NOVI SAD SCHOOL OF BUSINESS
Republic of Serbia

BOOK OF ABSTRACTS

International Scientific and Expert Conference
Economic Development and Competitiveness of European Countries: Achievements – Challenges – Opportunities

Editors
Jelena Damnjanović
Nataša Pavlović
Biljana Stankov

October 3-5, 2018
Novi Sad, Republic of Serbia

NOVI SAD SCHOOL OF BUSINESS
Republic of Serbia

International Scientific and Expert Conference
Economic Development and Competitiveness of European Countries: Achievements-Challenges-Opportunities

Publisher:
Novi Sad School of Business
Vladimira Perića Valtera 4,
Novi SadRepublic of Serbia
Tel. (+381 21) 4854-004
e-mail. *skola@vps.ns.ac.rs*
web: *www.vps.ns.ac.rs*

For publishers:
Jelena Damnjanović, Principal

Editors:
Jelena Damnjanović
Nataša Pavlović
Biljana Stankov

Proofreading:
Nataša Bikicki

Printed by
Futura d.o.o, Petrovaradin

Circulation
200

CIP – Каталогизација у публикацији
Библиотека Матице српске, Нови Сад

330.34(4-672EU)(048.3)

INTERNATIONAL Scientific and Expert Conference "Economic Development and Competitiveness of European Countries: achievements, challenges, opportunities" (2018 ; Novi Sad)
Book of abstracts / International Scientific and Expert Conference "Economic Development and Competitiveness of European Countries: achievements, challenges, opportunities", October 3-5, 2018, Novi Sad ; editors Jelena Damnjanović, Nataša Pavlović, Biljana Stankov. - Novi Sad : School of business, 2018 (Petrovaradin : Futura). - 235 str. ; 24 cm

Tiraž 200. - Bibliografija uz svaki apstrakt.

ISBN 978-86-7203-144-7

а) Економски развој - Европска унија - Апстракти
COBISS.SR-ID 325442055

ORGANIZING COMITEE

Publication of the Book of Abstracts, as conference proceedings, was financially supported by Provincial Secretariat for Higher Education and Scientific Research.

The publisher is not responsible for content of the Extended Abstracts and opinion published in the Book of Abstracts. They represent the authors' point of view.

CONTENTS

Part V. EDUCATION, ENTREPRENEURSHIP AND EMPLOYMENT

PREFACE

Novi Sad School of Business in cooperation with the Tourism Organization of Vojvodina and with the support of the Provincial Secretariat for Higher Education and Scientific Research of AP Vojvodina, the European Affairs Fund of AP Vojvodina and the Institute of Agricultural Economics from Belgrade organized the International Scientific and Expert Conference "*Economic Development and Competitiveness of European Countries: Achievements - Challenges - Opportunities*." The conference gathered representatives of the scientific and professional public from European countries who were able to show their own scientific and research achievements, get acquainted with the achievements of other authors, establish different forms of mutual cooperation and create proposals for measures and recommendations for improving the economic development and competitiveness of European countries together. This way, an opportunity was given to scientists, researchers, businessmen, economic policymakers and government officials to exchange their own experiences, to gain new insights into current achievements and future opportunities and challenges in the field of economic development and competitiveness of the European countries. The aim of the conference was to provide researchers with the opportunity to present current scientific research papers, discuss theoretical and empirical questions on the relationship with the European Union, China's Belt and Road initiative, rural tourism and development, economic growth and competitiveness, economic policy and finance, education and entrepreneurship, then trade, investment and employment in European countries. The participants were able to follow lectures from renowned European universities about the Eurasian Economic Union, the New Silk Road Initiative and the possibilities it provides for foreign direct investments, all in the context of improving the economic development and competitiveness of the European countries.

Editors
Jelena Damnjanović
Nataša Pavlović
Biljana Stankov

Part I.

EUROPEAN UNION RELATIONS AND NEW SILK ROAD INITIATIVE

MODERN SILK ROAD AS WIN-WIN PROJECT FOR CHINA AND EUROPE

Georgi Chobanov, PhD
Faculty of Economics and Business Administration, Sofia University "St. Kliment Ohridski", Bulgaria

RESEARCH PROBLEM

In last twenty years the rise of China has been the most significant geo-political and geo-economic development. It has brought over half a billion people out of poverty and been the engine of global growth. It now faces further challenges in reforming its economy while paying more attention to its damaged environment. China is spending roughly $150bn a year in the 68 countries that have signed up to the scheme.

OBJECTIVES

By investing in infrastructure, China hopes to find a more profitable home for its vast foreign-exchange reserves, most of which are in low-interest-bearing American government securities. China also hopes to create new markets for Chinese companies, such as high-speed rail firms, and to export some of his country's vast excess capacity in cement, steel and other metals.
Efficient economy works according to comparative advantage principle, saying that it is worth producing only highly efficient (low production costs and high quality) goods with production cost lower than market exchange transaction costs otherwise it is worth buying them on market.

HYPOTHESIS

Modern Silk Road is far more extended by completely developed very modern (21st Century) infrastructure network like high-speed railway, logistic centers, terrestrial, maritime and airway connections.
Modern Silk Road tends to become worldwide largest supply chain network with most modern (21st Century) infrastructure and logistics, drastically reducing transaction costs and therefore prices of goods and services.
Modern silk road is win-win project for China and for Europe.

georgech@feb.uni-sofia.bg

METHODOLOGY

The method of description, content analysis and comparison are used in the research of this theme. Applying the above methods, the author comes up with result that confirm the starting hypotheses, carries out valid conclusions and defines key recommendations.

RESULTS

Modern Silk Road became possible due to:

- Globalization, geo-political and economic development changing bipolar world structure into multipolar one: China, Russia, USA (in alphabetic order).
- Technological development: End of Industrial revolution (Industry 4.0), started with European Renaissance and begin of Postindustrial Society.

Modern Silk Road goes far beyond exchange of goods, services and technology. It is in a deeper extend, mutual propagation of culture, which will turn into an alloy of East (China) and West (Europe) Civilizations.

IMPLICATIONS AND CONTRIBUTIONS

Europe and China have historic connections as part of Ancient East (China) and West (European) Civilizations, Ancient European Civilization, started in Ancient Hellas (now Greece) with highest spread by Alexander the Great of Macedonia, followed by Rome Empire and Byzantium.

China and Balkan region are historically connected via the South branch of Silk Road (China – Kazakhstan – Caspian Sea – Azerbaijan – Georgia – Turkey – Bulgaria) with continuation to Romania – Hungary – Central Europe.

Modern Silk Road Initiative is a win-win project satisfying current needs of Europe and China according comparative principle.

KEY RECOMMENDATIONS

China's economy is fast growing and has large surplus. European countries could use Chinese investments for catching up a higher level economic growth and development.

Europe urgently needs to improve its infrastructure, transport and communication system for developing its logistic facilities to use its geopolitical advantages. Investments in modern infrastructure have high return and pay out, enhancing economic prosperity.

KEY WORDS

Modern Silk Road, China, Europe, globalization

REFERENCES

Xinru Liu (2010). *The Silk Road in World History*. Oxford University Press.

Jovanović, M., Damnjanović, J., & Njegić, J. (2018). Euro-Asian overland transport links: prospects and challenges. *Handbook of international trade and transportation*, 602-627.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

FOREIGN DIRECT INVESTMENTS: SILK ROAD OPPORTUNITIES

Miroslav Jovanović, PhD
Global Studies Institute, University of Geneva, Geneva, Switzerland

RESEARCH PROBLEM

FDI and possibilities along the new Silk Road

OBJECTIVES

To explore the opportunities offered by the Chinese One Belt, One Road initiative.

HYPOTHESIS

Unlike the EU, China offers great commercial opportunities without any political strings attached for cooperation. This needs to be used to the greatest possible extent.

METHODOLOGY

Descriptive analysis.

RESULTS

China, as the engine of global growth, offers enormous commercial possibilities and chances to most countries for economic growth.

IMPLICATIONS AND CONTRIBUTIONS

Long term investment and commercial cooperation with China needs to be developed and expanded.

KEY RECOMMENDATIONS

Long term investment and commercial cooperation with China needs to be developed and expanded.

miroslavjovanovic@hotmail.com

KEY WORDS

China, One Belt One Road, Silk Road

REFERENCES

Jovanović, M., Damnjanović, J., & Njegić, J. (2018). Euro-Asian overland transport links: Prospects and Challenges. In *Handbook of International Trade and Transportation,* Eds. B. Blonigen & W. Wilson (602-627). Cheltenham: Edward Elgar.

THE NEW SILK ROAD: THE EU, CHINA AND THE FUTURE OF TRADE

Zeynep Kaplan, PhD
Yildiz Technical University, Istanbul, Turkey

RESEARCH PROBLEM

Transport costs are one of the crucial factors that shape the world trade patterns (Behar and Venables, 2010, p.1). In order to promote transport facilitation and to create an environment for a more efficient flow of goods, the Chinese government launched the New Silk Road initiative in 2013. One major issue that has an impact on transport and consequently on the future development of the initiative is the growing trade flow between China and the EU. Thus, the proposed initiative is expected to foster trade and change trade patterns.

OBJECTIVES

Considering the economic significance of the EU and China both in their regions and at the global level, it is crucial to discuss the impact of the initiative on their future trade trends. An interesting forecast is that by 2020, China will have become the world's largest middle-class market (Chunrong, 2016, p.33). In this context, the demographic transformation in China will have crucial impacts on future trade patterns. Thus, it is essential to perform a deeper trade analysis of China and the EU which takes into account the impact of rising middle income class.

HYPOTHESIS

Starr et al. (2015) claim that the primary driving force of the New Silk Road is the expanding trade between the EU and China. China's demographic transition will also have important implications on future trade relations and the pattern of trade over the following decades. China's importance as a strategic trade partner of Europe will increase. Thus, the analysis of the effects of the initiative and the rise of Chinese middle-income class on future China-EU trade patterns is crucial.

zkaplan@yildiz.edu.tr

METHODOLOGY

The New Silk Road is currently considered as a potential Chinese approach to (re)shaping global trends in world trade. Launched in 2013, the New Silk Road is planned to be completed by 2049. The possible trade effects of the establishment of the New Silk Road on global and regional trade will be evaluated in this study. The study is mainly based on academic articles, books, official documents and policy briefs. It also benefits from existing trade data between the New Silk Road participating countries by paying special attention to EU-China trade. This study approaches the New Silk Road project, from both Chinese and European viewpoint. The future trade patterns of China and the EU by taking into consideration two crucial developments - namely, the launch of the initiative and the rising Chinese middle-class consumers - will also be explored through insights from academic articles and media reports.

RESULTS

China's economy rapidly matures from an export-driven model to a consumption-based model, with an increased demand for more refined and foreign goods. Furthermore, the growing middle-class increases the demand for new and smooth transport links for trade. Chunrong (2016) suggests that the recent Chinese demographic transformation –the rise of middle class consumers - will have a critical impact on the relations between China and the EU. With growing purchasing power and more European brand preferences, China's middle income consumers are an obvious future target market for EU brands.

IMPLICATIONS AND CONTRIBUTIONS

As Barton (2013) and Chungrong (2016) indicate, China's middle class high spending power, coupled with an outward-looking attitude toward foreign brands, presents new and huge market opportunities for both domestic and EU companies. Similarly, Starr et al. (2015) suggest that restored trade routes across Eurasia would mean that China and Europe could exchange high-value goods more efficiently. Thus, the New Silk Road is expected to enhance opportunities and cooperation for companies and investors from both China and the EU.

KEY RECOMMENDATIONS

The initiative is expected to provide new opportunities for participating countries due to the elimination of barriers to transportation. In the context of foreign trade, issues such as increasing economic openness by reducing tariffs and introducing non-tariff agreements should be top priority. The successful development of Eurasian trade requires an effective coordination among the countries involved. Thus, the interests and concerns of participation in the New

Silk Road initiative should be clearly defined. The impact of the initiative at the national and the EU level also deserves special attention.

KEY WORDS

New Silk Road, China, European Union, middle-class consumers, trade

REFERENCES

Behar, A. & Venables, A. J. (2010). Transport Costs and International Trade. *Economics Series Working Papers,* 488.

Barton, D. (2013). The Rise of the Middle Class in China and Its Impact on the Chinese and World Economies. In *US-China Economic Relations in the Next 10 Years: Towards Deeper Engagement and Mutual Benefit*. (138-148). China-United States Exchange Foundation.

Bolle, M. & Kortsari, A. (2014). *Europe – Asia Railway Transport: Issues & Prospects.* Project NEAR², 7th Framework Programme, Grant Agreement No: 314254.

Deepak, B. R. (2018). *China's Global Rebalancing and the New Silk Road*. Singapore: Springer.

Chunrong, L. (2016). The Rise of a Middle-Class Society and its Implication for China-EU Relations. In S. Islam (Eds.) *EU-CHINA Relations Discussion Paper New Directions*, New Priorities, Discussion Paper, Friends of Europe.

Hansen, V. (2012). *The Silk Road: A New History*. London: Oxford University Press.

Holslag, J. (2017). How China's new Silk Road threatens European Trade. *The International Spectator: Italian Journal of International Affairs*, *52*(1), 46-60.

Leer, Y. & Yau, J. (2016). *China's New Silk Route the Long and Winding Road*. 1st edition, PwC's Growth Markets Centre.

Office of the Leading Group for the Belt and Road Initiative (2017). *Building the Belt and Road: Concept, Practice and China's* Contribution, Beijing: Foreign Languages Press.

Starr, S.F, Cornell, S.E., & Norling, N. (2015). The EU, Central Asia, and the Development of Continental Transport and Trade, *Silk Road Paper*, Singapore: Central Asia-Caucasus Institute & Silk Road Studies Program.

Wood, F. (2002). *The Silk Road: Two Thousand Years in the Heart of Asia*, Berkley: University of California Press.

Zimmerman, T. (2015). *The New Silk Roads: China, the U.S., and the Future of Central Asia.* New York: Center on International Cooperation.

EURASIAN ECONOMIC UNION: RATIONALE AND CONTROVERSIES

Vladimir Sherov-Ignatev, PhD
Saint Petersburg State University, Saint Petersburg, Russia

RESEARCH PROBLEM

Eurasian Economic Union (EAEU) is chronologically the last of the arranged Customs unions (CU). This form of regional trade agreement (RTA) may seem outdated in the era of free trade agreements (FTA) and mega-regional initiatives. From a political point of view, the reasons behind the choice of a CU are clearer: a comprehensive CU presumes closer relations among member-countries than FTA. The economic rationale behind choosing a CU as a form of RTA is less obvious and deserves special research.

OBJECTIVES

The goal of the paper is to reveal the economic rationale and already existing economic effects of the EAEU. In addition, the paper aims to identify the controversies, which impede the full realization of this project's economic potential, and to look into the nature of those controversies.

HYPOTHESIS

Our hypothesis is the following. The Eurasian economic union as a customs union of countries, most of which have a large share of mineral resources in their export and / or are landlocked, has potential advantages, especially for the manufacturing industry and for the regions close to internal borders of the CU. Facilitating mutual trade encourages additional trade, results in trade diversion and gives additional competitive advantage for producers in "introvert" regions. Meanwhile, the asymmetric structure of the EAEU inhibits successful development of the project.

vladimirsherov@mail.ru

METHODOLOGY

The methodology of our research combines analysis of statistical data with an institutional approach, as well as with a pilot field study. The research uses international statistical comparisons, analyses trade flows and country origins of foreign direct investments among member-countries of the EAEU, with special attention given to trade and investment flows in the regions at the border of Russia and Kazakhstan. Econometric methods are used as well, where appropriate. The analysis of EAEU problems is based on a content study of official documents of the EAEU and its main body – the Eurasian economic commission, as well as on the analysis of the decision making in the EAEU and its member-countries, and of the perceptions of the business community.

RESULTS

Eliminating customs control on internal borders can result in additional trade and trade diversion effects. In resource-exporting countries, it can improve competitiveness of the manufacturing sector and stimulate business activity in "introvert" regions, located close to internal borders of the CU. The role of manufactured products is much bigger in mutual EAEU trade, than in its export to third countries. However, on the regional level, the reaching of the potential of the EAEU has not yet been proven by regional statistical data.

The asymmetry of the EAEU is the main reason for its controversies, which include discords on exemptions from the common external tariff (CET), interconnection between WTO and EAEU obligations, treatment of the certificates of compliance, non-tariff barriers, relations with third countries, and others.

IMPLICATIONS AND CONTRIBUTIONS

The results contribute to the theory of customs unions, originating from J. Viner (1950). They also indicate the need for a special approach to the RTA of resource-exporting countries. The practical (political) implications are twofold: on the one hand, asymmetry does not necessarily prevent the creation of a customs union; on the other hand, asymmetry becomes the source of problems and discords, affecting the development of the regional integration project and its prospects.

KEY RECOMMENDATIONS

Further research related to the topic of the article can be continued in several directions. Firstly, the hypothesis of the correlation between the choice of the CU as a form of regional trade agreement (RTA) and the prevalence of primary products in export in historic and geographical data should be tested. Secondly, an analysis should be done on the sectoral implications of the Eurasian integration project in each country-member. Thirdly, non-tariff barriers in intra-EAEU trade and the ways to eliminate them can be studied.

KEY WORDS

Eurasian Economic Union, customs union, asymmetry, trade

REFERENCES

Viner, J. (1950). The Customs Union Issue. Carnegie Endowment for International Peace. *New York.*

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

ECOLOGICAL ENERGETICS IN THE EURO-ASIA

Slaviša Đukanović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

The Euro-Asian Region occupies the most part of the Earth`s land. There are living more than five billion inhabitants (mainly in China and India), whose needs for energy rose steadily during last years. Three main economic-environmental problems researched in this paper are the limitation for greater delivery of natural gas from Russia to the European Union, then the consequences of Japanese nuclear disaster in Fukushima, and enormous air pollution in China's industrial parks.

OBJECTIVES

From all of the above, it follows that mentioned countries can ensure long term energy security only by increase in natural gas supply capacity and diversification of energy sources supply. Therefore, the main objective of this paper is the review of renewable energy sources that are used in the leading Euro-Asian countries. Secondary objective is analysing the possible ways to realise long-term goal for substitution of fossil fuels with hydrogen and other zero-emission energy technologies.

HYPOTHESIS

The use of renewable energy sources can satisfy the main part of energy needs, and significantly reduce air pollution and global warming. At the same time, employment in the renewable energy sector worldwide can rise to many million jobs. We will try to prove this hypothesis on the cases of leading Euro-Asian countries.

METHODOLOGY

The research is based on comparative case studies analysis. Actual energy situation and modern use of renewable energy sources will be analysed in

slavisad63@gmail.com

fifteen following countries: Spain, France, Italy, Germany, Serbia, Greece, Turkey, Israel, Russia, Kazakhstan, Iran, India, China, Japan and Australia.

RESULTS

The main result of this paper will be the review of ecological energetics development in the chosen Euro-Asian countries. The other results and conclusions will be displayed at the end of this researching.

IMPLICATIONS AND CONTRIBUTIONS

Renewable technologies for power generation, heating, cooling and transport, are key tools for boosting national energy security, creating new jobs, and reducing harmful emissions and local environmental pollution. It will undoubtedly make a great impression and it would be an example to follow for neighboring developing countries.

KEY RECOMMENDATIONS

The essence of ecological energetics is the energy efficiency, new technologies in natural gas usage, and also the use of renewable energy sources.

Since the global economic flows are rapidly moving from the West to the East, opening of new trade routes between Europe and Asia („The Silk Road", „Northern Sea Route"), will accelerate the development of ecological energetics.

Being located on one of these routes, Serbia should prudently use the development potentials provided to it.

KEY WORDS

Euro-Asia, Serbia, Russia, China, environment, renewable energy sources

REFERENCES

Đukanović, S. (2016). The modern use of Renewable Energy Sources. In *Emerging Technologies and the Development of Agriculture* (58-79). Belgrade, Republic of Serbia: Serbian Association of Agricultural Economists.

Đukanović, S., & Đukić, P. (2014). The Spreading of Solar Cells Application in Serbia. In *Proceeding from International Conference and Exhibition, Proceedings, Tokyo Big Sight*. Tokyo, Japan.

Đukić, P., & Đukanović, S. (2017). The future of Serbian Energetics in the direction of Energy Markets, abandonment of Fossil Fuels and Energy efficiency, *Energija, ekologija, ekonomija*, 1-2, 37-45.

Energy View of BSEC Countries 2008. (2009). Energy Policy and Developmet Centre of the National and Kapodistrian Univerity of Athens.

Renewables 2018 - Global Status Report, REN21, Renewable Energy Policy Network for the 21st Century. (2018). Paris.

Vasic, B., Mirkovic Isaeva, O., & Sapal, N. (2018). The Challenges of EU Energy Security – Natural Gas, Infrastructure and Geopolitical Changes. *Ecologica, 25*(90), 255-261.

Джукич, М.П., & Джуканович, Ж.С. (2016). Русско-Сербские отношения и стратегии во взгляаде на устоичивую энергетику. *У: Возобновляемая энергетика XXI век* (10-15). Москва: ОИВТ РАН.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

EUROPEAN UNION AND SERBIA: INTEGRATION AND CHANGES

Nada Novaković, PhD
Institute of Social Sciences, Belgrade, Republic of Serbia
Marijana Maksimović, PhD
Institute of Social Sciences, Belgrade, Republic of Serbia

RESEARCH PROBLEM

The paper describes and analyzes the processes of Serbia's integration into the EU. Special attention is paid to the goals, subjects, the most important institutions and the dynamics of integration. It points to the key resistance to the mentioned changes in various spheres of society. In the center of attention are the processes of integration and public policies in the field of regulation of industrial relations, employment, education and obstacles to the realization of the rule of law.

OBJECTIVES

Authors explore the work of the most important social groups and institutions in charge of Serbia's integration into the EU. Therefore, the first aim of the research is to point out the essence of European values, the European social model and the advantages of adopting good examples of European practice in the field of labor, employment and education. The second objective of the paper is to apply, i.e. that policymakers use these results and accelerate and improve Serbia's EU integration.

HYPOTHESIS

The main hypothesis from which the authors come up is: the conditions for the integration of Serbia into the European Union are more unfavorable today than they were ten years ago. This is indicated by the changes and problems that the EU meets and the real capacities of Serbia. There is a significant resistance of elites and social groups whose interests are threatened by the acceptance of European values and the European social model. This is also indicated by the results of other researches.

novakovic.nada@gmail.com

METHODOLOGY

The paper uses a sociological and economic approach. The authors deal with the research of the integration of Serbia and the EU on two levels. The first is normative, and the other is what really happens by applying the adopted laws and recommendations in various areas of society. This describes and analyzes the current situation, identifies the most important problems and compares them with those of ten years ago. In the end, we prepare the synthesis of the results of the research on these integrations and the comparison with countries in the region. The research has a descriptive, analytical and comparative method. Therefore, various sources of data are used in this paper: the documents of the institutions of the EU and Serbia, the most important laws aimed at harmonizing norms and practices with the European Union in the field of labor and social policy and education and the results of other relevant researches. Some of the most important changes are documented by the data of official statistics.

RESULTS

Serbia has no progress without adopting European values and standards in the most important areas of society, such as industrial relations, social policy, education and the rule of law. The speed, quality and results of Serbia's integration into the EU are problems and crisis of the EU after the onset of the global economic crisis, mass migrations and „Brexit". There is a sign that the EU is coming out of the crisis. Problems in Serbia are higher than ten years ago and slow down these processes.

IMPLICATIONS AND CONTRIBUTIONS

In this research, the authors came to the conclusion that it is necessary to consult the scientific and other public before the adoption of new laws in certain areas of society. In this way, we would gain insight into the existing situation and the interests of those who are against the integration and reduced the economic and social costs of applying new laws. Before negotiating with EU representatives it is necessary to make in Serbia an analysis of the practical consequences of old and new laws.

KEY RECOMMENDATIONS

Serbia needs to harmonize its legislation with the European one for its own sake, regional cooperation and for EU integration. Its economic, political and social progress depends to a large extent on the quality of laws, their application and actual consequences for the quality of life and work of citizens. The paper presents the most important problems to be solved (social, political, human,

economic, cultural and other). The results of this research can serve other researchers and policymakers.

KEY WORDS
European Union, European values, elites, integration, Serbia

REFERENCES

Đukanović, D., & Krstić, M. (2016). Berlin Process – German Initative for the Western Balkan. *Српска политичка мисао*, *54*(4), 169-187.

Gasmi, G. (2016). Brexit-Relevant Legal Aspecets, *Foreign legal life, 60*(4), 39-56.

Lopandic, D. (2007). *Reform of the European Union, Western Balkans and Serbia.* Belgrade, Republic of Serbia: ECPD United Nations Peace Institute.

Lopandic, D. (2017). *Bregzit and the Future of the EU.* Belgrade, Republic of Serbia: Center for European Policies.

Maksimović, M. (2015). International Human Resource Management and Talent Demand. In *World and Serbia, the Challenges of the Development and Integratins* (103-122). Belgrade, Republic of Serbia: Institute of Social Sciences.

Mijatović, B. (2016). On the Institutional Aspect of the Euro Crisis and Soverign Debt, In *Proceedings EU New and Old Dimensions of the Crisis* (55-62). Belgrade, Republic of Serbia: Faculty of Political Sciences.

Novaković, N., & Radisavljević-Ciparizovic, D. (2017). Religion, Migrants and Social Conflicts in Europe. In *Religion in Contemporary Society. International Scientific Meeting Almanac* (117-196). Belgrade, Republic of Serbia: Institute of Social Sciences.

The Book of Reccomendations of the National Convention on the EU 2016/2017. (2017). Belgrade.

Vuletić, V. (2013). *Political Elites of Serbia and EU.* Belgrade, Republic of Serbia: Publishing house Klett.

Zečević, S.,& Gasmi, G. (2016). European Security and Defence Identity and Migrant Crisis. *Foreign legal life,60*(2), 57-75.

SERBIA AND THE CHALLENGES OF EUROPEAN UNION

Jelena Damnjanović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Biserka Komnenić, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Serbia was identified as a potential candidate for EU membership during the Thessaloniki European Council summit in 2003. In 2008, a European partnership for Serbia was adopted, setting out priorities for the country's membership application, and in 2009 Serbia formally applied. In 2012 Serbia was granted EU candidate status and in September 2013 a Stabilization and Association Agreement between the EU and Serbia entered into force. In the same time, EU challenges with it's own problems: Brexit, eurozone crisis, unilateral decisions by member countries, migrant crisis, etc.

OBJECTIVES

The study aims to show that frequent unilateral actions by EU member countries turn the integration process in reverse for the first time. Economic risks are intensified by political risks (forthcoming elections in France, Germany and elsewhere) where voters may express doubts about the future and substance of various dimensions of European integration. Popular understanding and backing for the general process of European integration is in rather short supply as many consider the process to be similar to the faith of the Titanic.

HYPOTHESIS

In accordance with the defined object and goal of the research, the basic hypotheses are as follows:
1. Does the EU need any of the Western Balkans countries?
2. For Serbia the cost of joining EU is higher more than potentially growth of GDP.

jdamnjanovic5@gmail.com

METHODOLOGY

In the research process authors use analysis of macroeconomic indicators, comparative analysis, method of description and interpretation of searched data.

RESULTS

The mark of a well-functioning economy is rapid growth, the benefits of which are shared widely, with low unemployment (Stiglitz, 2016). What has happened in Europe is the opposite. On the other hand, Serbia confirmed readiness to continue and intensify comprehensive bilateral economic relations with Russia and China. Serbian economy started to accelerate growth and decrease unemployment. Our opinion is that Serbia does not have to rush to join European Union, as it is now.

IMPLICATIONS AND CONTRIBUTIONS

If the Eurozone is dissolved, the EU may return to the situation in which it found itself in 1992: free trade, free movement of people and a few common policies. This may be better, perhaps, than the breakup of the EU, a frightening scenario that could be heard at the highest echelons of the EU. On the other side, Serbia has to have in mind those challenges of EU and be more considered about all economic and political obstacles that EU puts on Serbia.

