural weaknesses. Croatia's entry into the Eurozone raises queries about parallels with the PIGS nations during their crises. Comparative analysis of current conditions, reforms, and MIP indicators reveals Croatia's unique situation with a positive current account balance pre-Eurozone entry. A comparison of 2009 and 2022 indicators portrays significant improvements in Croatia's current account balance and net international investments despite the pandemic. Concurrently, while public debt escalated, private debt declined. Financial sector liabilities expanded, yet the growth rate of labor costs decelerated. These findings suggest Croatia entered the Eurozone with fewer imbalances, aided by ongoing EU reforms seeking to fortify economies and enhance resilience against potential crises.

Keywords: Eurozone, macroeconomic imbalances, financial stability, Croatia, PIGS countries

IMPACT OF ELECTRIC VEHICLE MARKET GROWTH ON AUTOMOTIVE INDUSTRY TRANSFORMATION: TRENDS, POTENTIALS, AND CHALLENGES ANALYSIS

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ABSTRACT

This paper aims to explore the impact of the growth of the electric vehicle market on the transformation of the automotive industry. The study will analyze key trends, potentials, and challenges arising from the expansion of the electric vehicle market in a global context. Through the collection and analysis of pertinent statistical data, the study will investigate the dynamics of increased electric vehicle sales and their impact on traditional automotive manufacturers. Additionally, it will examine automotive companies' investments in electric technology and the infrastructure changes required to support this burgeoning sector. Emphasis will be placed on identifying the significant potentials offered by the growth of the electric vehicle market, such as emissions reduction, technological advancement, and shifts in consumer behavior. Challenges encompass issues related to charging infrastructure, economic sustainability, and adaptation for traditional manufacturers to meet evolving market demands. The study will conclude with an analysis of the current trends in the car market across different segments of the vehicle industry. It will also provide insights into future market projections. The linear regression model forecasts that the current trends are likely to continue into the future. SUV sales are expected to remain strong, while traditional segments like medium and small cars may continue to face challenges. This paper will explore the multifaceted changes driven by the growth of the electric vehicle market and its influence on the automotive industry. The study will highlight potential benefits like emissions reduction and technological advancements, while also addressing challenges such as charging infrastructure, economic sustainability, and adaptation for traditional manufacturers. The study will conclude with an analysis of the current trends in the car market across different segments and provide insights into future market projections.

Keywords: automotive industry, challenges, electric vehicles, potentials, trends

CRYPTO ASSETS: THE EMERGING TRENDS IN CROATIA

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ABSTRACT

Since the dot-com bubble, the potential of digitization has been evident, with technological advancements resolving issues surrounding financial transactions and documentation, thus globalizing investments. In today's digitally empowered era, where information is readily accessible, investments in various assets like stocks, digital currencies, property rights, copyrights, and art have gained popularity. At the same time, rapid technological advances continue to shape contemporary society and impact global economic processes. Digitization has led to the gradual integration of phenomena such as cryptocurrencies and non-fungible tokens (NFTs) into various societal aspects. Although cryptocurrencies trading takes advantage of the unique blockchain technology, ensuring the digital security is imperative. The emergence of NFTs, distinguished by their unique and irreplicable nature compared to traditional cryptocurrencies, has significantly boosted the popularity of digital assets. In the Republic of Croatia, both corporate entities and individuals are increasingly engaging with these emerging crypto assets, prompting a closer examination of readiness for adoption.

Keywords: *blockchain, cryptocurrencies, investing, smart contracts, non-fungible tokens*

CONSUMER PSYCHOLOGY AS A FUNDAMENTAL ELEMENT OF BEHAVIORAL MARKETING STRATEGY

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ABSTRACT

The dynamic landscape of contemporary business demands a nuanced understanding of consumer behavior for the development and execution of effective marketing strategies. This paper explores the pivotal role of consumer psychology as a foundational element in crafting successful behavioral marketing strategies. By delving into the intricacies of how individuals make purchasing decisions, the study investigates the psychological factors that influence consumer choices and shape market trends. The paper begins by elucidating the key principles

of behavioral marketing and its relevance in the modern business environment. It then shifts focus to the interdisciplinary nature of consumer psychology, emphasizing its integration into the strategic framework of marketing. Through an analysis of psychological theories and empirical studies, the research underscores the impact of cognitive, emotional, and social factors on consumer decision-making processes. Furthermore, the paper examines practical applications of consumer psychology in shaping marketing campaigns, product positioning, and customer relationship management. In conclusion, the paper emphasizes the imperative for businesses to recognize consumer psychology as a fundamental element in the formulation of effective marketing strategies. By aligning marketing initiatives with the intricacies of human behavior, organizations can enhance customer engagement, foster brand loyalty, and achieve sustained success in today's competitive marketplace. This research contributes valuable insights to marketers, business practitioners, and scholars aiming to navigate the evolving landscape of behavioral marketing in the digital age.

