

Varazdin Development and Entrepreneurship Agency

in cooperation with:

CPES – Universidade Lusófona

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Economic and Social Development

39th International Scientific Conference on Economic and Social Development –
"Sustainability from an Economic and Social Perspective"

Book of Abstracts

Editors:

Ana Lorga da Silva, Daniel Tomic, Alica Grilec



ISSN 1849-7543



9 771849 754003 >

Lisbon, 29-30 April 2019

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Publishing Editor ■ Domagoj Cingula

Publisher ■ **Design** ■ **Print** ■ Varazdin Development and Entrepreneurship Agency, Varazdin, Croatia / Study Centre for European Policy Studies (CEPS), Lisbon, Portugal / Centre for Research in Political Science, International Relations and Security (CICPRIS), Lisbon, Portugal / Fundacao para a Ciencia e a Tecnologia (FCT), Lisbon, Portugal / The Research Unit on Governance, Competitiveness and Public Policies (GOVCOPP), Aveiro, Portugal / University North, Koprivnica, Croatia / Faculty of Management University of Warsaw, Warsaw, Poland / Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat, Morocco

Printing ■ Online Edition

ISSN 1849-7543

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

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

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CHARGING THE BUDGET OF THE CITY WROCLAW WITH URBANISATION COSTS (POLAND)

Maria Heldak

*Wroclaw University of Environmental and Life Sciences,
C. K. Norwida 25, Wrocław 50-375, Poland
maria.heldak@upwr.edu.pl*

ABSTRACT

The paper deals with the issue of charging local authorities with the costs of realisation of the provisions contained in local spatial development plans in Wrocław (Poland). Considering the planned spatial development in the area of the city Wrocław, the urbanisation costs that are chargeable to the municipality budget were identified. The economic effects of preparing areas designated for development in the residential programme offer were analysed. The paper provides an analysis of the cost of realisation of investments that belong to own duties of the municipality, including the cost of building municipality roads, sewage and water supply networks, arranging public greenery and purchasing land for public investments. The analyses were performed within the administrative borders of the city. The prognosed costs of the realisation of local spatial development plans demonstrate significant expenditure that Wrocław has to incur for the construction of sewage network and municipal roads. Additionally, the development of new areas will require the city of Wrocław to take over the real properties on which public goals are planned to be realised. One should thoroughly consider the actual need for new investment areas in the city. Demographic forecasts demonstrate that the areas designated for development significantly exceed the demand.

Keywords: *financial effects of urbanisation, costs of realisation of spatial development plans*

THE ROLE OF HAPPINESS IN MODERATING THE EFFECT OF INTELLIGENCE (IQ) ON ECONOMIC GROWTH

Nik Ahmad Sufian Burhan

*Department of Social and Development Sciences,
Faculty of Human Ecology,
Universiti Putra Malaysia, Selangor, Malaysia
nikahmadsufian@upm.edu.my*

Wan Azman Saini Wan Ngah

*Department of Economics,
Faculty of Economics and Management,
Universiti Putra Malaysia, Selangor, Malaysia*

Asnarulkhadi Abu Samah

*Department of Social and Development Sciences,
Faculty of Human Ecology,
Universiti Putra Malaysia, Selangor, Malaysia*

Wan Munira Wan Jaafar

*Department of Social and Development Sciences,
Faculty of Human Ecology,
Universiti Putra Malaysia, Selangor, Malaysia*

Amna Md. Noor

*Department of Social and Development Sciences,
Faculty of Human Ecology,
Universiti Putra Malaysia, Selangor, Malaysia*

ABSTRACT

Empirical studies have established that the national average level of intelligence (IQ) significantly increases the economic growth rate across countries. The current study re-examines the claim that higher levels of happiness have weakened the positive relationship between IQ and economic growth for the 1970 – 2010 period. Using alternative data on national IQ and

happiness, this study scrutinises the interaction between national IQ and happiness and their impacts on economic growth for the sample period. Through robust regression, the results of moderation analysis support that happiness had significantly reduced the impact of IQ on growth. As a conclusion, this study suggests that higher levels of happiness tend to reduce people's desire for higher achievement, thereby reducing the impact of their IQ potential on productivity growth.

Keywords: *Economic Growth, Happiness, Intelligence, Moderating*

EXPLORING CONSUMERS RELIANCE ON PLASTIC IN FRESH FOOD PACKAGING: ADDING TO THE WASTE?

Maggie Allen

Pearson Business School

190 High Holborn, London, WC1V 7BH, United Kingdom

John Clifford

Pearson Business School

190 High Holborn, London, WC1V 7BH, United Kingdom

John.clifford@pearson.com

David Atkinson

*Keele Management School, Keele University
Keele, Staffordshire, ST5 5BG, United Kingdom
d.g.atkinson@keele.ac.uk*

ABSTRACT

This paper joins the vibrant conversation on the unprecedented scale of the use of plastic in order to package, transport and aid the consumption of fresh food. Specific focus is placed how the UK government's plastic free aisle pledge, highlighted in the

2018 25-year sustainability plan, may have an impact on the already increasing levels of food waste in the UK. The current literature fails to recognise the need to evaluate the reliance consumers have on plastics in the purchase, transport and consumption of fresh food products. As a result, it is therefore difficult to evaluate the impact the UK government's plastic free aisle pledge will have on food wastage. In order to understand the possible roles, relationships and reliance consumers have on plastics in the purchase, transport and consumption of fresh food, this study followed an inductive approach. Thus, building on existing research in order to conceptualise how consumers' thoughts and behaviours interrelate with the use of plastic when purchasing, transporting and consuming fresh food and the potential impact this could have on food wastage. The findings of the study indicated consumers strongly rely on plastic packaging as a mechanism in which to preserve fresh food, in order to maintain the quality for as long as possible. Yet the results suggest consumers unconsciously rely on the information presented to them on packaging, such as best before dates. Such statements thus seem to skew consumers' views on what is edible vs. what should be thrown away. This therefore suggests there is a confusing role between plastic packaging preserving food as well as it increasing the wastage of food. The study concludes that the effect of removing plastic from fresh produce could be somewhat negative as the guidance consumers rely on is also removed. There is thus a need for further consideration with regards to the operational impacts of the removal of plastic as well as the possible perseveration techniques. A need for immediate consumer education surrounding food handling and consumption, to minimise consumer ambiguity and the growing culture of reliance on information on plastic packaging is also recommended to help reduce food wastage.

Keywords: food wastage, plastic food packaging

THE ENGINE OF BUSINESS PERFORMANCE: THE ROLE OF TRUST IN THE MANAGERIAL CONTEXT

Bernadett Domokos

Széchenyi István University, Hungary
domokos.bernadett@sze.hu

Andrea Bencsik

Széchenyi István University, Hungary
J. Selye University, Slovakia
bencsika@uj.s.sk; bencsika@sze.hu

ABSTRACT

From the 1950s onwards, trust, as a concept has served as an untapped resource for countless disciplines. Several fields of science, from several perspectives examined trust as a phenomenon and the impact of the lack of trust in different context. These issues identify the most important research areas in the scientific world that have focused on trust in recent decades. In our accelerating economic world, building and maintaining trust is primarily necessary to strengthen the economic performance of companies. Researchers sought to answer the following questions during their scientific research: Why is research of trust important, how can the organization recognize a trustful atmosphere, how can trust be built up, what advantage does a company get if the workers have trust in the organization or how large is the damages if the company has not sufficiently invested in trust. This article is an extended literature review in connection with the concept of organizational trust, which defines a problem area in the relationship between knowledge management and leadership. In our study, we researched scientific journals by using the phrase organization trust as the keyword, and within these, we highlighted the areas of research where the most significant relevant scientific literature was to be found, which was in close connection with our research field. The aim of this article is to summarize the most

important issues of this literature, which have been studied within each discipline. The conclusion from this literature identifies a positive correlation between economic performance and organizational trust; its measurability can be the key question for companies. In our study, we appointed the measurability of trust as the goal of future research.

Keywords: *knowledge management, leadership, measurability, trust*

CONTEMPORARY UNDERSTANDING OF SUSTAINABLE DEVELOPMENT AND NEW TRENDS OF NEW URBANISM

Aneta Tylman

*University of Lodz, Poland
aneta.tylman@uni.lodz.pl*

Monika Cysek-Pawlak

*Lodz University of Technology, Poland
monika.cysek@p.lodz.pl*

ABSTRACT

Nowadays, sustainable development of cities is understood as development in the spirit of an urban trend called New Urbanism. New Urbanism is now the most important international planning movement and is about raising our quality of life and standard of living by creating better places to live. One of the basic principles on which this trend in urbanism is based is the principle of sustainable development. The principle of sustainable development is recognized today as the fundamental principle of the development of the world and for many years finds its expression primarily in documents adopted at the forum of the United Nations (UN). The role and significance of cities as essential human centres remains also recognized and

unchallenged for the implementation of sustainable development policy. This study presents the current interpretation of the concept of sustainable development, including sustainable urban development in particular, adopted by the UN in 2015 and its correlation with the new trends emerging in New Urbanism. The result of interdisciplinary dogmatism and literature researches is an indication of whether and how New Urbanism influenced the current understanding of sustainable (cities) development at the level of international regulation and policy, on the other hand how contemporary sustainable development policy can further influence the formation of New Urbanism movement in urban planning and financing. The study raises such important issues for contemporary urban development as participation and social justice through housing and transport design and construction, environmental protection and climate policy, heritage and cultural tradition. In the conclusions, the authors point to deficiencies in the interaction between sustainable development policy and New Urbanism and the need to set new priorities in the development of modern cities at the level of international regulations and policy.

Keywords: *international policy and regulation, New Urbanism, sustainable development, United Nations*

EVALUATING THE RISK PROFILE OF CROATIAN BANKS USING CLUSTER ANALYSIS

Barbara Zupic

*University of Zagreb, Faculty of Economics and Business,
Croatia
barbara.zupic@gmail.com*

Ana Pavkovic

*University of Zagreb, Faculty of Economics and Business,
Croatia
ana.pavkovic@efzg.hr*

ABSTRACT

Credit institutions play a major role in the economy, especially in bank-centric systems such as the Croatian financial system, having a significant impact on the stability and efficiency. This paper analyzes how the homogeneity of Croatian banks changed relative to indicators of their profitability, risk exposure and costs. The main objective of this study is to recognize banks that have a comparable risk profile and that have experienced similar problems in the observed years. Three years that were selected represent the pre-crisis, crisis and post-crisis periods. The pre-crisis period refers to the year 2006, which was a period of economic expansion with strong growth of loans, deposits and foreign sources of funding. Then follows the year 2011, which represents the global financial crisis, while the last period is 2016, a year after the Swiss franc became stronger than the euro and caused problems for thousands of people, but also the Croatian banks. A method of multivariate analysis – cluster analysis is applied for all of the Croatian banks operating in 2006, 2011 and 2016. Cluster analysis can be used as an alternative to regression analysis, or more advanced methods in which the relationship between endogenous and exogenous is predetermined. It allows greater freedom without imposing any a priori limitations.

The formed clusters give a different insight into the relationship between variables and between the banks than would give other econometric methods. The estimates have especially helped in singling out the banks that were the most vulnerable in the two crises.

Keywords: *Banking System, Cluster Analysis, Republic of Croatia, Risks, Similarity Assessment*

FLEXICURITY IN THE CENTRAL EASTERN EUROPE, DECADE AFTER ECONOMIC CRISIS

Cezary Pawlonka

Wroclaw University of Economics, Poland

cezary.pawlonka@ue.wroc.pl

ABSTRACT

Ability of getting out from the economic crisis of 2008, for many European Union economies was crucial in terms of the next decade. Despite of exceptional global market conditions of years 2016-2018, some EU countries still cannot restore the labor market indicators from before the crisis time, which is a great example of the hysteresis theory in action. Surprisingly, in the same time, some countries in Europe were experiencing a historic heights of their market rates. A significant revival of the Central Eastern Europe countries labor market in 2013-2018, the consistent decline of unemployment, to the level below the EU average, is a successful example of getting out from the economic depression. Accordingly, the unemployment level in many Europe countries is still not at the same level as before the crisis period. Based on the analysis of the job market data of selected EU countries, an attempt was made to explain the reasons for the significant change of job market indicators throughout Europe, following the crisis period. One of the possible explanations of this occurrence, is the degree of using flexicurity methods in given

countries, with a special focus placed on flexibility upswing. For example, beside the Polish government restrictive economic policies during the crisis, the Polish workers' ability to comeback to job easily through nonstandard employment, was not less important for the national economy. Although it is worth to not overestimate the job market quality in the Central Europe. The low unemployment rates obscure the lack of systemic and institutional changes for the security of workers. The high level of precarisation in the region, as well as the low activity rates are a real structural challenge for these countries. The high unchecked flexible of labor market, and model of social policy workfare beyond welfare, wreck the abilities of flexicurity model in given countries.