KEY RECOMMENDATIONS

Balkan joke best captures the mindset of people who feel they've been left waiting far too long: when it comes to EU membership, the difference between pessimists and optimists is that optimists believe Turkey will join during the Albanian EU presidency, while pessimists believe Albania will join during the Turkish EU presidency. Meaning: never. We think that the same situation applies to Serbia, and Serbian policymakers should have this scenario in mind.

KEY WORDS

Integration, Serbia, European Union, Eurozone

REFERENCES

Jovanović, M. (2015). *The economics of European Integration*. Cheltenham: Edward Elgar.

Jovanović, M., Damnjanović, J., & Njegić, J. (2018). Among the Central and Eastern European countries of the European Union, who gained and who lost? *Economia Internazionale/International Economics, 71*(3), 317-370.

Jovanović, M., & Damnjanović, J. (2014). European integration: back into the future. *European Union Review, 19*(1-2-3), 39-77.

Jovanović, M, & Damnjanović, J. (2012). Is the Eurozone rescue strategy tantamount to the rearrangement of the deckchairs on the Titanic? *Journal of Economic Integration*, 33-79.

The Guardian. *Europe is facing a potential crisis in the Balkans. It has to act soon*. February 21st, 2018.

Rickards, J. (2016). *The New Case for Gold*. London: Portfolio Penguin.

Stiglitz, J. (2016). *The Euro*. New York: Norton.

PROTECTING INTELLECTUAL PROPERTY THROUGHT THE LEGISLATION OF THE EUROPEAN UNION

Nada Trenčeva, MSc
Municipality Kavadarci, Kavadarci, Republic of Macedonia
Martina Krstevska, PhD
Inspection Council of Skopje, Skoplje, Republic of Macedonia

RESEARCH PROBLEM

The creations of the human mind are the object of intellectual property protection that is divided into two larger groups: industrial property and copyright with related rights. The subject of the protection are patents, trademarks, industrial designs, product designations of origin and geographical indications.The protection of intellectual property will be consideredthroughthe legislation of the EU. We will look at primary and secondary sources of intellectual property rights,then at the trademark as a part of industrial property and the connection between industrial property rights and other rights.

OBJECTIVES

The aim of this paper is to look at the achievements regarding the protection of intellectual propertythrough the legislation of the EU, to identify the challenges and assess the real possibilities for their implementation in countries that are seeking to join the EU. Authorities around the world are attacking pirate web sites, and right-holders spend a lot of money on hunting intellectual property infringers trying to hold them responsible. Therefore, we should aim to change our approach to the problem. If we do so, we can successfully resolve the abuse of intellectual property rights.

HYPOTHESIS

The question arises as to whether intellectual property law could survive in the digital age. It certainly can, although the new digital reality provokes the concept of intellectual property. We have all the necessary technologies, such as algorithms and artificial intelligence systems that allow consumers to discover

nadica_trenceva@yahoo.com

the entire history of an intellectual property of an object from its creation to use and review information about all the disputes and their solutions.Any authors or right holders, even those who donot have any special legal training, will effectively manage their intellectual property.

METHODOLOGY

In writing this paper we used several methods: the analytical-synthetic method, the abstraction and concretization method, the generalization and specialization method, the classification method, the descriptive method, the comparative method, the statistical method and the historical method. Each problem is analyzed in detail, and all the topics are synthesized together. Issues that are less important are ignored, and only specific problems are taken into account. Generally, each option of intellectual property protection has been examined. A classification of trade marks has been made in order to get a complete picture of the concept. The topics that are presented in the paper are precisely described. Using the comparative method, a comparison was made between the protection of intellectual property in the EU countries and protection in R. Macedonia and wider in the region. Statistics give us a good idea of the current state, whereas the historical overview of the trademark follows the evolution of the concept.

RESULTS

Post-war legislation regarding trademarks allows a consistent application of sanctions in the case of counterfeit goods. In this regard, training seminars are organized, web pages are created with information about brand sand digital cameras are placed in certain places. In each country, there are direct representatives of companies that own trademarks or specialized law firms that cooperate with the Customs and the state market inspectorate. In the case of a counterfeit product, it is destroyed because it is dangerous for human health, reduces state revenues and creates insecurity.

IMPLICATIONS AND CONTRIBUTIONS

The use of someone else's industrial property as an important category of modern production is beyond the scope of national interests and the frameworks of national economy and is regulated not only by national laws but also by international legal rules. Thus, the matter of industrial property as a whole enters into the framework of international private law, and therefore within the framework of national laws of all countries.

KEY RECOMMENDATIONS

A complex legal system that ensures competition, communication and cooperation among individuals and companies has been built uponthe intellectual property institutions. We believe it is an area that will be transformed by digital technologies which will help our society achieve enormous effectiveness.
Businesses should be motivated to invest in the creation of strong domestic trademarks. The vision of the business community should focus on creating a high-value trademark to attract potential foreign partners.

KEY WORDS

Intellectual property, Industrial property, Trademark, Protection of rights, EU legislation

REFERENCES

Jaćovski, B., & Jovanovska-Ristevska, S. (2004). *Marketing*. Skopje, Republic of Macedonia: Faculty of Economics.

Keller, K.L. (2013). *Strategic brand-management: building, measuring and managing brand equity*. Skopje, Republic of Macedonia: Ars lamina publications.

Law on Customs Measures for Protection of Intellectual Property Rights of the Republic of Macedonia. (Articles 2 and 18).

Law on Industrial Property of the Republic of Macedonia. (Articles 3, 50, 90 and 154).

Nikolovski, A., & Chavlevski, A. (2008). *Institutions of the European Union*. Skopje, Republic of Macedonia: Faculty of Law, First Private University-FON.

Pepeljugoski, V. (2009). *The Right to Competition - Antimonopoly Law*. Skopje, Republic of Macedonia: Faculty of Law, First Private University-FON.

Pepeljugoski, V., & Dabović, J. (2008). *Right to Intellectual Property*. Skopje, Republic of Macedonia: Faculty of Law "Justinijan Prvi" in Skopje.

http://kozuvcanka.mk

https://inovativnost.mk

https://ipchain.global

THE EU'S DANUBE STRATEGY AS A DEVELOPMENTAL OPPORTUNITY FOR SERBIA

Veronika Boskov, PhD
Novi Sad Business School, Novi Sad, Republic of Serbia
Leonard Salai, MSc
Novi Sad Business School, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

As representatives of thermal and health tourism in the Danube region, spa resorts of healing water lack a recognizable image. Instead of working closely, they act as counterparts and compete against each other. Therefore, a link of relevant institutional subjects in the region should be envisaged through partnerships, in order to promote healing products and a healthy way of life which is widely accepted among generations of all ages.

OBJECTIVES

The research was aimed at initiating the formation of an institutional network which through transnational cooperation can contribute to research and innovation issues in the field of healing waters. The objective of establishing such interregional and inter-sectoral partnership is to inspire and encourage other institutions in the region to carry out similar actions in the future. Shared information and materials provide durability and transferability of the results of our research.

HYPOTHESIS

Based on the objectives mentioned above, we tested the following hypothesis:
The shared knowledge and best practice among key stakeholders of basin thermal and health tourism contributes to significant improvement in the promotion and acceptance of the health tourism supply of the Danube region, specifically in Serbia.

veronikaboskov1@gmail.com

METHODOLOGY

Based on the similar interregional challenges and regarding the expected changes, a stakeholder analysis as part of strategic analysis was undertaken. Twenty partners from five countries took active part in the research. Among these, three partner organizations from Serbia, as non-EU country, joined the network and took part in the conduct of the research. Representation of all relevant sectors in the field was provided by the presence of a public care health center, a tourist center, an R&D organization, a university with research facilities, a cluster organization, a NGO, private enterprises in tourism and clients (citizen).

In order to promote the Danube program, a variety of marketing tools was employed, such as joint meetings, workshops, electronic media means, publications, posters and brochures.

RESULTS

Key results can be summarized in built-up strong partnerships and enhanced networking in the field of research and innovation, thus developing higher value of functioning and meeting the needs on a larger market area. More specifically, as a result of our research 12 health tourism-related enterprises from the Danube region cooperates with research and higher education institutions. There is a widespread flow of information, data, knowledge and results interaction present in the field.

IMPLICATIONS AND CONTRIBUTIONS

As a key implication of the conducted research, framework conditions for innovation in the Danube region, among countries and their institutional representatives, have significantly grown and are more transparent than they had been prior to our research. Popularity and acknowledgement of spas and a healthy way of life is growing among consumers of health tourism. This is true both for Serbian and foreign tourists as well.

KEY RECOMMENDATIONS

Our research tackled a number of unanswered questions. First, the efficiency of of healing waters is still unknown, and the same is true on the impacts of different waters on health. Then, customers consume thermal waters and therapies to a less than optimal extent. Finally, the costs of spa therapies and the value of benefits for the health should be compared to the costs and benefits of traditional medicine-based therapies, in order to realize the advantages from an economic stance.

KEY WORDS

The Danube Transnational Programme 2014-2020, health tourism, innovation and social responsibility, regional partnerships, healing waters, Serbia.

REFERENCES

Bošković, T., & Mihajlović, M. (2016). Savremene tendencije na međunarodnom turističkom tržištu. *Škola biznisa,* 1/2016*,* 121-126.

Final Danube Transnational Programme 2014-2020 (Interreg V-B Danube). Available on: www.southeast-europe.net/download.cmt?id=4652

Galičić, V. (2014). *Leksikon ugostiteljstva i turizma*. Rijeka: Fakultet za menadžment u turizmu i ugostiteljstvu, Sveučilište u Rijeci.

Geić, S. (2011). *Menadžment selektivnih oblika turizma*. Split: Sveučilište u Splitu.

Radosavljević, G. (2009). *Menadžment u turizmu*. Kragujevac: Ekonomski fakultet u Kragujevcu.

Topalović, S. (2013). Stanje i perspektive banjskog turizma u Srbiji. *Globus-Časopis za metodološka i didaktička pitanja geografije*, 37/38, 123-134.

Vujko, A., Vujnić, J., Gajić, T., & Petrović, M. (2016). Kvalitet usluga u turističkim preduzećima kao model upravljanja turističkom destinacijom. *Škola biznisa*, 1, 22-31.

Vuković, P., Čavlin, G., & Čavlin, M. (2015). Complementarity in the development of rural tourism with the development of thermal baths, spa and wellness tourism. *Economics of Agriculture,* 1/2015, 259-270.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

APPLICATION OF IT STANDARDS IN THE SERBIAN IT SECTOR AS A PROCESS OF HARMONISATION WITH EU IT SECTOR NORMS

Predrag Ranitović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Zoran Marošan, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

The basic characteristic of the IT sector is its global equity, which makes the IT sector not only easily accessible to all the countries of the world, but also the fastest growing global phenomenon in the market. The observance of certain standards is of critical importance for achieving a better quality of IT services and products. In line with the abovementioned, this paper compares the process of harmonisation of the Serbian IT sector with the EU IT sector, from the aspect of applying the norms of IT standards.

OBJECTIVES

The basic objective of this research is to examine the effects of IT standards in the Serbian IT sector by comparing them with the same standards in the EU IT sector. Another objective of the study is to contribute to the creation of preconditions for a better application of IT standards in Serbia. Another objective of this research is to define the new elements in the IT business operation system in Serbian and EU IT sectors, generating new theoretical and practical knowledge.

HYPOTHESIS

The basic hypothesis of this paper is that the implementation of IT standards in the Serbian IT sector contributes to the creation of new models and systems of business operation.
The special hypotheses are:

predrag.ranitovic@gmail.com

1. The introduction of IT standards contributes to a higher level of overall quality of the Serbian IT sector.
2. The application of IT standards contributes to a higher level of efficiency and effectiveness of the Serbian IT sector.

METHODOLOGY

In this research, a questionnaire was used as a quantitative and qualitative method for gathering data. 30 IT companies on the territory of the Republic of Serbia and the European Union took part in the survey.
Inductive and deductive methods as basic logical methods were used to draw conclusions about the subject of the research.
The previously mentioned methods were implemented in this paper while:

- defining the problem, subject, objectives, hypotheses,
- defining IT standards and
- defining the IT sector.

The statistical method was used to create a clear presentation of the collected data in a chart form, based on the previously defined structure and data indicators.
This research also relies on modelling as a systemic research process that has as its outcome a model of a real object whose behaviour is being analysed.
The statistical method and modelling were used in:

- the presentation of the results,
- the contribution section of the paper and
- the concluding observations.

RESULTS

The results of the research conducted on the basis of the questionnaire define the degree of application of the norms of IT standards in the Serbian IT sector comparing the use of the same norms in the EU IT sector. A statistical analysis of the data gathered from the respondents from the Serbian IT sector shows that there is a low level of implementation of IT standards compared to the EU IT sector, where there is a high level of application of the norms of IT standards.

IMPLICATIONS AND CONTRIBUTIONS

Expected contributions and application of the research are:
- A proposal of a new model and system of application of IT standards,
- A proposal of a new model and system of business operation in the IT sector,
- A definition of the functional dependency between IT standards and the IT sector,
- The design of a unique approach to linking IT standards and IT sectors,

- An analysis of the IT sector through the observation of the effects of the contribution and application of IT standards and
- An acquisition of new practical and theoretical knowledge in the IT field.

KEY RECOMMENDATIONS

Bearing in mind the tendencies for the development of our society, the emphasis should be on the IT sector and the aspiration towards a modern state with a stable security-economic and social system in which the basic principles for progress and inclusion in international trends prevail. The purpose of this research is reflected in the collection and analysis of data related to the problem and subject of the research, and the implementation of knowledge in order to understand the effects of the impact of the application of IT standards in the Serbian IT sector in comparison with the application of IT standards in the EU IT sector.

KEY WORDS

Information technologies, IT standards, norms, IT sector, EU IT sector, Serbian IT sector

REFERENCES

Mambi, A. J. (2010). *ICT law book: A source book for information and communication technologies & cyber law in Tanzania & East African community*. African Books Collective.

The 2018 PREDICT Key Facts Report. European Commission, Publication Office of the European Union.

The 2018 Rolling plan for ICT standardisation. European Commission, Publication Office of the European Union.

http://eurocodes.jrc.ec.europa.eu/

http://www.etsi.org/

http://www.ict-net.com/

https://ec.europa.eu

https://ec.europa.eu/growth/industry/policy/ict-standardisation_en

https://ictlaw.weebly.com/

https://vojvodinaictcluster.org/

https://webrzs.stat.gov.rs

https://www.cen.eu/Pages/default.aspx

https://www.cenelec.eu/

https://www.ict-cs.org/rs/

Part II.

ECONOMIC GROWTH, COMPETITIVENESS AND TRADE

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

QUALITY OF MACROECONOMIC ENVIRONMENT AS A FACTOR OF THE COMPETITIVENESS OF THE ECONOMY OF THE REPUBLIC OF SERBIA

Dejan Đurić, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Dragana Đurić, PhD
Business School of Applied Studies Blace, Blace, Republic of Serbia

RESEARCH PROBLEM

Contemporary business flow demands the creation of macroeconomic market ambience guaranteeing success only to those ready to accept challenges, changes and permanent improvement. The quality of macroeconomic environment represents an important factor for Serbia's trade competitiveness. Taking into consideration that only integration of national trades into global economic flows could achieve the strategy of sustainable economic development, the question of quality of macroeconomic environment and its influence to trade competitiveness represents one of the crucial topics among economic politics leaders.

OBJECTIVES

Taking into consideration the macroeconomic flows movement in Serbian trade, it is clear that both investment and national production growth are imposed as one of the most important tasks of economic politics in the future. With regards to that, the main aim of this paper is to perceive and analyze macroeconomic environment of our country as well as its influence to international competitiveness of national trade. The intent of this paper is to point to the significance of macroeconomic environment quality to economic growth, as well as the significance of dynamizing investment and export activities.

ddjuric971@gmail.com

HYPOTHESIS

According to the research problem and objectives set in this paper, it is going to test the following hypotheses:
Hypothesis 1: Intensifying and growth of national investment could lead to national competitiveness growth.
Hypothesis 2: Improvement of macroeconomic environment has a significant influence to the growth of national export, thus representing a significant influence to national trade's competitiveness improvement as well.

METHODOLOGY

Theoretical elaboration and the goals have influenced the authors of this paper to use the descriptive, comparative-historical and analytical-synthetical methodology, whereby an attempt was made to consider and understand the problem. Moreover, the analysis of the content of the adopted documents and the results of previous research was used.

RESULTS

Authors particularly emphasized the main structural obstacle to setting a high and permanently sustainable economic growth, which is insufficient participation of investments in Serbian GDP. In order to remove the above mentioned obstacle and improve still insufficiently good macroeconomic ambience in a qualitative manner, it is necessary to conduct numerous reforms. A change in current trade structure, with development and modernization of trade infrastructure is an imperative from the point of view of future economic growth and employment, balancing payment balance and sustainable external stability.

IMPLICATIONS AND CONTRIBUTIONS

The main aim of this paper is to explore the influence of macroeconomic environment to the level of economic competitiveness of the Republic of Serbia. Contemporary trades function in global market conditions, where the success of every actor depends on their ability to be competitive, innovative and flexible. Within complicated competitive relations that are present on the world economic scene, small trades, like the Serbian trade, should seek their way towards success on the grounds of business improvement and competitiveness of their business subjects.

KEY RECOMMENDATIONS

Serbia needs to improve the quality of its macroeconomic environment and raise the level of its trade competitiveness in the future period of its development, by orienting its developmental process towards enforcing those factors that raise the level of trade productivity. Key measures and actions aimed at increasing competitiveness as well as strenghtening investment and export activities should be: creating a stimulative business environment and attracting investors, strenghtening cooperation and integration processes in the region as well as in Europe, active export and industrial politics which would strenghten trade sectors and branches, improving infrastructure, educational reform, etc.

KEY WORDS

International competitiveness, macroeconomic environment, investments, export, globalization, economic growth

REFERENCES

Doing Business 2016, Measuring Regulatory Quality and Efficienty. (2015). Washington: The World Bank.

Doing Business 2015, Going Beyond Efficiency. (2014). Washington: The World Bank.

Đurić, D., Ristić, J., & Đurić, D. (2016). Foreign Direct Investments in the Role of Strengthening the Export Competitiveness of the Serbian Economy, *Economics of Agriculture*, *63*(2), 357-374.

Đurić, D. (2007). Jačanje i unapređenje izvoznih aktivnosti kao najvažniji cilj ekonomske politike u 2007. Godini. U: *Izazovi ekonomske politike Srbije u 2007. godini.* Beograd, Republika Srbija: Naučno društvo ekonomista sa AEN i Ekonomski fakultet u Beogradu.

Đurić, D., Đorđević, M., & Tomić, R. (2012). *Nacionalna ekonomija*. Novi Sad, Republika Srbija: Alfa-Graf NS.

Đorđević, M., & Lojanica, N. (2017), Uticaj makroekonomskog okruženja na nivo nacionalne konkurentnosti: priner Republike Srbije. U: *Unapređenje konkurentnosti privrede Republike Srbije*. Kragujevac, Republika Srbija: Ekonomski fakultet, Univerzitet u Kragujevcu.

Strategija povećanja izvoza Republike Srbije za period od 2008. do 2011.godine.(2011). Beograd, Republika Srbija: Ministarstvo finansija Republike Srbije.

Nikolić G. (2014) Dinamika i kvalitativne promene robne razmene Srbije – Ključna karika napretka. *Okosnica nove razvojne strategije Srbije: bez izvoza nema izlaza.*

Nikolić, G. (2014). Strukturno unapređenje domaćeg robnog izvoza. *Časopis Finansije, Ministarstvo finansija Republike Srbije*. 15-21.

The Global Competitiveness Report 2017-2018. (2017). Geneva: World Economic Forum.

http://webrzs.stat.gov.rs

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

COMPETITIVENESS OF THE SERBIAN ECONOMY - FDI AND BALANCE OF TRADE DEFICIT PROBLEM

Dajana Ercegovac, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia
Slobodanka Jovin, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

As the research problem authors underline the changes in competitiveness of Serbian economy related to the West Balkan region, capital inflows of foreign direct investments in tradeable sectors compared to the other transition countries and their impact on the rise of the Republic of Serbia's competitiveness and export specialization.

OBJECTIVES

Research goal is to present crucial problems in Serbian foreign trade sector and emphasize role of superior competitiveness position and great inflow of foreign direct investment (FDI) in tradable sectors in order to enhance export and improve balance of trade situation.

HYPOTHESIS

Improvement of competitiveness position brings more foreign capital inflows especially the most significant form of FDI – green-field investments that can contribute to the rise of export and decrease of the balance of trade deficit.

METHODOLOGY

Research methods are content analysis and comparison of relevant foreign and domestic literature. Authors analyze data provided by World Economic Forum (WEF) and Statistical Office of the Republic of Serbia in area of competitiveness, foreign trade balance, structure of export and import by industry and geographical location with data about foreign direct investments compared to the other transition countries.

dajana_vindzanovic@yahoo.com

RESULTS

On the base of presented WEF competitiveness indicators of Serbian economy, authors can conclude that there is great improvement but there is still lag compared to South East and Central Europe countries. The previous capital inflows of FDI were insufficient compared to the other similar transition countries and were mainly oriented in privatization and acquisitions with unfavorable sector distribution. Also, there is negative structure of export that is in great volume oriented to countries of the EU and CEFTA with dispersive product supply and low volume of high-quality standardized products based on high technology, innovations and highly educated work force.

IMPLICATIONS AND CONTRIBUTIONS

The priority tasks for Serbian economy are to enhance the level of competitiveness, adopt and develop new technologies and know-how, adjust its supply with the EU and WTO standards that can be directed to new markets with high purchasing power and maximally fulfill free trade arrangements with the EU, Russia, USA and Turkey in area of agricultural and food products through development of specialized clusters that can accumulate demanded contingent of standardized products.

KEY RECOMMENDATIONS

The strategic targets of the Republic of Serbia as the EU candidate has to be the rise of competitiveness, development of industry and agriculture, development and use of new technologies, increase of productivity, strengthening of the intellectual capital, modernization of infrastructure, sustainable macroeconomic stability, setting the favorable investment environment, rise of export with change in structure of export with stabilization in balance of payments and decrease of foreign debt.

KEY WORDS

Competitiveness, foreign direct investment (FDI), export

REFERENCES

Boljanović, S. (2013). Komparativna analiza uticaja stranih direktnih investicija na strukturu i specijalizaciju srpskog i mađarskog izvoza. Ekonomske teme, 51(1), 37-57

Cvjetković, M. (2016). Analiza ključnih faktora unapređenja poslovanja i konkurentnosti preduzeća (*Doktorska disertacija*). Zrenjanin, Republica Srbija: Tehnički fakultet "Mihajlo Pupin" u Zrenjaninu, Univerzitet u Novom Sadu.

Đurić, D., Ristić, J., & Đurić, D. (2016). Foreign direct investments in the role of strengthening the export competitiveness of the Serbian economy. *Economics of Agriculture*, 63/2, 531-546.

Đurić, D., Ristić, J., Đurić, D., & Vujanić, I. (2017). Export of agricultural and food products in the function of economic growth of Republic of Serbia, *Economics of Agriculture*, 64/3, 887-900.

Kovačević, R. (2006). Possibilities and limitations of export growth as the factor of Serbian balance of payments, orig. Mogućnosti i ograničenja porasta izvoza kao faktor platnog bilansa Srbije. *International problems*, 58/4, 492-512.

Kovačević, R. (2009). The structural characteristics of world trade and merchandise exports of Serbia. *Economics annals*, 54, 55-91.

Lojanica, N. (2016). Konkurentnost srpskog izvoza na tržištu EU. *Škola biznisa, 1/2016,* 298-311.

Marković, M., & Marković, I. (2015). Increasing exports – the condition for achieving external and internal macroeconomic balance of the Republic of Serbia. *Economic themes*, 1183-1198.

Stanišić, N., & Milovanović, G. (2016). Komparativna analiza konkurentnosti izvoza Republike Srbije i drugih tranzicionih zemalja. U: *Unapređenje konkurentnosti privrede Republike Srbije* (95-106). Kragujevac, Republika Srbija: Ekonomski fakultet, Univerzit u Kragujevcu.

Statistical Office of the Republic of Serbia. (2016). *Bulletin of foreign commodity trade of the Republic of Serbia*. Available at: http://stat.gov.rs

Statistical Office of the Republic of Serbia. (2017). *Statistical Yearbook of the Republic of Serbia, Belgrade*. Available at: http://stat.gov.rs

Tubić, T. (2016). Uticaj stranih direktnih investicija na obim i konkurentnost srpskog izvoza. U: *Unapređenje konkurentnosti privrede Republike Srbije* (157-167). Kragujevac, Republika Srbija: Ekonomski fakultet, Univerzit u Kragujevcu.

WEF. (2017). *The Global Competitiveness Report 2017-2018*. Geneva: World Economic Forum.

Živkov, D., Njegić, J., & Ljumović, I. (2013). Linkage between external and internal imbalance – The case of Serbia. *Industrija*, 41/4, 127-142.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

QUALITY OF HUMAN RESOURCES AS A FACTOR OF THE COMPETITIVENESS OF THE ECONOMY

Andrija Babović, MSc
Business School of Applied Studies Blace, Blace, Republic of Serbia
Jelena Ristić, PhD
Business School of Applied Studies Blace, Blace, Republic of Serbia

RESEARCH PROBLEM

Business entities in conditions of globalization need to do business in a completely new manner, and radically new conditions demand special quality of human resources as well as new knowledge and skills of all actors on the economic scene. Such a ambience demands invention and creativity of those who manage knowledge and information; those who ensure business atmosphere and create organizations based on team work, all aiming at overcoming problems stemming from quick transitive organizational changes and integration of countries into an international economical surrounding.

OBJECTIVES

Having in mind contemporary movements on the global economic plan, it is clear that human resources quality improvement is imposed as one of the most important tasks of economic politics in the future. Consequently, the main aim of this paper is to perceive and analyze the quality of human resources as well as their influence on international trade competence. The main aim of this paper is to point to the significance of the quality of human resources for economic growth, as well as the significance of dynamizing actions in the area of human resources quality improvement.

HYPOTHESIS

The research problem and objectives set in this paperentail the testing of the following hypotheses:

a.babovic@yahoo.com

Hypothesis 1 Improving the quality of human resources could significantly contribute to economic growth and improving international trade competitiveness.
Hypothesis 2 Willingness of business organizations to invest into knowledge and recognize the significance of employees' training and development will enable business quality improvement.
Hypothesis 3 Inadequate application of contemporary methods and techniques in management might lead to poor competitive ability.

METHODOLOGY

Theoretical elaboration and the goals of the paper called for the use of the descriptive, comparative-historical and analytical-synthetical methodology, whereby an attempt was made to consider and understand the problem. Moreover, the analysis of the content of the adopted documents and the results of previous research were used.

RESULTS

This paper analyzes the quality of human resources as well as their contribution to economic growth and international trade competitiveness improvement. The analysis is oriented towards the key factors, elements and obstacles of human resources quality improvement. This paper emphasizes problems encountered by global companies striving for the highest position possible on the international economic scene. Developing awareness of the necessity for continual improvement of human resources quality should be the backbone of future managers and leaders managing approach.

IMPLICATIONS AND CONTRIBUTIONS

Contemporary trade functions in global market conditions, where the success of every actor depends on their ability to be competitive, innovative and flexible. The results of the research could enable managers and researchers to improve the awareness of the role and significance of human resources knowledge and quality to the reached level of business performance and competitiveness. In addition, the paper offers guidelines to managers on how to provide their employees with adequate means of training and development in order to improve their knowledge and skills.

KEY RECOMMENDATIONS

Contemporary companies will constantly need to improve their human resources quality. Knowledge, i.e. human capital as well as contemporary management techniques are emphasized as key factors of companies' business and competitiveness improvement. Therefore, knowledge should become the contemporary companies'main strategical resource in building competitive advantage. Application of contemporary methods and techniques enables an easier way towards business internalization and attaining a better competitive position in the world market.