Keywords: behavioral marketing, psychology, consumer, purchase

HUMAN RESOURCE MANAGEMENT PRACTICES IN AND AFTER COVID 19 PANDEMIC

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ABSTRACT

The COVID-19 pandemic has caused global health and economic crisis and has reminded organizations about the importance of HRM practices in the times of crisis. HRM plays an important role for all types of organizations to manage employees to work effectively with creativity and quality and to be highly productive to achieve organizational goals and to gain and maintain competitive advantage over competitors. This is the main reason why HRM was one of the most important management functions in times of COVID pandemic. The main goal of this paper is to present different practices of HRM in times of COVID 19 pandemic as well as in the time after COVID 19 pandemic through review of the recent literature. Also, different trends and challenges of HRM practices that COVID 19 pandemic reveals will be presented. Mentioned practices will be analysed and discussed. In the concluding remarks also, research limitations and directions for future research will be stated.

Keywords: Human resource management, crisis, post COVID 19 era

ARTIFICIAL INTELLIGENCE IN THE CRIMINAL JUSTICE SYSTEM WITH EMPHASISE THE SITUATION IN THE REPUBLIC OF CROATIA

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ABSTRACT

The development of artificial intelligence (AI) fundamentally shook the deep-seated belief about intelligence as immanently human, and with its metamorphosis from a "concept" to a "technology," it affected (almost) all aspects of human interaction. Due to the wide range of its applications, along with the possibility to learn from its mistakes, upgrade its knowledge, and become "smarter," AI is truly a "tool" that promises revolutionary results. However, the incorporation of the AI into the criminal justice system through automated evidence analysis, predictive risk analysis, and process automation, can lead to the violation of fundamental human rights, such as the rights of defendants in criminal proceedings, especially the presumption of innocence and the right to a fair trial. If we add bias, discrimination, and non-transparency in decision-making based on AI, the potentially harmful extent of its application is straightforward. The paper explores different modalities of AI application, primarily in criminal procedure but also in the broader spectrum of criminal justice, from evidence analysis, predictive risk analysis, and process automation to judicial decision-making with a particular emphasis on the Croatian criminal justice system. The paper used a combination of descriptive analysis, literature research, and legal documents to conduct the study. By combining the methods above, it aims to get a complete picture of the current state, challenges, and possibilities of applying AI in the criminal justice system and to identify critical points that require harmonization with legal standards to ensure fairness, transparency, and protection of the defendant's fundamental rights in the criminal proceedings. This paper provides a basis for further research and consideration of how best to integrate AI into the criminal justice system while respecting legal and ethical principles.

Keywords: *artificial intelligence, criminal justice, criminal proceedings, ethical principle, protection of human rights*

DIGITAL OPTIMIZATION: CORE CONCEPT OF DIGITAL TRANSFORMATION

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ABSTRACT

The aim of this paper is to analyse the importance of digital optimization in the process of digital transformation of organizations. Digital optimization and digital transformation are inseparable processes because digital optimization is the foundation of digital transformation. One of the goals of the digital transformation of the business system is to build a stable digital optimization of the system, which is the basis for creating competitive advantages. Digital optimization has a direct effect on reducing costs and increasing income, and without a digitally optimized system it is not possible to stabilize the existing business system. Digital transformation enables the development of a new business model and new forms of monetization of products and services, while at the same time a part of the business system remains in the existing structure of digital optimization, which still achieves the effects of a competitive advantage on the market. Digital optimization is the basis for the growth of income from services that are built as complementary additions to the basic product. The paper presents the development matrix and the relationship between digital transformation and digital optimization as equally important processes in the development of the organization. As an example of the development process of digital optimization, the global music industry, which has completely digitally transformed its business model, is cited. In addition, the examples of Netflix, The New York Times and Alibaba as global corporations that are in the continuous process of digital transformation and digital optimization of business processes are discussed.