Keywords: *European labor market, Flexicurity model, Labor market economy, Labor market Policy*

INPUT-OUTPUT APPROACH FOR MEASURING TOTAL ECONOMIC EFFECTS OF PRODUCTIVE SECTORS IN CROATIA

Damira Kecek

University North

104. brigade 1, 42 000 Varaždin, Croatia

dkecek@unin.hr

Marin Milkovic

University North

Jurja Križanića 31b, 42 000 Varaždin, Croatia

mmilkovic@unin.hr

Valter Boljuncic

Juraj Dobrila University of Pula

Zagrebačka 30, 52 100 Pula, Croatia

vbolj@unipu.hr

ABSTRACT

The most common approach of quantitative macroeconomic analysis that quantifies direct, indirect and induced effects of certain sectors of interest to the national economy is input-output analysis. In this paper direct, indirect and induced effects of productive sectors to the Croatian economy in terms of output and employment for the year 2010 are quantified. To quantify direct and indirect effects of certain productive sector, open input-output model, where final consumption is considered as an exogenous variable, is used. Induced effects are quantified by using closed input-output model, model where some components of final consumption, mainly households, are considered as an endogenous variables. Based on the input-output approach, output multipliers type I and type II and employment multipliers type I and type II for all Croatian productive sectors are quantified. Productive sectors with the highest output multipliers type I and type II are sectors that have high share of domestic intermediate products, i.e. sectors: Travel agency, tour operator

and other reservation services, Other transport equipment and Air transport services. The highest number of employees per 1 million of HRK delivered final goods and services was recorded in sectors: Products of agriculture, hunting and related services, Postal and courier services and Social work services. Productive sector with the lowest number of jobs directly or indirectly related to deliveries of final products worth 1 million HRK was sector Imputed rents of owner-occupied dwellings.

Keywords: *employment multipliers, input-output analysis, output multipliers, productive sectors*

THE REDUCTION OF ENVIRONMENTAL POLLUTION IN AFRICA: ICT AND CO2 EMISSIONS

Diego Mazzitelli

*University of Calabria, DISCAG, Rende (CS) Italy
Via P. Bucci 87036 Rende (CS) Italy
diego.mazzitelli@unical.it*

Francesca Aura

*University of Calabria, DISCAG, Rende (CS) Italy
Via P. Bucci 87036 Rende (CS) Italy
francesca.aura@unical.it*

ABSTRACT

The level of CO2 emissions is under constant examination by many scholars. This is because the level of growth of the world population, of the ICT sector and therefore the ever-increasing economic development of the planet contribute significantly to increase CO2 emissions and energy consumption. Despite the fact that technological advances and nations all over the world expect solutions capable of making cities, means of transport, intelligent electrical systems and industrial processes and anti-

pollution measures with stringent regulations capable of generating an ever lower environmental impact, the level of global pollution emissions continues to grow. The purpose of this study is examine how the level of CO2 emissions grows with population growth and whether this can be related to the level of industrialization of a country. This will be done taking into account the investments in the ICT sector and other variables implemented in the study. To achieve this goal, after choosing South Africa for the completeness of the information being analyzed, we use a data set containing all the information on the variables analyzed for South Africa and distributed over a period of 42 years. The results of the empirical study confirm the relationship between CO2 emissions and demographic growth, but above all the level of energy use, showing that developing countries over a period of 50 years will have significant increases in pollution.

Keywords: *CO2 emissions, ICT, developing economies, developed economies*

ACCOUNTING PROFIT IN SPANISH LEGISLATION

Susana Aldeia

IJP – Portucalense Institute For Legal Research

*REMIT – Research on Economics, Management and
Information Technologies*

*CICF – Research Centre on Accounting and Taxation
aldeia@upt.pt*

ABSTRACT

The main goal of this paper is to study the accounting profit in the spanish jurisdiction. For this purpose the accounting profit and its integration in accounting and tax legislation of Spain were analized. In accounting terms the study focus on the Commerce

Code and Accounting law. On the one hand, the assumption of accounting profit in corporate income tax law and the significance of its economic periodization were investigated. The results show that the spanish Commerce Code recognizes a relevant role to accounting profit. It also recognizes that it is very important for the companies to give financial information about their economic lives. It establishes specific issues, such as the elements of the annual accounts, and how the net profit should be determined. On the other hand, an effort was made to understand and analyse the relevance of the periodization of the corporations' economic life. It happens having as underlying the accrual basis' accounting principle. This may occur due to several economic, financial and legal reasons. Concerning the economic reasons it is necessary to define economic periods for management evaluation and the distribution of the results to the company's owners. Financially, the company has to assure all the financial needs to maintain its activity. In legal terms, it is important to determine tax periods that can establish the tax due by the entity's economic performance. The analysis of article 10 of the spanish corporate income tax law allows us to conclude that the spanish tax legislator recognizes the tax direct valuation method to determine the taxable profit. It means that the net profit determined under accounting rules is used to calculate the taxable basis that will be subjected to pay income tax by the national economic entities.

Keywords: *accounting profit, corporate income tax, economic periodization, Spain, taxable profit*

THE IMPACT OF ECONOMIC CRISIS ON ENTREPRENEURSHIP AND STRATEGIC PERFORMANCE

Alvaro Dias

*Universidade Lusófona and ISG, Portugal
alvaro.dias1@gmail.com*

Carla Muniz

*ISG, Brazil
j.gomes@terra.com.br*

Joao Conrado

*UNDB, Brazil
joao.carvalho@undb.edu.br*

ABSTRACT

This research investigates the impact of economic crisis on entrepreneurial capabilities and strategic performance of small and medium-sized enterprises. As such, we aim to evaluate the factors that influence entrepreneurial action and strategic performance, by assessing business performance in times of crisis. The research method was based on the sector analysis, substantiated by the literature review. Based on a sample of Brazilian firms our results show that the size of the company is irrelevant, both for taking strategic actions and for speed in undertaking growth actions. It is concluded that MPE's achieve greater speed of growth actions undertake joint actions when they have technological capabilities.

Keywords: *Technological capabilities, Leadership capabilities, Strategic performance, Entrepreneurship, SME's*

FACTORS AFFECTING THE ADOPTION OF ALTERNATIVE FINANCING METHODS FOR STARTUPS BY AFRICANS IN CHINA

Sandra Chukwudumebi Obiora

*School of Management and Economics,
University of Electronic Science and Technology of China,
No. 2006, Xiyuan Ave, West Hi-Tech Zone,
Chengdu, Sichuan 611731, P.R. China
sandra_ora2000@hotmail.com*

Zeng Yong

*School of Management and Economics,
University of Electronic Science and Technology of China,
No. 2006, Xiyuan Ave, West Hi-Tech Zone,
Chengdu, Sichuan 611731, P.R. China*

ABSTRACT

Alternative financing methods such as Crowdfunding, and Peer-to-Peer lending in the past few decades are becoming more sort after means of business start-up financing. On the other hand, traditional financing methods such as bank loans are now more difficult to acquire especially across African countries. Taking a sample of 410 Africans in China, this study examines the factors that affect the adoption of alternative financing methods for business start-ups. The results show that internet usage in Africa and China, length of residence in China, and the capital intensity of the type of the business to be started are all significant factors to the preference and adoption of alternative financing methods by Africans residing in China. Seeing as research into Africa's adoption of alternative financing is lacking, this study, this study provides insight where Africans are concerned.

Keywords: *Alternative financing methods, Traditional financing methods, Generation Y, Business Start-ups*

ECONOMICAL AND ECOLOGICAL ASPECTS OF PRODUCT INNOVATION IN SUSTAINABLE MANUFACTURING PROCESSES IN WOODWORKING INDUSTRY

Eva Ruzinska

*Institute of Technology and Business in České Budějovice,
Faculty of Corporate Strategy, Department of Economics,
Okružní 571/10, 370 01 České Budějovice, Czech Republic
eva.ruzinska11@gmail.com*

ABSTRACT

New ways of processing sulphate liquors are therefore only geared to the use of some liquor components or to the production of high-priced products. The production technology of these products must be economically unattractive, technically easy to manage, and must be beneficial in solving environmental problems. Alkali lignins isolated from sulphate kraft liquors are polydispersive, three dimensional macromolecules derived from native lignin by hydrolysis in alkali and subsequent precipitation under acidic condition. Absence of free phenolic hydroxyls and low cross-linking degree make alkali lignins applicable as substitutes of phenol in phenol-formaldehyde (PF) polycondensates. In our research, we focused on studying the preparation of environmentally acceptable mixed polycondensation adhesives by applying reciprocal substitution of PF adhesives to unmodified sulphate liquors. These adhesive mixtures have been applied to the preparation of innovative wood composites with a perspective of sustainable manufacturing processes in the woodworking industry. In our analysis, we also focused on the assessment of selected economic and environmental aspects of sustainable technological processes in the production processes that generate innovative wood composites.

Keywords: *Economy of product innovation, Sustainable manufacturing processes, Wood composites*

INSTITUTIONALIZING SOCIAL ENTREPRENEURSHIP: A PATH TO HOLISTIC SUSTAINABILITY

Georgios Chatzichristos

University of Aegean, Greece
Socd17006@soc.aegean.gr

Nikolaos Nagopoulos

University of Aegean, Greece
N.Nagopoulos@soc.aegean.gr

ABSTRACT

Social enterprises are organizations that try to reconcile the often competitive economic and social missions, by developing hybrid projects that produce both economic and social value. Nonetheless, the sustainability of those initiatives seems often at stake, due to market pressures. As a result, social enterprises often have to undermine their social mission goals, in order to achieve an economic sustainability. The present paper will try to explore how social enterprises can remain economically sustainable, without losing track of their social mission. The in-depth research of an Austrian social enterprise, i.e. OTELO, and of its regional institutional framework (NUTS3 region of Mühlviertel), reveals the need of an institutionalization of this new form of entrepreneurship. In order to achieve a holistic sustainability, social entrepreneurship has to become institutionalized. Potentialities of this process will be investigated.

Keywords: *Holistic Sustainability, Institutional Entrepreneurship, OTELO, Social Entrepreneurship*

BIG FINANCIAL CRISIS: ANALYSIS, ASSESSMENT, PERSPECTIVES

Vladimer Glonti

*Batumi Shota Rustaveli State University, Georgia
vladimer.ghlonti@bsu.edu.ge*

Rezo Manvelidze

*Batumi Shota Rustaveli State University, Georgia
manvelidze.revaz@bsu.edu.ge*

Lasha Manvelidze

Batumi Shota Rustaveli State University, Georgia

ABSTRACT

In the work we aimed to present on the basis of 2008 big financial crisis, main tendencies of development and reformation of financial system in the modern world. So that we looked through and analyzed once again financial crisis, causes of the crisis, system of fundamental diagnostics. The work highlights the crisis lessons, fast liquidation of its negative results, necessary reformation of financial system entirely and main problems of financial regulation. On the background of reformation of the changes of the world architecture of financial markets we tried to show what negative role was played by fast wide transformation in the frame of economic reforms and decay of the state regulating role in the process of economic and financial reforms.