KEY WORDS

Human resources, international competitiveness, management quality, globalization, economic growth

REFERENCES

Adižes, I. (2009). *Kako upravljati u vreme krize.* Novi Sad, Republika Srbija: Asee.

Arsovski, S., & Lazić, M. (2010). *Vodič za menadžere kvaliteta*. Kragujevac, Republika Srbija: Centar za kvalitet.

Bartol, K.M., & Martin, D.C. (1994). *Management.* New York: McGraw-Hill.

Bass, B. M. (1985). *Leadership and Performance Beyond Expectations.* New York: The Free Press.

Cummings, T. (2014). *Organization development and change*. Cengage Learning.

Drucker, P. (2005). *Upravljanje u novom društvu*. Novi Sad: Adižes.

Đurić, D., Đurić, D., & Ristić, J. (2017*)*. Improving Knowledge and Skills of Business Leaders and Managers as a Determinant of Companies Development. In *Knowledge without borders* (105-109). Vrnjačka Banja, Republic of Serbia: Institute of Knowledge Management.

Đurić, D., Ristić, J., & Đurić, D. (2016). Foreign Direct Investments in the Role of Strengthening the Export Competitiveness of the Serbian Economy. *Economics of Agriculture, 53*(2), 357-740.

Petković, M., & Jovanović–Božinov, M. (2001). *Organizaciono ponašanje-Novi koncept vođenja preduzeća.* Beograd, Republika Srbija: Univerzitet Megatrend.

Petković, M., Janićijević, N., & Bogićević, B. (2002). *Organizacija – Teorije, dizajn, ponašanje, promene.* Beograd, Republika Srbija: Ekonomski fakultet.

The Global Competitiveness Report 2017-2018. (2017). Geneva: World Economic Forum.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

EFFICIENT MARKETING CHANELS – PRECONDITION OF COMPETITIVENESS IN THE SERBIAN GAS BOILER MARKET

Dragoljub Jovičić, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Marija Vranješ, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Considering the fact that in the last ten years there has been a strong development and growth of the Serbian gas boiler market, it is quite logical that there has been a growing competition among importers and distributors of these products. Strong competition imposes all market participants on the supply of a continuous and effective fight with competitors in order to ensure a better position in the market. In this context, there is a key research problem - How to ensure and maintain a competitive advantage in the Serbian gas boiler market?

OBJECTIVES

The aim of the research is to prove that all marketing mix instruments are significant, but effective marketing channels are a key marketing mix instrument in order to gain a competitive advantage in the Serbian gas boiler market.

HYPOTHESIS

A preliminary hypothesis, which was helpful at the beginning of the research, relates to the role of the marketing mix in gaining a competitive advantage. While researching and collecting data on the field, the preliminary hypothesis is more precisely formulated and predefined - Are effective marketing channels the key factor for achieving a competitive advantage in the Serbian gas boiler market?

djovicic@uns.ac.rs

METHODOLOGY

By collecting and processing data during the research process, a parallel analysis is carried out. The field qualitative research was carried out in the period May-June 2018, in the area of Belgrade and Novi Sad. In order to make a representative sample, the method of deliberate choice is used. The participants are importers, intermediaries, editors and investors, who are familiar with the problems of promotion, procurement, sale, distribution, installation and exploitation of gas boilers. People with a great amount of knowledge in this specific field and people with a work experience have been chosen in order to provide relevant answers to the questions. We have used descriptive statistics, arithmetic mean, standard deviation and variation coefficients in order to get as precise as possible and more representative data.

RESULTS

After carefully collected data on the field, through sophisticated unstructured personal interviewing and their detailed processing, the obtained results undoubtedly confirmed the research hypothesis. Without any doubt, it is confirmed that efficient marketing channels, in the opinion of experts, importers, distributors, editors and key investors, dominant marketing mix tool, according to existing conditions of the economy of the Serbian market of gas boilers, enables organizations to gain a competitive advantage.

IMPLICATIONS AND CONTRIBUTIONS

The results of the research may have significant practical implications for managers and market participants such as an importer and distributor of gas boilers in order to make timely and optimal business decisions in the creation of the mix marketing instruments, which will certainly contribute to better positioning organizations on the Serbian gas boiler market.

KEY RECOMMENDATIONS

The conducted research and the confirmed research hypothesis can undoubtedly serve all the market players of our supply of gas boilers as a good basis for formulating a market strategy and creating an optimal marketing mix. It would be interesting and very useful for distributors, in future research to deepen the analysis related to marketing channels and explore the importance of certain institutions, as well as the importance of individual flows in marketing channels, in the placement of gas boilers.

KEY WORDS

Marketing channels, marketing mix, Serbian gas boiler market, competitive advantage

REFERENCES

Blackwell, R.D., Miniard, P.W., & Engel, J.F. (2001). *Consumer Behavior*. Forth Worth: The Dryden Press.

Coughlan, T.A., Anderson, E., Stern, W.L., & El-Ansary, I.A. (2001). *Marketing Channels*. New Jersey: Prentice Hall.

Galogaža, M. (1999). *Industrijski marketing*. Novi Sad: Marketing Management College.

Jovičić, D. (2011). Specifične institucije marketing kanala pri plasmanu gasnih kotlova na tržištu Republike Srbije. *Škola biznisa*, 3, 116-123.

Jovičić, D. (2013). Uloga montažera termo-tehničkih instalacija pri kupovini gasnih kotlova. *Marketing, 44*(4), 361-371.

Kotler, F., Vong, V., Sonders, Dž.,& Armstrong, G. (2007). *Principi marketinga*. Beograd: Mate.

Lovreta, S., Končar, J., & Petković, G. (2005). *Kanali marketinga*. Beograd: Centar za izdavačku delatnost Ekonomskog fakulteta u Beogradu.

Porter, M.E. (1998). *Competitive Strategy*. New York: Free Press.

Porter, M.E. (2008). *Konkurentska prednost*. Zagre: Masmedia.

Rosenbloom, B. (1999). *Marketing Channels*. Orlando: The Dryden Press.

Silverstein, B. (2002). *Business to Business Internet Marketing*. Florida: Maximum Press.

Varey, R.J. (2002). *Marketing communication*. London: Routledge.

ACCESS ANALYSIS OF THE FINANCIAL POSITION IN THE FUNCTION OF THE COMPETITIVENESS OF THE COMPANY

Miroslav Čavlin, PhD
Faculty of Economics and Engineering Management in Novi Sad, Novi Sad, Republic of Serbia
Pavle Počuč, MSc
Provincial Secretariat for Economy and Tourism of AP Vojvodina, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

In the Republic of Serbia, companies are at high risk of survival and maintenance of their financial position. Previous research on the financial position is based on traditional financial indicators, as an identifier of business performance. Modern research, the pioneer of Altman, develops synthetic indicators that predict the bankruptcy of the company. The research problem is an integrated approach to managing the company, which is based on early signals and warnings about developing financial risk.

OBJECTIVES

The main objective of the research is to highlight the potential of the Z-score as a good instrument for displaying early signals, or warning of the risk of failure in the financial operations of companies. Therefore, the goal is to affirm an integrated approach in the choice of an analytical model based on a set of analytical and unique synthetic balance indicators for a reliable diagnosis and treatment of business and financial disturbances of the company (which can be due to internal and external factors).

HYPOTHESIS

H_1: For the management of a financial position it is necessary to select a system analytical apparatus for reliable diagnosis and treatment of business disorders of the company (which can be due to internal and external factors).

cmiros@gmail.com

H_2: Z-score is a good predictor of the early failure signals and future business of the company. Proactive management based on the balance-sheet uniquely weighted indicators or Z-score is a presumption of maintaining the financial position of the company.

METHODOLOGY

The research is based on the collection and analysis of relevant scientific and professional literature, and the implementation of new knowledge based on previous empirical analyzes. Websites of relevant business and public entities, including domestic and foreign news articles and news, were used as sources.

The following methods of scientific research work are used: method of analysis - breakdown of complex entities into simpler components, synthesis method - joining simpler thoughts into a more complex process, or the process of interpreting the whole through simple thought constructions, the descriptive method - the procedure of describing facts, and the empirical prediction their relationship, the classification method - the parsing of the general notion of specific, ie, simpler terms, comparison method - comparison of particular methods in order to determine similarities and differences, the method of explanation - the way of explaining the basic concepts and their relations..

RESULTS

Key to the rational methodology of managing the financial position is the selection of an adequate integrated indicator system, which, in addition to traditional ones, includes indicators for the early detection of the crisis of individual segments as well as the entire company.

Research shows that Z-Score is a good tool in predicting bankruptcy and future business operations. It is necessary to use it with reserve because it can not predict the future of the company sufficiently reliably, and it is also rational to include non-financial information.

IMPLICATIONS AND CONTRIBUTIONS

The research contribution is to define the area of sustainable financial management of these synthetic indicators, as a tool for proactive management. The obtained research results suggest that Z-score synthetic indicators are an effective tool for continuous performance analysis of the company. The Z score has a limited role as a predictor of the company's performance, so maintaining the competitiveness and desirable financial position of the company requires a complete approach with other qualitative and quantitative indicators.

KEY RECOMMENDATIONS

The Z-Score is focused on forecasting future risks from business and financial difficulties, bankruptcy and bankruptcy, and has proven to be an appropriate tool in the system of integrated performance analysis of companies. In the application of Z-scores, attention is on a limited range of terms, as it was formed on a sample of companies from foreign markets, so the research should focus on developing tools forming in our market.

KEY WORDS

Financial position, business performance, Altman Z-Score

REFERENCES

Agencija za privredne register. Baza pivrenih društava. http://www.apr.gov.rs/pretraga

Altman, E. I. (2000). *Predicting Financial Distress of Companies: Revisiting the Z-Score and ZETA Models*. New York: Stern School of Business, New York University.

Altman, E.I., Heldman, R.G., & Narayanan, P. (1977). 'Zeta analysis, A new model to identify bankruptcy risk of corporations. *Journal of Banking and Finance*, 1, 34-36.

Argenti, P. (2009). *Corporate Communication.* New York: McGraw-Hill.

Beaver, W. (1966). Financial Ratios as Predictor of Failure – Empirical Research in Accounting: Selected Studies. *Journal of Accounting Research*, 91-101.

Godišnji bilten finansijskih izveštaja 2012-2017. Dostupno na: http://www.apr.gov.rs/finansijskiizvestaji

Malešević, Đ., & Čavlin, M. (2009). *Poslovna analiza.* Novi Sad*:* Fakultet za ekonomiju i inženjerski menadžment, Univerzitet Privedna akademija.

Malešević, Đ., & Čavlin, M., (2010). *Savremeni pristup i metode analize poslovne konkurentnosti kompanija.* Teslić, Repulika Srpska: Savez računovođa i revizora Republike Srpske.

Schwartz, D. (2006). *Crisis Management*. Guidebook 2006 Edition, PR News Press.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

THE IMPACT OF ECONOMIC GROWTH ON POVERTY REDUCTION IN THE REPUBLIC OF SERBIA

Milijana Roganović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Biljana Stankov, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Poverty is a problem faced by many countries regardless of their level of development. Moreover, poverty is a multidimensional phenomenon that, in addition to insufficient incomes to meet basic needs, includes aspects related to human rights, such as the lack of employment opportunities, inadequate housing conditions and inappropriate approach to social protection, health, education and municipal services. A decline in the living standards of the population and a growth in the levels of poverty in Serbia are caused by significant reductions in economic activity.

OBJECTIVES

The study aims to show that there is a close connection between economic growth rates and poverty rates. Accelerated economic growth and development will greatly contribute to an increase in employment, i.e. the improvement of living standards, and thus a reduction of poverty. In order to increase the quality of life, it is necessary to clearly define the measures, targets and tasks for faster and more dynamic economic growth and development. Setting a strategic objective for the development of Serbian economy will result in increased employment and living standards and a reduction of poverty rates.

HYPOTHESIS

In accordance with the defined object and goal of the research, the basic hypotheses are as follows:

1. There is a correlation between the rate of economic growth and poverty reduction.
2. If the quality of life in the Republic of Serbia is to be improved, it is

milijanadjordjevic@gmail.com

necessary to reduce the level of poverty and social exclusion of the most dominant categories of population by implementing strategies and measures.
In order to verify these hypotheses and conclusions relevant to the research, an analysis of the empirical data is required.

METHODOLOGY

Notional definition and description of the fundamental elements within the specified problem was performed by means of descriptive analysis. The aim of this approach is to set a theoretical basis for the empirical verification of the hypotheses. When collecting research data, the desk method was used in addition to two secondary data sources. The real gross domestic product was used as the basic variable and the data was downloaded from the website of the National Bank of Serbia, whereas the Household Budget Survey from the website of the Republic Bureau of Statistics was used as a source for poverty rates data. The analysis of the correlation between the economic growth and poverty rates in the study was done by using the linear regression model. The aim of the application of these methods is to determine the level of statistical relation and test the causality between the indicators of poverty and economic growth and development.

RESULTS

The problem of poverty in Serbia is quite grave as poverty is increasing, not only in rural but also in urban areas. In addition, it is not increasing only in underdeveloped regions but in developed regions as well. Therefore, there is a need for a detailed analysis that will be based on an analytical instrumentation and that will pay special attention to accelerated growth and development. Such an analysis will greatly contribute to an increase in employment, i.e. the improvement of living standards, and thus a reduction of poverty.

IMPLICATIONS AND CONTRIBUTIONS

Bearing in mind that this issue is still current in our national literature, the research is expected to contribute to the advancement of available literature in this field. In addition to its theoretical importance, the research can have a *practical* significance as well. The obtained results can serve as a starting point for further research in the field of poverty and can contribute to the identification of guidelines for its elimination.

KEY RECOMMENDATIONS

Given the heterogeneity of the results of the studies performed in other countries, as well as the research results obtained in this study, there is a need, and a possibility, for the conduction of research with a comparative analysis of the correlation between economic growth and development and poverty for a selected group of transition countries or a group of countries with a higher-medium income, including Serbia.

KEY WORDS

Poverty, economic growth, inequality, social exclusion, living standard, linear regression model

REFERENCES

Aksentijević, S. (2011). *Mere aktivne politike zapošljavanja u Republici Srbiji. Aktivne mere na tržištu rada i pitanja zaposlenosti*. Beograd, Republika Srbija: Institut ekonomskih nauka.

Arandarenko, M. (2011). *Tržište rada u Srbiji - trendovi, institucije, politike*. Beograd, Republika Srbija: Ekonomski fakultet.

Đorđević, M. (2009). *Privredni razvoj.* Kragujevac, Republika Srbija: Ekonomski fakultet.

European Commission. (2013). *EU Candidate and Pre-Accession Countries Economic Quterly.* 1. CCEQ.

Grujić, B., Roljević, S., & Kljajić, N. (2013). Categorization of poverty in tne Republic of Serbia in the period 2006-2010. *Economics of Agriculture, 60*(2).

Johnson, D. (2000). *Restructuring Social Welfare Allowance.* Working Paper. Seminar for Government Officials.

Jovanović-Gavrilović, B. (2013). *Privredni razvoj sa ljudskim likom*. Beograd, Republika Srbija: Ekonomski fakultet.

Leković, V. (2015). Determinantne ekonomske nejednakosti i njene imlikacije za održivi ekonomski razvoj. *Ekonomski horizonti*, 17.

Nussbaum, M., & Sen, A. (1993). *The Quality of Life,* Lives and Capabilities. Oxford: Oxford University Press.

Porter, E.M. (2008*). O konkurenciji*. Beograd, Republika Srbija: Fakultet za ekonomiju, finansije i administraciju.

Todaro, P., & Smith, C.S. (2006). *Ekonomski razvoj*. Sarajevo: TKD Šahinpašić.

Šućur, Z. (2004). *Socijalna isključenost, Pojam, pristup i operacionalizacija.* Zagreb, Republika Hrvatska: Pravni fakultet, Sveučilište u Zagrebu.

Veselinović, P., Mićić, V., & Miletić, D. (2012). Serbia - Zone of Poverty and Social Exclusion. *Economics of Agriculture*, 2/2012.

Vlada Republike Srbije. (2013). *17. Bilten o socijalnom uključivanju u smanjenju siromaštva*.

Vlada Republike Srbije. (2016). *Program reformi politike zapošljavanja i socijalne politike u procesu pristupanja Evropskoj uniji.*

COMPARATIVE ANALYSIS OF CSR INDICATORS OF RETAILERS IN THE WESTERN BALKANS REGION

Radenko Marić, PhD
Faculty of Economics in Subotica, University of Novi Sad, Novi Sad, Republic of Serbia
Goran Vukmirović, PhD
Faculty of Economics in Subotica, University of Novi Sad, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Trade, especially the retail sector, is a service activity that causes an interactive relationship between buyers and sellers, and thus it is necessary that both parties are satisfied with the final transaction. The importance of this paper lies in precise definition of indicators that according to retail managers influence and shape the socially responsible behavior of sales staff in Western Balkans retail sector. The obtained results and performed tests make the retail managers aware of the real impact of the analyzed indicators.

OBJECTIVES

The main aim of the research is to define the inductive model of CSR of sales staff, based on retail managers' opinion, and to measure the impact of indicators on the CSR concept and comparative analysis of CSR indicators in the WB retail sector.

HYPOTHESIS

On the basis of such a defined research objective, two basic research hypotheses are set: Null hypothesis *Ho* reads: There is no-statistically significant difference in the impact of indicators, such as honesty in sales transactions, fair relationship with the consumer, timely and accurate information, cultural behavior, respect of moral codes, compliance with legal and statutory norms, collegiality and communication, on CSR of sales staff in supermarkets. Alternative hypothesis *Ha* reads: Tested differences have statistically significant effect on the CSR of sales staff.

kvantum.radenko@gmail.com

METHODOLOGY

Null and alternative hypotheses will be tested by F-test and P-values test. Null hypothesis Ho is tested with F-test by comparing calculated F - value (*Fstat.*) to the tabular value F (*Fcrit.*). If *Fstat.* > *Fcrit.*, Hypothesis Ho is rejected. The set hypotheses are additionally tested with P-values test, by using Excel software. If the P-value is less than the level of significance, we reject the hypothesis Ho. If the null hypothesis Ho is rejected, testing proceeds for statistically significant impact of the indicators on socially responsible behavior of sales staff by using the *Tukey test matrix*.

RESULTS

Test results enabled ranking of indicators and defining the model of a CSR in the WB retailing among sampled 397 retail managers. At the level of the entire market of the WB, the retail managers recognized as the most important indicators of CSR of sellers the provision of accurate and reliable information (rank 7) and correct attitude toward consumers (rank 6). Slightly less relevant are Cultural behavior (rank 5) and Legal protection and standards (rank 4), followed by Moral codes (rank 3), Collegiality and business communication (rank 2), and finally Honesty in sales transactions (rank 1).

IMPLICATIONS AND CONTRIBUTIONS

Defined inductive model of CSR is significant in practice. It can assist management of trading companies in defining and creating socially responsible workplace and shaping loyal employees, which directly affects the profitability of supermarkets through meeting the needs, desires and interests of consumers better than their competitors do.

KEY RECOMMENDATIONS

Future research should focus on defining subgroups within the indicators and how their influence is reflected on the aforementioned model of CSR. For instance, the study within the scope of indicator - Cultural behavior should cover statistically significant influence of religion, family values, environment, social status, etc. Furthermore, future research should look into the reasons for deviations in the impact of certain indicators between regions, e.g. cultural norms of behavior in EU countries (Slovenia and Croatia), moral codes in the non EU Countries (Serbia, Bosnia and Herzegovina), and so on.

KEY WORDS

Employees, corporate social responsibility (CSR), retail managers, trade, Western Balkans

REFERENCES

Acatrinei, C., & Puiu, V.T. (2012). The Loyalty Card: Issues in Evaluating Loyalty Program Effectiveness. *International Journal of Economic Practices and Theories*, *2*(3), 153-164.

Carraher, S., Parnell, A.J., & Spillan, E.J. (2009). Customer service-orientation of small retail business owners in Austria, The Czech Republic, Hungary, Latvia, Slovakia, and Slovenia. *Baltic Journal of Management, 4*(3), 251-268.

Drinić, D., Vranješ, M., & Gašević, D. (2014). Consumer loyalty in retailing. *Škola biznisa*, 2, 91-106.

Filipe, S., Henriques Marques, S., & Fátima Salgueiro, M. (2017). Customers' relationship with their grocery store: Direct and moderating effects from store format and loyalty programs. *Journal of Retailing and Consumer Services,* 37, 78-88.

Končar. J., & Marić, R. (2015). Job Satisfaction in Trade Sector: Evidence from the Retailers in the Largest Supermarkets of the Western Balkans. *Revija za socijalnu politiku, 22*(3), 375-392.

Kyguoliene, A., Zikiene, K., & Grigaliunaite, V. (2017). The Influence of Perceived Benefits on The Satisfaction with the Loyalty Program. *Inzinerine Ekonomika-Engineering Economics, 28*(1), 101-109.

Plazibat, I., Šušak, T., & Šarić. T. (2016). Functionality of customer loyalty programs in retail. *Ekonomska misao i praksa*, 1, 303-318.

Vilkaite-Vaitone, N., & Papsiene, P. (2016). Influence of Customer Loyalty Program on Organizational Performance: a Case of Airline Industry. *Inzinerine Ekonomika-Engineering Economics, 27*(1): 109-116.

ANALYSIS OF MOBILE PHONE SERVICES QUALITY ELEMENTS IN THE REPUBLIC OF SERBIA

Dragana Tomašević, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia
Dragana Gašević, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

In modern business conditions, characterized by vast turbulences, uncertainty and dynamics, the survival, growth and development of companies is conditioned by focusing on ensuring a high level of service quality. It is considered that a company cannot achieve success in today's business environment if it fails to provide services of superior quality. The ever-growing competition among mobile service operators imposes the need to identify key service quality elements. In order to remain competitive, communication service operators should provide services in accordance with the needs and stances of their users.

OBJECTIVES

The main objective of this research is to identify *i.e.* isolate the underlying factors that determine the quality of mobile phone services. In addition to the main objective, certain specific goals deriving from the statistical and econometric methodology applied herein can also be defined. Namely, statistically significant factors affecting the satisfaction and, consequently, the loyalty of consumers are identified by means of factor analysis.

HYPOTHESIS

General and specific hypotheses of this research have been set pursuant to the above defined objective. The general hypothesis of the research is based on the assumption that there are factors that determine the quality of mobile phone services. Specific research hypotheses arise from basic assumptions that must be fulfilled in order to be able to apply factor analysis, with such assumptions being the following: data are interval; the number of observations in the sample

dragana.vps@gmail.com

is at least five times the number of variables; there are linear correlations among variables and each separate factor is not in correlation with another factor; a large number of correlated variables is replaced by uncorrelated factors which are the subject of analysis and thus fix the problem of multicollinearity.

METHODOLOGY

The underlying research method in this paper is an anonymous questionnaire filled out by respondents both electronically and via direct contact. The selection of assumptions included in the questionnaire was made based on previous studies in the field of mobile phone service quality. The questionnaire consisted of 29 questions divided into two groups. The first part of the questionnaire addressed basic questions regarding the respondents themselves, such as: gender, age, education level, the respondent's region of residence and years of using the service. The second part of the questionnaire encompassed 24 findings related to the quality of mobile phone services, while answers were provided using the five-point Likert scale (1 – strongly disagree, 5 – strongly agree). The research was conducted on a simple, random sample of 167 observations. All collected data were stored in the SPSS database, while the analysis and processing of collected data was carried out by means of factor analysis, using the aforementioned statistical software.

RESULTS

Pursuant to the research results obtained, the previously set general and specific hypotheses have been confirmed. Namely, this paper entirely justifies the application of factor analysis due to the following reasons: all of its assumptions were measured on an interval scale, the number of observations in the research was seven times the number of variables (assumptions), the value of Kaiser-Meyer-Olkin index was 0.924 which exceeds the limit value of 0.5 and Bartlett's test indicated that there was a statistically significant correlation between the variables. Through justified use of factor analysis, it was possible to allocate a smaller number of common factors determining the quality of mobile phone services, which are: professionalism and responsibility factor, network aspect, empathy (understanding specific user needs) and physical aspect (tangible elements).

IMPLICATIONS AND CONTRIBUTIONS

Based on the research conducted and the standpoints of users regarding the quality of mobile phone services, mobile operators can significantly improve their business. Owners and managers can obtain useful information on which aspects of service quality are particularly appreciated by mobile phone service users and which items have the strongest impact on consumer satisfaction. On the other hand, this research may also help prospective mobile phone service users to make an informed decision more easily when selecting a specific mobile operator, as well as current users to review their current choices.

KEY RECOMMENDATIONS

Distinguished factors that determine the quality of mobile phone services may serve as the basis for carrying out regression analysis in order to establish whether there is a connection between service user loyalty and satisfaction and the above factors, and what is the exact form and direction of this connection. Also, future research could be based on repeated research at various time intervals due to continuous technological changes and innovative marketing practices, as well as increasing the number of observations in research to achieve a greater level of sample representativeness.

KEY WORDS

Service quality, mobile phone services, factor analysis

REFERENCES

Bojković, N., & Lj, P. (2010). "Ocena kvaliteta komunikacionih usluga primenom indeksa zadovoljstva korisnika ".

Chen, C. F., & Cheng, L. T. (2012). A study on mobile phone service loyalty in Taiwan. *Total Quality Management & Business Excellence*, *23*(7-8), 807-819.

Gašević, D., Vranješ, M., & Drinić, D. (2016). Identification of Key Determinants of Satisfaction of Users of Electronic Banking Services. *Economic Themes*, *54*(2), 301-321.

Khan, M. A. (2010). An empirical assessment of service quality of cellular mobile telephone operators in Pakistan. *Asian Social Science*, *6*(10), 164.

Kuo, Y. F., Wu, C. M., & Deng, W. J. (2009). The relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value-added services. *Computers in human behavior*, *25*(4), 887-896.

Lal Dey, B., Binsardi, B., Prendergast, R., & Saren, M. (2013). A qualitative enquiry into the appropriation of mobile telephony at the bottom of the pyramid. *International Marketing Review*, *30*(4), 297-322.

Negi, R. (2009). User's perceived service quality of mobile communications: experience from Ethiopia. *International Journal of Quality & Reliability Management*, *26*(7), 699-711.

Quach, T. N., Jebarajakirthy, C., & Thaichon, P. (2016). The effects of service quality on internet service provider customers' behaviour: A mixed methods study. *Asia Pacific Journal of Marketing and Logistics*, *28*(3), 435-463.

Santouridis, I., & Trivellas, P. (2010). Investigating the impact of service quality and customer satisfaction on customer loyalty in mobile telephony in Greece. *The TQM Journal*, *22*(3), 330-343.

PROFITABILITY OF TRADING COMPANIES IN THE REPUBLIC OF SERBIA

Sanja Vlaović Begović, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia
Mirela Momčilović, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

The main role of trading companies is to intermediate between produces and consumers. Profitability of trading companies is reflected in the fact how skillfully they meet consumers' needs by offering them goods that fit them by price and materially. In addition to trading, as well as all other companies, are not spared from the impact of macroeconomic factors, a major problem in their operation and survival is threatened liquidity. The inability to collect receivables in the agreed period entails delay in settlement of company's obligations that can lead to temporary or permanent suspension of operations.

OBJECTIVES

The aim of the paper is to examine the profitability of trading companies in the period from 2015 to 2017. Differences in profitability between large and medium-sized companies are observed, as well as between the motor vehicles, wholesale and retail trade. The paper examines the impact of liquidity on the profitability of trading companies.