Keywords: *digitization, digitalization, digital optimization, digital transformation, servitization*

THE DEGREE OF CONCENTRATION IN FOOD RETAILING - A COMPARISON BETWEEN SEVERAL EU COUNTRIES

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ABSTRACT

Trade is an economic activity in which legal and natural persons mediate between producers and consumers with the aim of organizing the market or facilitating the availability of products. The emergence of trade has also led to the emergence of concentration. As we will be dealing with the topic of concentration in trade in this paper, it is necessary to clarify what

concentration in trade is. Concentration in retailing is the share of market control by a few retailers, i.e. the amount of market share controlled by individual retailers in a given market. The degree of concentration correlates with the level of market share, while the market structure indicates the (in)competitiveness of the observed market as a whole. There are several methods for measuring concentration in retail, and for the purposes of this paper we have used the concentration coefficient and the Herfindahl-Hirschman index. The aim of this paper is to analyze the degree of concentration for four EU countries (Croatia, Finland, the Netherlands and Germany) for the period from 2016 to 2021. Based on an analysis, the authors of the study have shown that Croatia and Germany have a moderate degree of concentration, while Finland and the Netherlands have a high degree of concentration; the calculation was based on the Herfindahl-Hirschman index. Using the concentration coefficient for CR5, it was shown that Finland and Croatia have a duopolistic market structure, while the Netherlands has a market structure dominated by one dominant firm and Germany has a triopolistic market structure. The author(s) used the following methods in this paper: descriptive research method, deductive research method, analytical method and compilation method. The author(s) used secondary data for the preparation of this paper.

Keywords: *trade, food retail trade, concentration, market structure*

FROM VOLUNTEERING TO LABOR MARKET: EXPERIENCES OF YOUTH IN THE CITY OF SPLIT

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ABSTRACT

Youth unemployment rates as well as the first steps young people have to go through to find their place in the today's labor market have been a subject of much research. The main characteristics of volunteering are voluntarism, non-payment, solidarity and added social value through understanding and respect. Volunteering has a long tradition in Croatia, and it is mainly associated with the concept of unpaid and voluntary, work. The subject of this research is the relationship between volunteering and the labor market, i.e. how the experience of volunteering has helped people in the labor market and at work. The research was conducted in July and August 2023, using the qualitative method of a semi-structured interviews. The interviews included fifteen participants, employed young people aged 18-34, of different gender, education, and marital status. All participants stated that employers always respond positively to volunteering and that the skills they have acquired during volunteering help them in their current job.

Most of the participants believed that volunteering is not recognized in Croatia and that the state does not encourage its citizens to volunteer. The participants conclude that a formal system for recognizing the skills and competences acquired through volunteering is necessary.

Keywords: *Employment, Labor Market, Skills, Volunteering, Youth*

THE ROLE OF CRITICAL MINERAL RAW MATERIALS IN ACHIEVING THE EUROPEAN GREEN PLAN: PERSPECTIVE OF THE REPUBLIC OF CROATIA

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ABSTRACT

Mineral resources represent a key component of industrial development, possessing significant economic and utility value crucial for maintaining and improving the quality of life. The economic importance of certain mineral resources, such as energy minerals or metal ores, is well-documented and widely recognized in both professional and general public spheres. Given the current situation at the end of the 21st century, the challenge is to find effective strategies to prevent destructive changes caused by greenhouse gas emissions resulting from human activities. In this context, analyzing long-term trends in the use of geostrategic resources and mineral raw materials shows that the world is undergoing an inevitable transition - an energy transition. The purpose of this work is to present the fundamental transformation of the global energy and economic sectors based on this transition. The demand for specific mineral resources, metals, and minerals such as cobalt, lithium, magnesium, and aluminum, is growing rapidly. Digitalization, industry, and energy transition are transforming and increasing the demand for these raw materials. In this context, critical mineral resources and their circular use become increasingly important in the economy. Therefore, it is clear that the implementation of the European Green Deal strategy will not be possible without the use of critical raw materials. It is essential to note that less than 5% of the world's critical resources are extracted in the EU, while the EU's industry accounts for approximately 20% of the global consumption of these resources. The results of the analysis show that strengthening European supply of critical mineral resources is extremely important for the European Green Deal and the resilience of key industries. Thus, this fact underscores the need for further research and innovation in this area.