Keywords: *financial crisis, financial regulation, Act of Dodd-Frank, financial intermediaries, nonfinancial companies, hedge-fund, globalization risks, reform of financial system*

FRESH EVIDENCE ON THE INVESTMENT- ECONOMIC FREEDOM-GROWTH NEXUS IN OECD MEMBER STATES

Elma Satrovic

*Assistant professor at Çağ University, Turkey
Yaşar Bayboğan Kampüsü Adana-Mersin Karayolu üzeri 33800,
Yenice/MERSİN
elmasatrovic@cag.edu.tr*

Adnan Muslija

*PhD candidate at University of Sarajevo
Hazima Dedića 15b, 71300 Visoko, Bosnia and Herzegovina
adnanmuslija@msn.com*

ABSTRACT

This paper aims to explore the nexus between investment, economic freedom and economic growth in the sample of 35 OECD member states in the time span 1996-2015. The empirical methodology relies on the panel VAR model. The findings of trivariate model suggest a significant negative response of GFC to EFI. Investment is however found to respond positively to the improvements in real GDP per capita. With regard to GDP it is found to respond negatively to the GFC as well as EFI. Lastly, economic freedom is found to respond negatively to GFC but positively to GDP. IRFs display the response of EFI to GDP to be negative only in the short-run reaching the positive value at the end of the period of interest. Similar conclusion can be drawn for the response of EFI to GFC. GDP is found to have a positive response to the EFI in both, short- and the long-term. Similar conclusion can be drawn for the response of GDP to GFC. GFC positively responds to and to GDP. This paper suggests a necessity for policy makers to support the economic freedom since it has a great potential to contribute to the both, investments and final the economic growth of the countries of interest.

Keywords: *economic freedom, economic growth, investment, panel VAR*

VALUE AT RISK ESTIMATION OF THE MARKET INDEXES VIA GARCH MODEL: EVIDENCE FROM VISEGRAD COUNTRIES

Gentjan Cera

*Tomas Bata University in Zlin,
Faculty of Management and Economics,
Department of Business Administration, Czech Republic
cera@utb.cz*

Florin Aliu

*Tomas Bata University in Zlin,
Faculty of Management and Economics,
Department of Finance and Accounting, Czech Republic
aliu@utb.cz*

Edmond Cera

*Tomas Bata University in Zlin,
Faculty of Management and Economics,
Department of Business Administration, Czech Republic
ecera@utb.cz*

ABSTRACT

Stock markets stand as an important element within the financial system. Financial crises of 2008 showed that stock market crash influence the real economy. On the other hand, economic and financial globalization has created interdependency within national economies. The current research tends to measure risk exposure of the Visegrad stock markets (Czech Republic, Hungary, Poland and Slovakia). One of the indicators of the risk exposer of a financial assets is value at risk. In this study, value at risk is estimated using GARCH model in a dataset of almost three thousand working days per each stock markets. White noise process and ARIMA (1, 1) were applied to get more robust results. The worse stock index among Visegrad countries was identified SAX (Bratislava index, Slovakia) and the most promising one was BUX (Budapest index, Hungary).

Value at risk is a useful tool that investors can use to analyze the performance of a share or market index in terms of risk exposure. Furthermore, it can be used even as an instrument to forecast the level of risk exposure an investor could face in the future.

Keywords: *Stock market, value at risk, GARCH, Visegrad countries, rugarch*

RELATIONSHIP BETWEEN OWNERSHIP STRUCTURE AND INTELECTUAL CAPITAL EFFICIENCY IN HUNGARIAN COMPANIES

Hanga Horvath

*Széchenyi István University, Hungary
horvath.hanga@gmail.com*

Andrea Bencsik

*Széchenyi István University, Hungary
J. Selye University Komarno, Slovakia
bencsik.andrea@yahoo.com*

ABSTRACT

The theoretical paper extends previous research on the topic of the relationship between ownership structure as a measuring criterion of corporate governance and efficiency of intellectual capital as one of the variables to create competitive advantage and efficiency. The paper focuses on two aspects: the relationship between venture capital and intellectual capital efficiency and managerial ownership and intellectual capital efficiency, explaining the relationship between them on the basis of agency theory. The paper presents the possibilities of intellectual capital measurement by using Pulic's model, namely the value added intellectual coefficient (VAIC) on a sample of Hungarian listed companies, which helps to verify the presumption that there is a significant relationship between the use of venture capital and

intellectual capital efficiency while managerial investors decrease the performance of companies' intellectual capital, which is partly consistent with some previous studies. The results of the theoretical study will be tested by empirical research, which results will be published in a next paper. The findings of this study suggest new direction for the future research, namely future work should widen the measurement of intellectual capital to other economies in order to further develop our understanding on intellectual capital efficiency of firms in emerging economies from an ownership and corporate governance perspective.

Keywords: *Agency theory, Corporate governance, Intellectual capital (IC), Ownership structure, Venture capital*

GAME DYNAMICS AND THE WAR BETWEEN SOCIAL PLATFORMS

Fortesa Haziri

*Tomas Bata University in Zlin,
Faculty of Management and Economics,
Department of Management and Marketing
haziri@utb.cz*

Ina Pagria

*Agricultural University of Tirana in Tiranë,
Faculty of Economy and Agribusiness,
Department of Economy and Rural Development Policies
ipagria@ubt.edu.al*

Miloslava Chovancova

*Tomas Bata University in Zlin,
Faculty of Management and Economics,
Department of Management and Marketing
chovancova@utb.cz*

ABSTRACT

*Due to the globalization which generated a towering competitive environment, businesses are seeking for a creative and effective strategy to succeed. Gamification is advertised as an engaging and motivating technique for end-users, customers, patients and learners. Also, social platforms and the role of maintaining lively the company image and brand are increasing its importance. Due to limited research regarding the gamification impact on consumer behaviour, this study aims to investigate and identify the differences between customers who purchase via Facebook and Instagram when factors, such as game dynamics, are considered. For the research purpose, the independent sample *t*-test has been performed by using SPSS version 23 and the eta-squared and Cohen's *d* coefficient has been calculated manually. The results reveal that consumers who purchase via Facebook and Instagram differ regarding the feeling of belonging,*

advancement and expressiveness induced while purchasing. This research provides insights on the differences regarding social platforms' usage if game dynamics are considered and it enriches the current literature regarding gamification, social platforms' usage and online consumer behaviour. However, further investigation is needed to generalize the results.

Keywords: *game dynamics, Facebook, Instagram, online buying behaviour, social media, user behaviour*

THE EUROPEAN INVESTMENT BANK IN A TURBULENT ENVIRONMENT: SEEN THROUGH ITS EVER-DEVELOPING BUSINESS MODEL

Helen Kavvadia

*Visiting research associate,
Identités, Politiques, Sociétés, Espaces (IPSE),
University of Luxembourg, Luxembourg
helen.kavvadia@ext.uni.lu*

ABSTRACT

Since its foundation in 1957, the European Investment Bank (EIB), the primary financial arm of the European Union (EU), has become the world's largest multilateral bank, with its operations undergoing progressive international expansion. It is being increasingly solicited by the EU to promote economic recovery against the backdrop of the recent economic difficulties of a crisis-ridden, turbulent economic environment. Existing scholarly work on the EIB is disproportionately limited when compared to its expansive role, and this work mostly comprises analyses of its past activities. This paper instead studies the EIB's ability to maintain its vocation of financing viable projects that promote European objectives in the present and future economic environment.

The paper also examines the EIB's current business model (BM) and evaluates the possibilities it offers in addressing current and future global economic needs in the European Union (EU) and beyond, with appropriate and adequate financial services. BMs contain the structure, modus operandi and fundamental activities of an organisation, thus rendering them a useful tool with which to examine organisations. BMs enable organisations to create value and appropriate a share of that value. As the EIB's BM is not publicly available, this paper presents a purposefully developed BM that is based on the EIB's business fundamentals of its publicly available legal documents. The developed BM reflects the EIB's dual nature as an EU institution and bank. The paper posits that the current EIB is well conceived, robust and flexible, allowing the EIB to fulfil its remit by addressing major economic and social concerns and acting in a countercyclical mode in the crisis-ridden, turbulent environment of today. Furthermore, through the study of its current BM, the paper attempts to explain how and why the EIB's activities have been supported, and expects a BM revision triggered by the departure of Great Britain, one of the four large EIB shareholder's, entailed by the country's decision to leave the EU.

Keywords: *Business Model, European Investment Bank (EIB), Institutional Governance*

INVESTIGATING THE IMPACT GROWTH HAS ON CUSTOMER SATISFACTION AND BRAND LOYALTY: THE CASE OF THE LITTLE BRITAIN PUB COMPANY

Louisa Cooper

Pearson Business School

190 High Holborn, London, WC1V 7BH, United Kingdom

Augusto Newell

Pearson Business School

190 High Holborn, London, WC1V 7BH, United Kingdom

augusto.newell@pearson.com

David Atkinson

Keele Management School, Keele University

Keele, Staffordshire, ST5 5BG, United Kingdom

d.g.atkinson@keele.ac.uk

ABSTRACT

Mabkhot (2017) calls for more research to be conducted across different countries and sectors to further understand how loyalty effects customer satisfaction levels. Many scholars highlight the importance of brand loyalty in the service industry; customers will return if satisfied and have a belief that no other brand could satisfy their needs in the same way (Baser, et al., 2015). This study investigated the potential effects organisational growth has on the levels of customer satisfaction and, in turn brand loyalty within the public house sector in the UK. The research is distinctive as it focuses on a growing organisation, known as the Little Britain Pub Company, in a period of market decline. According to the BBC (2018) and The Real Ale Campaign (<http://www.camra.org.uk/>), the pub closure rate reached 18 per week in 2018 in the UK. This study focused directly on customers' perceptions over time, as the Little Britain Pub Company grew from a small, independent pub into a chain. The methods used in this research explored how the owner, employees and customers

viewed and experienced the Little Britain Pub Company's growth. Here a mix of questionnaires and in-depth unstructured and semi structured interviews were utilised. The findings indicated that each time a new site was opened, customer satisfaction levels decreased in the established sites but then experienced a period of recovery as a new site became established. The study also understood that customer loyalty to the Little Britain Pub Company brand induced positive word-of-mouth, with satisfied customers willing to repeatedly return. The questionnaire targeted the Little Britain Pub Company's customer base. The results here indicated a positive feeling towards the growth of the brand as well as an increased level of loyalty. This research contributes to the hospitality sector as it demonstrates that organisational growth can have a negative impact upon customer satisfaction, and that growth can positively effect customer satisfaction and brand loyalty in the long term. Demonstrating a case of 'short term pain for long term gain'.

Keywords: *Customer satisfaction, brand loyalty, growth*

THE EFFECT OF INDIVIDUAL ECONOMIC INDICATORS ON SOCIAL DEVELOPMENT, NATIONAL SECURITY AND DEMOCRACY: A NEW PERSPECTIVE

Jan Bren

*University of Defence, Czech Republic
jan.bren@unob.cz*

Tomas Zeman

*University of Defence, Czech Republic
tomas.zeman2@unob.cz*

Rudolf Urban

*College of Regional Development and Banking Institute, Czech Republic
ubn17@centrum.cz*

ABSTRACT

Economic aspects play an important role in social development, national security and world's democracies in nowadays society. Economic welfare, social development, homeland security and democracy are in mutual relationships. Social development is a necessary instrument of state governments to enable proper supplies of goods and services to their citizens. Also democracy has irreplaceable influence on national economy – various positive or negative effects. Democracy provides mechanisms and institutions that will enable real and social development, and the development progress will create objective conditions and a global conducive to the consolidation of democratic practices in society. Undoubtedly, national security has played a major role in the process of economic development for many years. This paper deals with the economic impact on social development, homeland security and global democracy. In our research social development is expressed by the Social Progress Index, national security by the Global Peace Index and democracy by the Democracy Index.

The main target is to find out correlation between the Social Progress Index/Global Peace Index/Democracy index and individual economic indicators (gross domestic product, gross national income per capita, inflation and unemployment). In order to calculate results, we gathered data of the specific indexes and indicators in 162 countries from the years 2014-2017. Using statistical methods, we confirmed the fact of the increasing/decreasing Social Progress Index, Global Peace Index and Democracy Index in relation to the selected increasing/decreasing economic indicators. Based on these correlations we made comprehensive statements about links between the individual economic indicators and social development/national security/democracy. There is not an automatic link between the economic indicators and factors of social development, effective democracy and powerful national security. Countries of/with similar economic aspects may have vastly different social, security and democracy conditions. This analysis can be used as a detailed informative overview about economic aspects in social, security and democracy development.