HYPOTHESIS

Medium-sized trading companies have higher gross and net profit margins than large trading companies. Companies involved in the trade of motor vehicles have a higher average gross and net profit margin compared to trading wholesale and retail trading companies. Liquidity ratios affect the movement of the gross profit margin.

sanjavbegovic@gmail.com

METHODOLOGY

The trade sector is considered the most vital and the most rugged part of the economy, which served as a pretext for testing of profitability of these companies. The sample consisted of 41 trading companies of medium and large size. In paper are analyzed following profitability ratios: net profit margin, gross profit margin, return on equity, return on assets and return on invested capital for the period from 2015 to 2017. The following liquidity coefficients are calculated: current ratio, quick ratio and cash ratio. Examination of influence of liquidity on profitability was executed by implementation of correlation and regression analysis.

RESULTS

The research results showed that the gross and net profit margins in the observed years, on average are higher in the middle compared to large trading companies. Average rate of return on assets and average rate of return on invested capital were moving in accordance with the movement of the rate of return on equity, and had the highest values in 2015 and the lowest values in 2016. Middle-sized trading companies on average have the rate of return on assets in excess of about 2% of large trading companies, while their rate of return on invested capital is on average higher from 8% to 10% average values of net and gross profit margins are highest for companies involved in trade of motor vehicles, ant the lowest for retail companies.

IMPLICATIONS AND CONTRIBUTIONS

On the basis of conducted analysis of profitability of trading companies can be concluded that analyzed companies in observed years operated profitably. The best results were achieved in 2017, while in the 2016 most of analyzed companies achieved worse results. Average values of selected profitability ratios showed that medium trading companies operated more profitably compared to large trading companies. Analysis of the impact of liquidity on profitability indicates the importance of the links between liquidity coefficient and gross profit margin. Coefficient of current ratio explains 16.7%, coefficient of quick ratio 15.9%, and coefficient of cash ratio explains 18,2% of variability of gross profit margin.

KEY RECOMMENDATIONS

Since the results of the research showed that there is a difference between profitability of medium-sized and large trading companies, it is necessary with further analysis to determine the reasons for discrepancies and implement measured that will lead to improved profitability. Low gross and net profit margins indicate the need to achieve greater net and operating profit compared to operating income. Improving liquidity of trading companies will have a positive impact on profit margin, so this is the one of the factors that need to be improved.

KEY WORDS

Profitability, liquidity, trading companies, analysis

REFERENCES

Collier, M.P. (2003). *Accounting for Managers:Interpreting accounting information for decision-making*. Chichester, England: John Wiley & Sons Ltd.

Domazet, I., Filimonovi, D., & Pantić, O. (2014). Trgovina i pristup EU: primer Srbije. *Ekonomika preduzeća*, *62*(3-4), 217-227.

Fabozzi, F., & Peterson, P. (2003). *Financial Management and Analysis*. New Jersey: John Wiley & Sons, Inc.

Čavlin, M. (2015). Strateška analiza performansi preduzeća iz oblasti trgovine farmaceutskim proizvodima u Republici Srbiji primenom integrisanog sistema pokazatelja. *Megatrend revija*, *12*(1), 237-256.

Lovreta, S., Petković, G., & Pindžo, R. (2013). Prioriteti u politici razvoja trgovine i turizma. *Ekonomika preduzeća*, *61*(1-2), 129-147.

Lukić, R. (2010). Analiza profitabilnosti trgovine u Srbiji. *Škola biznisa*, 4, 15-23.

Lukić, R. (2014). Analiza profita po zaposlenom u trgovini Srbije. *Ekonomski vidici*, *19*(4), 449-464.

Lukić, R., & Molnar, D. (2016). Troškovi energije u maloprodaji. *Ekonomski vidici*, *21*(4), 289-305.

Pavlović, M., & Lazić, J. (2005). Uticaj makroekonomskog razvoja Srbije na rast i razvoj trgovinskih preduzeća u Srbiji. *Industrija*, 2, 103-119.

Vuković, A., Đoković, G., & Pavićević, A. (2015). Global trends in trade with reference to Republic of Serbia. *Ekonomika*, *61*(4), 155-166.

COMPETITION PROTECTION POLICY IN THE FUNCTION OF THE IMPROVEMENT OF THE REPUBLIC OF SERBIA MARKET EFFICIENCY

Marija Radulović, MSc
Faculty of Hotel Management and Tourism, University of Kragujevac, Vrnjačka Banja, Republic of Serbia

RESEARCH PROBLEM

One of the most important functions of the state is to create an environment in which all participants can successfully do business. Competition policy should address the strengthening and protection of competition that will enable the efficient market functioning of the market by stimulating innovation, productivity, and establishing appropriate market structures. Many market participants want to avoid competition to achieve a higher profit. Therefore, it is necessary to implement an antitrust policy to meet the economic progress of the Republic of Serbia.

OBJECTIVES

The paper aims to point out the importance of the fair application of the competition protection policy, as well as to the possible directions of improving the competition protection policy to create more efficient markets of the Republic of Serbia through the examination of the effects of antitrust policy and pillars of competitiveness.

HYPOTHESIS

The following hypothesis is tested:
Clearly defined competition policies increase the efficiency of the market by stimulating productivity and establishing appropriate market structures.

METHODOLOGY

The methodological framework includes an analytical method, deduction method, quantitative analysis, as well as comparative analysis used to analyze

marijaradulovicvb@gmail.com

and compare the indicators of market efficiency, antimonopoly policies and the competitiveness of the economy. The theoretical framework defines the fundamental concepts of research (competition protection policy, competitiveness, market efficiency, antitrust policy, etc.), as well as key indicators.

RESULTS

Competition protection policies and the law should be clearly defined and implemented to improve the competitiveness of the economy and increase the efficiency of the Serbian market. Although in the past period, there has been a lot of improvement of the competition policy, according to the indicators of the World Economic Forum on the effectiveness of antitrust policy, the Republic of Serbia continues to be ranked among the worst-ranked countries, which further affects the business of companies and attraction of investors.

IMPLICATIONS AND CONTRIBUTIONS

The competition policy and its contribution to improving the efficiency of the Serbian market are still insufficiently investigated, primarily due to the inadequately established institutional framework and mechanisms of the market economy. The paper through the analysis of the current situation gives suggestions and guidelines for further improvement of the protection of competition, as well as the competitiveness and efficiency of the Serbian economy.

KEY RECOMMENDATIONS

Since competitive markets are more efficient than monopolized markets, competition policy plays a significant role in creating an efficient market economy in the Republic of Serbia. It is, therefore, necessary to build a business environment which stimulates and protect competition.

KEYWORDS

Competition, market efficiency, Republic of Serbia, competition policy

REFERENCES

Amato, H., L. & Wilder, P., R. (2004). Global competition and global markets: some empirical results. *International Business Review, 13*(1), 411-424.

Dobre, C. (2009). Measuring Market Concentration According to European Competition Policy. *Constanta Maritime University's Annals, 18*(3), 265-270.

Competition Protection Law ("Sl. glasnik RS", br. 51/2009 i 95/2013).

Kostic, M. (2013). Comparative analysis of the competition policies of the USA, EU, and Serbia. In *The effects of the transition and the perspectives of the economy of the Republic of Serbia* (197-215).

Lipczynski, J., Wilson J. & Goddard J., (2009). *Industrial Organisation – competition, strategy, policy*. UK: Prentice Hall.

Maksimovic, Lj. & Kostic, M. (2012). Limitations in the application of concentration indicators – example of insurance market in Serbia, Croatia, Slovenia, Romania and Austria. *Scientific Discussion and Topic Reviews*, 199-206.

Mihajlović, M., Imamović, N. & Dragović, N. (n.d.). *Role and importance of antimonopoly policy in contemporary business conditions*. Retrieved from www.cefi.edu.rs/wp-content/uploads/2017/11/ULOGA-I-ZNAČAJ-ANTIMONOPOLSKE-POLITIKE-U.pdf

Porter, M. E. (1990). *The Competitive Advantage of Nations*. New York: Palgrave Macmillan Press Ltd.

Waldman, E., D. & Jensen, E., (2001). *Industrial Organization - theory and practice*. New York: Addison Wesley Longman

World Economic Forum. Global Competitiveness Report 2016-2017. Retrieved from www3.weforum.org/docs/GCR2016-2017/05FullReport/TheGlobalCompetitivenessReport2016-2017_FINAL.pdf

THE INFLUENCE OF INTERNATIONAL DISTRIBUTION FACTORS ON EXPORT PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES

BojanVapa, PhD
Vojvodinaput-Bačkaput, Novi Sad, Republic of Serbia
JelenaVapaTankosić, PhD
University Business Academy, Faculty of Economics and Engineering Management, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

International market structure, determined by law of supply and demand, shapes the behavior of sellers and consumers. For small and medium enterprises (SMEs) it is essential to understand the different segments of the international environment to successfully conduct international business. The long-term stability of international distribution channels is of great importance for entering the foreign markets, while the factors and strategy of international distributionrepresent the crucial factors of successfulexport performance.

OBJECTIVES

The purpose of the paper is to determine the factors of international distribution in relation to the export performance of small and medium enterprises in the Republic of Serbia.The research paper analyzes the effect of international distributionfactors on a company's export performance including the volume of sales in the foreign market, the share in the foreign market and the profitability of exports.

HYPOTHESIS

The hypothesis of this paper is as follows: The international distribution factors which have been identified for the purpose of this research paper, such as the ability of fast and continuous delivery, an adequately established distribution network, the ability to respond rapidly to market orders and effective

JVapa@libero.it

management of international distributors and agents have a significant influenceon the SMEs volume of sales in the foreign market, the share in the foreign market and the profitability of exports.

METHODOLOGY

The preliminary research was carried out in 50 companies engaged in the export of various types of products on the territory of the Republic of Serbia. In order to increase the representativeness of the sampleand the quality of the research, the survey covered companies from the production and export of alcoholic beverages, agricultural productions, cables and boilers, electrical appliances, furniture, clothing and telecommunication equipment. In accordance with the previously defined hypothesis, as well as in accordance with the subject and objectives of the research, the appropriate theoretical and methodological framework was set up. SPSS 17.0 (Chicago, IL) was used to analyze the data from this study.Regression analysis shall be used to determine the relationship between a response variable and one or more predictor variables (i.e. factors of international distribution and company's export performance).

RESULTS

The majority of SMEs consider that they have the ability to respond rapidly to market orders, while they considerthemselves capable of fast and continuous deliveryto a lesser degree. A much lower percentage of SMEs believe they havean adequate distribution network and effective management of international distributors and agents. The regression analysishas determined that an adequately established distribution networkhas a causal relationshipwith the volume of foreign sales andthe share in the foreign market, while other distribution factors have not demonstrated good predictive values.

IMPLICATIONS AND CONTRIBUTIONS

Relationships with international distributors and agents and an adequate distribution network in international markets represent the SMEs export strategic assets. The results indicate that SMEs from the Republic of Serbia have an underdeveloped relationship with international distributors and agentsand thatthe management of international distributors and agents should be improved. Further research needs to be oriented towards a deeper understanding of strategic models of international distribution.

KEY RECOMMENDATIONS

The research showsthat a large number of SMEs in Serbiaconsider themselves to beable to react quickly to international orders,while to a lesser degree to provide fast and continuous delivery. The speed of response to international sales orders is influenced by the choice of the distribution channel. SMEs need to further improve their presence on international markets and strategically manage their international distribution network in order to improve, in the long term,the volume of sales, the share and the profitability on international markets.

KEY WORDS

International distribution, distribution network, export performance, SMEs, Serbia

REFERENCES

Arnold, D. (2000). Seven rules of international distribution. *Harvard Business Review*, *78*(6), 13–137.

Grubor, A. (2005). Informacije međunarodnih marketing istraživanja u funkciji kanala distribucije. *Anali Ekonomskog fakulteta u Subotici*, 14, 133–144.

Grubor, A. (2008). *Marketing istraživanja: integralni deo međunarodnog marketing programa*. Subotica: Ekonomski fakultet, Univerzitet u Novom Sadu.

Kotler, P. (1988). *Upravljanje marketingom 1: analiza, planiranje i kontrola*. Zagreb, Republika Hrvatska: Informator.

Kotler, P. (2000). *Marketing management:The Millennium Edition*. Upper Saddle River: Prentice-Hall.

Lages, C., Lages, C. R., & Lages, L. F. (2005). The RELQUAL scale: a measaure of relationship in export market ventures. *Journal of Business Research*, *58*(8), 1040–1048.

Lancaster, G., & Massingham, L. (1997). *Menadžment u marketingu*. Beograd, Republika Srbija: Grmeč.

Menkinoski, G., Risteska, A., & Ilieska, K. (2000). Distribucija kao instrument međunarodnog marketing programa. *Strategijski menadžment*, *4*(4), 10–12.

Mitić, S. (2014). *Upravljanje izvozom: nematerijalni i marketinški aspekti konkurentnosti*. Beograd, Republika Srbija: Ekonomski fakultet, Centar za izdavačku delatnost.

Nijssen, J. E., Douglas, P. S., & Calis, G. (1999). Gathering and using information for the selection of trading partners. *European Journal of Marketing*, *33*(1–2), 143–162.

Skarmeas, D., Katsikeas, S. C., Spyropoulou, S., & Salehi-Sangari, E. (2008). Market and supplier characteristics driving distributor relationship quality in international marketing channels of industrial products. *Industrial Marketing Management*, *37*(1), 23–36.

Styles, C., & Ambler, T. (2000). The impact of relationship variables on export performance: An empirical investigation in Australia and the UK. *Australian Journal of Management*, *25*(3), 261–281.

Rakita, B., & Mitić, S. (2012). Networking and clustering as contemporary strategies of business internationalization. U: S. Lovreta, M. Petković & J. Janićijević (ur.), *From Global Crisis to Economic Growth. Which Way to Take? Vol. 2, Business and Management* (47–78). Belgrade, Republic of Serbia: Faculty of Economics.

Rakić, B. (2004). *Međunarodni marketing*. Beograd, Republika Srbija: Megatrend univerzitet primenjenih nauka.

Vapa – Tankosić, J., Ignjatijević, S., & Gardašević, J. (2015). Analysis of export performance factors of enterprises from the Republic of Serbia in the process of European integration. *Teme*, *39*(4), 1257-1276.

Vapa-Tankosić J., & Vapa B. (2017). The effect of product development and innovation on SMEs export performance. In *Innovation, ICT and Education for the next generation* (154-171). Novi Sad, Republic of Serbia: Faculty of Economics and Engineering Management.

Vezjak, D. (1991). *Međunarodni marketing*. Beograd, Republika Srbija: Savremena administracija.

THE DETERMINANTS OF FOREIGN DIRECT INVESTMENTS: A PANEL DATA STUDY FOR THE EMERGING AND DEVELOPING EUROPEAN COUNTRIES

Biljana Stankov, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Milijana Roganović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

The research problem is related to the identification of the individual pillars of the competitiveness of the national economy as the main determinants of FDI inflows in emerging and developing European countries. Judging by the current events on the world economic scene, the authors will try to answer a question that is often posed to the creators of the economic policies of emerging and developing countries: What can the State do to encourage FDI inflows and attract new foreign investors?

OBJECTIVES

The aim of the research is to prove whether basic requirements, acting as the pillars of competitiveness of the national economy, determine the FDI inflows in emerging and developing European countries and at the same time influence foreign investors' decisions on the choice of an investment location. The basic requirements are particularly important elements of the economic environment in the analyzed countries, primarily because they point to the existence of macroeconomic stability, the level of infrastructure and institutional development and the primary healthcare and education.

HYPOTHESIS

The aim of this research is primarily to verify the validity of general and specific research hypotheses whose verification of truthfulness will be carried out using the methodology in the field of analysis of regression panels. General research hypothesis:

bilja.l.stankov@gmail.com

H_0: The basic requirements, as pillars of competitiveness and elements of the complex concept of national competitiveness, influence the FDI inflows and determine the quality of the investment environment in the emerging and developing European countries.

H_1: No basic requirement, as a pillar of competitiveness and an element of the complex concept of national competitiveness, does not affect FDI inflows and does not determine the quality of the investment environment in emerging and developing countries in Europe.

Four specific research hypotheses have been derived from the general research hypothesis.

METHODOLOGY

During the collection of research data, the authors have used desk method and two secondary sources of data: The Global Competitiveness Report - GCR and The World Investment Report - WIR. For the purposes of research sample the authors have selected 11 emerging and developing European countries, according to the IMF classification: Albania, Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Hungary, Macedonia FYR, Poland, Romania, Serbia and Turkey. The correlation analysis has determined the way, coefficient and statistical significance of impact of the basic requirements (Institutions, Infrastructure, Macroeconomic Environment, Health and primary education) as independent variables, on FDI inflows in US$, as a dependent variable. In selecting dependent variable authors rely on the WEF methodology, while the UNCTAD methodology is respected when selecting independent variables.The general and special research hypothesis testing was performed by the panel regression analysis and the analysis of the panel series has been performed in "STATA" statistical software.

RESULTS

Obtained results have confirmed the general research hypothesis and therefore it can be concluded that certain pillars of competitiveness determine the FDI inflows and influence the quality of the investment environment in the emerging and developing European countries. The results of the panel regression analysis indicate that basic requirements have a statistically significant impact on FDI inflows in the research countries in the period from 2007 to 2017.

IMPLICATIONS AND CONTRIBUTIONS

The results have significant practical implications for analyzed countries policy makers, with an aim of fostering FDI inflows. Agencies or institutions directly involved in the promotion of foreign investment can also rely on the results of this research study to identify the strengths and weaknesses of the investment environment and present their country as an attractive investment destination. The results can be of great benefit to foreign investors when choosing their investment location.

KEY RECOMMENDATIONS

The results of scientific research point out to original findings, while confirming some of the conclusions of previous empirical studies. The uniqueness of this empirical study is primarily reflected in the original selection of the research sample (Emerging and Developing Europe), as well as in the selection of independent variables (Pillars of Competitiveness).

KEY WORDS

Basic requirements, pillars of competitiveness, foreign direct investments, FDI determinants, panel data analysis, regression models

REFERENCES

Agiomirgianakis, G., M., Asteriou, D., & Papathoma, K. (2003). *The determinants of foreign direct investment: a panel data study for the OECD countries* (Report No. 03/06). London, UK: Department of Economics, City University London.

Bevan, A., & Estrin, S. (2004). The determinants of foreign direct investment into European transition economies. *Journal of Comparative Economics*, *32*(4), 775-787.

Campos, N., F., & Kinoshita, Y. (2002). Foreign direct investment as technology transferred: Some panel evidence from the transition economies. *The Manchester School*, *70*(3), 398-419.

Carstensen, K., & Toubal, F. (2004). Foreign direct investment in Central and Eastern European countries: a dynamic panel analysis. *Journal of Comparative Economics*, *32*(1), 3-22.

Dhakal, D., Mixon Jr, F., & Upadhyaya, K. (2007). Foreign direct investment and transition economies: empirical evidence from a panel data estimator. *Economics Bulletin*, *6*(33), 1-9.

Dunning, J., H. (2002). Determinants of foreign direct investment: globalization induced changes and the role of policies. In *Annual World Bank Conference on Development Economics Europe "Toward Pro-Poor Policies: Aid, Institutions and Globalization* (279-290). World Bank.

Frenkel, M., Funke, K., & Stadtmann, G. (2004). A panel analysis of bilateral FDI flows to emerging economies. *Economic Systems*, *28*(3), 281-300.

Holland, D., & Pain, N. (1998). The determinants and impact of foreign direct investment in the transition economies: a panel data analysis. In *Convergence or Divergence: Aspirations and Reality in Central and Eastern Europe and Russia* (Proceedings from 4th Annual conference). Centre for Research into East European Business, University of Buckingham.

Khachoo, A., Q., & Khan, M., I. (2012). *Determinants of FDI inflows to developing countries: a panel data analysis*. MPRA - Munich Personal RePEc Archive.

Popovici, O., C., & Călin, A., C. (2012). Competitiveness as Determinant of Foreign Direct Investments in Central and Eastern European Countries. *Revista Economica*, 1/2012, 658-666.

Ranjan, V. & Agrawal, G. (2011). FDI Inflow Determinants in BRIC Countries: A Panel Data Analysis. *International Business Research*, *4*(4), 255.

Sakali, C. (2013). Determinants of Foreign Direct Investment (FDI) in Bulgaria: An econometric analysis using panel data. *Journal of Economics and Business*, *16*(1), 73-97.

Sichei, M., M., & Kinyondo, G. (2012). Determinants of foreign direct investment in Africa: A panel data Analysis. *Global Journal of Management and Business Research*, *12*(18).

Soumia, Z., & Abderrezzak, B. (2013). The determinants of foreign direct investment and their impact on growth: Panel data analysis for AMU countries. *International Journal of Innovation and Applied Studies*, *2*(3), 300-313.

Vijayakumar, N., Sridharan, P., & Sekhara Rao, K., C. (2010). Determinants of FDI in BRICS Countries: A panel analysis. *International Journal of Business Science & Applied Management*, *5(3).*

METHODOLOGICAL PROBLEMS IN THE RESEARCH OF THE ECONOMIC DEVELOPMENT OF MONOTOWNS IN SERBIA

Đorđe Ćuzović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Zdravko Šolak, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Monotown (моногород in Russian) is term in economics for a place or city in which a significant part of the economic activity takes place in one company. The phenomenon of the monotown is linked to the functioning of the economic system. Monotowns in Russia remained as the heritage of the earlier system that rested on the central-planning economy. When it comes to Serbia and the earlier period of self-governing economy, it is possible to investigate the existence of monotowns in the time that precedes the period of social transformation.

OBJECTIVES

One of the first steps in the research of monotowns is the selection of criteria on the basis of which it is possible to single out monotowns from the set of cities and towns in one country. When researching monotowns in Serbia, it is necessary to consider, first of all, various approaches to defining monotowns and to examine the suitability of their use in local conditions. As the next research task it is necessary to consider the state of the information basis about the activities of the company and the possibility of its use in recognizing monotowns.

HYPOTHESIS

Based on the available information base on the activities of the companies in the pre-transition period, it is possible to examine the characteristics of economic activity in companies at the city level and to compose a broad list of cities in which further research could identify monotowns in Serbia in the period preceding the period of social transformation.

cuzovic@gmail.com

METHODOLOGY

A number of studies in scientific journals and in conference proceedings deal with the problems of methodological issues when defining criteria to single out monotowns in a national economy. From such sources, the definitions of monotowns and the criteria on which they are recognized were separated. Then the possibility of applying certain criteria in the identification of monotowns in Serbia was examined, bearing in mind the period preceding the social transformation after the eighties. The data used in the paper were taken from the publication Municipalities in the Republic of Serbia in 1991 (Statistical Office of the Republic of Serbia). Data on the total number of active population and the number of employees by industries were used, whose comparison and use of the selected criteria resulted in the initial list of monotowns in Serbia.

RESULTS

The literature lists various criteria for defining monotowns. One of the criteria is that in the city there are one or more companies that perform their activities within a unique production and technological process, where more than 25% of the economically active population is employed. There is also the exclusion criterion: the places with less than 3000 inhabitants are excluded. One of the early broad lists according to the 1989 data includes 62 cities, and the position of each city would be further examined until the final list was drawn up.

IMPLICATIONS AND CONTRIBUTIONS

In the monotowns, various economic and social problems can arise in the periods of stagnation and crisis. The research of monotowns in Serbia, given the time that has passed, has also a historical significance. This approach could be useful for understanding the developments in the social and economic system, especially in view of the long-term unfavorable demographic trends in Serbia. The study of monotowns is also important for the current processes that affect the structure of the economic activity of individual cities and the events in the labor market.

KEY RECOMMENDATIONS

The theory of monotowns developed in recent years deserves to be examined. Experiences from other countries can be helpful when looking for solutions to one’s own economic problems. An approach that would observe the economic, social and demographic problems that have been manifested at the level of some cities and towns in Serbia in the last decades could be useful.

KEY WORDS

Monotowns, Serbia, company, population

REFERENCES

Government of the Russian Federation. (2014). *About the Criteria to Attribute Municipal Units to Monotowns and the Categories of Monotowns Depending on Deterioration Risks of their Socio-Economic Situation (29.07.2014 №709).* Moscow.

Kryukova, M. E., Razumovskiy, L. S., &Vetrova, A. E. (2013). Mono-Town in the System of Economic Notions of the Russian Federation. *World Applied Sciences Journal 27 (Education, Law, Economics, Language and Communication)*, 162–166. doi:10.5829/idosi.wasj.2013.27.elelc.34.

Nurzhan, A. (2015). Specifics of Labor Market of Monotowns in the Republic of Kazahstan.*Asian Social Science, 11*(19), 257–263, doi:10.5539/ass.v11n19p257.

Shastitko, A., & Fakhitova, A. (2015). Monotowns: a new take on the old problem. *Baltic Region No. 1*, 4–24. doi:10.5922/2079-8555-2015-1-1.

Statistical Office of Republic of Serbia. (1991). *Municipalities of Republic of Serbia Municipalities in Serbia 1989.* Belgrade.

Самборецкий, И. Ц., (2015). Монофункциональное поселение – изучение вопросов терминологии. *Вестник Челябинского государственого универзитета, Философия. Социология. Културология*, *26*(381), 104–108.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

QUALITY OF SERVICES IN THE FUNCTION OF CONSUMER SATISFACTION IN THE REPUBLIC OF SERBIA

Dragana Gašević, MSc
Novi Sad School of Business, Republic of Serbia
Dragana Tomašević, MSc
Novi Sad School of Business, Republic of Serbia

RESEARCH PROBLEM

The research problem is related to the problem of survival of companies in increasingly competitive and demanding markets. According to the data, only those companies which provide more and better in comparison to their competitors may count on positive evaluation by consumers and/or clients. In accordance with the above, the subject of this paper is examining the tourism market and the manner in which the quality of provided service determines the level of tourist satisfaction.

OBJECTIVES

The main objective of this paper is to emphasize the significance of service quality management in the field of tourism. The effects of this process influence the behavior of tourists and, consequently, the overall business and position of the company in the tourism market.

HYPOTHESIS

The underlying hypothesis is that a higher level of service quality implies a higher level of satisfaction and more favorable tourist behavior in subsequent transactions.

METHODOLOGY

Methods of description, comparison and content analysis were also applied during the preparation of this paper. As the SERVQUAL model is often used to

draganag.vps@gmail.com

measure service quality, this paper will outline the essential characteristics and application of this instrument in the field of tourism.)

RESULTS

By comparing the results of previous research regarding this topic, it may be concluded that quality service management is of strategic importance. Although certain elements within overall quality have various impacts in different researches, the final result remains equal. Higher quality service contributes to a greater degree of satisfaction. This confirms the underlying research hypothesis.)

IMPLICATIONS AND CONTRIBUTIONS

High quality service affects tourist satisfaction. Service beyond expectations leads to excitement, behavior that involves repeated purchase and recommendation to others. The contribution of this paper is reflected in theoretical representation of the importance of providing high quality services in the field of tourism.

KEY RECOMMENDATIONS

It is of utmost significance to identify the key factors of tourist satisfaction and focus the strategy on their improvement. It is also important to monitor the dissatisfaction factors and to strive towards eliminating them, or reducing their impact to the least. This should also include tracking of changes in the environment and applying the adaptation strategy.

KEY WORDS

Quality of services, tourism, tourists, satisfaction

REFERENCES

Backman, S.J., & Veldkamp, C. (1995). Examination of the relationship between service quality and user loyalty. *Journal of Park and Recreation Administration*, *13*(2), 24–41.

Gašević, D., Vranješ, M., & Drinić, D. (2016). Identification Of Key Determinants Of Satisfaction Of Users Of Electronic Banking Services, *Ekonomske teme, 54* (2), 301-321.

Istraživanje kvaliteta i nivoa zadovoljstva turista turističkom ponudom u Vojvodini. (2017). Novi Sad, Republika Srbija: Turistička organizacija Vojvodine.

Mushtaq, A.B. (2012). Tourism Service Quality: A Dimension-specific Assessment of SERVQUAL. *Global Business Review, 13*(2), 327–337.

Ostrowski, P.L., O'Brien, T.V., & Gordon, G.L. (1993). Service quality and customer loyalty in the commercial airline industry. *Journal of Marketing*, *22*(2), 16–24.