Keywords: *critical mineral resources, economy, environment, EU Green Deal, energy transition*

APPLICATION OF THE BPM-BES TOOL TO MEASURE THE MATURITY LEVEL OF ENERGY COMPANY

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ABSTRACT

In contemporary times, the efficient use of resources has become one of the biggest challenges for organizations. In the energy sector, proposals to increase operational efficiency with smart grid projects and investments in renewable energy are the main pillars of investments. In addition to technical losses and losses due to energy theft, there are administrative losses or losses in the process, which are responsible for 10% of waste. In this scenario where the search for sustainability and social responsibility, ESG (Environmental, Social and Governance) practices align with the BPM – Business Process Management methodology, to make the entire process and the investments themselves more efficient. Although it contributes to improving efficiency and return rates, process management presents organizational resistance, due to excessive functional thinking, a culture of resistance, lack of governance, lack of internal knowledge about people and the organization itself. To implement the BPM management model, the sponsor must first know the organization's real maturity level. This study was based on the application of the test to know the level of maturity, using the BPM-BES tool - Business Process Management Model in the Brazilian Electricity Sector, a tool developed for the Brazilian electricity sector, where it was applied in one of the largest electricity distributors. energy in Brazil, with approximately 4.5 million customers. In this research, testing tools were built, where the methodology was applied to create a questionnaire based on bibliographical research based on the dimensions of BPM-BES knowledge. A pre-test group was used to validate the questions created and adapt the terminologies and culture of the sector, resulting in the development of a data collection tool applied in strategic sectors, such as: operational, commercial and service, presenting the results found and proving the hypotheses through validation of the results.

Keywords: *administrative loss, BPM-BES, Energy loss, Sustainability, Efficiency operations*

ESG CULTURE AND MENTAL HEALTH IN ORGANIZATIONS: A LITERATURE REVIEW

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ABSTRACT

The growing interest in ESG culture has led companies to focus on several areas, particularly the mental health of their employees. An organizational culture based on ESG practices not only demonstrates a commitment to sustainability, but also influences the work environment and psychosocial conditions of employees. The aim here is to explore the relationship between ESG culture and mental health in organizations, and to highlight the importance of this corporate practice. This approach is in line with corporate social responsibility policies, which are inextricably linked to well-being at work and the way it is addressed. To this end, a systematic literature review was carried out using two specific databases: Web of Science and Scopus. The search terms included keywords related to the subject under study, without defining a period. The texts were identified, organized, and categorized, with the discussion focused on analyzing the presentation of the themes of ESG culture and mental health, identifying existing gaps. A detailed synthesis of the texts included in the study was provided, highlighting the importance of a solid ESG culture in promoting mental health in organizations and exploring the intersection of these terms. This analysis highlighted the urgency of expanding knowledge in this specific area, providing potential insights for decision makers and guiding future research.

Keywords: *ESG Culture, Organizational Culture, Metal Health, Sustainability*

SUPPORT FOR CORPORATE ENTREPRENEURSHIP THROUGH EXTERNAL AGENTS OF CHANGE

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ABSTRACT

The paper highlights the importance of corporate entrepreneurship to the competitive and innovative development of large enterprises in the dynamic environment nowadays. It reveals the main preconditions for establishing in-company climate stimulating intrapreneurial initiatives: suitable strategy, structure, organizational culture, and HR policy. The paper focuses on the “agents of change” who could make things happen. The study is based on a survey of the activities of the Bulgarian State Railways company, investigating its main external stakeholders as well. These stakeholders are considered as potential change agents that could support the perspective development of the company through corporate entrepreneurship. The analyses, recommendations and conclusions made in the present research could be applied in other similar business structures.

Keywords: *Agents of Change, Bulgarian State Railways, Corporate Entrepreneurship, State-Owned Enterprises*

EU ENERGY EFFICIENCY POLICY FOR SMES WITH THE EXAMPLE OF CROATIA

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ABSTRACT

Energy efficiency is one of the most important decarbonisation actions in the European Union and one of the leading aspects of the European Energy Union. The benefits of energy efficiency, beyond energy consumption and greenhouse gas emission reduction, are numerous, especially in commercial sector and SMEs and policies are one of the key drivers of energy efficiency in the EU. This paper presents the overview of energy efficiency policies in the EU, with the focus on SMEs. It also shows the status of energy consumption and efficiency in SMEs, barriers for further implementation and possible solutions. The case study of Croatia is presented.