Keywords: *correlations, democracy, economic indicators, security, social development*

THE IMPACT OF ENTREPRENEURIAL ACTIVITY ON POVERTY ALLEVIATION

Kenneth A. Grant

*Ryerson University, Canada
kagrants@ryerson.ca*

Osama Aziz

*Ryerson University, Canada
osama.aziz@ryerson.ca*

Noman Arshed

*University of Management and Technology, Pakistan
noman.arshed@umt.edu.pk*

ABSTRACT

Over the last three decades, governments and international organizations such as the World Bank, the IMF, etc. have been trying to reduce poverty. Despite this, today, almost 2.5 billion people still live in poverty. Entrepreneurship is seen by many as a way to reduce poverty in all types of economies. Further, entrepreneurship facilitators can play an important role in creating a suitable environment for business activities, hence increasing entrepreneurial activities. This paper provides an insight into how entrepreneurial activity and entrepreneurship facilitators (Government, Incubators, and Financial Institutions) help in improving the business environment in all countries across the World and hence contributing to poverty alleviation. To investigate this, the Human Development Index (HDI) is used as a surrogate measure for poverty. Secondary data for Entrepreneurship (Entrepreneurial Facilitators, Entrepreneurial Activities, Governance Factors, Social Factors and Economic Factors) and Poverty (HDI) were collected for the period of 2005 to 2016. Countries analysed are grouped as high-income countries, high medium-income countries, medium-income countries and low-income countries. The study found that there is a positive and significant relationship between entrepreneurial

activity and the changes in Human Development Index (HDI) across all countries studied over the 12 year period. It also found that the presence of good entrepreneurial facilitators improves the capacity of entrepreneurial activity which reduces poverty as measured by the HDI. It adds to the body of knowledge by using HDI as a new tool to analyze the impact of entrepreneurial activity in a country. Finally, its findings suggest that entrepreneurial activity may have less impact on poverty alleviation in poor countries.

Keywords: *Ease of Doing Business, Entrepreneurial Activity, Poverty, Moderator Model, Panel FGLS Model*

IS THE EXPECTED UTILITY- ENTROPY DECISION MODEL FOR STOCK SELECTION APPLICABLE ON EMERGING CAPITAL MARKETS?

Branka Marasovic

*University of Split, Faculty of Economics, Croatia
branka.marasovovic@efst.hr*

Tea Kalinic

*University of Split, Faculty of Economics, Croatia
tkalinic@efst.hr*

ABSTRACT

Capital markets in developing countries, known as emerging capital markets, represent a significant part of the financial markets area and are extremely attractive for investors. Although emerging capital markets provide great opportunities for investors, they are also limited in some ways: low level of liquidity, reduced capitalization, high transaction cost and low transparency. For that reason, investing markets need to be thoroughly analyzed in order of choosing the best strategy and

the investment policy. Often, models for investment portfolio management, which give good results in developed capital markets, don't give the same results in the emerging capital markets. In this paper we apply the expected utility-entropy (EU-E) decision model for selecting the set of stocks to be included in the portfolio in Croatian capital market. The mentioned market belongs among emerging capital market. This model combines the decision-maker's subjective preference and the objective uncertainty regarding the states of nature, in which the decision-maker's subjective preference is reflected by the expected utility; the objective uncertainty is measured using Shannon entropy. This model was proven useful in stock selection for investors in developed capital markets. The efficient portfolio of stock selected by the EU-E decision model have almost the same efficient frontier as the sample of all stocks. It will be tested if this model gives the same results in emerging capital markets.

Keywords: *Emerging capital markets, expected utility-entropy decision model, stock selection*

SHARING TACIT KNOWLEDGE AND ORGANIZATIONAL LEARNING IN PORTUGUESE VOLUNTARY FIRE FIGHTERS CORPS

Marcio Oliveira

*Instituto Politécnico de Leiria, Portugal
marcio.oliveira@ipleiria.pt*

Paulo Pinheiro

*Universidade da Beira Interior, Portugal
pgp@ubi.pt*

ABSTRACT

The growing importance of the third sector and its institutions justifies the attention of the academic community, in order to establish and adopt best practices aimed at fulfilling its missions

and reinforcing organizational learning. However, there are few studies on the importance of the intensity and availability for the sharing of tacit knowledge, as a form of organizational learning, directed to organizations of this typology. The option of conducting a case study such as the Portuguese fire brigades (FB's), unique in their action and identity, accompanies the need increasingly recognized by Portuguese society to enable these organizations to achieve the best performance to tragic events in recent years in this country. Thus, by placing the focus of the study on the intensity and availability of tacit knowledge sharing, and on past learning, by FB commanders in Portugal, we have identified as objectives, to identify if there is an intention and tacit knowledge sharing available to the commanders of FB's and realize if this intention and availability is matched in what is the treatment of knowledge obtained by past learning. Eight interviews were conducted with commanders of fire brigades in the central region of Portugal, under the snowball methodological technique, for a qualitative study. It was possible to conclude that the commanders of these FB's tend to demonstrate the intensity and availability of tacit knowledge sharing, but that this is not reflected in their practices derived from past learning. As limitations of the research, it should be noted that the present research focuses exclusively on the sharing of tacit knowledge, not considering other forms of knowledge. As a case study, although with heterogeneous organizations, the same cannot be replicated to different realities.

Keywords: *Availability, Intent, Non-Profit Organizations, Organizational Learning, Tacit Knowledge*

INFLUENCE OF SELECTED FACTORS ON USING INVESTMENT GRANTS IN BUDGETS OF SMALL MUNICIPALITIES OF SOUTH BOHEMIAN REGION

Marketa Popilkova

*The Institute of Technology and Business in České Budějovice
Okružní 10, České Budějovice, 370 01, the Czech Republic
popilkova@mail.vstecb.cz*

Jaroslav Stuchly

*The Institute of Technology and Business in České Budějovice
Okružní 10, České Budějovice, 370 01, the Czech Republic
stuchly@mail.vstecb.cz*

Daniel Rauser

*The Institute of Technology and Business in České Budějovice
Okružní 10, České Budějovice, 370 01, the Czech Republic
raudan@mail.vstecb.cz*

ABSTRACT

While forming a comprehensive theoretical interpretation of regional development, the issue of economic base as a system, which consists not only of economic entities, but also other elements affecting economic performance, comes to the forefront. On the condition that territorial budget revenues are evenly distributed, public goods are provided to municipalities and regions approximately in the same structure, quality and quantity. This is important for planning volumes of municipal needs, particularly investment needs, in the local and regional public sector. The paper aims to determine factors that influence drawing down of investment grants by small municipalities of the South Bohemian Region between 2013 and 2017, with the municipalities being classified into the authors' established size category of 500 – 4999 inhabitants. In order to assess grant drawdown, a specific ratio indicator of covering capital expenditures by investment transfers was selected, and the

following factors and their effects were looked into: size of municipalities (given by population), their distance from the regional city of České Budějovice (Budweis) and their accessibility (peripheral municipalities), municipalities with historical character. To examine dependence, descriptive statistics was used, normality of data was assessed, and given the results obtained, non-parametric conformity-based tests were used as well. Based on the analysis conducted, the authors conclude that at a 5% significance level, dependence of the ratio indicator on the above factors was not proved in the specified category of municipalities. To identify other factors likely to influence the level of drawing down of investment grants by small municipalities, it will be necessary to carry out field research directly in selected municipalities.

Keywords: *Investment grants, Regional development, Small municipalities, Territorial budget*

HOUSING LOANS RISK DRIVERS AND THEIR IMPACT ON BANKING AND RESIDENTIAL MARKET SUSTAINABILITY IN LATVIA

Aivars Spilbergs

BA School of Business and Finance, Latvia

aivars.spilbergs@ba.lv

ABSTRACT

Housing loans play an important role in improving living condition in developed countries. In Latvia, however, residential mortgage volumes have declined throughout the post-crisis year's and were at the end of 2018 12% below end 2008 level, while the house price index ca. 25% below pre-crisis level. The main reasons for this are banks credit losses, which resulted in a revision of credit granting standards and a deteriorating in their availability. On the other hand, households have experienced

increased uncertainty, both as a result of financial difficulties, experienced during the crisis years and political instability in the post-crisis years. It is therefore essential to identify the true risk drivers and to analyse them. Based on existing researches in other countries, author has identified several dozen macro-economic indicators, such as the unemployment rate, wage growth, housing price index, etc. and micro factors such as the age of the borrower, total debt to income, loan-to-value, etc., have developed univariate and multivariate econometric models and have examined their statistical stability. Consequently, through consistent application, it is possible to take sound credit decisions, both in banks and by households, and to contribute to the sustainable development of the housing market.

Keywords: *econometric models, housing loans, risk drivers*

ENDOGENOUS DETERMINANTS ON THE BEHAVIOUR OF TOTAL REVENUE IN LEGACY TYPE AIR TRANSPORT COMPANY: A EMPIRICAL STUDY

Rui Jorge da Trindade Carrilho Cavaco

TAP Air Portugal, Portugal

Rui.cavaco@tap.pt

Jose Vicente

Universidade Lusófona, Portugal

Vicentemba@gmail.com

Felipa Lopes dos Reis

Universidade Lusófona, Portugal

Felipareis2011@hotmail.com

ABSTRACT

The liberalization of air transport has led to a competitive environment in a highly regulated industry in the operational

plan, conditioning the cost structures of the companies. The competitive factor shifts to the revenue management. The parallel development of Information and Technology (IT) industries creates the conditions for the development of the "industrialization of revenue management". Over the past thirty years several studies and develop applications and optimization models of total revenue, in the first instance for one given flight and currently in the carrier network. These models, mostly use statistical information to, through various processes, allow an analyst to decide which model best fits the demand. The present work aims to determine the factors that influence the total revenue and contribute to the study of the behavior of this variable. Thus using the method of Partial Least Squares Regression (PLS-R), it was intended to study what are the determinants and behavior of total revenue of a Legacy carrier in three types of routes. We conclude that it is possible to monitor the behavior of a Revenue Management system through the observation of the behavior of Total revenue during the period of availability of rates for a given flight.

Keywords: *Air Transport, Revenue Management, Total Revenue, Partial Least Squares*

MODELING COMPLEX TRAFFIC SYSTEM BEHAVIOUR

Gergely Csaba Mikulai

*Széchenyi István University, Hungary
mikulai.gergely@ga.sze.hu*

Zoltan Baracscai

*Széchenyi István University, Hungary
baracscai.zoltan@sze.hu*

ABSTRACT

To have a better understanding what are the crucial points of the Hungarian's Traffic network, we will evaluate the background

knowledge, which we will receive by modelling complex system with an AI-based Knowledge Based System. The expected outcome will be a time breakdown of the traffic infrastructure occupation, helping to localize the bottlenecks in the traffic network, both in time and location and evaluate the characteristics of these bottlenecks based on the weather change. The natural complexity of the traffic network will be evaluated in the research by identifying nonlinearity and chaos in the profile of daily truck routes in Hungary. More than the entire population's 5% will be represented in the research. Different tools will be used for the evaluation, such as Recurrence Quantification Analysis, to manifest the nonlinearity and chaotic attributes of the traffic network. In the research a one-week long timeframe will be evaluated in a knowledge management system at first glance, which has a 2 second frequency. This data will be compared with the weather data. From the mass data, different segments will be formed, based on the truck axle type, which type of cars are more affected by the bottleneck and weather change. This data will be aggregated and evaluated. The truck density, the average speed, number of stops, ride length, rainfall, temperature, number of sunny hours.