Păun, R.M. (2014). Customer Satisfaction In Tourism How To Measure It?. *Cactus Tourism Journal, 10* (2), 30-35.

THE IMPACT OF PROMOTION THROUGH FACEBOOK ON MAKING A CONSUMERS DECISION IN THE REPUBLIC OF SERBIA

Marija Vranješ, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia
Dragoljub Jovičić, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

In a modern business environment, one of the basic problems or challenges is achieving competitiveness. Marketing concept, business orientation to the customer, positioning in consumer awareness, branding, innovating and other things contribute to improving competitiveness. Promotion through social networks could consolidate all the things mentioned above. The subject of this paper was also selected - an analysis of the impact of promotion through Facebook on decision-making about buying.

OBJECTIVES

Analyzing characteristics of promotions through social network Facebook; Highlights of the main guidelines for promotional activities on this social network; The significance of the results was pointed out (making a purchase decision) as the basic criterion for the success of the promotion through the Facebook social network; Analyzing the impact of demographic indicators and the characteristics of using this social network to make a purchase decision.

HYPOTHESIS

Promotion via Facebook has a positive impact on making a purchase decision.

Demographic factors (gender, age, career development) have an impact on making a purchase decision made under the influence of promotion through the Facebook social network.

The characteristics of using the Facebook social network (access method, usage length, a frequency of updates, time) have an impact on making a purchase

vranjesmarija.vps@gmail.com

decision made under the influence of promotion through the Facebook social network.

METHODOLOGY

In order to examine the impact of promotion through the Facebook social network on a purchase decision-making, an empirical research was conducted using the survey method in the period of 13th August 2018 to 19th August 2018 on a sample of 184 participants. The questionnaire covered 3 groups of questions. The first group concerned demographic data. The other group dealt with the features of Facebook by the surveyed users. The third group of questions included 4 claims related to a purchase making decision. The participants showed the degree of agreement with the stated conclusions on the five-fold Likert scale. The basis for the design of the questionnaire was the research conducted by Duffett, R.G. (2015). The assumptions made have been adapted for the purpose of conducting a specific study. For the analysis of the collected data, the statistical package SPSS and descriptive statistical analysis were used, analysis of the value of the coefficient of Cronbach's alpha, correlation and multiple regression analysis were implemented.

RESULTS

The results of the survey indicate that the respondents are partially inclined to make a decision about the purchase made under the influence of promotion on the Facebook social network. In addition, it has been established that there is statistically significant but poor correlation between the variables: the degree of professional development and the decision to purchase. Finally, only 8.2% of the variability in making a purchase decision is described through independent variables, while the statistically significant impact on making a purchase decision has only a degree of professional qualification.

IMPLICATIONS AND CONTRIBUTIONS

The results of the survey allow the management to see users of the Facebook social network as potential customers and the effect that promotion through this network has to make a purchase decision. In this way, the problem has been identified, which further enables the adaptation and improvement of promotional strategies. According to the practical research, it also contributes to the existing literature since the works mainly deal with the analysis of promotion through the Facebook social network, from a theoretical point of view.

KEY RECOMMENDATIONS

In future research, it would be useful to include some new findings in the analysis in order to obtain a more comprehensive analysis. In addition, it is necessary to analyse samples of the bad impact of promotion through Facebook social networking on a purchase decision-making. Furthermore, the impact of promotion through this network on customer loyalty could also be examined. Finally, it would be desirable that the sample includes a larger number of respondents.

KEY WORDS

Promotion, Facebook, purchase decision- making, competitiveness

REFERENCES

Bharati, P., Zhang, C. & Chaudhury, A. (2014). Social media assimilation in firms: investigating the roles of absorptive capacity and institutional pressures. *Information Systems Frontiers, 16*(2), 257-272.

Chiu, C.M. Wang, T.G.E., Fang Yu-Hui & Huang, H-Yi. (2014). Understanding consumers‘ repeat purchase intentions in B2C e-commerce: the roles of utilitarian value, hedonic value and perceived risk. *Information Systems Journal, 24*(1), 85-114.

Duffett, R.G. (2015). Facebook advertising's influence on intention-to-purchase and purchase amongst Millennials. *Internet Research, 25*(4), 498-526.

Field, A. (2009). *Discovering Statistics using SPSS*. London: Sage.

Gavurova B., Bacik R., Fedorko R., & Nastisin, L. (2018).The customer's brand experience in the light of selected performance indicators in the social media environment. *Journal of Competitiveness, 10*(2), 72-84.

Gingerich, M. (2016). 10 Rules for Effective Facebook Marketing. Available at: https://maximizesocialbusiness.com

Haigh, M.M., Brubaker, P. & Whiteside, E. (2013). Facebook: examining the information presented and its impact on stakeholders. *Corporate Communications: An International Journal, 18*(1), 52-69.

Hair, J.F., Bush, R.P., & Ortinau, D.J. (2009). *Marketing Research*. New York, NY: McGraw Hill/Irwin.

Kodjamanis, A., & Angelopoulos, S. (2013). Consumer perception and attitude towards advertising on social networking sites: the case of Facebook. In

Proceedings of International Conference on Communication, Media, Technology and Design (53-58). Famagusta.

Maglov, M. (2017). Istine i zablude o društvenim mrežama. *Magazin Controlling*, 12, 126-129.

Maree, K. (2007). *First Steps in Research*. Pretoria: Van Schaik.

Kostić, M. Kako postati inovativna organizacija? *Emagazin*, 35.

Rohm, A., Kaltcheva, V.D. & Milne, G.R. (2013). A mixed-method approach to examining brand-consumer interactions driven by social media. *Journal of Research in Interactive Marketing, 7*(4), 295-311.

Republički zavod za statistiku. (2017). *Upotreba informaciono-komunikacionih tehnologija u Republici Srbiji.*

Yang, T. (2012). The decision behaviour of Facebook users. *Journal of Computer Information Systems, 52*(3), 50-59.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

THE BOARD OF DIRECTORS AND COMPETITIVE ADVANTAGE

Gordana Ljubojević,PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
JovanaTomić, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

The paper discusses the question of the role of the Board of Directors and supervisory board, hereinafter: the boards, in strengthening the competitive advantage of companies. In addition to the previously established features of the board as the "value creator", they should have additional properties such as possessing communicative skills and the ability to achieve the maximum effect from the interaction of their members. Their participation in formulating the strategy of the company can also be seen in the function of strengthening the competitive advantage of companies.

OBJECTIVES

The aim of the paper is to determine whether and how it is possible for the Board of Directors in the one-tiered model or the Supervisory Board in the two-tiered model of corporate governance to be the source of the competitive advantage for the company with the emphasis on the following: responsibility for establishing a strategy of the company that takes care of the must-have strategic dimensions of the boards and the knowledge and skills of certain board members who, with all their capacities and along with open relationship with each other, could contribute using the synergy effect.

HYPOTHESIS

According to the defined object and the aim of the paper, two research hypotheses are proposed:
H_1: The boards consider that the proposed dimensions of strategic decision-making contribute equally to the achievement of the company's annual goals.

ljubojevic.vps@gmail.com

H_2: The boards use the knowledge, skills and experience of the director to build, strengthen and balance their immediate and open relationships, based on the free expression of opinions on key issues in the responsible decision-making process as the necessary condition for the success in the competitive relationship with other companies.

METHODOLOGY

In addition to the study of reference literature in the theoretical part of the paper, for the purpose of checking the hypotheses, there was the empirical research using a specially designed questionnaire, which was completed in June 2018 by the members of the board of directors, or members of the supervisory boards. The questionnaire was created in electronic form using the Google Forms option, which is an integral part of Google Drive and serves to create an online questionnaire.

The questionnaire consists of 15 questions aimed at examining the attitudes of the participants about the responsibility of theboards in Serbia using a five-level Likert scale. The participants expressed their views on each statement by circling one out of the five options.

Statistical software programmes for humanities was used for statistical processing of the collected data - *Statistical Package for Social Sciences* - *SPSS*, Version 21.0 (IBM, Armonk, NY) and*Microsoft Office Excel* 2007 (Microsoft Corporation, Redmond, WA, USA).

RESULTS

According to the processed and analysed results of 42 participants, both hypotheses were partially confirmed. All observed strategic dimensions affect the achievement of the annual goals of the company, but not all the dimensions contribute equally to the achievement of objectives, as evidenced by the average estimates. Likewise, in the second hypothesis, the majority of participants agree with the above statements, but there are also those who disagree or have remained neutral.

IMPLICATIONS AND CONTRIBUTIONS

This research is among the initial studies on this topic. The results of the research show that participants highly value the importance of strategic dimensions of companies. By comparing these results with similar results in other countries, it can be concluded that the development of corporate governance in Serbia, and in particular regarding the accountability of board members, leads to the direction of strengthening the competitive ability of companies, similar to those in developed economies.

KEY RECOMMENDATIONS

The results of this research may be useful to the boards in companies in Serbia to raise their effectiveness to a higher level and thereby contribute to the competitiveness of companies. The research has limitations in terms of the size of the sample and the inability to compare the results of the research with similar research in Serbia. Nevertheless, the results can be of great importance to the boards in Serbian companies in terms of respecting the key dimensions of strategic management and their practical application.

KEY WORDS

Board of Directors, Supervisory Board, efficiency, corporate governance, competitiveness

REFERENCES

Chitimus, E. (2014). *The Boards of Directors as Competitive Advantage, Economy and Management*. Romania: University Petru Maior.

Falls, N. (2015).*Create Competitive Advantage by Giving Your Board members Clear Responsibilities*. Retrieved from: https://chiefexecutive.net/create-competitive-advantage.by-giving-your-board-members-clear-responsibilites/

Ferguson, S. (2014). The Board of Directors as a CompetitiveAdvantage – Strategic Assessment and Development. *Endeavor Management*, 1-27.

Hilb, M. (2013). *Integriterte Corporate Governance* (Ein neues Kozept zur wirksamenFurung und Aufsicht von Unternehmen). Wiesbaden: Springer Gabler.

Hove-Sibanda, P, Sibanda, K., & Poee, D.(2017). The Impact of Corporate Governance on Firm Competitiveness and Performance of Small and Medium Enterprises in South Africa: A Case of Small and Medium Enterprises in Vanderbijlpark. *Acta Comercii-Independent Research Journal in the Management Scinces*.

Kay, J. A.. (1993). Structure of strategy. *Business Strategy Review*, *4*(2), 17-37.

Law on Business Companies in the Republic of Serbia. (2011).The Official Gazette of the Republic of Serbia, 36.

Ljubojević, Č., & Ljubojević, G. (2010). Konkurentska prednost i socijalna odgovornost kompanija. *Škola biznisa*, 1, 63-72.

Ljubojević, Č., Ljubojević, G., & Maksimović, N. (2013). Corporate governance and Competitive Capability in Serbian Companies. In *Industry, Science and Policy Makers for Sustainable Future* (101-112). Koper, Slovenia: University of Primorska, Faculty of Management.

Smeldon, E. (2011). *Director's Liability and Indemnification*. London:Global Business Publishing.

Tipurić. D. (2007).*Nadzorni odbori korporativno upravljanje* [*Supervisory Board and Corporate Governance*]. Zagreb:Sinergija nakledništvo d.o.o.

Vasiljević, M. (2007). *Corporate governance – legal aspects*. Belgrade: Faculty of Law.

Wright, P., Dunford, B., & Snell, S. (2001). Human resources based view of the firm. *Journal of Management*, 27, 701-721.

Part III.

ECONOMIC POLICY, FINANCE AND INVESTMENTS

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

APPLYING ECO-SECURITIZATION TO THE FINANCIAL SYSTEM OF SERBIA

Dragana Bolesnikov, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia
Vera Mirović, PhD
Faculty of Economics in Subotica, University of Novi Sad, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Securitization in contemporary activities in the capital market is a process in which financial assets are converted into marketable securities. Green bonds are innovative financial instruments where the proceeds are invested exclusively in green projects that generate climate or other environmental benefits, for example in renewable energy, sustainable waste management, sustainable land use forestry and agriculture. With this work we want show the possibilities of applying this type of securitization in the financial system of our land.

OBJECTIVES

The financial sector of Serbia can be characterized as bank-centric. The largest number of banks relies on domestic sources of financing. Application of securitization, and within its framework eco-securitization, is aimed at additional financing and increasing liquidity.

HYPOTHESIS

The basic hypothesis of work is that the application of eco-securitization has positive effects on the financial performance of banks.

METHODOLOGY

The basic determinants of the method in study are their relationship and conditionality. The following methods will be used: inductive, comparative and descriptive.

dbolesnikov@gmail.com

RESULTS

Bearing in mind that the role of securitization is the diversification of credit risk as well as the mechanism of additional financing, we see a positive impact on the financial performance of banks.

IMPLICATIONS AND CONTRIBUTIONS

The application of eco securitization contributes to:

- Development of the capital market,
- Positive effects on sustainable development in accordance with the national sustainable development strategy,
- Increasing the liquidity of the banking sector and
- Implementation of Basel III.

KEY RECOMMENDATIONS

In the Republic of Serbia, the application of eco-securitization is desirable for infrastructure projects, projects in renewable energy sources as well as forestry and water management.

KEY WORDS

Eco-securitization, Green bonds, Capital market, Credit risk, Basel III standards

REFERENCES

Bessis, J. (2015). *Risk Management in Banking.* USA: John Wiley & Sons.

Erić, D. (2003). *Finansijska tržišta i instrumenti*. Beograd, Republika Srbija: Čigoja.

Juhas, G. (2011). *Sekjuritizacija - najveća finansijka inovacija 20.veka.* Beograd, Republika Srbija: Zadužbina Andrejević.

Miški, F. (2010). Ekonomija novca, bankarstvo i finansijska tržišta. Zagreb, Republika Hrvatska: Mate.

Mirović, V., & Bolesnikov, D. (2013). Application of Asset Securization in Agriculture in Serbia. *Ekonomika poljoprivrede,* 3/2013, 551-564.

Nacionalna strategija održivog razvoja, www.srbija.gov.rs.

NBS/BAZEL III, www.nbs.rs

Odluka o upravljanju rizikom likvidnosti banke. *Službeni glasnik RS,* 103/2016.

Račić, Ž., & Barjaktarović, L. (2011). Mogućnost uvodjenja sekjuritizacije na finansijska tržišta u Republici Srbiji. *Singidunum revija, 8*(1), 39-51.

Subić, V. (2009). Hartije od vrednosti nastale procesom sekjuritizacije. *Finansije,* 1-6/2009, 183-197.

Zakon o tržištu kapitala. *Službeni glasnik RS,* 31/2011, 112/2015 & 108/2016.

IMPORTANCE OF BANKING SECTOR PERFORMANCES – THE CASE OF SERBIA

Miljana Matović, MSc
Faculty of Economics, University of Kragujevac, Kragujevac
Republic of Serbia

RESEARCH PROBLEM

In the financial sector of the Republic of Serbia, banks have a dominant position realizing their most important role for the sector of the economy and the population sector through mobilization and placement of free cash assets. In order to analyze and compare the financial performance of the banking sector, and to look at the possibilities for their improvement, it is necessary to start with the principles of liquidity, profitability, and solvency, which are of particular importance to these financial institutions.

OBJECTIVES

The subject of the research of the paper is related to the analysis of business results of the banking sector of Serbia through CAMELS indicators. The main objective of the research is to determine the impact of the selected liquidity, profitability and solvency indicators for the realized net operating results.

HYPOTHESIS

Bearing in mind the defined object and the aim of the research, the basic hypothesis from which it starts is the following:
H_1: The operating net result for the banking sector of the Republic of Serbia is under the greatest influence of the selected liquidity and solvency indicators.

METHODOLOGY

To explore the relationships between a single continuous variable (Y) and multiple independent variables (K, za Xi,=1,2,…..,K) multiple correlation-based regression is used. The model can be expressed as follows:

miljanakv@gmail.com

$$Yi=\alpha+\beta 1Xi,1+\beta 2Xi,2+\cdots+\beta iXi,j+\cdots+\beta kXi,k+\varepsilon i \quad \text{for } i=1,2,\ldots.n.$$

α and β – unknown parameters to be determined, and $\varepsilon i-$ stochastic variable.

The survey covers the period from 2009 to 2016 and quarterly data are collected, taking the net result before taxation as a continuous dependent variable, while the independent-dependent variables - liquidity indicator, the share of liquid assets in total assets, the amount of regulatory capital, the ratio of loans and deposits, ROA, on the basis of which the model can be presented in the following way:

Net result before taxations = $\alpha+\beta 1$ (liquidity indicator) + $\beta 2$ (share of liquid assets in total assets) + $\beta 3$(regulatory capital) + $\beta 4$(loans and deposits ratio) + $\beta 5$(ROA) $+\varepsilon i$

The zero (alternative) hypothesis assumes that no variables (at least one) included in the model give a statistically significant contribution.

H_0: $\beta 1=\beta 2=\beta 3=\beta 4=\beta 5=0$

H_1:$\exists\ \beta j \neq 0,=1,2,3,4,5.$

RESULTS

The results of multiple regression analysis indicate that there is a correlation between the net results of the banking sector and the independent variables. Based on the results, it can be concluded that the net result is mostly contributed by the ratio of loans and deposits and the ROA indicator, whereby the results showed a negative correlation between the indicators of the loan and deposit ratio and the net result achieved and the positive correlation between the ROA indicators and the net result of the banking sector of the Republic of Serbia.

IMPLICATIONS AND CONTRIBUTIONS

The justification of the research is reflected in the fact that through the analysis and systematization of the findings obtained by theoretical research and interpretation of the results obtained by empirical research, it allows for a more detailed introduction to the significance of measuring the financial performance of the banking sector, as well as the tendencies in the movement of the results of operations of the banking sector in the Republic of Serbia.

KEY RECOMMENDATIONS

Since the research in this paper is based exclusively on the Serbian financial sector, it is necessary to consider the financial sectors of other countries in future research in order to see if there are differences in the results of the analysis due to the specificity of the growth and development of different national economies. Starting from the fact that the research in this paper is based on an eight-year period, it would be good to check whether the results of the analysis are confirmed or there are certain deviations by extending the sample size.

KEYWORDS

Financial performances, liquidity, profitability, solvency, CAMELS

REFERENCES

Ahsan, M. (2016). Measuring Financial Performance Based on CAMEL: A Study on Selected Islamic Banks in Bangladesh. *Asian Business Consortium*, 47-56.

Bastan, M., Mazrae, M. B., & Ahmadvand, A. (2016). Dynamics of banking soundness based on CAMELS rating system. In *The 34th International Conference of the System Dynamics Society. Delft, Netherlands*.

Dželatović, M., Kolar, S., & Milošević M. (2011). Likvidnost poslovnih banaka u Srbiji. *Poslovna ekonomija*, 2.

Knežević, S. (2011). Upravljanje kapitalom banke – alokacija i merenje finansijskih performansi. *Finansije*, 1-6.

Mesnard, B., Margerit, A., Power, C., & Magnus, M. (2016). Non-performing loans in the Banking Union: stocktaking and challenges. *Briefing EU Commission*.

Mohiuddin, G. (2014). Use of CAMEL Model: A Study on Financial Performance of Selected Commercial Banks in Bangladesh. *Universal Journal of Accounting and Finance, 2*(5), 151-160.

Odluka o klasifikaciji bilansne aktive i vanbilansnih stavki. Službeni glasnik RS, 94/2011, 57/2012, 123/2012, 43/2013, 113/2013, 135/2014, 25/2015, 38/2015.

Odluka o upravljanju rizicima banke. Službeni glasnik RS, 45/2011, 94/2011, 119/2012, 123/2012, 23/2013 – dr. odluka , 43/2013, 92/2013, 33/2015, 61/2015.

Tesfai, A. (2015). Evaluating the Relationship between Liquidity, Capital Adequacy and Non-performing Loans on Financial performance. *Case Study of Habib bank AG Zurich,* 1-67.

Uniform Financial Institutions Rating System. (1997). *Statements of Policy*. USA: Federal Deposit Insurance Corporation (FDIC). Retrieved from https://www.fdic.gov/regulations/laws/rules/5000-900.html

USAID - Funded Economic Governance II Project. (2006). *Camels ratings*. Retrieved from http://pdf.usaid.gov/pdf_docs/Pnadq079.pdf

Vunjak, N., & Davidović M. (2012). Uticaj globalne finansijske krize na performanse bankarskog sektora Srbije. *Teme*, 3.

Wackira, G. D.(2010*). A relationship between financial performance and CAMEL rating of commercial banks in Kenya*, 1-47. Retrieved from http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.979.5078&rep=rep1&type=pdf

Zakon o bankama. Službeni glasnik RS, 107/2005, 91/2010,14/2015.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

THE INFLUENCE OF BANKING CREDITS ON DEVELOPMENT OF ECONOMIC ENTITIES IN SERBIA

Branka Paunović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Dragoslava Ivković
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Small entrepreneurs record worse business due to over-indebtedness, usually at high-interest rates. The main indicator of how badly these companies are in a bad situation is the fact that at 1 RSD of equity capital they have 6.64 RSD of borrowed capital. Although in the past four years, Serbia has significantly improved its investment climate, as well as its rating on the Doing Business list of the World Bank, interest rates are still relatively high. The most common problems occur in our companies with failed privatizations and in state-owned enterprises with poor management.

OBJECTIVES

The goal is to gain insight into the functioning of the economic system, but also to achieve a positive impact on the economy through approved bank loans. We look at the specific effects of approved loans on the economy, the growth or decrease of interest rates, all with the aim of overall economic growth.

HYPOTHESIS

The basic hypothesis from which we start in the research is that the bank's loans directly or indirectly influence the increase in GDP and the further development of economic entities, all structures from large to micro. We operate our basic hypothesis through the following individual hypotheses:
- Demand for loans is constantly present, regardless of still high-interest rates.
- Credit risk cannot be avoided, but it can be reduced to a reasonable extent.

brankabranka1711@gmail.com

METHODOLOGY

The method of research used in the paper is a deductive method. We start with banks, as financial institutions and the very roles, through the basic meaning of interest rates, but also the very purpose of the loan. And, in the end, all of above are presented in a tabular way through concrete examples. In the above examples, the method of analyzing the credit check and their characteristics is used in the largest banks operating in Serbia.

RESULTS

The results are reflected in the fact that we tried to meet the diverse needs of business entities, all of which accompany the unsettled economic situation in our country. We analyzed the importance and role of the paper for economic development, but also how economic growth affects the interest rates in our country, how many of the loans are for export, and how much imports. By analyzing corporate loans, we noticed that there is no credit risk for foreign companies and successful privatizations in Serbia (few business entities) and where it is managed and operated in state-owned enterprises.

IMPLICATIONS AND CONTRIBUTIONS

In addition, we will contribute to a better understanding of the financial situation and position of the banking sector in our country. The use, theoretical and research work in terms of meeting the practical needs of business entities

KEY RECOMMENDATIONS

Enterprises that are among the major exporters and importers, as well as the share in GDP, are also companies that are still state-owned. This needs to be emphasized, given that the IMF's request is to reduce the public sector in Serbia. Although some of these companies make profits, however, the state is helping by forgiving a part of the debt, which certainly has negative consequences on the financial system of our country. Solutions for sustainable economic growth, in the long run, should be created through changes in the economic system, in the light of structural reforms in the economic sector, which would reduce the costs and risks of doing business in Serbia.

KEY WORDS
Bank, company, approved loans

REFERENCES

Paunović, B. (2006). Financial markets as an infrastructural environment of the market economy. *Economic Annals*, 297-307.

Paunović, B. (2006). *Privatization, Shareholder and Development of Financial Markets.* Belgrade, Republic of Serbia: Contemporary Administration

Petrer, S.R., & Sylvia, C.H. (2005). *Banking Management and Financial Services.* Belgrade.

http://www.bancaintesa.rs

http://www.kombank.com

http://www.nbs.rs

http://www.apr.gov.rs

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

QUALITY OF OPERATIONS FOR THE PURPOSE OF COMPETITIVE ADVANTAGE OF THE BANK

Milica Raičević, MSc
Faculty of Business Studies "Montenegro Business School", Mediterranean University, Podgorica, Montenegro
Dijana Medenica-Mitrović, PhD
Faculty for Business Management, Bar, Montenegro

RESEARCH PROBLEM

Business on the principles of modern banking requires decisions about banking services to be made on the basis of customer preferences. Quality is becoming more standardized and the client is no longer willing to tolerate poor quality products and in that way it influences the creation of a bank account. By the paper we want to explore what clients expect from banking services and whether managers are aware of the fact that the quality business of the bank is the basis for achieving a competitive advantage.

OBJECTIVES

The aim of the paper is to show that the bank's competitive advantage is achieved through creativity and quality of operations. The goal is to emphasize that not only maximizing profits in the existing business conditions is the goal of the bank. Creating new conditions and constraints through improving the quality of operations is one of the key factors of competitive advantage.

HYPOTHESIS

H_0: Bank clients have a large number of alternatives regarding the supply of financial services, which affects the increase in their expectations and quality requirements.

H_1: Superior quality of banking services and business processes is the basis for achieving differentiation and competitive advantage of the bank

milica.raicevic@unimediteran.net

H_2: Good business requires the involvement of all employees in the process of creating changes in existing quality programs, while respecting the needs and wishes of clients.

METHODOLOGY

The paper provides a theoretical and practical overview of the quality of operations and the provision of banking services as a factor of comparative advantage of the bank. The theoretical part defines the concept of quality in the service sector / banking sector, and the influence that clients have in defining the banking offer.

The empirical part will analyze the satisfaction of users of banking services with quality in Montenegro, and what are the quality dimensions that are of particular importance for customer satisfaction. Based on the collected data, an analysis of the factual situation will be carried out, the conclusions will be drawn and recommendations made to improve the quality of the service, which will contribute to the greater satisfaction of clients, and therefore the competitive advantage of the bank on the financial market.

RESULTS

Quality is a key feature of the banking offer. Quality is the most important dimension and a definite way through which the customer perceives a successful bank. In the process of creating a quality banking offer, all employees, from managers to employees in the first service line, must be involved. Quality banking service has an effect that is transferred to its other activities, and together it contributes to achieving the competitive advantage of the bank in relation to other participants.

IMPLICATIONS AND CONTRIBUTIONS

The contribution of the paper is reflected in the analysis of the quality of banking operations and its impact on the competitive advantage of banks in the financial market. The contribution will be made through the analysis of the available data in terms of what are the advantages and disadvantages of the existing banking products and what should be done to increase the satisfaction of clients and competitive advantage of bank.

KEY RECOMMENDATIONS

When defining quality in the first place, consumers and their needs and requirements should be placed. The Bank must not rely solely on personal perception of what users' demand. For marketing managers, defining quality is a basic task, because the quality of customer service is linked to the quality of the bank itself. Recommendations will be provided, which can help decision makers in creating a strategy to improve or develop a new service

KEY WORDS

Quality of service, client, banking sector, marketing management, competitive adventage

REFERENCES

Babić-Hodović, V. (2012). *Marketing u bankarstvu*. Sarajevo: Ekonomski fakultet.

Barjaktarović, L., & Ječmenica, D. (2011). Primena koncepta šest sigma u bankarstvu. *Bankarstvo, 40(1-2)*, 30-45.

Berry, L.L., David, R.B., & Carter,W.B. (1999). *Service Quality-A Profit Strategy for Financial Institutions*. Homewood, Illinois: Dow Jones-Irwin.

Ennew, C.T., & Waite, N. (2007). *Financial services marketing: an international guide to principles and practice*. Oxford: Butterworth-Heinemann Elseier Ltd.

Groroos, C. (1992). *Strategic management and marketing in the service sector*. Cambridge, MA: Marketing science.

Hanić, H., & Domazet, I. (2012). Specifičnosti marketinga finansijskih organizacija, *Marketing, 43(1)*, 3-14.

Jovićević, R. & Žugić, J. (2018). *Marketing u savremenom bankarstvu*. Podgorica, Crna Gora: Univerzitet Mediteran.

Kotler, P. (2003). *Marketing management.* Prentice Hall.