Paper is based on literature review and data collected through the projects author is working on (H2020 DEESME, LIFE CET ENSMOV+, LIFE CET DEESME 2050, LIFE CET Audit2measure, H2020 MICAT).

Keywords: Croatia, energy efficiency, European Union, policy, SMEs

MANAGERS’ DECISION-MAKING SUPPORTED BY PROPER DATA ANALYSIS AND MODELLING

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ABSTRACT

Supporting their decisions by the available data and their analysis using statistical procedures is nowadays a necessity for the organizations’ managers. This applies to commercial businesses as well as to other types of organizations, e.g., those operating in the public administration, education, or sports. For this to be possible, the managers need to know the options even the open-source statistical software offers. Plus, these need to be combined with the knowledge of at least the most widely applicable statistical procedures, so that the analysis performed is sound, achieving correct results. The aim of this article is to provide the managers of organizations with the information from both areas. The statistical procedures are presented in Gretl, which is an open-source statistical software with a user-friendly interface. This is important because this way the software does not increase the organization’s costs, staying available for any organization, regardless of its budget. The fact that the statistical procedures are explained on the example with the quality of coffee is beneficial because this variable is easy to understand. Coffee is also a pleasant topic for many people, which supports the learning experience intended. Based on the data selected and the variables defined, the individual steps of the statistical analysis are presented and explained. This includes the method of linear regression, creation of a statistical model, as well as its statistical and economic verification. Understanding these steps, the organizations’ managers will be able to set their own variables that are important for organizations’ success. The article presents the recommendations for all the main phases so that the managers can come up with viable analytical solutions. Thus, they can support their future decisions by appropriate data models.

Keywords: data analysis, decision-making, knowledge, modelling

TECHNOLOGY TRANSFER, TRADE AND FOREIGN DIRECT INVESTMENT IN ALGERIA: AN EMPIRICAL STUDY

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ABSTRACT

Technology transfer (TT) via FDI (Foreign Direct Investment) is considered to be a catch-up and economic growth process for imitator countries (the South), in the same way as international trade. However, the process is not as simple and does not occur automatically (exogenously). According to a theoretical support submitted for analysis, a problem of endogeneity has been detected at the level of technology transfer from MNCs to domestic firms. This work proposes to analyse the dynamics of Technology Transfer (TT) through FDI in the case of the Algerian economy for the period (1970 and 2012). The methodology adopted consists firstly of using the growth accounting technique to identify the technological level or Total Factor Productivity (TFP). Empirical analyses were then carried out using the VAR and VECM models. The results show that FDI contributes negatively and significantly to TT, while the long-run dynamics of TT are explained by economic openness. The introduction of interactive terms shows that human capital does not contribute to TT in the case of FDI, but its impact is significantly positive in the case of openness. To take advantage of technological spillovers from Multinational Firms (MNFs), Algeria must improve its absorption capacity and the environment in which MNFs and domestic firms interact.

Keywords: *Technology transfer, Foreign Direct Investment, Multinational Firms, Domestic Firms, Total Factor Productivity, Absorption Capacity, International Trade*

YOUTH IS AN ASSET FOR THE WORLD OF ENTREPRENEURSHIP IN MOROCCO

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ABSTRACT

Entrepreneurship in Morocco is at the heart of recommendations for a new development model for equal opportunities, and although very small businesses constitute an essential number of the Moroccan entrepreneurial fabric. The entrepreneurship appears as one of the most promising channels for the optimal integration of young people in the development process, but here, I will also say, that the entrepreneur cannot solve everything, the economy creates many more jobs in general. Entrepreneurship as a promoter is an idea that will help young people to develop their potential and contribute to the development of their country.