Keywords: *Complexity, Knowledge based system, Traffic monitoring*

ANALYSIS OF THE INSURANCE INDUSTRY CONCENTRATION AS AN ASSESSMENT MEASURE OF THE SUCCESS OF COMPANY TAKEOVER IN THE REPUBLIC OF CROATIA

Martina Sopta

*Faculty of Economics and Business, University of Zagreb
msopta@efzg.hr*

Emanuela Elezovic

emanuela.elezovic@gmail.com

ABSTRACT

The objective of the research presented in this master's thesis is to determine the importance of the level of insurance industrial concentration in the Republic of Croatia in terms of being a measure which is directly linked with profitability that comes after company takeover. The objective is also to emphasize the importance of successfully applied external rise strategy that is manifested through operations of takeover in terms of strengthened competitiveness of Croatian insurance industry and also in providing insurance companies with better prospects of achieving long-term goals in a shorter time period. The results regarding the insurance industrial concentration in the Republic of Croatia have emerged after the methodology presented in scientific and professional literature was applied. The research was conducted on the basis of the following scientific methods: analysis, description, classification, comparison, synthesis and concretization. Simultaneously, a comparison analysis was carried out with results with respect to insurance industrial concentration ratios in Bosnia and Herzegovina. On the basis of the result obtained from annual financial reports with respect to the observed time period of ten years, we have come to the conclusion that insurance industry in the Republic of Croatia (where a large number of small or medium-sized enterprises operates) is moderately fragmented. Additionally, we have also concluded that competitiveness between enterprises has been

increased. Since it is a case of monopolistic competition, entry and exit from the industry in the long run can be considered to be easy. In short, we talk about industry that is profitable with regards to company takeover. The comparison analysis between the insurance industries in the Republic of Croatia and Bosnia and Herzegovina suggests a better ranking of the mentioned industry in Bosnia and Herzegovina when it comes to the context of profitability of company takeover as opposed to the situation in Croatia where industry leaders take over the dominant industry market shares. This is how they reinforce the possibility of shaping industrial events. In other words, industry structures appears to approximate oligopoly structures. A large number of insurance companies operates in Bosnia and Herzegovina so we talk about a significantly fragmented industry where profitability after company takeover is certain.

Keywords: *concentration, insurance industry, the Republic of Croatia, company takeover, profitability*

INTERNATIONAL CITY PARTNERSHIPS FOR SUSTAINABLE DEVELOPMENT: A SYNTHESIS FRAMEWORK

Luara Mayer

*Institute for Political Science University of Münster, Germany
l_maye02@uni-muenster.de*

ABSTRACT

The topic of international municipal partnerships (IMP) for sustainable development has attracted the attention of an increasing number of scholars, indicating that a burgeoning research field is maturing. However, the literature is highly fragmented and efforts to synthesize the overall state of the art in this area are still insufficient. By conducting a systematic literature review, this paper's purpose is twofold: (i) to gather

and integrate findings on IMP for sustainable development and (ii) to assemble what are the main research avenues for further investigation. The analysis of the 70 selected papers revealed that, in the first place, the literature has not yet reached a consensus about the definitions and the main dimensions surrounding the process of IMP for sustainable development. In the second place, findings concerning the extent to what and how city international partnering can be drivers for sustainable urban development have also been dispersal. By integrating the results from previous studies on IMP in the area of sustainable development, this paper provides a conceptual framework that synthesizes and structures the main aspects of the research area and based on it, a holistic analysis of its state of the art. Both practitioners and academics can benefit from this framework, considering that it provides a comprehensive understanding of the main dimensions surrounding IMP in the area of sustainable development and climate change.

Keywords: *International Municipal Partnerships, Sustainable Development, Systematic Literature Review*

WHAT PRICE FOR SUSTAINABLE FOSSIL OIL?

Michael Kaestner

*Toulouse University, France
michael.kaestner@iut-tlse3.fr*

ABSTRACT

Growing concerns rise about the resource finiteness and externalities associated with the extraction and the combustion of fossil fuels. This work evaluates the hidden cost of the unsustainable use of fossil oil using (1) a resource-related and (2) a CO₂ emission related approach. Our model evaluates the external costs as the differential between current fossil oil market

price and their theoretic counterpart, assuming, alternatively, a sustainable extraction and emission level. Our contribution provides numerical estimates for fossil oil depletion and CO₂ emission externalities, and will allow for precise calibration of existing «Directed Technological Change» models to direct carbon taxes toward the development of clean, renewable alternatives.

Keywords: *Carbon tax, Directed Technological Change, Fossil Oil, Sustainability, Price-Demand Elasticities*

LABOUR PRODUCTIVITY EFFECTS OF INVESTMENT SUPPORT FROM THE COMMON AGRICULTURAL POLICY IN POLAND

Aleksandra Pawlowska

*Mathematics Application in Agricultural Economics Department
Institute of Agricultural and Food Economics –
National Research Institute (Poland)
Ul. Świętokrzyska 20, 00-002 Warszawa
aleksandra.pawlowska@ierigz.waw.pl*

Monika Bocian

*Agricultural Accountancy Department
Institute of Agricultural and Food Economics –
National Research Institute (Poland)
Ul. Świętokrzyska 20, 00-002 Warszawa
monika.bocian@ierigz.waw.pl*

ABSTRACT

The European Union puts particular emphasis on regional and national competitiveness due to its importance for the economic growth. Hence, one of the main objective of agricultural policy is to improve the economic situation of farms. This goal can be

achieved by support instruments, which ensure increase in the competitiveness and productivity of farm. The paper studies the effect of support for investments from the Rural Development Programme (RDP) under the second pillar of the Common Agricultural Policy (CAP), on an increase in labour productivity on the Polish farms. Labour productivity is defined as gross value added per annual work unit (GVA/AWU). Two types of operations under the RDP 2014-2020 are studied: "Modernisation of agricultural holdings" (sub-measure 4.1) and "Premiums for young farmers" (sub-measure 6.1). Co-financing of investments in technical equipment should lead to an increase in gross value added and thus a growth in labour productivity. We estimated the average treatment effect of analysed subsidy by comparing the group of beneficiaries to the control group of farms with similar distributional characteristics as the treatment group. The Propensity Score Matching method is used to estimate matched control group and handle selection bias. The study uses data from the Polish FADN (Farm Accountancy Data Network) regarding over 3,000 individual farms.

Keywords: *Common Agricultural Policy, farms, labour productivity, propensity score matching*

THE IMPLEMENTATION OF EUROPE 2020 STRATEGY – ATTEMPT OF EVALUATION AND RECOMMENDATIONS FOR THE FUTURE

Iwona Pawlas

*University of Economics in Katowice, Poland
iwona.pawlas@ue.katowice.pl*

ABSTRACT

The European Union faces numerous internal and external challenges. The need for the promotion of smart, sustainable and inclusive growth was stressed by the European Commission in

2010. The targets of the Europe 2020 Strategy are ambitious and demanding. The main aim of the paper is to evaluate the so far implementation of the Europe 2020 Strategy on both national levels and EU level. Moreover, recommendations for the next decade are listed. The undertaken literature review, critical thinking, as well as comparative analysis of statistical data provided by EUROSTAT showed considerable disparities in the level of implementation of the Europe 2020 Strategy goals: some EU Member States have already managed to reach the targets, others are still far from that.

Keywords: *European Union, Europe 2020 Strategy, inclusive growth, smart growth, sustainable growth*

ECONOMIC GROWTH AND NO_x EMISSIONS IN THE POST-COMMUNIST COUNTRY

Petra Lesakova

University of Pardubice

Faculty of Economics and Administration,

Pardubice, Czech Republic

petra.lesakova@upce.cz

ABSTRACT

Due to the newly available consistent historical dataset, this paper will contribute to the debate on the link between economic growth and the environmental burden in case of the post-communist country of the Czech Republic. More specifically, the analysis will test environmental Kuznets curve (EKC) for NO_x emissions between 1980 and 2015. However, modelling on long-term data did only prove decreasing phase of EKC but did not show increasing phase. Therefore, it can be assumed that breaking point occurred earlier than in the monitored period. However, political and economic transformation processes in the

1990s had significant impact on the decreasing burden on the environment in terms of NO_x.

Keywords: *Economic Development, Environmental Burden, Environmental Kuznets Curve, Decoupling, NO_x Emissions*

(PLANNED) PUBLIC PRIVATE PARTNERSHIP PROJECTS FOR THE DEVELOPMENT OF POLISH INLAND WATERWAYS

Joanna Miklinska

Gdynia Maritime University, Poland

j.miklinska@wpit.umg.edu.pl

ABSTRACT

Inland waterway transport constitutes an important part of the transport system in many countries as well as grounds for transport services rendered pursuant to the requirements of sustainable development. In Poland, there are about 3650 km of navigable inland waterways. The problem is that only 6 % of them includes waterways which satisfy the requirements (class) of international waterways, and many inland ports fail to meet up-to-date standards. Such situation results from many years of negligence and lack of necessary infrastructural investments. The ratification of AGN convention by Poland, in 2017, is an important moment for implementing changes as well as various infrastructural projects with different sources of funding. Some of them are planned as Public Private Partnership. So far, this solution has not been applied in Poland within this mode of transport. The aim of this article is twofold: 1) to present the current state of inland waterways infrastructure in Poland as well as the scheduled infrastructural investments, 2) to analyse the specificity of scheduled PPP initiatives in the Polish Inland Waterways. In order to fulfil the main objective of this article, the author analysed the reference literature, legal acts and recently

published investment plans regarding the development of inland waterways in Poland as well as the Database of PPP investment plans in Poland, managed by the Ministry of Investment and Economic Development, and Shortened investment project descriptions. The article provides the current condition of inland waterways in Poland, the inland waterway development plans in Poland and the support programmes, as well as formal and legal grounds of the analysed issues. Special attention was paid to projects planned in the form of PPP.

Keywords: *Inland Waterways, Public Private Partnership; Sustainable Transport Development*

BRAND VALUE SOURCES: CASE STUDY OF BANK BRANDS IN SLOVAK REPUBLIC

Jana Kliestikova

*University of Zilina, Faculty of Operation and Economics of
Transport and Communications, Department of Economics
jana.kliestikova@fpedas.uniza.sk*

Maria Kovacova

*University of Zilina, Faculty of Operation and Economics of
Transport and Communications, Department of Economics
maria.kovacova@fpedas.uniza.sk*

Anna Krizanova

*University of Zilina, Faculty of Operation and Economics of
Transport and Communications, Department of Economics
anna.krizanova@fpedas.uniza.sk*

ABSTRACT

Nowadays traditional marketing theory has changed and there is a need to revise it according to new theorems. The emphasis is given not only on general marketing tools, but also on

behavioural aspects of economics. The look on brand value sources was limited to general financial aspects and data of companies while the detection of specific brand value sources in specific conditions of different environment wasn't take into consideration. Based on the mentioned the main goal of the study is to identify relevant brand value sources in specific conditions of Slovak republic and to design an effective innovative model of brand value building and management. The data used in the study were obtained by primary survey carried out on the sample of 2000 respondents (citizens of the Slovak Republic older than 15 years) in 2018. Based on the statistic evaluation of the given data by the so-called factor analysis, whose results were supported by implementation of KMO Test, Barlett's test of sphericity and calculation of Cronbach's Alpha for individual brand value sources and their components on the example of bank brands. We have found out significant specificities of the national brand value sources. Therefore, we state that the specifics of the national socio-cultural profile have a significant affect on the perceived brand value sources across markets and product categories.