Mihić, S., Dašić, D., &Šupić, D. (2015). Marketing approach to e-distribution of modern banking products. *Ekonomika, 61(2),* 69-82.

Radojević, P., & Marjanović, D. (2011). Quality of banking services: Perception, GAPs, Dimensions and Research Tehniques for Quality Promotion, original scientific paper. *Bankarstvo*, *7-8*, 34-59.

Severović, K., Žajdala, N., & Cvetković- Šoštarić, B.(2009). Konceptualni model kao alat za upravljanje kvalitetom bankarskih usluga. *Ekonomski vjesnik, 22*(1), 147-160.

Todosijević, R. (2009). *Strategijski mnadžment*. Niš, Republika Srbija: Ekonomski fakultet.

Veljković, S. (2009). *Marketing usluga*. Beograd, Republika Srbija: CID Ekonomskog fakulteta u Beogradu.

Zelenović, V. (2015). *Marketing u bankarstvu.* Subotica, Republika SRbija: Proleter.

SCIENTIFIC HERITAGE OF RUSSIAN ACCOUNTING PHILOSOPHER VASILIY BELOV: CARTOGRAPHY OF ACCOUNTING THEORY

Pavel Baranov, PhD
Novosibirsk State University for Economics and Management, Novosibirsk, Russian Federation
Alena Baranova
Tomsk State Pedagogical University, Tomsk, Russian Federation

RESEARCH PROBLEM

Problem of the research consists in uncertainty of a position of accounting theory in the system of scientific knowledge. Traditionally accounting theory is considered in the context of mathematics, microeconomics and law, but in an updating phase owing to threats of radical transformation of economic relations the specified representations don't allow to solve new untrivial problems arising in the sphere of accounting and financial reporting.

OBJECTIVES

The main goal is search and creation of anthropological and social basis of accounting as a mechanism of information risk overwhelming. This goal involves solution of several problems in particular: 1) critical analysis of attempts made in the revisional direction of ignorance of human, behavioral and social materia prima of accounting, 2) investigation of various explanatory accounting nature concepts, 3) collecting the arguments for social orientation of accounting and corporate reporting.

HYPOTHESIS

The key hypothesis of research is explanation of socially objectivized construction of accounting theory, which was found out for the first time at a turn of XIX and XX centuries by one of the pioneers of Russian accounting philosopher Vasiliy Belov. Belov’s ideas disclosed in the articles in issues of the first Russian journal devoted to accounting and titled “Accountancy” in

bpavel1974@yandex.ru

1891-1898 can be considered as a harbinger of revolution in socially oriented understanding of the role of accounting.

METHODOLOGY

Research methodology is firstly based on hermeneutical and context analysis of original Belov's texts which allow to identify the coordinates of accounting in space of scientific knowledge and explain its socially constructed character and its role in social relations. Character, goals and objectives of the study determine the need for application of historical and comparative approach, and historical and genetic, problem and chronological, historical and typological methods.

Comparative analysis of Belov's vision on classification of accounting as a science with alternative visions formulated by famous researches, such as Eugene L'eautey and Johann Shaer gave an opportunity to describe substantial connections of accounting theory with mathematics, logics, economics, anthropology and social sciences in common.

RESULTS

One of the main results of the study is the systematically organized argumentation for classification of accounting theory as a social science. Investigation of Vasiliy Belov's ideas and their refraction through a prism of True and Fair View concept allowed to underline the role and influence of accounting and financial reporting data on the decisions made by different social groups involved in economic relations.

IMPLICATIONS AND CONTRIBUTIONS

Conclusions based on conducted research open the wide horizons for development of behavioral, psychological, decision-making and other important directions of studies in the scientific field of accounting. Coming back to Belov's ideas and following the stream of his thought causes need and gives an opportunity to replace the focus of actual research from the utilitarian accounting problems to the fundamental aspects of informational demand and decision-making «black box» of users of financial statements data.

KEY RECOMMENDATIONS

The conducted research realizes the potential of the retrospective historical direction in studying of accounting problems complex and defines need of the balanced approach to development of new fields of accounting science along with development of a historico-philosophical component in research activities.

The main conclusions of investigation define importance of use of cross-disciplinary approach, refusal of localization and autonomism of accounting researches, their short circuits in own borders.

KEY WORDS

Accounting philosophy, classification of accounting theory, social basis of accounting, cross-disciplinary approach, interrelations of sciences.

REFERENCES

Belov, V.D. (1891). Accounting among other knowledge. *Accountancy*, 1, 3–5.

Belov, V.D. (1891). Accounting among other knowledge. *Accountancy*, 3, 35–39.

Belov, V.D. (1891). Accounting among other knowledge. *Accountancy*, 5, 67–72.

Belov, V.D. (1891). Accounting among other knowledge. *Accountancy*, 10, 138–140.

Belov, V.D. (1891). Accounting and mathematics. *Accountancy*, 16-17, 210–212.

Belov, V.D. (1891). Accounting and logic. *Accountancy*, 19, 248–249.

Belov, V.D. (1891). Accounting and logic. *Accountancy*, 22, 296–300.

Leautey, E. (1898). Introduction comptable à la science sociale. *Accountancy*, 6-7.

Leautey, E. (1898). Introduction comptable à la science sociale. *Accountancy*, 9.

Leautey, E. (1898). Introduction comptable à la science sociale. *Accountancy*, 10-11.

Leautey, E. (1898). Introduction comptable à la science sociale. *Accountancy*, 12-13.

Leautey, E. (1898). Introduction comptable à la science sociale. *Accountancy*, 14-15.

Leautey, E. (1898). Introduction comptable à la science sociale. *Accountancy*, 16-17.

Leautey, E. (1898). Introduction comptable à la science sociale. *Accountancy*, 21.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

THE DEVELOPMENT OF COOPERATIVE AUDITS IN EUROPE - RECOMMENDATIONS FOR SERBIA

Vladimir Zakić, PhD
University of Belgrade - Faculty of Agriculture, Zemun – Belgrade, Republic of Serbia
Marija Nikolić, PhD
University of Belgrade - Faculty of Agriculture, Zemun – Belgrade, Republic of Serbia

RESEARCH PROBLEM

An audit represents a periodical control of the business of economic entities and is a general tool which can be applied to all types of organizations. A cooperative is a specific type of legal form which differs regardingits establishment, management, business, but also the objectives defined during its foundation. Accordingly, cooperatives require a special approach when it comes tothe way a cooperative audit is performed.

OBJECTIVES

Acooperative audit is more than a pure financial audit and it looks at a wider set of indicators, beyond business performance. Acooperative audit aims to verify compliance with cooperative principles, cooperative values and relevant legislation. It does not focus on the audit of financial statements of the cooperative, although in some countries relevant financial documents could be considered/reviewed in the context of the cooperative audit.

HYPOTHESIS

H_1: A cooperative audit is a prerequisite for a successful and vital cooperative system.
H_2: In addition to itscontrol role, acooperative audit has an advisory role.
H_3: Cooperative unions should play a key role in performing cooperative audits

zakic@agrif.bg.ac.rs

METHODOLOGY

There are very few available sources dealing with cooperative audits. There is a lack of research on the practical relevance of cooperative audits. In this context, the FAO/EBRD implemented a project in2017 called"Serbia: Supporting the Development of Agricultural Cooperatives."More specifically, the Project focuses on supporting the development of a sustainable and effective cooperative audit mechanism. The authors of this paper participated in this Project.

RESULTS

International examples and the experiences of European countries offer insights and lessons learned for the development of a suitable model of cooperative audits for Serbia. A precondition for the successful implementation of cooperative audits is that Audit Unions (responsible for appointing cooperative auditors and supervising their work) lead the process efficiently and uniformly. Another important factor is that acooperative audit should besubject to the same rules and procedures for the entire territory of the Republic of Serbia, as is done in many other European countries.

IMPLICATIONS AND CONTRIBUTIONS

International examples of cooperative legislation demonstrate a few different approaches on how cooperative auditsareregulated and carried out. Experiences of European countries provide useful insights which can help identify the need for cooperative audits and workable solutions on how to implement it in countries like Serbia.

KEY RECOMMENDATIONS

Further development of the cooperative audit system can be achieved through efforts to start introducing uniformity and standardization of the criteria for acquiring the cooperative auditor's certificate, as well as for the procedure and method of performing a cooperative audit. For now, this cannot be achieved in a legally binding way on the level of the country because the Law does not foresee adoption of the bylaws on the national level, but initial steps can be taken so that every Audit Union applies the same criteria when hiring its own auditors or performing cooperative audits.

KEY WORDS

Cooperatives, Cooperative audit

REFERENCES

Beuthien, V. (2012). Die GenossenschaftsideeimSpiegelbild von Rechtssystem, Unternehmen und Gesellschaft – wiegehtesweiter?. *Die Aktiengesellschaft*, 23/2012, 867-873.

COGECA, (2015). *Development of Agricultural Cooperatives in EU*. Brussels: European Agri-Cooperatives.

Cracogna, D., Fici, A., & Henrÿ, H. (2013). *International Handbook of Cooperative Law*. Springer &Euricse.

Henrÿ, H. (2005). *Guidelines for Cooperative Legislation - second, revised edition*. Geneva: International Labour Office.

Henrÿ, H. (2012). *Guidelines for Cooperative Legislation - third, revised edition*. Geneva: International Labour Office.

Jos, B. (2012). *Support for Farmers' Cooperatives – Final Report*. European Commission.

Nikolić, M. (2009). *Evolucija zadružnog zakonodavstva u Srbiji.* Beograd: DAES – Društvo argarnih ekonomista Srbije.

Petković, G., Chroneos Krasavac B., & Kovačević V. (2016). A critical review of legal framework as a factor of coops development - case of Serbia. *Economics of Agriculture,* 1/2016, 261-278.

Spreckley, F. (2013). *Co-operative Accounting and Audit Toolkit*. Local Livelihoods, Herefordshire, UK.

The Cooperative Societies Act of the Republic of Serbia. Available at: http://www.parlament.rs/akti/doneti-zakoni/u-sazivu-od-16-%C2%BFprila-2014.3411.html

Van der Sangen, G.J.H., & Jos, B. (2012). *Support for Farmers' Cooperatives; Case Study Report; Internal Governance of Cooperatives*. Wageningen: Wageningen UR.

Zakić, V. & Kovačević, V. (2015). Značaj zadružne revizije za razvoj zadružnog sektora u Srbiji. *Revizor*, 72/2015, 79-89.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

THE ROLE OF PUBLIC SECTOR IN GENERATIONG KNOWLEDGE AS A FACTOR OF DEVELOPMENT: THE EXAMPLE OF THE REPUBLIC OF SERBIA

LjiljanaJović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
ŽeljkoRačić, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Nowadays, knowledge is the key factor of economic and social prosperity, and knowledge society is inevitable goal of development strategies in modern countries. Such a comprehensive task can only be achieved with effort and financial investments of all sectors in a society. The question arises about the role of public sector in this regard and the amount of investments in Serbia in comparison with EU countries and the surrounding countries.

OBJECTIVES

The research provides insight into the consideration of long-term possibilities regarding building and strengthening knowledge society as the most significant factor of both competitiveness growth of the Republic of Serbia and its development potential. Knowledge by its very nature presents pubic good and the access to knowledge should be made available to all the members of society under the same conditions. Therefore, the paper especially considers the position and role of public sector.

HYPOTHESIS

Slow economic growth in post-transition countries, the drop in public revenue due to financial crisis, and the increase in social welfare spending present factors which have led to rapid drop of the role of public sector in the domain of financing the creation and distribution of knowledge, while the significance of business sector have risen. The role of public sector is limited to creating system

ljiljana09@hotmail.com

requirements and institutional environment which promotes the creation of knowledge.

METHODOLOGY

In the paper, a comparative analysis has been used, which compares the share of spending on research and the development of EU countries, surrounding countries and some of the most developed countries of OECD with the same investments in Serbia.Besides the comparative analysis and the cross-section of current state, the time series of these investments in the ten-year period have been observed starting from 2007.

In addition, the focus of the analysis is on the total of investments in GDP and the investments coming entirely from the public sector. These investments are compared with the position of Serbia on the global competitiveness report of the World Economic Forum. To sum up, the following methods are used in the paper: the method of analysis (segmentation), the method of comparison, and the method of benchmarking as well as the method of synthesizing (generalization).

RESULTS

The total investments of Serbia in R&D in GDP are far below the investments of EU countries, but larger than the investments of other countries of former Yugoslavia which are not yet members of the EU. The investments of Serbia and Croatia are roughly at the same level, while Slovenia takes the lead on this issue.

According to the structure of investments, significant deviations from EU indicators are recorded in the domain of business sector in Serbia, and here the deviations from mild growing trend are more significant.

IMPLICATIONS AND CONTRIBUTIONS

With its investments in research and development of 0,89% GDP in 2016, Serbia is far below the average of the EU countries where this indicator amounts to 2,03% GDP. In the same year, Serbia was ranked the 90th in terms of competitiveness.

However, the percentage of investments from the public sector of 0,23% GDP is identical to the investments at the level of EU-28.We come to the conclusion that these investments ought to be increased in all sectors, while the share of financing public sector corresponds to the share at the EU level.

KEY RECOMMENDATIONS

The research points to the conclusion that the contribution of government in the domain of creating knowledge society should be in creating as favorable as possible macroeconomic framework, legal and institutional solutions, and the support to education system in producing qualified work force. Private sector should be encouraged to finance research.

Since there is a feedback between knowledge, competitiveness and economic growth, greater economic growth should be followed by larger investments and the strategic access to the development of knowledge society.

KEY WORDS

Knowledge society, competition, public sector, Republic of Serbia

REFERENCES

A contribution to the Open Innovation, Open Science, Open to the Word agenda. (2016). Brussels: European Commission, Directorate – General for research and innovation, science, research and innovation performance of the EU.

A strategy for smart, sustainable and inclusive grow EUROPE 2020. (2010). Brussels: European Commission.

Jović, Lj.,Vuković, M., & Ćeranić, D. (2017). Rashodi društva zasnovanog na znanju u funkciji rasta konkurentnosti Bosne i Hercegovine. *Škola biznisa*, 2/2017, 78-92.

Knowledge for development. (2011). World Bank.

Krstić, B., & Džunić, M. (2012). Innovation as a factor of developing knowledge economy and national Competitiveness. In *Improving the Competitiveness of the Public and Private Sector by Networking Competence*, Ed. Krstić, B. (1-17). Niš: University of Nis, Faculty of Economics and Andrej Frycz Modrzewski Universitet in Krakow.

R& D Expenditure. Eurostat. European Commission.

The Global Competitiveness Report. (2017). Geneva: World Economic Forum.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

RISK MANAGEMENT AND DIGITAL ECONOMY - A WAY OF COMPETITIVE DIFFERENTIATION IN THE AREA OF FINANCIAL OPERATIONS

Dragan Stojanović, PhD
Higher Business School of Leskovac, Leskovac, Republic of Serbia
Marko Krstić, MSc
Higher Business School of Leskovac, Leskovac, Republic of Serbia

RESEARCH PROBLEM

The adoption and use of modern information and communication technology is the result of growing competition and dynamic business conditions that financial institutions are facing. This also leads to the need for the application of new technologies, which can be crucial in the further development of the financial sector. Bearing this in mind, the emphasis will be on the role of digital economy and the benefits that ICT provides, especially when it comes to managing the many risks that may arise in the business of financial organizations.

OBJECTIVES

Indicate the importance and necessity of applying modern information and communication technologies in order to efficiently manage risks in the field of financial operations. One of the main goals is to point out the possibility of differentiating financial institutions from the competition, by applying adequate risk management methods, and by achieving the numerous benefits that the digital economy provides.

HYPOTHESIS

The digital economy offers the possibility of differentiating the financial institution from the competition.
Risk management is one of the key processes for achieving competitive differentiation in the financial sector.
The development and use of modern information and communication technology promotes the efficiency of the risk management process.

stojanovic.dragan@vpsle.edu.rs

METHODOLOGY

Methods of analysis and synthesis were used to breakdown and consolidate attitudes and conclusions on the topic of the impact and use of information technologies in modern business for the purpose of risk assessment for identifying, discovering and studying the facts, legality and truth in the subject matter processing.
Methods of induction and deduction, abstraction and concretization, as well as methods of generalization and specialization will be used in the development of all work as well the method of proof and disproof to prove the initial hypothesis.

RESULTS

The established hypotheses will be confirmed or denied in the work, i.e. the results will be reached, whether and to what extent modern information and communication technologies lead to an increase in the efficiency of the risk management process. There will also be a number of advantages that the digital economy provides for certain business entities, where the application of ICT becomes a necessary step leading to the preservation of the market position in the financial markets, and which allows differentiation in relation to the rising competition.

IMPLICATIONS AND CONTRIBUTIONS

The digital economy transforms almost all areas of business, and the day-to-day performance of numerous activities, which is particularly evident in the financial sector. Thanks to this, as a contribution to the application of modern ICT, completely innovative ways of providing services and information to clients of different financial institutions on the one hand can be stated, while on the other hand, the costs of the financial institutions themselves will be reduced, by introducing as efficient methods as possible as a part of the process of managing many risks by the use of ICT.

KEY RECOMMENDATIONS

Financial organizations in global business conditions are exposed to numerous challenges. One of these challenges, but also opportunities for further development, is the development and implementation of new ICT systems that will be more efficient in managing risk, in the period when digital economy almost completely takes on primacy in comparison to traditional ways of doing business. Financial organizations that will be more successful in this will enable the preservation of competitive advantage and increase of their profitability.

KEY WORDS

Risk management, digital economy, competitive differentiation, financial institutions, information and communication technologies (ICTs)

REFERENCES

Deloitte. (2018). *Innovation in risk management-Canadian regulatory outlook for financial institutions in 2018*. New York: Center for Regulatory Strategy Americas.

Härle, P., Havas, A., Kremer, A., Rona, D., & Samandari, H. (2015). *The future of bank risk management*. New York: McKinsey & Company.

Ilie, O-M., Popescu, C., & Iacob, S. E. (2017). Transforming the Banking Organization in the Context of Digital Economy. In S. Hugues, & N. Cristache (eds.), *Risk in Contemporary Economy* (284-292). Iasi, Romania: LUMEN Proceedings.

International Finance Corporation (IFC) & The MasterCard Foundation. (2016). *Digital Financial Services and Risk Management*. Washington, DC: IFC., Toronto: The MasterCard Foundation.

Kehal, H., & Singh, V. (2005). *Digital Economy: Impacts, Influences and Challenges*. Hershey: Idea Group Inc.

Li, S. (2003). Future trends and challenges of financial risk management in the digital economy. *Managerial Finance*, *29*(5/6), 111-125.

OECD. (2016). *Managing digital security and privacy risk*. Paris: Directorate for science, technology and innovation, committee on digital economy policy.

Ritchie, B. & Brindley, C. (2009). Risk Management in the Digital Economy. *Business Information Systems*, 3298-3305.

Stojanović, D., Krstić, M., & Janjić Baduli, Lj. (2016). *Upravljanje rizikom i osiguranje*. Leskovac, Republika Srbija: Visoka poslovna škola strukovnih studija.

Wyman, O. (2017). Balancing Financial Stability, Innovation, and Economic Growth. Geneva: World Economic Forum

ECONOMIC FRAMEWORK OF INSURANCE SECTOR AS PART OF THE FINANCIAL SYSTEM IN SERBIA

Dragana Milić, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

For the development of the insurance sector in our country, it can be said that it is underdeveloped. The indicator of such a state is not only that it is below the average of EU member states but also indicators of the development of the insurance market (ratio of total premium and gross domestic product and total premium per capita). The question is whether the development of the insurance sector affects other institutions of the financial system.

OBJECTIVES

The aim of the research in this paper is to determine the connection and dependence of the development of the financial system and the insurance sector.

HYPOTHESIS

H_0: There is no connection and dependence on the financial sector and the insurance sector.
H_1: There is a connection and dependence on the financial sector and the insurance sector.

METHODOLOGY

Analytical, systematical and general scientific methods were presented in this paper. The comparative method was used to understand the dynamics of the performance indicators of the insurance sector in parallel with the dynamics of overall performance of the overall financial sector.

draganaim84@gmail.com

RESULTS

The development of the insurance sector should not only ensure greater security to risk-averse entities, but also to contribute to the development of the financial system, taking the best position in the number of employees, capital and balance sheet.

IMPLICATIONS AND CONTRIBUTIONS

A research conducted could be useful for economic policy makers to look at the quality of business performance of insurance companies and look for ways to maintain them in those segments where they have proven to be good or improved in those segments where they deviate from the desired values.

KEY RECOMMENDATIONS

Maintaining the stability of capital in the insurance sector depends on the stability of the dominant capital of the financial sector (banking). Given that capital and its stability are of great importance to the financial system, it is important to emphasize the importance of applying existing regulatory frameworks both for the insurance sector and for the banking sector as the sector with the largest share in the capital of the financial system.

KEY WORDS

Financial intermediaries, insurance companies, financial system

REFERENCES

Barrell, R., &Weale, M. (2009). *Fiscal Policy, Fairness between Generations and National Saving*. London: National Institute of Economic and Social Research.

Bilans stanja sektora osiguranja Republike Srbije u 2015. i 2016. godini. Beograd, Republika Srbija: Narodna banka Srbije, Sektor za poslove nadzora nad obavljanjem delatnosti osiguranja.

Godišnji izveštaj NBS za 2012, 2013, 2014, 2015, 2016. godinu. Beograd, Republika Srbija: Narodna banka Srbije.

Ostojić, S. (1999). Finansijska disintermedijacija i finansijska tržišta. *Anali ekonomskog fakulteta u Subotici*, 4.

Ostojić, S. (2001). *Implementacija tržišta kapitala.* Novi Sad: S. Ostojić.

Ostojić, S. (2004). Neophodnost restrukturiranja osiguravajućih društava u Srbiji. *Privredna izgradnja*, *48*(1-2).

Ostojić, S. (2007). *Osiguranje i upravljanje rizicima.* Beograd, Republika Srbija: Data Status.

Ostojić, S. (2008). *Osnovi monetarne ekonomije*. Beograd, Republika Srbija: Data Status.

Saopštenje o rezultatima poslovanja finansijskih institucija u Republici Srbiji ostvarenim u 2009. godini. (2010). Beograd: Agencija za privredne registre.

Skipper, H., & Kwon, J. (2007). *Risk management and insurance: perspectives in a global economy*. Malden, MA, USA: Blackwell Publishing.

Swiss Re, Sigma, http://www.sigma-explorer.com/

Vuković, V. (2007). *Tržište osiguranja u Srbiji: stanje i perspektive*. Beograd, Republika Srbija: Beogradska bankarska akademija, Fakultet za bankarstvo, osiguranje i finansije & Institut ekonomskih nauka.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

IMPACT OF THE FISCAL POLICY ON GDP IN SERBIA: FISCAL MULTIPLIERS

GoranMilošević, PhD
Faculty of Law, University of Novi Sad, Novi Sad, Republic of Serbia
Marija Vuković, PhD
Novi Sad School of Business,, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

The relevance of topic is reflected in the possibility of using the public spending policy and tax policy in designing a strategy of fiscal consolidation in order to increase GDP in Serbia. The quantification of the impact of fiscalpolicy on GDP is estimated by calculated multipliers of each fiscal instrument. The fiscal multiplier is the ratio of the change in GDP and exogenous changes in fiscal balance, which would have been realized without any change in budget revenues and expenditures.

OBJECTIVES

The main object of this paper is to quantify the impact of fiscal policy on GDP in Serbia. Based on the current IMF's methodology the aim of the paper is to calculate cumulative multipliers for fiscal instruments. In order to determine the relevance of the obtained results as a benchmark, the average multiplier in the EU and the average multipliers in the Czech Republic were used.

HYPOTHESIS

The impact of fiscal policy on GDP depends on the structure of fiscal consolidation:
- Consolidation based on a reduction in public spending results in smaller losses in GDP, rather than tax-based fiscal adjustments.
- Fiscal corrections based on a reduction in public spending are associated with mild and short-term recessions.Fiscal consolidation based on tax is associated with prolonged and deep recession.

G.Milosevic@pf.uns.ac.rs

METHODOLOGY

The cumulative fiscal multipliers in Serbia were calculated using the methodology in literature Spilinbergo, Symarian and Schindler (2009). Statistical data processing was performed in Excel. The analysis used comprised quarterly data for the period 2007-2017 for the following fiscal instruments: current expenditure, investments, social benefits, income tax, value added tax, income tax and contributions. The calculation of the multipliers for Serbia was made on the basis of data from the Ministry of Finance, for the Czech Republic they were taken in literature Klyuev and Snudden (2011), and for the EU in literature Coenen et al. (2010).

RESULTS

The first conclusion suggested that the largest multipliers are exactly for expenditure instruments - current consumption and investments. The amount of calculated fiscal multipliers in Serbia is in most cases not the EU average, but is therefore similar to the level of fiscal multipliers in the Czech Republic. Fiscal multipliers in Serbia are at the lower limit of the given interval, since the vast majority of factors influence the height of the multiplier in the direction of their reduction.

IMPLICATIONS AND CONTRIBUTIONS

The cumulative fiscal multipliers in Serbia are smaller than the unit. The reasons are numerous. Namely, in Serbia, as a small and open economy, most of the fiscal stimulus is leaked on imports, rather than the initiation of the domestic variability of the exchange rate of the dinar, which reacts to the smallest changes in monetary and fiscal policy, and then to price growth, which reduces the level of fiscal multipliers.

KEY RECOMMENDATIONS

The structure of public expenditures in Serbia suggests that the ratio of current and investment spending is very unfavorable. As an option of a new mutual relationship between tax policy and growth, there is a shift of emphasis from direct to indirect taxes. At the same time, the failure to improve tax management continues to burden the tax system in Serbia, as the country continues to face the shadow economy, the high level of VAT evasion, and the low efficiency of the tax administration.

KEY WORDS

Investment, Public expenditures, Tax, GDP, Fiscal policy

REFERENCES

Acosta-Ormaechea, S.,&Yoo, J. (2012). Tax Composition and Growth: A Broad Cross-Country Perspective. *IMF Working Paper*, 12/257.

Alesina, A., &Ardagna, S. (2010). Large Changes in Fiscal Policy: Taxes versus Spending. *Tax Policy and the Economy*, 24, 35-68.

Alesina, A., Favero, C.,& Giavazzi, F. (2012). The output effect of fiscal consolidations.*NBER Working Paper*, 18336.

Al-Eyd, A., & Barrell, R. (2005). Estimating tax and benefit multipliers in Europe. *Economic Modelling*, 22, 759-776.

Auerbach, A.,&Gorodnichenko, A. (2011).Fiscal Multipliers in Recession and Expansion.*NBER Working Paper*, 17447.

Barro, R.,&Redlick,Ch.J. (2009).Macroeconomic Effects from Government Purchases and Taxes.*NBER Working Paper*,15369.

Blanchard, O. (2005). *Makroekonomija***.**Zagreb, RepublikaHrvatska: Mate.

Broda, Ch.,& Parker, J. (2008). *Preliminary Estimates of the Impact of the 2008. Economic Stimulus Payments on Consumption Demand.*Washington, DC: Board of Governors of the Federal Reserve System.

Coenen, G., Erceg, C., Freedman, C., Furceri, D., Kumhof, M., Lalonde1, R., Laxton, D., Lindé, J., Mourougane, A., Muir, D., Mursula, S., Resende, C., Roberts, J., Roeger, W., Snudden, S., Trabandt, M. & Jan, V.(2010). Effects of Fiscal Stimulus in Structural Models.*IMF Working Paper*, 10/73.

Devries, P., Guajardo, J., Leigh, D. &Pescatori, A.(2011).A New Actio-based Dataset of Fiscal Consolidtion, *IMF Working Paper*, 11/128.

Klyuev, V. &Snudden, S. (2011). Effects of Fiscal Consolidation in the Czech Republic, *IMF Working Paper*, 11/65.

Parker, A. (2011).On Measuring the Effects of Fiscal Policy in Recessions, *NBER Working Paper*, 17240.