Keywords: *Entrepreneurship, economy, development model, business, Moroccan entrepreneurial fabric, development process*

INTERNATIONAL STRATEGIES OF COMPANIES OPERATING IN BULGARIA

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ABSTRACT

Globalization continuously reshapes the business environment with context-related challenges and opportunities for internationally oriented companies. This paper sheds light on the international activities of companies in a Southeast European market. It investigates strategies employed by businesses operating in the dynamic business landscape of Bulgaria - the strategic choices made for target markets and internationalization modes. This research contributes to extant knowledge of firm internationalization by offering insights into companies' strategic decision-making in the Bulgarian context. Drawing on empirical data and practical illustrations, the study analyzes different international strategies, highlighting their development. The findings aim to inform and assist business leaders, academics, and practitioners in better understanding and crafting strategies in a dynamic context by providing a foundation for future research and facilitating the elaboration of efficient strategies for achieving sustainable success in the evolving competitive landscape.

Keywords: *International strategies, Internationalization, International Entrepreneurship, International modes, Practical examples, Globalization*

INSTITUTIONAL DETERMINANTS OF DISCRETIONARY TRANSACTION COSTS OF BUREAUCRATIC PROCEDURES AND MEASURES FOR THEIR REDUCTION

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ABSTRACT

The purpose of this article is to determine the institutional factors that increase the level of discretionary transaction costs of bureaucratic procedures and find measures to limit them. It is shown that the main factors of the transactional inefficiency of formal rules are: a large number of bureaucratic procedures provided for by the relevant formal rules; inconsistency and contradiction of individual provisions of these formal rules, or these rules with other formal rules; the presence of gaps, i.e. individual issues that remain unsettled by these formal rules. It is also found that transaction costs of bureaucratic procedures can be represented as a combination of operational transaction costs of bureaucratic procedures and discretionary transaction costs of bureaucratic procedures. At the same time, the reason for the operational transaction costs of bureaucratic procedures is a large number of redundant bureaucratic procedures provided for by formal rules. While the discretionary transaction costs of bureaucratic procedures arise from inconsistencies and gaps in the relevant formal rules. It is proven that the choice of measures to reduce the level of total transaction costs of bureaucratic procedures should be determined by the ratio of operational and discretionary transaction costs of bureaucratic procedures. In case of dominance of operational transaction costs of bureaucratic procedures, the main efforts should be concentrated on improving technical or organizational aspects of working with clients. Instead, in the case of the dominance of discretionary transaction costs of bureaucratic procedures, the main efforts should be aimed at reducing the discretionary powers of officials, by eliminating inconsistencies and gaps in formal rules. It is also shown that in the case of formal rules with a high level of discretionary transaction costs of bureaucratic procedures, an additional condition for the expediency of their reform can be highlighted: the fundamental possibility of preserving the functionality of formal rules in the absence of the official's ability to make decisions at his own discretion.

Keywords: *transaction costs, bureaucratic procedures, formal rules, institutional framework, efficiency*

DIGITAL PUBLIC LAW AND FUNDAMENTAL RIGHTS: RETHINKING CONSTITUTIONAL LAW IN THE ERA OF AI AND DIGITAL TRANSFORMATION

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ABSTRACT

The digital revolution is profoundly transforming the processes of production of law, influencing the theoretical and legal frameworks of standards. Digital processes are redefining constitutional debates and could become essential in the adoption of constitutional texts. Digital law, emerging from private law, poses challenges in public law, particularly in the protection of personal data and digital sovereignty in the face of transnational actors. Global regulation is necessary to reconcile technological innovation with the preservation of fundamental rights. The digital revolution imposes unprecedented challenges on constitutional law, requiring deep reflection on how we conceptualize and apply legal principles. This article explores the need for an overhaul of constitutional law to respond to the changing dynamics of digital technology in our societies, highlighting key aspects related to data protection, individual rights and fundamental rights or national sovereignty.

Keywords: *Artificial Intelligence, Public digital law, Digital law, Fundamental freedom law, Constitutional law*

THE ROLE OF GOVERNANCE QUALITY ON ECONOMIC GROWTH AND CITIZENS' WELL-BEING, A COMPARATIVE ANALYSIS FOR THE BALKAN COUNTRIES