Keywords: *Behavioural approach, Brand, Branding, Brand value, Socio-cultural national profile*

AVOCADO (PERSEA AMERICANA MILL) INDUSTRIALIZATION AS A REGIONAL SUSTAINABILITY DEVELOPMENT STRATEGY

Ana Luisa Velazquez-Torres

*Tecnologico de Estudios Superiores de Tianguistenco, Mexico
Carretera Tenango – La Marquesa Km. 22, Tianguistenco
analuisa282000@yahoo.com.mx*

Ana Lorga da Silva

*Centro de Pesquisa e Estudos Sociais,
Escola de Ciências Económicas e das Organizações and
Faculdade de Ciências Sociais, Educação e Administração,
Universidade Lusófona de Humanidades e Tecnologias,
Campo Grande 376, 1749-024 Lisboa, Portugal
ana.lorga@ulusofona.pt*

Frida Sarai Moysen-Albarran

*Instituto de Ciencias Agropecuarias y Rurales
Universidad Autónoma del Estado de México, Mexico
fridamoysenalb@gmail.com*

Angel Roberto Martinez-Campos

*Instituto de Ciencias Agropecuarias y Rurales
Universidad Autónoma del Estado de México, Mexico
armartinezc@uaemex.mx*

Francisco Ernesto Martinez-Castaneda

*Instituto de Ciencias Agropecuarias y Rurales
Universidad Autónoma del Estado de México
Instituto Literario 100. Centro. 50000. Toluca. Mexico
femartinezc@uaemex.mx*

ABSTRACT

Avocado production is a profitability and competitiveness business, is a job generator and is a healthy food. Food habits and tendency consumption is looking for nutraceutical and

heathy products. There is an interest to get avocado oil for human consumption because its highly non-saturated fatty acids and the benefits in human health. The objective of this study was to evaluate the technical, financial and economic viability of an oil avocado plant. Information was obtained from 82 avocado producers belonging to three avocado local Associations. The study was carried on between 2015 and 2016. Productive and post-harvest productive chains methodology was used as a diagnosis tool and for the construction of SWOT matrix. Financial evaluation was determined with a five-year horizon. The commercial strategy, technical and financial design was integrated considering contributions from the partners, subsidies and financing. Finally, a risk analysis was carried out based on Net Present Value (NPV), Internal Return Rate (IRR), Cost-Benefit Ratio (CB/R) and Period recovery (PR) indicators, based on product sales prices. This analysis reported low uncertainty in contrast to the Minimum Return Rate of 13%, being the financial indicators: NPV of \$ 217,448 USD; IRR of 25.4% and CB/R 2.26, PR of 3.0 years. The sensitivity analysis showed that the project can support a reduction in the sale price of up to 0.55 USD.

Keywords: *Avocado oil, Financial profitability, Local development, Sustainability*

NFV AND NETWORK SECURITY WITH ANSIBLE

Alen Simec

*Zagreb University of Applied Sciences, 10 000 Zagreb, Croatia
alen@tvz.hr*

Antonela Cukurin

*Zagreb University of Applied Sciences, 10 000 Zagreb, Croatia
antonela.cukurin@tvz.hr*

ABSTRACT

Increase demand for cloud computing technologies led to the new era of Information Technologies (IT). Consequently, Network functions virtualization (NFV) because traditional networks didn't have a capability to satisfy new demands. Networks are faced with large demand for bandwidth, agility, flexibility and scalability. Beside all that requirements, our environment need to be secure. Security in cloud computing has task to secure data between multiple system, hypervisors, virtual machines (VMs) and external/internal networks. Simple and efficient tool like Ansible satisfies all needs and is used for configuration, orchestration and deployment.

Keywords: *NFV, Network security, security, cloud computing, SSH, Ansible*

ACCOUNTING INDEBTEDNESS OF LISTED COMPANIES IN CROATIA

Vlasta Roska

*International University, Libertas, Zagreb, Croatia
vlasta@vlastaroska.hr*

Dalija Kuvacic

*Zagreb University of Applied Sciences, Zagreb, Croatia
dkuvacic@tvz.hr*

Humberto Ribeiro

*GOVCOPP, ESTGA, University of Aveiro, Portugal
hnr@ua.pt*

ABSTRACT

Entrepreneurs face a lot of problems in their business. Problems with solvency and over - indebtedness are the biggest obstacles for further business development. All of the EU countries have implemented the Directive 2011/7/EU on combating late payments in commercial transactions, but obviously, this is not enough. In Croatia, a number of legal regulations are enforced in order to introduce financial discipline, but there is still no complete implementation of these legal regulations. The main objective of this paper is to compare the Debt ratio, Debt to Equity Ratio, Equity Ratio and Indebtedness Factor, in order to determine if Croatia has managed to recover from the financial crisis and reach business levels as those before the crisis has begun. The research was conducted based on information obtained only from the financial statements of listed companies on Zagreb Stock Exchange in 2017, 2012 and 2008. The results of the research have shown that the indicators are improving but that in the year 2017 they haven't reached the levels before the financial crisis.

Keywords: *Debt ratio, Debt to Equity Ratio, Equity Ratio, Indebtedness Factor, Insolvency*

PARADOX OF OIL REVENUE AND THE ECONOMIC RETARDATION IN NIGERIA 2005- 2017

Idama Supreme Oghenerobo

*Department of Political Science, Faculty of the Social Sciences
University of Nigeria, Nsukka
supremei@ymail.com*

ABSTRACT

Observation has shown that since independence the Nigeria economy is heavily dependent on Petroleum export to finance the economy but with recent fluctuation in the price of crude oil in the international market, financing capital projects has been a major challenge, resulting in borrowing, this has led to the retardation of the economy. This perennial problem has defied all government strategies taken to address this phenomenal. This study therefore is to determine whether oil revenue dependency is responsible for the economic retardation in Nigeria. The documentary research and ex-post facto design method was deployed. Data were generated from secondary sources and it deployed content analysis. The study observed that oil export is the only reliable source of revenue for government infrastructural financing in Nigeria. Recent price fluctuation in the international crude oil market has exacerbated the economic retardation in Nigeria, leading to economic recession. Therefore to avoid further economic retardation in Nigeria, we recommend the diversification of the economy from oil dependent to multi-facet economy with agriculture and manufacturing leading the way.

Keywords: *Dependency, Corruption, Crude oil export, Foreign Direct Investment (FDI) and Development*

DOES SUSTAINABILITY IMPACT COMPANY PERFORMANCE? THE CASE OF LISTED COMPANIES ON THE BUCHAREST STOCK EXCHANGE

Radu-Alexandru Serban

*Lucian Blaga University of Sibiu, Romania
radu.serban@ulbsibiu.ro*

ABSTRACT

Society became more and more concerned about the consequences of their actions on future generations. As a result, it emerged concepts such as corporate social responsibility, shared value, sustainability etc. What all these concepts have in common is to create a balance with mutual benefits between the business community on one side and the environmental and social concerns. For a company to be successful, it should provide a supportive element for the environment, create opportunities for the community to develop, create a connection between societal and business progress. For companies that seek long-term performance either they are SME's or MNC's the old paradigm in which their contribution to society was reduced to paying wages, taxes, making investments and having as the main objective making profit for the shareholders. This business concept, supported by Milton Friedman changed, because nowadays the society's needs developed, are more diverse, and a company must focus its attention not only to those who provide capital (investors) but also to the stakeholders (clients, suppliers, community, etc.). The combined efforts of these stakeholders provide results (performance) for the company.

Keywords: *company, ESG, indicator, performance, sustainability*

THE IMPACT OF INFORMATION AND COMMUNICATION TECHNOLOGIES ON COUNTRIES ECONOMIC GROWTH

Catia Rosario

*Centro de Pesquisa e Estudos Sociais, Escola de Ciências
Económicas e das Organizações, Universidade Lusófona de
Humanidades e Tecnologias
Campo Grande 376, 1749-024 Lisboa, Portugal
rosario.catia@hotmail.com*

Antonio Augusto Costa

*Escola de Ciências Económicas e das Organizações,
Universidade Lusófona de Humanidades e Tecnologias
Campo Grande 376, 1749-024 Lisboa, Portugal
aaugusto@ulusofona.pt*

Ana Lorga da Silva

*Centro de Pesquisa e Estudos Sociais,
Escola de Ciências Económicas e das Organizações and
Faculdade de Ciências Sociais, Educação e Administração,
Universidade Lusófona de Humanidades e Tecnologias
Campo Grande 376, 1749-024 Lisboa, Portugal
ana.lorga@ulusofona.pt*

ABSTRACT

It is consensual that information and communication technologies are a powerful tool. ICTs contribute to changes in society, as they are present in the creation and dissemination of knowledge in innovative societies. The new knowledge economy takes on the dimension of ICTs not as drivers of change, but as tools that help to unleash the creative potential and knowledge of people. This dimension is therefore essential for enhancing the synergies created between the country's innovation system, human capital and society itself. Consequently, the creation of wealth in a country is increasingly linked to the ability to add value using products, services and ICT.

The present study focuses on a wide range of countries, where is analysed the evolution of two aspects of ICT: the use of ICT at the enterprise level and the use of ICT by society in general. Considering that access to information is privileged with the use of the internet. The data was collected from the database PORDATA – Base de dados de Portugal contemporâneo – organized and developed by the Francisco Manuel dos Santos Foundation. The data are related to the period from 2003 to 2017 and the evolution of each of the ICT aspects is presented using descriptive statistics. It is also presented the comparison between the different countries. In order to assess the impact of each of these ICT aspects on the economic level of each country, linear regression models that establish the relationship between the two ICT variables and their impact on GDP per capita are estimated and analysed.

Keywords: *Economic growth, Information and Communication Technologies, Linear regression models*

“MANAGEMENT AND FINANCING OF SCHOOLS IN PORTUGAL” - THE COURSE OF AN INVESTIGATION BETWEEN INDICATORS, POLICIES AND ACTORS

Sonia Vladimira Correia

Universidade Lusófona de Humanidades e Tecnologias,

Portugal

sonia.vladimira@ulusofona.pt

ABSTRACT

Promoted by some members of Calouste Gulbenkian Foundation, a working and reflection group was created with the objective to analyse the evaluation and accountability processes of the schools, considering the management and financing; the system of autonomy in pedagogical plans (organization of teaching,

definition of curricula); financial management (allocation of funds, earning of own resources) and human resources (hiring, training). The Gulbenkian group contacted the Institute of Social Sciences of the University of Lisbon and instructed the at the time sociology of education team of researchers to organize and present credible and informed information on the management and financing of schools. The first part of this project privileged the census and analysis of the various existing legal diplomas and the systematization and interpretation of statistical data. In a second phase of the project, a qualitative methodological approach was used, which utilized several information collection techniques: individual interviews; focus group (students); in-depth analysis of educational projects, regulations, annual plans of activities, autonomy contracts, educational and pedagogical ideals, curricular matrices, norms, disciplinary regime and attendance, educational charters, municipal education guides, minutes and legislation, digital ethnography , parents' associations, students or alumni, their Facebook pages), direct observation in schools (architecture, organization of spaces, dynamics in and out of class, written contents and images). Doing research on a subject that has both sensitive and opaque allowed deep knowledge of a course of work with several setbacks, and also the reflection on the need to look at research as a serious work, based on the empirical evidence carefully collected, selected and updated.

Keywords: *Public Schools, Private Schools, Research, School Funding, School Management*

THE RELEVANCE OF PROMOTING GOOD GOVERNANCE MODELS AND MECHANISMS FOR COOPERATIVES SUCCESS: A REVIEW ESSAY

Sabina Lacmanovic

*Juraj Dobrila University of Pula,
Faculty of Economics and Tourism "Dr. Mijo Mirković"
Preradovićeve 1, Pula, Croatia
sabina.lacmanovic@unipu.hr*

ABSTRACT

The purpose of the paper is to discuss the relevance of promoting good governance models and mechanisms for cooperatives success. The author addresses three main research questions: which the appropriate governance models for cooperatives are, which mechanisms and tools could cooperatives implement to support good governance, and what is the role of governance-oriented educational activities in adopting good governance practice. The research was based on the review and critical analysis of theme-relevant literature. The insights from cooperative practice indicate an unused potential of educational activities in fostering adoption of good governance models and mechanisms. The responsibilities of cooperative associations to give access/promote or co-create governance-related educational sources and programs are also addressed. The cooperatives should be made aware of the significance of good governance models and mechanism and education about their implementation for cooperatives success, and the cooperative associations should embrace their role as a key intermediary organization in transferring that knowledge to the key cooperative groups: members, directors and managers.

Keywords: *cooperatives, education, governance mechanisms, governance models*

IMPROVEMENT POSSIBILITIES OF THE EUROPEAN BUSINESS EXCELLENCE MODEL

Andzela Veselova

University of Latvia, Latvia
andzela.veselova@lu.lv

ABSTRACT

Companies striving for better business performance and efficiency may use definite quality improvement methods that guarantee the improvement of business results. Business excellence models is one of the instruments used by the companies with the aim to succeed. European Foundation for Quality Management defined the benchmarking guidelines of EFQM business excellence model in early 90-ies of the 20th century, and keep them updating periodically. The excellence model is a structure envisaged for the interpretation of excellence guidelines in performance. In order to facilitate the benefits from the EFQM adoption in the company, the management shall initially ensure the compliance of the business activities to the aforementioned excellence benchmarking guidelines. If the company fails to understand and accept the guidelines entirely, the mastering of the model can be complicated and even pointless for any type of the business. EFQM guidelines serve to analyse the performance of the company and justify the adoption of the model in the level of top management. The aim of paper is to explore the improvement possibilities of the performance quality assessment in Latvian enterprises, basing on EFQM business excellence model. The hypothesis is: improving the EFQM business excellence model used in the performance quality assessment in Latvian companies by including important topical criteria and integrating them into conventional criteria of the model could to drive it to higher level of excellence. The tasks: to study the principles of European business excellence model; to assess and verify by Latvian and foreign business excellence and quality experts the assumptions included in the EFQM business

excellence model with author's improvements; to draw the conclusions and make proposals.