Sancak, C.,Velloso,R. &Xing, J.2010. Tax RevenueResponse to the Business Cycle**,***IMF Working Paper*, 10/71.

Spilinbergo, A., Symarski, S. & Schindler, M. (2009). Fiscal multipliers, *IMF Working Paper*, 09/11.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

OPERATIONAL RISK MANAGEMENT IN SMALL AND MEDIUM ENTERPRISES

Vesna Vugdelija, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia
Jelena Dumeljić, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Unlike larger companies, SMEs are often devoid of any culture of risk management. In the current economic context of intense volatility, the challenge of risk management has to be in the heart of business conduct. Understanding and defining operational risk involve the use of extremely varied devices and functions that require not only a corporate strategy but also structured organization and management, which is going to be presented in this paper.

OBJECTIVES

The main objective, pursued by this research is divided on two key focuses:
First, it's about highlighting the impact of risk management on the financial performance of SMEs.
Secondly, this paper will generate knowledge about the practices of risk management in SMEs.
Specific objectives are:
Identifying the motivations for adopting a operational risk management system by SMEs.
Identifying and adopting the process of setting up a risk management system in SMEs.

HYPOTHESIS

In our research that addresses the relationship between operational risk management and financial performance of SMEs, the main hypotheses are formulated as follows:
H_0: Adoption of Operational Risk Management Practices by SMEs positively impact their financial performance.

vesna.kocic-vugdelija@teachers.org

$H_{0.1}$: Risk culture is not yet widespread in SMEs;
$H_{0.2}$: Adoption of Operational Risk Management Practices is influenced by the cultural dimensions of SMEs.

METHODOLOGY

Given the exploratory nature of this objective, we have adopted a methodology quantitative analysis that will be done through the analysis of financial data of the chosen SMEs, before and after the adoption of the risk management system. To better describe the risk management practices deployed by SMEs, a Qualitative methodology based on case studies will be applied.

RESULTS

In our research paper, we have developed the theoretical model of the impact of performance of operational risk management practices. Also, we will carry out analyzes of regression from a linear model presented as follows:
F$\boldsymbol{inanancial\ Performance} = \alpha + \sum \beta_k \boldsymbol{CRk\ practices} + \varepsilon$
Financial Performance: The dependent variable is measured in turn by ROE,
Risk Coverage Practices (CR),
βk: parameters to estimate,
α: constant,
ε: The estimation procedure is the ordinary least squares method.

IMPLICATIONS AND CONTRIBUTIONS

In terms of economic benefits, it can be seen that with SMEs as a specific context of research, this work aims at improving the competitiveness of SMEs far away from national competitiveness;
For scientific benefits, each of the research questions developed can be the subject of future publications which will contribute to the development and transfers of knowledge.

KEY RECOMMENDATIONS

It is true that more research on the risk management practices of SMEs in this context is a prospect for better generalization of the concept. Nevertheless, it will be interesting to develop a virtual organization founded on the exchange between the leaders of SMEs on the practices of risk management.

KEY WORDS

Risk management, performance, operational risks, SMEs

REFERENCES

Anil Kumar, S., & Suresh, N. (2009). *Operations management*. New Delhi, India: New Age International Limited.

Ayyagari, M., Beck, T., & Demirguc-Kunt, A. (2007). Small and Medium Enterprises Across the Globe. *Small Business Economics*, *29*(4), 415-434.

Ayyagari, M., Demirgüç-Kunt, A., & Maksimovic, V. (2011). Small vs. Young Firms Across The World – Contribution to Employment, Job Creation, and Growth. The *World Bank Policy Research Working Paper*, 5631

Bridge, S., O'Neill, K., & Cromie, S. (1998). *Understanding Enterprise, Entrepreneurship and Small Business*,. London, UK: Macmillan International Higher Education.

Chapelle, A., Rachev S., & Fabozzi. (2011). *Operational Risk – Supervisory Guidelines for the Advanced Measurement Approaches*. Basel, Switzerland: Bank for International Settlements Communications.

Gilmore, A., Carson, D., & O'Donnell, A. (2004). Small business owner-managers and their attitude to risk. *Marketing Intelligence & Planning, 22*(3), 349-360.

Lark., J. (2015). *A Practical Guide for SMEs - ISO 31000 Risk Management*. Switzerland: ISO.

Leonardo Henriques, J., & Khemakhem, H. (2015). *Les meilleures pratiques en matière de gestion des risques opérationnels : une approche actuelle*. Montréal, Quebec : Chaire d'information financière et organisationnelle ESG UQÀM.

Reena, A. (2016). Enterprise risk management - essential for survival and sustainable development of micro, small and medium enterprises. *International Review*, 1-2, 117-124.

Verbano, C., & Venturini K. (2013). Managing Risks in SMEs: A Literature Review and Research Agenda. *Journal of Technology Management and Innovation*, *8*(3), 186-197.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

THE SPECIFICS OF THE PROCESS OF SELECTING PROSPECTIVE TARGET CORPORATE COMPANIES

Nebojša Mitić, MSc
Business School of Applied Studies, Blace, Republic of Serbia
Slaviša Đorđević, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Mergers between businesses are long-lasting complicated, complex and risky business ventures whose ultimate effects on future business results of corporate companies and their (co)owners are at least disputable. Reducing the level of the risk implies that the entire process is divided up into a smaller or a higher number of phases. The aim is to improve the transaction management process and to reduce the possibility of the emergence of possible harmful consequences for the most significant constituents of the involved corporations.

OBJECTIVES

Finding the appropriate target company, with which the identified and anticipated synergetic effects can be realized in future, is one of the key stages of the business merger transaction. Although, as a rule, this phase should represent a simpler part of this complex process, it often happens in practice that the management of an "ideal" target corporation is not willing to carry out the transaction. This forces the management of the acquiring corporation to try to carry out enemy transactions which increase further the uncertainty of a success and also the price of the intended transaction.

HYPOTHESIS

The indispensable prerequisite that enables friendly or hostile business merger transactions is the existence of companies organized in their corporate forms, as well as the existence of the organized stock exchange where shares are freely traded. When it comes to the situation in the Republic of Serbia, we may say that the conditions existing in the countries with developed market economies with the adequate mechanisms that enable the realization of business merger transactions are still not sufficiently present.

drsdj63@gmail.com

METHODOLOGY

The standard methodology will be used in this paper, based on an analysis of previous periods. They are characterized by the more intensive activities in the realization of these transactions (so called merge waves) The aim is to obtain positive experiences from certain merger waves, but also to prevent the repetition of processes and procedures that have already proved unsuccessful and have decreased wealth of the shareholders of corporations involved in business mergers.

RESULTS

The aforementioned experience of corporations from countries with a developed market economy, namely the analysis of the results of transactions that took place in previous periods may be of great importance for the companies in transition countries, such as the Republic of Serbia. Namely, finding an adequate target company with which at the right time such a transaction can be carried out, with which the identified and anticipated synergy will be realized, is a challenge which the managers and owners of any corporate enterprise may face sooner or later.

IMPLICATIONS AND CONTRIBUTIONS

The process of finding a suitable target corporation, although it is only part of the overall merger process, often plays an essential role in determining the success of the intended transaction and in achieving positive effects for the parties involved in the transaction, The process is also of essential importance for development of the economy particularly the branch in which the involved parties perform their function in the process of social reproduction.

KEY RECOMMENDATIONS

Given that business mergers represent a relatively new phenomenon in our region, the experience of corporations from countries with a developed market economy in finding targeted companies and in carrying out of synergies identified and anticipated, may be of a paramount importance, That experience can help in achieving positive effects on the development- not only of the acquiring and targeted corporations, but also of the economy as a whole.

KEY WORDS

Business mergers, acquiring company, target company, SWOT (TOWS) matrix, selecting

REFERENCES

Annis, D., & Schine, G. (2015). *Strategic Acquisition: A Smarter Way to Grow a Company*. Sandra Publications.

Bragg, S. M. (2014). *Mergers & Acquisitions: A Comprehensive Guide*. Colorado: Accounting Tools, Inc.

Ćirović, M. (2004). *Fuzije i akvizicije*. Novi Sad, Republika Srbija: Prometej.

DePamphilis, D. M. (2015). *Mergers, Acquisitions, and Other Restructuring Activities*. San Diego: Academic Press.

Đorđević, S. M. (2007). *Poslovne kombinacije – Računovodstveni aspekt*. Kosovska Mitrovica, Republika Srbija: Ekonomski fakultet u Prištini.

Gaughan, P. A. (2015). *Mergers, Acquisitions, and Corporate Restructurings*. New Jersy: John Wiley & Sons, Inc.

Hooke, J. C. (2015). *M&A: A Practical Guide to Doing the Deal*. New Jersey: John Wiley and Sons, Inc.

Rankine, D. (1996.). *A Practical Guide to Acquisitions – How to Increase Your Chance of* Success. New York: John Wiley & Sons.

FROM THE GEORGE SIMMEL'S “PHILOSOPHY OF MONEY” TO THE CHARLES SPRAGUE'S “PHILOSOPHY OF ACCOUNTS”

Pavel Baranov, PhD
Novosibirsk state university for economics and management, Novosibirsk, Russian Federation
Alexander Shaposhnikov, PhD
Novosibirsk state university for economics and management, Novosibirsk, Russian Federation

RESEARCH PROBLEM

Problem of the research concerns the lack of accounting theory philosophical background as a scientific basis of the financial statement modeling. Despite the half-millennium accounting experience scientists can’t convincingly explain the nature and the interrelationship of accounting and financial statements. Alternative opinions based previously on utilitarian representations about heuristic accounting origins reflect the reason of low level of accounting data using in decision-making practice.

OBJECTIVES

The main goal is formulation of a new deep scientific explanation of accounting nature by means of integration of Simmel’s “money philosophy” foundations and Sprague’s “accounts philosophy” ideas. This goal involves solution of several problems in particular: 1) critical analysis of generally accepted statements of accounting theory, 2) investigation of various explanatory accounting nature concepts, 3) adsorption of the accommodated philosophical and economical fundamental statements of accounting.

HYPOTHESIS

The key hypothesis of research is determination of relationship between the accounting principle of money evaluation and nature of accounts and balance. In addition it’s underlined that philosophical Simmel’s platform for money role in economic relations is very close to the Charles Sprague’s ideas of account construction and form. Sprague’s point of view on the priority of law basis of

bpavel1974@yahdex.ru

economic transactions can't be realized without application of money evaluation principle.

METHODOLOGY

Research methodology is firstly based on hermeneutical and context analysis of original Simmel's and Sprague's texts which support an opportunity to find out points of connection of pure philosophical and practically oriented accounting ideas. Character, goals and objectives of the study explain that it rests on the methodology of historical and comparative approach, and employs historical and genetic, problem and chronological, historical and typological methods.

Sprague's vision of the nature of accounts is examined through the prism of transformation of assets and loans as a unique process of circulation of the rights and obligations. However, the problem of money evaluation of mentioned rights and obligations concerning foregoing balance concepts (static, dynamic, organic, actuarial etc.) can't be solved without deep understanding of the phenomenon of money as a universal measuring instrument. Such an understanding is the core of Simmel's "Philosophy of money".

RESULTS

One of the main results of the study is the conclusion about pioneer attempt of philosophical explanation of the nature of accounts which belonges to Charles Ezra Sprague who can be nominated as a founding father of American accounting tradition. An additional result of the research is positive experience of application of interdisciplinary approach demonstrated on the example of philosophical analysis of relations between money phenomenon, accounting nature and legal drivers of economic processes.

IMPLICATIONS AND CONTRIBUTIONS

Conclusions based on conducted research have a wide perspective against the background of digitalization of accounting and emergence of new accounting subjects such as digital assets, cryptocurrencies, blockchain transactions etc. Regeneration of economic relations is forming demand for new approach to economic modelling in terms of accounting system. This demand is new in its nature and it can't be satisfied without reconsideration of meaning of the money and widening mission of modern accounting.

KEY RECOMMENDATIONS

Creation and development of new accounting and financial reporting methods which is inevitable in transforming economic conditions must be based on

interdisciplinary platform reflecting specific features of accounting as socially constructed science and socially oriented activity. Moreover, this platform must involve current apperception of money in the vision of economic agents who generate the principles and mechanisms for evaluation of assets, loans and facts of enterprises life.

KEY WORDS

Philosophy of money, philosophy of accounts,

REFERENCES

Degranges de Rancy, E. (1795). *La tenue des livres rendue facile.* Bordeaux.

Dicksee, L.R. (1921). *Bookkeeping for accountant students.* London: Gee & Co.

Gesner, W. (2002). *The aspects of monetary culture*. Magdeburg: Edition Humboldt.

Harrison, Ch. (1931). *Operational calculation accounting of production and sales*. Moscow: Management technics.

Mautz, R.K., & Sharaf, H.A. (1961). *The philosophy of auditing.* Sarasota, FL: AAA.

Pixley, F.W. (1901). *Auditors: their duties and responsibilities.* London: Henry Good & Son.

Simmel, G. (1900). *Philosophie des Geldes.* Leipzig: Duncker & Humboldt.

Spengler, O. (1926). *The Decline of the West.* V. 1-2, Alfred A. Knopf.

Sprague, Ch. (1908). *The Philosophy of Accounts.* New York.

DEVELOPMENT OF THE DIGITAL BANKING AND INNOVATIONS IN FINANCIAL SERVICES

Dajana Ercegovac, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia
Slobodanka Jovin, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

As a research problem authors analyze significant technological achievements and innovations in the financial sector created in harsh competitive struggle on the market of payment services and crediting between fin-tech, trading and telecommunication companies with changes in the customer expectations and requests and changes in regulation that stimulates digital banking transformation and intense competition in order to create open environment and more alternatives for customers.

OBJECTIVES

The research goal is to analyze development of digital banking and innovations in digital financial services in area of payments, payment cards, lending and deposit operations with regard to problems of safety and identity protection from unauthorized third party access of user accounts.

HYPOTHESIS

Digital banking and innovative financial services bring great advantages in lower cost for banks and clients and fast and easy services but also great risks in terms of transaction safety.

METHODOLOGY

Research methods are content analysis and comparison of relevant foreign and domestic literature in area of mobile banking, web banking and innovations in digital financial services.

dajana_vindzanovic@yahoo.com

RESULTS

Research results underline the trend of significant rise in number of mobile internet users, rise of mobile and web banking as the top banking distribution channels in developed countries with substantial decrease of transactions through retail branches. Increase of global mobile and web banking users is justified with fast and easy services and significantly lower costs regard to retail branches.

IMPLICATIONS AND CONTRIBUTIONS

In current digital competitive society with all growing demands of digital consumer's banks of future will have to develop sustainable growth model that is based on innovations, new technologies, proactive measures, agility, creative marketing strategies and differential financial services. With digitization of services it is also necessary to transform organization culture in agile and innovation driven with digitization of business procedures in order to save time and material resources.

KEY RECOMMENDATIONS

With development of digital financial services there are significant fraud and criminal attack risks so it is necessary to constantly elevate user protection systems from unauthorized third party access. Innovational solutions for user protection are developed in examples like tokenization and biometrical authentication that through voice recognition, finger print or eye scan enables access to internet services applications.

KEY WORDS

I-banking, M-banking, digital financial services

REFERENCES

Accenture Strategy. (2015). *Being digital: Digital strategy execution drives a new era of banking*. Available at: https://www.accenture.com

Boston Consulting Group, GoogleTM. (2016). *Digital Payments 2020*. Available at: http://image-src.bcg.com

British Banking Association. (2015). *Digital Disruption: UK Banking Report*. BBA & Accenture. Available at: https://www.bba.org.uk

Downes, L., & Nunes, P. (2013). Big Bang Disruption. *Harvard Business Review*, 44-56.

Ercegovac, D., & Momčilović, M. (2012). The Risks Connected with Innovations on Financial Markets. In *Proceeding from International Conference on Entrepreneurship, Innovation and Regional Development* (244-253).

Ercegovac, D., Jovin, S., & Račić, Ž. (2018). The Digital transformation of the banking sector in Serbia. In *Strategic management and decision support system in strategic management* (480-488). Subotica, Republic of Serbia: Faculty of Economics in Subotica, University of Novi Sad.

Federal Deposit Insurance Corporation. (2014). Brick-and-Mortar Banking Remains Prevalent in an Increasingly Virtual World. *FDIC Quarterly* 9(1), 37-51.

GSMA Intelligence. (2016). *Global mobile trends*. Available at: www.gsmaintelligence.com

Hirt, M., & Willmott, P. (2015). *Strategic choices for banks in the digital age*. McKinsey&Company.

IMF Staff Team. (2017). *Fintech and Financial Services: Initial Consideration. Staff Discussion Notes No 17/05*. Available at: https://www.imf.org

Kearney, A.T. (2014). Going digital: The banking transformation road map. *October, Chicago, IL.*

KPMG. (2015). Mobile banking report. Available at: https://www.kpmg.com

Moreno, J.P., Pichler, A. & Starrs, A. (2014). The digital disruptors: How banking got agile. Available at: https://www.accenture.com

Statistical portal Statista. (2017). Online banking penetration in Great Britain from 2007 to 2017. Available at: www.statista.com

VISA. (2016). Mobile Payments soar as Europe embraces new ways to pay, Visa digital payments study. Available at: https://www.visaeurope.com

Part IV.

RURAL TOURISM AND RURAL DEVELOPMENT, IPARD AND TOURISM PROJECTS

OBJECTIVES, POSSIBILITIES AND LIMITATIONS OF THE IPARD II PROGRAM IN THE DEVELOPMENT OF THE AGRARIAN SECTOR OF THE REPUBLIC OF SERBIA

Boris Kuzman, PhD
Institute of Agricultural Economics, Belgrade, Republic of Serbia
Radivoj Prodanovć, PhD
Faculty of Economics and Engineering Management in Novi Sad, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

By fulfilling the conditions for using the EU pre-accession fund (IPA), i.e. components for agriculture and rural development (IPARD), the Republic of Serbia has the opportunity to improve the economic position of agricultural holdings and the state of rural economy. In this context, the subject of paper is the role of the IPARD II program in the development of agrarian and rural areas of the Republic of Serbia, as well as in the preparation of the agribusiness sector for the single market. We are trying to present the opportunities and challenges that stand in the way.

OBJECTIVES

The primary goal of the work is to identify the key problems in the agrarian sector, define the goals, identify the possibilities and limitations of further development of the agribusiness sector of the Republic of Serbia using funds from the IPARD Fund, in order to prepare as efficiently as possible for the integration into the European model of agriculture. As a secondary goal of the work, we can mark an increase in the level of awareness of decision-makers as well as economic stakeholders on the importance and opportunities provided by the IPARD Fund for the Development of Agriculture and Rural Economy of the Republic of Serbia.

rprodanovic@fimek.edu.rs

HYPOTHESIS

H_1: The use of EU IPARD II funds will contribute to the development of the agribusiness and rural economy sector, in so far as the constraints on this path are eliminated.
H_2: The IPARD program will allow for a significant increase in competitiveness of entities in agribusiness, achieving EU standards, encouraging sustainable production practices, and increasing the economic viability of rural areas.
H_3: Information and training of producers will significantly influence the volume and dynamics of application and withdrawal of funds from the IPARD Fund.

METHODOLOGY

The subject and purpose of the research defined the application of qualitative methods of research inherent in social sciences. The greatest application in the paper have methods of descriptive and historical analysis based on the study of the impact of the IPARD program on the development of agriculture and rural areas in the candidate countries for EU membership in the period 2007-2013. This analysis is based on valid documents and scientific-professional papers from the given issue.
Considering the necessity of perceiving and comparing the positive and negative experiences of individual countries during the use of pre-accession funds,a method of comparative analysis also has thesignificant application in the work. Of the other scientific methods, the method of observation, genetic method, monographic method, induction and deduction, abstraction and generalization, logic are used, all in order to better clarify the research problem.

RESULTS

The Republic of Serbia has fulfilled the set conditions, and application for IPARD started in early 2018, when the first competition for co-financing of projects was opened.
In line with the national strategy for agriculture and rural development, IPA II priorities, interventions will be focused on productivity and competitiveness growth, compliance with EU veterinary, sanitary and environmental standards; sustainable land management and organic production; and the strengthening of infrastructure in rural areas, which in fact are the biggest challenges.

IMPLICATIONS AND CONTRIBUTIONS

The importance of the work is reflected in the implementation of the knowledge and experience of the IPARD program, as the fifth component of the IPA program intended for countries seeking to integrate into the EU, with the aim to integrate the agrarian sector as painlessly as possible into the EU Common Agricultural Policy, and thus prepare for the use of more significant funds from the European Agricultural Fund for Rural Development (EAFRD). The experiences and results from this study can help interested stakeholders to create specific policies and plans in order to improve the state of the agrarian, both at micro and macro level.

KEY RECOMMENDATIONS

The IPARD provides an opportunity to improve the rural economy by striving to respect the sustainability principle. The IPARD program must be applied more seriously and must give importance to competent experts, information and education.

The program basically, if the resources offered are taken into account, is only an exercise in order to establish an institutional structure that is able to manage the same after joining the EU, when the funds are increased up to several times.

The rural development strategy implies a set of measures, that is, the development of rural areas requires more time and resources than the performance of the IPARD II fund.

KEY WORDS

Agriculture, Rural Development, IPARD, Republic of Serbia, European Union

REFERENCES

Đurić, K. (2017). *Poljoprivreda i ruralni razvoj Srbije u procesu evropskih integracija.* Novi Sad, Republika Srbija: Univerzitet u Novom Sadu, Poljoprivredni fakultet.

Gluščević, S., Maksimović, S., Pejanović, R., & Simeunović, T. (2017). Mogućnost razvoja ruralnog sektora u Srbiji korišćenjem IPARD programa. *Ekonomika poljoprivrede, 64*(2), 753-767.

IPARD program za Republiku Srbiju zaperiod 2014-2020. godine. Ministarstvo poljoprivrede, šumarstva i vodoprivrede, „Službeni glasnikRS", br. 84/17 od 20. septembra 2017. godine.

IPARD u Bosni i Hercegovini – kroz Hrvatska iskustva. (2012). U: *Usaglašenost sa EU politikama iz oblasti poljoprivrede i ruralnog razvoja – IPARD u BiH kroz Hrvatska iskustva*. Agencija za saradnju, edukaciju i razvoj – ACED.

Jahić, M., Avdić, P., & Prodanović, R. (2017). IPARD Program in the Function for Development Agribusiness in Bosnia and Herzegovina and Serbia. In *Conference Proceedings - Knowledge Based Sustainable Economic Development ERAZ 2017*. Belgrade, Republic of Serbia: Association of Economists and Managers of the Balkans.

Zekić, S., Matkovski, B., & Kleut, Ž. (2016). IPARD fondovi u funkciji razvoja ruralnih područja Republike Srbije. *Ekonomski horizonti, 18*(2), 169-180.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

TOURISM AS A DRIVING FORCE IN RURAL DEVELOPMENT: A CASE STUDY OF SOUTHEASTERN BAČKA

Nataša Pavlović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Bojana Kovačević Berleković, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

The objective of the study is to research the current state and the potential for development of tourism in the Southeastern Bačka, contained in attractive, communicative and receptive factors of the tourist offer, defining the target segment of the market, as well as proposals for creating a tourism product and including the local community in an integrated development of tourism.

OBJECTIVES

The subject of the research is defining key tourist resources and priority forms of tourism, with the aim of creating a product mix of destinations, in accordance with the potential tourist demand, thereby elevating the recognition of the destination in the tourism market. It was essential to determine the target markets that can generate most visitors and tourists, followed by establishing which target market segment the marketing activities should be primarily focused on.

HYPOTHESIS

The basic hypothesis is as follows*:*
H_1: Southeastern Bačka is diverse from a touristic and geographic point of view, as well as being an interesting area where tourism is not sufficiently developed, and natural potentials and social attractiveness are mostly unused.
H_{1a}: Southeastern Bačka lacks a professional, efficient and contemporary strategic destination management in all areas and levels of tourism activities and functions.

nts.pavlovic@gmail.com

METHODOLOGY

Primary research for the study included electronic surveys conducted in Novi Sad and Zrenjanin, based on a sample of 322 respondents and field research carried out in settlements and rural areas of Southeastern Bačka, while secondary research included the use of various contemporary sources of literature related to the development of tourism in rural areas.
During the processing of the results based on questionnaires, the logical and analytical process of analysis and synthesis, abstraction and generalization were used to detect the legality of the behavior of all segments that are significant for the development of tourism in this area.
The descriptive statistical analysis was applied in order to describe the sample and therefore the socio-demographic profile of the respondents, as well as to calculate the measures of central tendency (arithmetic mean, mode, median) and measure of variation (standard deviation) for the set claims.
Pierson's coefficient of linear correlation was used to prove (disprove) research sub-hypotheses that were set.

RESULTS

During the research process, the general impression was that the current state of tourism development is not in line with the potentials, which confirmed the basic hypothesis of H1 research. The results of descriptive statistical analysis indicate that the respondents agreed the most with the statements "Active rest in the country contributes to stress relief" (M = 4.34) and "Excursion and recreational zones are important for recreation of urban population" (M = 4, 34), thus confirming hypotheses 2 and 3.

IMPLICATIONS AND CONTRIBUTIONS

Through research, it was concluded that rural and excursion tourism should function as drivers for development, which means that the effects of their fast and successful commercialization would gradually expand to other tourist products that demand a higher level of investment and technology.
Tourism is not the panacea for all rural problems in Southeastern Bačka, but it is one of the many opportunities that rural communities might consider to improve productivity and incomes.

KEY RECOMMENDATIONS

In the future tourism development plan, it is essential to synchronize the activities of all organizations involved in tourism-related activities, while including the local population in the creation of a tourist offer.
The target market segment includes potential tourists from Novi Sad and Zrenjanin, aged 25-45 years, who are highly educated and with above-average income level. It is necessary to direct the main part of marketing activities and resources to these markets and at the same time develop products customized for these markets.

KEY WORDS

Southeastern Bačka, rural development, tourism, market segmentation

REFERENCES

Bălan, M., & Burghelea, C. (2015). Rural Tourism and its Implication in the Development of the Fundata Village. *Procedia – Social and Behavioral Science,* 188, 276-281.

Bornhorst, T., Ritchie, B., & Sheehan, L. (2010). Determinants of tourism success for DMOs & destinations: An empirical examination of stakeholders' perspectives. *Tourism Management, 31*(5), 572-589.

Byrd, E. T., Bosley, H. E., & Dronberger, M. G. (2009). Comparisons of stakeholder perceptions of tourism impacts in rural eastern North Carolina. *Tourism Management, 30*(5), 693-703.

Cawley, M., & Gillmor, D.A. (2008). Integrated rural tourism: concepts and practice. *Annals of Tourism Research, 35*(2), 316-337.

Chang, S., & Gibson, H.J. (2011). Physically active leisure and tourism connection: Leisure involvement and chose of tourism activities among paddlers, *Leisure Sciences, 33*(2), 162-181.

Demirović, D. (2016). *Konkurentnost Vojvodine kao destinacije ruralnog turizma.* Doktorska disertacija. Novi Sad: Prirodno-matematički fakultet.

Dwyer, L., & Kim, C. (2003). Destination Competitiveness: Determinants and Indicators, *Current Issues in Tourism 6*(5), 369-414.

Kovačević, B., Gajić, T. (2012). The research of tourist demand of sports and recreational activities in rural areas of Šajkaška, *International Journal of Business and Management Tomorrow, 2*(2),1-11.

Kovačević. B. (2014). *Turizam Šajkaške*. Doktorska disertacija. Novi Sad: Prirodno-matematički fakultet.

Mihailović, B., & Morić, I. (2011). The role of marketing philosophy in rural tourism. *Tourism and Hospitality Management*, 18, 267-281.

Paresishvili, O., Kvaratskhelia, L., & Mirzaeva, V. (2017). Rural tourism as a promising trend of small business in Georgia: Topicality, capabilities, peculiarities, *Annals of Agrarian Science, 15*(3), 344-348.