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ABSTRACT

The quality of governance is of particular importance, especially in developing countries, because it significantly affects economic growth and the well-being of citizens. The Balkan countries have experienced a long and difficult process of transformation from a centralized economy to a market economy. These countries have undertaken and implemented substantial economic, political and institutional reforms in the direction of good governance. These reforms have aimed at increasing the effectiveness of the government, the performance of the public administration, and the best functioning of the public institutions. The quality of government and its impact on economic growth has become more important in recent years,

especially in these transition countries that need to reform their institutions to meet the conditions for EU membership. Governance is considered a very important component of economic growth and the well-being of the citizens of a country. Several studies have analyzed the relationship between good governance and economic growth, and show a positive relationship between the quality of governance, economic growth and the well-being of citizens. The quality of governance promotes transparency, accountability, efficiency and the rule of law at all levels of public institutions. It is an important instrument for sustainable economic development, ensuring a fair and efficient management of human, capital and financial resources in the country. The purpose of this study is to examine the role and relationship between the quality of government, economic growth and citizens' well-being in the Balkan countries. In this context, the six World Governance Indicators (WGIs) have been examined, respectively: Voice and Accountability (VA), Political Stability and Absence of Violence (PSAV), Government Effectiveness (GE), Regulatory Quality (RQ), Rule of Law (RL), and Control of Corruption (CC), during the period 2000 - 2022. The findings and results show that the quality of governance has a positive impact on economic growth and the well-being of the citizens of a country.

Keywords: *Governance quality, economic growth, well-being, relationship, impact, effectiveness*

GENERATION Z – DIGITAL EDUCATION AND SOCIAL MEDIA

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ABSTRACT

This creates the conditions for the development of research in this direction, which will define and define these processes as essential and defining for a particular generation. All of this occurs with certain contingencies and assumptions but ultimately defines them as such. The cyclical nature of the processes taking place over a certain interval of historical time and the changes that are occurring leads many researchers to try to analyse the changes taking place and to explain them through their theoretical developments. The present study attempts to summarize information on the explanation of the term "Generation Z" by describing its characteristics. A brief retrospective analysis and study of the new habits formed in this generation was made.

Keywords: *Generation Z, Digital Education, Social Media, Social Development*

CLIMATIC CAPITAL ASSET PRICING MODEL: A THEORETICAL PROPOSITION

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ABSTRACT

Capital Asset Pricing Model (CAPM) has been recognized as the cornerstone of the finance literature with an entire lineage of asset pricing model (APM) deriving genesis from the former. Interestingly, CAPM – in the absence of few discernible alternatives – remains equally popular amongst practitioners in the areas of financial modelling, valuation, and risk-appraisal. As debates surrounding climate action and sustainability have gained traction, models mimicking conventional CAPM to suit the latter are garnering attention from academics, businesses, and policymakers. Sustainability CAPM or S-CAPM is one of the significant models entering the lexicon of APM recently. Even then, the literature is relatively sparse in respect of modelling required return in respect of firms susceptible to climate action. An appreciation to gauge the climate risk sensitivity of such firms through an appropriate APM would significantly ameliorate risks confronting investors, owners, and the management. In this paper, we present a climatic CAPM to capture both market-wide and firm-wide risks with particular attention accorded to climate risks.

Keywords: *Capital Asset Pricing Model (CAPM), Climate risks, Energy corporations, Sustainability, Econometric modelling*

THE ESSENTIAL ABOUT JOÃO BAPTISTA BONAVIE (1705-1780), AUTHOR OF THE FIRST PORTUGUESE ACCOUNTING BOOK

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ABSTRACT

In 1758, the first book on accounting in Portuguese was published in Lisbon, which was simultaneously the first book on double-entry bookkeeping to be printed in Portugal and in the Portuguese language. Authored by João Baptista Bonavie, the work is entitled 'Exact Merchant in his Books of Accounts [...] According to the Principles of Double-Entry Bookkeeping' (simplified title). With subsequent editions in 1771 and 1779, the 'Exact Merchant' corresponds to a divulgation accounting book that represents a milestone in the history of Portuguese accounting. The National Library of Portugal has the work and has it electronically available to the public without any formalities (the 1758 edition). However, information about Bonavie is extremely scarce, and even his nationality, occupation and life span are unknown.

In these terms, this communication expands the knowledge about Bonavie. With the aim of adding knowledge to the literature, it fills in several gaps about the first author of an accounting book in Portugal. Using primary, national and international archival sources, the communication presents unpublished data and new knowledge about João Baptista Bonavie, the author of the first book printed in Portuguese on accounting in Portugal.

Keywords: Portugal, Accounting, Accounting History, Accounting Books, Bonavie