Keywords: *Business excellence, EFQM, model*

CAN THE COMMON AGRICULTURAL POLICY SUPPORT BUILDING RESILIENT FARMS IN THE EU?

Barbara Wieliczko

*Institute of Agricultural and Food Economics –
National Research Institute, Poland
Barbara.Wieliczko@ierigz.waw.pl*

ABSTRACT

The challenges facing the agricultural sector in relation to the climate change and the globalisation process are numerous. Farms need to adapt to the new conditions and become more resilient to the risk they encounter. The agricultural policy should respond to this need and offer a set of tools that can strengthen the resilience of the farming sector. The European Commission's proposals for changes in the common agricultural policy (CAP) in the programming period 2021-2027 also include the concept of resilience in agriculture. The paper aims at assessing the proposal for the upcoming reform of the EU common agricultural policy in the context of supporting resilience. It is based on document analysis and literature review related to the proposed changes in the functioning of the CAP. The key issue for the analysis is the capacity of the new CAP to reinforce the resilience of the EU farms and the farming sector as a whole. Moreover, it determines the risks the CAP is to tackle and the ones that do not come into the radar of this policy. The results show that despite making farm resilience one of the priorities for the EU agricultural policy, both the level of funding and the set of proposed policy instruments do not guarantee achieving any real progress in

making the EU agriculture more resilient. Besides, different farm types are to be offered different set of support for resilience building which will be conducted at a loss of other farms and thus lead to lack of resilience at the sectoral level. Therefore, the reform of the CAP can become not only a missed opportunity for increasing the competitiveness of the EU farming but also a serious barrier for further development of the EU farms.

Keywords: *common agricultural farms, EU agriculture, resilient farms*

PERCEPTION OF THE NON-COMMERCIAL ADVERTISING OF GENERATION Z FROM SLOVAKIA

Ivana Bulanda

*University of Entrepreneurship and Law in Prague
Vltavská 585/14, 150 00 Prague 5, Czech Republic
ivana.bulanda@vspp.cz; bulanda.ivana@gmail.com*

Vladimir Vavrečka

*University of Entrepreneurship and Law in Prague
Vltavská 585/14, 150 00 Prague 5, Czech Republic
vladimir.vavrecka@vspp.cz*

ABSTRACT

Advertising, as a dominant tool for marketing communication, has become a phenomenon inherently interfering in culture and society. Its influence significantly affects the immediate surroundings. Non-commercial advertising that tends to participate in bringing positive value to society has a unique position. In its essence and focus, it presents social problems in such a way that the recipient becomes aware of them and begins to think about them. For target groups it, therefore, evokes a certain amount of prevention of possible negative social

influences, their manifestations on an individual as well as on the world in which he or she lives. Based on this, non-commercial advertising can contribute to appealing to social problems and encourage public engagement in solving them. The paper deals with the perception of the term "non-commercial advertising" - in the segment of generation Z in Slovakia, represented by university students. The research method of data collection was an online questionnaire with the implementation of semantic differential. The data processing was conducted by means of descriptive and inferential statistics. The resulting findings refer to the perception of the term, "non-commercial advertising" by a research group of adolescents in their semantic space.

Keywords: *Non-commercial advertising, Advertising, Generation Z, Adolescents, Perception, Questionnaire, Semantic differential*

STRATEGIC ANALYSIS OF THE ROAD FREIGHT TRANSPORTERS IN THE REPUBLIC OF CROATIA

Dora Naletina

University of Zagreb,

Faculty of Economics and Business, Croatia

dora.naletina@efzg.hr

ABSTRACT

Road freight industry represents the most important branch in most countries regarding land transport of goods, and Croatia is no exception. Road freight transport industry connects production and final consumers, being therefore an important part of the economic system. The purpose of this paper is to strategically analyse road freight transporting firms in the Republic of Croatia based on the analysis of the secondary data. In order to achieve the goal, theoretical postulates of Porter's Five Forces Mode were used, so, in line with that, every force is

analysed individually in the observed industry. Small transporting firms with the vehicle park of up to 5 vehicles dominate this market, indicating that it is a highly fragmented industry. The barriers for entering this market are minimal, therefore it features many participants neither of which having a possibility of influencing the price policy or the strategy of the future development of this industry. The main drawback of the road freight transport is the negative influence on the environment, so its major competitors are railroad and multimodal transport.

Keywords: *road freight transporters, fragmentation, Porter's model, Croatia*

PROMOTING SOCIAL ECONOMY THROUGH COOPERATIVES

Kristina Afric Rakitovac

Juraj Dobrila University of Pula

Faculty of Economics and Tourism "Dr. Mijo Mirković"

Pula, Croatia

kafric@unipu.hr

Edita Sanovic Bolkovic

Agency MT, Pula, Croatia

esanovic@unipu.hr

ABSTRACT

Social economy nowadays embraces a great plurality of actors, i.e. cooperatives, social enterprises, credit cooperatives, mutual insurance companies, insurance cooperatives, various NGOs, addressed to solving developmental, social, cultural, educational, environmental and other challenges the contemporary society is faced with. The paper reflects on the role of cooperatives in addressing those challenges. Cooperatives, as people-centred

enterprises owned, controlled and managed by and for their members, have significant impacts on re-directing economic processes, solving social challenges, improving the quality of life in the local community and environmental protection in many countries all over the world. The purpose of the paper is to analyse the state, trends and challenges regarding development of cooperatives, in the context of social economy, in Croatia. The research was realised in two phases during 2018, using on-line questionnaires as main research instruments. The first phase was related to specific characteristics of cooperatives operating in Croatia and challenges they are faced with while the second part was related to students' perceptions and attitudes regarding cooperatives as business models. This paper presents the result of the first research phase. The research has revealed various internal and external barriers which hinder further development of cooperatives in Croatia. The research results contribute to deeper understating of challenges and barriers cooperative are face with in Croatia.

Keywords: *social economy, cooperatives, EU, Croatia*

DEVELOPING MODEL OF LEADERSHIP COMPETENCIES IN THE TEXTILE AND CLOTHING INDUSTRY IN CROATIA

Alica Grilec

*University of Zagreb, Faculty of Textile Technology, Croatia
alica.grilec@ttf.hr*

Mislav Ante Omazic

*University of Zagreb, Faculty of Economics and Business,
Croatia
momazic1@efzg.hr*

Mario Lesina

*MIDAL
mario.lesina@gmail.com*

ABSTRACT

Is the role of the leader becoming less relevant in the modern organization that's fighting for competitive position in VUCA environment? We do not think so. On contrary, we believe that the role of good leadership is probably more important than ever in history, especially in so called traditional industries. Leaders who inspire others to follow, and who incarnate the desired vision with virtue, are in demand. After transforming to market driven economy Croatian textile and clothing industry lost more than 100.000 jobs mainly because flawed privatization process, incompetent management, unclear ownership structure, short-term political focus, loss of traditional markets and many other reasons. The expected contribution of this paper is in the development of new theoretical insights on different aspects of leadership competencies in transitional economy. Leadership used to be about power, status and position and now it is about skills and knowledge but also experience, set of values, attitude and capabilities. Without defining competencies of modern leader, our ability to define and describe who, what, why and how

of leadership is constrained. Competence model described in this paper help us do this.

Keywords: *leadership, leaders, core competencies, textile and clothing industry*

BIOFUEL: WHAT FUTURE FOR AFRICA?

Abdelhamid Nechad

*Professor at Abdelmalek Essaadi University and
ESCA School of management
nechad22@yahoo.fr*

Rihab Belyazid

*Phd Student at Abdelmalek Essaadi University
belyazidrihab@gmail.com*

ABSTRACT

The African economy is dominated by countries with low inputs and incomes. Despite the veracity of its resources, favorable climate, and abundant labor, most African countries depend on exports of primary products. Indeed, the continent's agricultural system is a rain-fed system in the majority of its countries that generates a small-scale production that remains insufficient to meet the needs of the population and contributes to the multiplication of energy and food insecurity. In the light of these challenges, policy makers in Africa have questioned the effectiveness and usefulness of the economic strategies adopted for more rational use of resources. The biofuel is both a source of hope in the face of the challenges of energy insecurity, food and poverty in Africa and potential for economic development. Biofuels can be defined as fuels that can be produced from agricultural and forestry products or the biodegradable part of industrial and municipal waste. The main sources of energy in rural Africa are biofuels that are used for lighting and powering

engines such as wood and excreta. Africa needs to take advantage of the raw material needed to be part of this emerging industry. It needs to take advantage of its access to clean and renewable sources of energy. The survival of its population depends on the use of fossil fuels, firewood and charcoal, which greatly limits its potential for economic and social development. Thus, the continent's energy needs are growing very rapidly under the pressure of demographic factors and urbanization; this means that Africa needs to move from traditional sources of energy to new ones in order to improve the economies of the energy and reduce its dependence on fossil fuels and build the basics of development. In this paper, we aim to identify what Africa hides in its nature and serves as a true pillar of a new industry. Next, it is necessary to review how African countries have responded to this potential in terms of policy and strategy. In addition, we will end this article with a set of economic, social and environmental impacts to elucidate what biofuels have brought to Africa.

This article will aim to answer three major questions:

- *Biofuels: What potential for Africa?*
- *What are the policies for biofuels in Africa?*
- *What are the positive and negative impacts of biofuels in Africa?*

Keywords: *Biofuel, Africa, sustainable development, energy agriculture and renewable resources*

RELATION BETWEEN ECONOMIC GROWTH AND TOTAL WASTE PRODUCTION - TESTING THE ENVIRONMENT KUZNET'S CURVE ON THE EXAMPLE OF CROATIA

Mihael Zmajlovic

Hrvatski Sabor

Zagreb, TrgSv. Marka 6

mihael.zmajlovic@gmail.com

Ivan Pavelic

Libertas International University

Zagreb, Trg J. F. Kennedy 6b

pavelic.ivan@inet.hr

Sinisa Hajdas Doncic

Libertas International University

Zagreb, Trg J. F. Kennedy 6b

shd2906@gmail.com

ABSTRACT

This paper empirically explores the relationship between GDP per capita and the total amount of communal waste produced per capita. The aim of the paper is to check the validity of the Kuznets Environmental Curve (EKC - environmental Kuznets curve) in Croatia for the period 2004 to 2017. Kuznets environmental curve represents the relationship between certain parameters that negatively affect the environment and economic development. The environmental Kuznets curve starts from the hypothesis that increasing income, i.e. GDP, will increase environmental deterioration to a certain degree of development when degradation begins to decline. The results show that there is a linear link between these two variables in the observed period, but that the EKC hypothesis for waste cannot be confirmed on the example of Croatia. The study found that the turning point is very high compared to GDP in that period, suggesting the need to introduce a more ambitious waste management policy, introduce

new technologies to establish long-term sustainable waste management and reduce the amount of waste produced.

Keywords: *Environmental Kuznets Curve, Time Series Analysis, Croatia, Waste Management, GDP*

THE GOING CONCERN'S ACCOUNTING PRINCIPLE AND ITS INCORPORATION IN CORPORATE INCOME TAX LAW OF SPAIN

Susana Aldeia

Universidade Portucalense

saldeia@upt.pt

ABSTRACT

The main goal of this paper is to understand how the going concern's accounting principle was merged in the Spanish corporate income tax law. During this study the national tax law dispositions was analysed and an effort was made towards understanding what kind of tax figures or tax rules obey the investigated accounting principle in the studied jurisdiction. For this purpose, the spanish tax law was examined, particularly the - Ley del Impuesto sobre Sociedades. The results show that the going concern accounting principle was incorporated in the spanish accounting and tax laws, mainly because it assumes the accounting profit as a starting point to determine the taxable profit. Therefore, the accounting principles are incorporated, expressly or implicitly, in Spain's jurisdiction. It is possible to find the going concern accounting principle in several tax figures, such as the deduction of tax losses, the reinvestment and the capitalization reserve. The recognition or use of these fiscal figures by the company shows its determination in continuing to develop its activity. The case of the deduction of tax losses is one example because it makes sense that the company's taxable capacity can be determined under several tax periods and not an

isolated period. Another is the case of reinvestment. When the legislator foresees an exemption, a reduction or a deferral of the tax bases in consequence of the reinvestment he deduces that this entity is functioning in continuity and will continue to operate in a predictable future.

Keywords: *accounting principle, corporate income tax law, going concern, Spain*

UNDERSTANDING LEARNING PROCESS: ACQUIRING NEW KNOWLEDGE THROUGH PLAY

Szasa Baracscai

*Eötvös Loránd University, Hungary
baracscai.szasa@kancellaria.elte.hu*

Zoltan Nagy

*Eötvös Loránd University, Hungary
nagy.zoltan@kancellaria.elte.hu*

Zoltan Baracscai

*Széchenyi István University, Hungary
baracscai.zoltan@sze.hu*

ABSTRACT

Contemporary research provides us with cumulative evidence that game playing supports active learning. Our goal is to build an aesthetically engaging video game for authentic problem solving and personal discovery that uses collaboration and competition as a setting for meaningful play. An engaged player will intellectually invest in the premise of a game if the challenge is designed to integrate uncertainty into goals that are obvious, compelling and adoptable. In games, the path for achieving goals is influenced by emotion. Players will be encouraged to create

personal plots and stories by making unique choices. Narrative involvement inspires creative thinking by sparking fantasy and curiosity. The idea is to give players free movement within a rigid structure, where all components of choice and consequence are experientially relevant. This we envision in the form of an augmented reality (AR) platform based on iterative user-centered design that uses the logic of Knowledge based system (KBS). KBS algorithm will serve as a background for the learning syllabus. The concept of the game is structured on the topic of agroecology and inspired by Bruno Latour's hypothesis of the Terrestrial; attaching oneself to a particular patch of soil in one hand and having access to the global world in the other, shifting the tension between local and global axioms. Players will learn to cultivate their own AR gardens in a simulated environment and to be the guardians of natural resources and social cohesion. Our research should help us build a generic, multi-user environment for learning featuring inclusive play. We hope it will be useful to scholars in various disciplines but specifically in education.

Keywords: *Educational game, Knowledge-based system, Learning process*

UNDERSTANDING DISHONEST BEHAVIOR IN ORGANIZATIONS

Tamas Sneider

Széchenyi István University, Hungary
sneider.tamas@sze.hu

ABSTRACT

This paper proposes a new conceptual framework for studying dishonest behavior in organizations. Research in this area often leads to misguided interpretations of how dishonest behavioral patterns are formed and maintained in organizations, and it is argued here that this may be the result of a mechanistic-

reductionist approach. The problem of such an approach lies in the epistemic foundations, since both inductive and deductive methods may be used in a way that they lead to fallacious conclusions. Abduction, however, allows us to make sense of diverse and complex experiences and thus it is used as the basic guiding logic in this paper. The framework proposed in this paper is built on a transdisciplinary approach, meaning that it takes into account the holistic nature of the topic, and transgresses disciplinary boundaries to address a societal problem, where there is uncertainty not only about the potential solutions, but about the nature of the problem itself. The conceptual framework relies on three main pillars: complexity, sensemaking and organizational culture. To understand dishonest behavior in organizations, the organization needs to be studied as a complex system with emergent behavioral patterns, such as habits. These patterns cannot be understood, if individuals are studied in isolation, because they are formed as a result of how people make sense of the organization and their role in it. The organizational culture is a construct of this sensemaking, as it is created by the behavior of the individual members, but as a whole, also affects behavior in many ways, for example by placing a certain level of relative cost on ethical behavior. The proposed framework can serve as a starting point for designing and evaluating empirical research on dishonest behavior in organizations and thus contributes to the process of moving towards a more honest environment in organizations.

Keywords: *complexity, dishonest behavior, organizational culture, sensemaking, transdisciplinary approach*

EFFECTS OF NPO PROFESSIONALIZATION: EXPLORING THE ROLE OF FOUNDATION FUNDING

Mate Damic

*Faculty of Economics and Business, University of Zagreb, Croatia
mdamic@efzg.hr*

Mislav Radic

*Cass Business School, City University of London, United Kingdom
mislav.radic@cass.city.ac.uk*

Dora Naletina

*Faculty of Economics and Business, University of Zagreb, Croatia
dora.naletina@efzg.hr*

ABSTRACT

Civil society around the world has undergone significant changes over the past few decades. Mass voluntary organisations focused on mayor political or charity issues of the past are today becoming a prolonged hand of the state that helps solve specific societal issues. These changes have influenced non profit organizations in a number of ways. Due to the ever growing governmental and public scrutiny non profit organizations are required to be ever more transparent and are required to justify their purpose and especially their budgets coming from public sources. Various foundations played an important role as mayor founders of NPO's but there are still ambiguous findings regarding the effects foundation funding has on NPO's. In order to shed light on this understudied issue we analysed the Croatian Foundation for Civil Society Development that operates in an interesting empirical setting of a former socialist country that has in the meantime become the newest member of the European Union.

Keywords: *non profit organizations, foundation funding, professionalization, Croatia*

ON ASSET ALLOCATION FRAMEWORK: HOW INEFFICIENT IS THE NAÏVE DIVERSIFICATION STRATEGY FOR PORTFOLIO SELECTION IN FOREIGN EXCHANGE MARKET?

Muhammad Husnain

*Riphah School of Business and Management,
Riphah International University, Pakistan
muhammad.husnain@riphah.edu.pk*

ABSTRACT

Markowitz (1952) work on portfolio selection laid down the foundation of modern investment philosophy. Empirical literature and practitioner of financial industry consistently advocate the sensitivities of portfolio selection towards variance covariance matrix. We challenge theoretically rigorous shrinkage covariance estimators, and evaluate out-of-sample performance of conventional models, factor model, linear shrinkage estimators and equally weighted portfolio of estimators on investment basket of 10 most traded currencies. We also develop optimal portfolios by applying mean-variance criteria and minimum variance framework. Based on battery of evaluation criteria –systematic loss function, risk profile of portfolio, Herfindahl index, financial efficiency, and level of concentration – study provide guidelines to investors, fund managers, and academia that investor can not earn additional benefit from complex shrinkage covariance estimators.

Keywords: *Investment Choice, Currency Market, Covariance Matrix, Diversification*

ECONOMICAL BENEFITS OF OPPORTUNISTIC PREVENTION OF PEPTIC ULCER WITHIN POPULATION WIDE HELICOBACTER PYLORI ERADICATION

Jurgis Kalnins

*University of Latvia, Latvia
jurgis.kalnins@gmail.com*

Karlis Purmalis

*University of Latvia, Latvia
karlis.purmalis@lu.lv*

Janis Priede

*University of Latvia, Latvia
janis.priede@lu.lv*

ABSTRACT

The aim of the research is to evaluate economical benefits of opportunistic treatment of peptic ulcer within a population wide Helicobacter Pylori eradication in order to prevent gastric cancer morbidity.

Results:

Helicobacter Pylori population wide screening and treatment in order to prevent gastric cancer morbidity has a positive economical benefits for opportunistic prevention of other gastric diseases – peptic ulcer as one of them. Peptic ulcer morbidity is proven to be highly related to the prevalence of Helicobacter Pylori. In populations with high bacteria prevalence also the peptic ulcer is more common and thus population wide screening results into beneficial gains. Not like for gastric cancer morbidity, it is assumed that peptic ulcer prevention has an immediate effect and thus the cost-benefits should be seen immediately. Within the re-infection possibilities after successful eradication therapy however the prevalence is expected to incline without any follow-up screen and treat programs.

Conclusions:

While Helicobacter Pylori eradication is most often assessed in terms of reducing gastric cancer prevalence, there are positive economical benefits seen for opportunistic treatment of peptic ulcer morbidity. Peptic ulcer prevalence is reduced immediately without any time lags, but without consecutive screening and treatment of the population the relative gains would decrease within time as re-infection takes place among the treated patients.

Keywords: *Cost-effectiveness, Peptic ulcer, Eradication, Helicobacter pylori*

THE INFLUENCE OF SOCIO-RELIGIOUS CULTURE FROM AN ENVIRONMENTAL PERSPECTIVE

Jose Brissos-Lino

Universidade Lusófona (FCSEA – Science of Religion)

Campo Grande, 376, 1749-024 Lisboa - Portugal

jose.lino@ulusofona.pt

ABSTRACT

There is an apparent disconnection between religion and the environment, given they are very distinct concepts, present in different plains. However, a closer look at this matter reveals many areas where both concepts intermingle, establishing a connection between both worlds. The hardest task resides in understanding the environmental issues present in the Bible and Torah due to a hermeneutical problem in the genesis text, relative to the concept of Man “dominate” over the rest of God's Creation, relegating the environmental perspective and care to a background element. These have slowly been recovered facing the climate changes and natural disasters caused by the increasing pollution. On the book of Genesis, we can read that

God/Yahweh said to the first Humans to dominate the remainder of his Creation. This was understood as an authoritarian rule over Nature, meaning Humankind could explore, but also manipulate it at their own volition without worrying about any kind of environmental management or ecological balance given the false presumption of the existence of unlimited resources. However, this vision of "domination" (Hebrew: radu) over the animal and plant world do not coincide with an anthropocentric vision - as it was previously interpreted, opening a route to an abusive exploration of natural resources, including destruction and slaughter - but rather a theocentric approach, based on care and respect. It is time, in strict respect for the sacred principle of religious freedom and for the secular vocation of democratic and civilized states, to deal with this complete social scourge, which in no way contributes to social, economic, psychological sustainability and the well-being of populations.

Keywords: *environment, domination, hermeneutics, religion*

BUSINESS CONTINUITY MANAGEMENT AND STRATEGIC RESILIENCE

Ante Vuletic

*University of Zagreb, Faculty of Economics and Business,
Department of Management, Croatia
avuletic2@net.efzg.hr*

Pavle Kalinic

*City Office of Emergency Management, City of Zagreb, Croatia
pavle.kalinic@zagreb.hr*

Marija Jurcevic

*University of Zagreb, Faculty of Economics and Business,
Department of Trade, Croatia
mjurcevic@efzg.hr*

ABSTRACT

This paper offers a new research approach to analyzing the efficiency of business continuity management and organizational strategic resilience. A model was developed to explore connection between efficiency of the business continuity management and strategic organizational resilience. The empirical research was based on the main hypothesis, H1, which tested the connection between the success of business continuity management and strategic elasticity. The relationship between the success of business continuity management and strategic elasticity on the one hand, and strategic planning on the other hand, was tested with the H2 hypothesis. Other hypotheses (H3, H4 and H5) check the relationship between the success of business continuity managing and the activity and size of the company and its exposure to crises in the past.

Keywords: *crisis, bussines strategy, strategic resilience, bussines continuity management, risk management*

EMPLOYMENT IMPACT OF THE GLOBAL VALUE CHAIN PARTICIPATION - EVIDENCES FROM MULTI-COUNTRY EXPERIENCE

Zuohong Pan

Western Connecticut State University, USA

panz@wcsu.edu

ABSTRACT

Applying a set of comprehensive Global Value Chain (GVC) indices, this study evaluates the GVC's employment impact with the most recent WIOD dataset between the years 2000 and 2014 from 56 industries in 43 economies, which include 28 EU countries and 15 other major countries and are classified into high-, middle-, and low-productivity groups. The results show that GVC participation only has some small positive impact for more advanced economies when the forward and backward GVCs are combined in estimation, all other impacts are very weak and insignificant. Also, the backward GVCs tend to be more beneficial in generating domestic job opportunities than the forward GVCs, especially for the less developed economies.

Keywords: *Backward GVC linkage, Employment, Forward GVC linkage, Global Value Chains, GVCs*