Williams, J., & Lawson, R. (2001). Community issues and resident opinions of tourism*, Annals of Tourism Research, 28*(2), 269-290.

GASTRONOMY AS A REVITALIZATION FACTOR OF THE TRADITIONAL FARM HOUSES (SALAŠI) – CASE STUDY OF ČENEJ SETTLEMENT

Tamara Gajić, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Aleksandra Vujko, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Gastronomic tourism is an important factor in sustainable rural development, which contributes to the affirmation of rural areas (Campbell, 1999; Getz, Carlsen, 2000; Gaddefors, 2005; Getz, Carlsen, 2005; Petrović et al., 2015; Vujko et al. 2017a). Vojvodina is autonomous region of the Republic of Serbia, which consists of three larger geographic regions, Srem, Banat and Bačka, in which are located traditional farms (so called *Salaši* - pl. of the word *Salaš*, Hun. *Szállás*), places recognizable by ethnic cuisine.

OBJECTIVES

The main objective is gastronomic tourism. Traditional food from some country is important in two directions: a) as a tourism attraction and b) in helping to shapes the vision of the destination. Anyway, the gastronomy is a great opportunity for the development of undeveloped rural destinations and revitalization factor of such areas.

HYPOTHESIS

The study started from the main hypothesis:
H: Traditional food should be the backbone of revitalization of the traditional farm houses (salaši).
Certain lower-level hypotheses are set under the main one:
h_1 – the food from observed farms has all the organoleptic qualities;
h_2 - the traditional food presents the tradition of the people of this region.

tamara.gajic.1977@gmail.com

METHODOLOGY

The sample consisted of 234 respondents from five countries (Slovenia, Russia, Croatia, Hungary and Bosnia and Herzegovina), and was a part of a wider research project. In this paper we presented a part of research related to food quality. The survey was conducted in 2016 in the following farms: salaš 137, salaš Tatić, Brkin salaš and Pajin salaš. The variables concerned the general impression of the quality of food and beverages on farms. Respondents ranked their views with grades 1 to 5, where one determined an extremely negative attitude, and the fifth was a very positive attitude. The following farm houses were taken in the analysis: salaš 137, salaš Tatić, Brkin salaš i Pajin salaš. In data processing it was used the Statistical Package for the Social Sciences (SPSS) program.

RESULTS

The structure of the participants is as follows: Russia (71 people – 30.3%), Slovenia (51 people – 21.8%), Hungary (49 people – 20.9%), Bosnia and Herzegovina (36 people – 15.4%), and Croatia (27 people - 11.5%). The paper presents data on the assessment of the quality of food and beverages in the farms. It can be concluded that all respondents were very satisfied with the food and drink they consumed at farms. So, home-made food and beverages served on farms represent a great advantage for the development of farm tourism.

IMPLICATIONS AND CONTRIBUTIONS

Different influences make the cuisine of Vojvodina specific and attractive for tourist demand. The citizens of Vojvodina like to welcome every guest. In the genes of people from this region is that the guest would be hosted by the welcoming and hospitality in the right manner. Then it will serve the most valuable thing in the household, which represents a base for the development of gastronomic tourism.

KEY RECOMMENDATIONS

There are many different ways how the destination of rural tourism can be presented in the tourism market. One way is through gastronomy. It is a tasty "instrument" that can promote all the products and beauty of rural tourism. The area of Vojvodina, where numerous farms are located, represents a great potential for the development of this form of tourism. So, revitalization of farms through tourism can have multiple positive effects, not just the farm owners, but also on the overall development of rural areas in which the farms are located.

KEY WORDS

Rural tourism, gastronomy, farm houses, Bačka

REFERENCES

Campbell, L. M. (1999). Ecotourism in rural developing communities. *Annals of Tourism Research, 26*(3), 534–553.

Cohen, E., & Avieli, N. (2004). Food in tourism: attraction and impediment. *Annals of Tourism Research*, *31*(4), 755–778.

Dragićević, V. (2007). Turizam kao faktor revitalizacije salaša – primer Cvetnog i Majkinog salaša na Paliću. *Zbornik radova Geografskog instututa „Jovan Cvijić“ SANU*, 57, 223-231.

Everett, S., & Aitchison, C. (2008). The role of gastronomy tourism in sustaining regional identity: a case study of Cornwall, South West England. *Journal of Sustainable Tourism, 16*(2), 150-167.

Getz D., & Carlsen, J. (2005). Family business in tourism: State of the art. *Annals of Tourism Research, 32*(1), 237 – 258.

Gaddefors, J. (2005). Creating context entrepreneurial opportunities in a consumer market setting. *Journal of Enterprising Culture, 13*(3), 199–224.

Getz D., & Carlsen, J. (2000). Characteristics and goals of family and owner-operated businesses in the rural tourism and hospitality sectors. *Tourism Management, 21*(6), 547–560.

Gavrić, Đ. (1994). *Bečejski Salaši, Ej, Salaši*. Novi Sad, Republika Srbija: Izdavačko preduzeće Matice srpske.

Gajić, T., Vujko, A., Penić, M., Petrović, M., & Mrkša, M. (2017). Significant involvement of agricultural holdings in rural tourism development in Serbia. *Ekonomika poljoprivrede, 64*(3), 901-919.

Hjalager, A., & Richards, G. (2002). *Tourism and Gastronomy*. London: Routledge.

Kneafsey, M. & Ilbery, B. (2001). Regional images and the promotion of speciality food and drink products: Initial explorations from the 'West Country'. *Geography,* 86,131-140.

Okumus, B., Okumus, F., & McKercher, B. (2007). Incorporating local and international cuisines in the marketing of tourism destinations: The cases of Hong Kong and Turkey. *Tourism Management, 28*(1), 253-261.

Petrović, M., Blešić, I., Vujko, A., & Gajić, T. (2017). The role of agritourism impact on local community in a transitional society: a report from Serbia. *Transylvanian Review of Administrative Sciences,* 50/2017, 146-163.

Vujko, A., Petrović, M., Dragosavac, M., & Gajić, T. (2016). Differences and similarities among rural tourism in Slovenia and Serbia - perceptions of local tourism workers. *Ekonomika poljoprivrede,* 4/2016, 1459-1469.

Vujko, A., Petrović, M., Dragosavac, M., Ćurčić, N., & Gajić, T. (2017). The linkage between traditional food and loyalty of tourists to the rural destinations. *Teme, 41*(2), 475-487.

Vujko, A., Gajić, T., Dragosavac, M., Maksimović, B., & Mrkša, M. (2017). Level of integration among rural accommodation sector and travel agencies. *Ekonomika poljoprivrede 64*(2), 659-670.

SUSTAINABLE TOURISM MANAGEMENT OF SPECIAL NATURE RESERVE "DELIBLATSKA PEŠČARA"

Igor Trišić, MSc
Faculty of Hotel Management and Tourism Vrnjačka Banja, University of Kragujevac, Republic of Serbia

RESEARCH PROBLEM

The area of the Special Nature Reserve "Deliblatska Peščara" possesses huge capital of pristine nature. There are biocenoses within which there are endemic plant and animal species, fragile ecosystem, humid habitats, a significant geological diversity in which there are an ecological niche and valence that are preferred in the systems of monitoring and protection with a view to conserve, as well as many other reasons for preserving this area as a unique spatial unit (Lazić et al., 2008). Precisely like this, it represents a significant tourist potential. In addition to the socio-economic function and as a catalyst (Holden, 2013), tourism has a great influence on the development and sustainability of the area of Deliblatska Peščara.

OBJECTIVES

The aim of this paper is an analytic research of written data, as of those given after a conducted questionairre regarding how and to what extent do the protected areas influence tourism and forms of traveling of potential users of this space. The research also includes an analysis regarding the importance of ecosystems in making travel decisions. After conducting the research, the goal is to present the results which will contribute to the improvement of sustainable tourism management in this reserve.

HYPOTHESIS

The main hypothesis of the paper is that the establishment of the level of protection on the territory of this reserve is completely conditioned by the endangering of flora and fauna and pressures of the users of this area (Njegovan, Demirović & Radović, 2015; Fennell, 2015), and the other hypothesis is that the protection contributes to preservance of endagered species

trisici@hotmail.com

and it influences to the choice of visiting made by tourist users of all forms. Inclusion in tourist offer can bring economic, socio-cultural and ecological benefits to this special nature reserve.

METHODOLOGY

Deliblatska peščara is located in southern Banat and includes territories of the following self-governments: Alibunar, Vršac, Bela Crkva, Kovin and Pančevo. It has a surface of more than 34,829,32 ha (Brankov, 2010). The term "protection" refers to the established protection of species, areas, habitats and the like, that is, when the protection is established on the basis of the adopted legal act or regulation (Panjković, 2016). In this area a three-degree regime of protection has been established: I degree of protection – 2,354 ha; II degree of protection – 8,219 ha and III degree of protection – 24,257 ha (Puzović et al., 2015). IUCN classifications, Deliblatska Pešćara belongs to the IV degree of protection. According to that, that is the area of managing of habitat or species and the area of the country that is being managed by active protection measures, in order to preserve the habitat and provide conditions for the survival of species (IUCN-WCPA, 2018). During April and May 2018 there was a research conducted by the author regarding travelling to the protected areas of Vojvodina and opinions on the significance of sustainable tourism development within protected areas.

RESULTS

By analyzing collected written data and the results obtained from the survey, it is noted that all age groups consider that the protected areas can contribute to the quality of the tourist offer. The result, that all the protected localities will be a part of a future travel of the majority of respondents, suggests the importance of these areas when it comes to choosing travel destinations in almost all ages of tourists. The presence of sustainable awareness in vast majority of respondents is also noticed. Such a result can be used when planning a sustainable development in this reserve.

IMPLICATIONS AND CONTRIBUTIONS

The results of the research represent a good sample and a significant basis in the planning of sustainable tourism development within protected nature area of the Special Nature Reserve of "Deliblatska Peščara". The motive and awareness of significance of such tourist destinations represents the potential of tourism development. Sustainable tourism management in this reserve cannot be solved without the tourism exploitation and the involvement of the local community in management systems.

KEY RECOMMENDATIONS

By analyzing the presented data in the paper, it can be concluded that the Special Nature Reserve of "Deliblatska peščara" presents a significant treasury of rare natural characteristics and examples of flora and fauna. Most of them are endangered, both by natural and anthropogenic influences. Tourists mainly support the sustainable tourism development; they possess considerable awareness of the protection and improvement of such a space and want to pass their knowledge and opinions to other contemporary or future travelers.

KEY WORDS

Tourism, management, sustainable tourism development, tourism and area protected

REFERENCES

Brankov, J. (2010). *Ekološki turizam u zaštićenim objektima prirode u Banatu, knjiga 81*. Beograd, Republika Srbija: Geografski institut „Jovan Cvijić", Srpska akademija nauka i umetnosti.

Fennell, D. A. (2015). *Ecotourism*. London & New York: Routledge.

Holden, A. (2013). Protected areas and tourism. In Holden, A., & Fennell, D, *The Routledge Handbook of Tourism and the Environment*, (276-284). London & New York: Routledge, Taylor & Francis Group.

IUCN WCPA, (2018). *Parks*. The International Journal of Protected Areas and Conservation, Volume 24.1, Gland, Switzerland: IUCN.

Lazić, L., Pavić, D., Stojanović, V., Tomić, P., Romelić, J., Pivac, T., Košić, K., Besermenji, S., & Kicošev, S. (2008). *Zaštićena prirodna dobra i ekoturizam Vojvodine*. Novi Sad, Republika Srbija: Univerzitet u Novom Sadu, Prirodno-matematički fakultet, Departman za geografiju, turizam i hotelijerstvo.

Njegovan, Z., Demirović, D., & Radović, G. (2015). Upravljanje održivim razvojem ruralnog turizma u Vojvodini. *Škola biznisa*, 1/2015, 68-79.

Panjković, B. (2016). *Zaštićena područja prirode u AP Vojvodini, status zaštite i finansiranje u kontekstu evropskih integracija*. Vršac, Republika Srbija: Ekološki centar „Stanište".

Puzović, S., Panjković, B., Tucakov, M., Stojnić, N., Sabadoš, K., Stojanović, T., Vig, L., Marić, B., Tešić, O., Kiš, A., Galamboš, L., Pil, N., Kicošev, V., Stojšić, V., Timotić, D., Perić, R., Bošnjak, T., Delić, J., Dobretić, V., &

Stanišić, J. (2015). *Upravljanje prirodnom baštinom u Vojvodini*. Novi Sad: Republika Srbija, Autonomna Pokrajina Vojvodina, Pokrajinski sekretarijat za urbanizam, graditeljstvo i zaštitu životne sredine, Pokrajinski zavod za zaštitu prirode.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

HUMAN RESOURCES IN RURAL TOURISM OF SERBIA – STATE AND PERSPECTIVE OF DEVELOPMENT

Tatjana Bošković, PhD
Novi Sad School of Business, Novi Sad, Serbia
Dragana Milić, MSc
Novi Sad School of Business, Novi Sad, Serbia

RESEARCH PROBLEM

Rural areas are more and more attractive as holiday destinations. Nevertheless, statistics show that these areas, despite numerous advantages over urban spaces, are not particularly attractive for life. Adverse demographic indicators reflect the quality of human resources. The significance of this kind of research stems from the fact that the situation in the field of human resources is not only reflected on the development of tourism, but also defines the boundaries of the overall socio-economic development of rural areas.

OBJECTIVES

The paper will explore the basic characteristics and development possibilities of available human resources in rural areas of Serbia in the function of tourism development. Particular attention will be paid to the quality of available human resources.

HYPOTHESIS

The wealth of natural and social resources is a good basis for the development of rural areas. However, as the main vehicle and driver of tourism development in rural areas, the population of these areas or rural households can be separated. The limitation and unsatisfactory quality of human resurces is a limiting factor in the development of rural tourism in Serbia.

tatjanab44@gmail.com

METHODOLOGY

The research methodology is subordinate to the object and purpose of the research. In this paper, the methods of analysis and synthesis, as well as the comparative method, will be applied. Publications of the Republic Statistical Office of Serbia, the Ministry of Agriculture, Forestry and Water Management of The Republic of Serbia, as well as all other relevant institutions, as well as the results of some previous research by the authors, as well as all other research in this field, will be used as sources of data.

RESULTS

It is expected that the results of the survey will confirm the starting assumptions. Decennial migration from rural to urban and depopulation of rural areas has adversely affected the vitality and quality of human resources, viewed through the age, education and economic structure of the population. Poor population motivation also limits the development of tourism in rural areas.

IMPLICATIONS AND CONTRIBUTIONS

The results of the research will have, first and foremost, a practical significance. In practise, they can be used by rural development policy makers as guidelines for the future development and improvement of human resources. Human resource development is expected to contribute to more intensive tourism development, but also to overal socio-economic development and the reduction of the gap between urban and rural areas.

KEY RECOMMENDATIONS

Based on the results of the research, appropriate measures and activities will be proposed to eliminate or mitigate the perceived limitations in order to enable more intensive development of tourism in rural areas. Of particular importance is the implementation of specific education programs that would enable them to acquire certain skills and skills, but also contribute to greater awareness and motivation of interested households for dealing with rural tourism.

KEY WORDS

Human resources, rural tourism, development, quality, education, motivation

REFERENCES

Bogdanov, N. (2007). *Mala ruralna domaćinstva u Srbiji i ruralna nepoljoprivredna ekonomija.* Beograd, Republika Srbija: Ministarstvo poljoprivrede, šumarstva i vodoprivrede.

Bošković, T. Tomić, R., & Tomić, D. (2013). Potential and Limitations for the development of rural tourism in Vojvodina. *Economics of Agriculture,* 60(1), 103-111.

Bošković, T., Tomić, D., & Andrić, N. (2010). Rural population – Factor of Development of tourism in Vojvodina, *Multifunctional agriculture and rural development (V) regional specificities, Economcs of Agriculture – special issue,* 2, 251-259.

Eurostat regional yearbook 2017 edition. (2017). Luxembourg: Publications Office of the European Union.

Grgić, I., Hadelan, L., Krznar, S., & Zrakić, M., (2017). Could rural tourism revitalize rural areas in Croatia?. *Agroeconomia Croatica, 7*(1), 98-108.

Premović, J. (2016). Characteristics of Human Resources in Serbian Rural Tourism. *Economics of Agriculture,* 2/2016, 633-647.

Republički zavod za statistiku. (2017). *Demografska statistika - Demographic Yearbook 2016*.

Republički zavod za statistiku. (2017). *Statistički godišnjak Republike Srbije 2017.*

Strategija poljoprivrede i ruralnog razvoja Republike Srbije za period od 2014-2024., Službeni glasnik RS br. 85/2014

Strategija razvoja turizma Republike Srbije za period 2016.-2025. (2016). Vlada Republike Srbije, Ministarstvo trgovine, turizma i telekomunikacija, Beograd

Svržnjak, K., Pugelnik, I., & Kantar, S. (2011) Ograničavajući čimbenici razvoja ruralnog turizma Lonjskog polja Possibility of Rural tourism development in Lonjsko polje. *Praktični menadžment*, *2*(2), 27-32.

Todorović, M., & Štetić, S. (2009). *Ruralni turizam*. Beograd, Republika Srbija: Geografski fakultet, Univerzitet u Beogradu.

SUSTAINABLE DEVELOPMENT OF RURAL TOURISM IN THE MUNICIPALITY OF SEČANJ

Milutin Mrkša, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

The main problem of research is the awareness of the local population on tourism and sustainable development. It is also necessary to link rural tourism with the development of sustainable development and create sustainable rural tourism. Sustainable development of rural tourism in the municipality of Sečanj would get a lot because it belongs to the ranks of underdeveloped municipalities and that the tourism has not been sufficiently developed.

OBJECTIVES

The aim of the paper is to present all potential potentials of rural parts of the Municipality of Sečanj. These include natural, cultural and tourist potentials. Also, the development of rural tourism should be planned in the context of sustainable development, which would benefit the local population. In this respect, the main objective is to establish an activated number of rural households in terms of providing accommodation and meals.

HYPOTHESIS

Hunting Ground "Vučjak" – Sečanj total area of 52 268 ha, of which hunting area covers 47,248 ha. Tamiš originates in Romania, on the mountain Seminal vesicles and empties into the Danube at Pančevo.Hotel "Crveni cvet" is located in the center of Sečanj, capacity 52 beds. Cultural attractions are: Saint Nicholas Church in Jaša Tomić and Danijel Castle. Events: Writers on the border, Poet of my town and FEDRAS (Mrkša, 2009; Bogdanović & Marković, 2005; Mrkša, 2011; Mrkša, 2015).

mrksamilutin@gmail.com

METHODOLOGY

Rural tourism is bound and takes place in rural areas. However, rural tourism is not only a holiday in the country, as it basically looks, but a wide range of activities in rural areas. Mainly as tourist activities related to natural and anthropogenic conditions, as in the case of rural areas over a ten tourist activities, eco, sport and recreation, culture, health, sailing, hunting, fishing, educational, religious, etc (Mrkša & Gajić, 2014).

The paper presents natural resources, cultural resources, events and facilities for the development of tourism. The potentials of the sheep association were presented as an important factor in the development of tourist activities. In the end, the results of the survey conducted among the local population will be presented. The questions were:
- Has tourism been sufficiently developed?
- Does tourism represent a developmental opportunity?
- Does tourism affect the environment? and
- Do you know what sustainable development is?

RESULTS

The survey covered 150 respondents. The following data were obtained: Question 1: 12% YES, 88% NO. Question 2: 95% YES, 5% NO. Question 3: 50% YES, 20% NO, 30% DO NOT KNOW. Question 4: 41% YES, 39% NO, 20% DO NOT KNOW. From the above, it can be seen that the majority of the population are for tourism development, half think that tourism affects the environment and 41% knows what is sustainable development.

IMPLICATIONS AND CONTRIBUTIONS

Based on these potentials and the result of the survey, it can be concluded that Sečanj has a solid basis for the development of rural tourism. It is also noticeable that the population does not have enough knowledge and information in the field of sustainable development. The above indicates that it is necessary to adopt the adopted strategic documents that will determine the directions of the development of sustainable development and rural tourism.

KEY RECOMMENDATIONS

Key recommendations for the sustainable development of rural tourism are the adoption of a sustainable development strategy and the adoption of a sustainable tourism development strategy. These two documents are crucial for planning development, but also for writing projects that would provide the necessary resources for investing in tours offer.

KEY WORDS

Sečanj, rural tourism, sustainable development, sustainable tourism

REFERENCES

Bogdanović, Ž., & Marković, S. (2005). *Vode Banata*. Novi Sad, Republika Srbija: Institut za geografiju, PMF.

Mrkša, M., (2009). *Stanje i perspektive razvoja turizma Srednjeg Banata u kontekstu održivog razvoja*, (Doktorska disertacija). Novi Sad, Republika srbija: Depatman za geografiju, turizam i hotelijerstvo, PMF.

Mrkša, M. (2011). Ugostiteljstvo kao faktor ekološki održivog razvoja Srednjeg Banata. U: *Zbornik sa međunarodnog naučnog skupa Zaštita prirode u XXI vjeku* (795-802). Podgorica.

Mrkša, M., & Gajić., T. (2014). Opportunities for sustainable development of rural tourism in the municipality of Vrbas. *Ekonomika poljoprivrede*, *61*(1), 163-177.

Mrkša, M. (2015). Potentianal of hunting tourism in the Middle Banat. *Škola biznisa, 1,* 58-67.

BUSINESS COMMUNICATION OF THE CABIN CREW WITHIN „QATAR AIRWAYS" AIRLINE

Katarina Perčević, MSc
Faculty of Sciences, Department of Geography, Tourism and Hotel Management, Novi Sad, Republic of Serbia
Aleksandra Dragin, PhD
Faculty of Sciences, Department of Geography, Tourism and Hotel Management, Novi Sad, Republic of Serbia
Maja Mijatov, PhD
Faculty of Sciences, Department of Geography, Tourism and Hotel Management, Novi Sad, Serbia

RESEARCH PROBLEM

In addition to the fact that communication represents integral aspect of everyday life, it could also be considered as important determinant of business performances, on the basis of application or ignorance of cultural differences between the stakeholders throughout their business interactions (Pallab, Abhijit & Kausiki, 2006; Gnanlet & Yayla-Kullu, 2014; Minkov, Bond & Blagoev, 2015; Válka, 2017; Zwetsloot et al., 2017).

OBJECTIVES

This research was conducted on the basis of analyzing the behavioral standards and acceptable values that one global company, such as „Qatar Airways" represents to its employees. Furthermore, the research also obtained the analysis of the employees' expectations regarding the implementation of business standards and values throughout the business communication with the customers, but also with their colleagues, members of different cultures (Chiambaretto & Wassmer, 2018; O'Connell & Bueno, 2016).

HYPOTHESIS

There is a question whether the cabin crew of „Qatar Airways" is introduced with the standards of conduct that are considered as acceptable during the communication with the members of other cultures. Therefore, this research is aimed at determining the cultural differences in business communication,

katarina.percevic@gmail.com

together with the problems that might arise as a consequence of stated differences.

METHODOLOGY

Data colleting procedure and data analysis were conducted on the basis of historical, comparative, descriptive and statistical methods, including the synthesis. Also, a survey research was conducted during the 2016 on the sample of ten employees in „Qatar Airways". Respondents stated their attitudes on business communication and cultural differences through the Likert's scale, by cycling one number, from 1 (I do not agree at all) to 5 (I completely agree). Although the research was conducted in the summer season, during the most intensive working period, respondents showed the interest in participating. They also showed the understanding towards researching the cultural differences in business, especially in organizations that are operating beyond the boundaries of one national culture.

RESULTS

According to the research results, the employees are educated on the principles of globally acceptable behavior within the different national cultures. In other words, it could be said that this airline tends to create the universal business environment, in which everyone could fit in. This is also supported by additional trainings for cabin crew aimed at acquiring the new knowledge and skills in the field of multiculturalism, as well as the clearly defined sanctions for undesirable behavior.

IMPLICATIONS AND CONTRIBUTIONS

Beside the contribution to the theory regarding the impact of cultural differences on business communication, results of this research might have practical implications for all companies operating on the global market. Thus, a special accent was placed on multiculturalism, due to the fact that the cabin crew of this company is mostly consisted of the members from different cultures.

KEY RECOMMENDATIONS

The main aim of this research was to analyze the employees' perception of problems that may arise during the business communication between the cabin crew employed in this multinational airline company and their customers. Such research might provide the basis for avoiding the possible problems in business communication that might accurate on a daily basis in international companies, but also in much smaller, especially in the field of tourism.

KEY WORDS

Cultural differences, business communication, cabin crew, airline „Qatar Airways", globalization

REFERENCES

Chiambaretto, P., & Wassmer, U. (2018). Resource utilization as an internal driver of alliance portfolio evolution: The Qatar airways case (1993–2010). *Long Range Planning*.

Gnanlet, A., & Yayla-Kullu, M.H. (2014). Impact of national culture on the quality of information delivery in services. *Service Business, 8*(1), 135-169.

Minkov, M., Bond, M.H., & Blagoev, V. (2015). Do different national samples yield similar dimensions of national culture? *Cross Cultural Management, 22*(2), 259-277.

O'Connell, J.F., & Bueno, O. E. (2016). A study into the hub performance Emirates, Etihad Airways and Qatar Airways and their competitive position against the major European hubbing airlines. *Journal of Air Transport Management*, 69, 257-268.

Pallab, P., Abhijit, R. & Kausiki, M. (2006). The impact of cultural values on marketing ethical norms: A study in India and the United States. *Journal of International Marketing, 14*(4), 28-56.

Válka, M. (2017). The role of personality in the transmission of cultural forms. *Bulletin of the Institute of Ethnography SASA, 65*(2), 273-288.

Zwetsloot, G., Kines, P., Ruotsala, R., Drupsteen, L., Merivirta, M-L., & Bezemer, R.A. (2017). The importance of commitment, communication, culture and learning for the implementation of the Zero Accident Vision in 27 companies in Europe. *Safety science*, 96, 22-32.

THE FUNCTION OF EXCURSION TOURISM IN THE DEVELOPMENT OF RURAL AREAS IN THE REGION OF ŠAJKAŠKA

Bojana Kovačević Berleković, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Bošković Tatjana, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Excellent touristic and geographical position of Šajkaska, good traffic connectivity and proximity to the cities (Belgrade, Novi Sad and Zrenjanin) that representgenerating centers, as well as awealth of natural and anthropogenic tourist values represent exceptional preconditions for the development of excursion tourism.
The goal of the study is to determine the current state of the development of excursion tourism in Šajkaška, requirements for further development, management proposals and defining different forms of excursion travel that have potential in the observed area.

OBJECTIVES

The subject of the study is to determine the key tourist resources which the development of excursion tourism is based on, to define the types of excursion tourism that have the best potential for development, as well as to investigate how the respondents evaluate the attractiveness of excursion sites.It is essential to determine which types of excursion tourism (half-day or all-day) can be developed in relation to the geographical distance from the generating centers, and define the primary markets that can generate the largest number of potential excursionists.

HYPOTHESIS

The basic hypothesis is as follows**:**

b.k.berlekovic@gmail.com

H_1:Šajkaška is not an affirmed destination for excursion tourism, although it possesses all the requirements to become one.
H_{1a}: Šajkaška has the potential to become an educational-excursion tourist destination.
H_{1b}:Sajkaška has the potential to become a rural-excursion tourist destination.
H_2: More than half of respondents who visited Šajkaška did not visit protected natural areas.
H_3: More than half of the respondents who visited Šajkaška did not visit excursion sites and swimming sites.

METHODOLOGY

Primary research consisted of field research in order to analyze excursion sites, protected natural areas, the most important cultural attractions and the material base, in order to determine the most attractive sites for the development of excursion tourism and evaluate the current state of development. In addition to field research, various scientific methods were utilized, including inductive-deductive method, method of analysis and synthesis, comparative method, observation method, descriptive method, survey method, critical method and empirical and statistical method.
In order to gauge the number of visits and attractiveness of excursion sites, an electronic survey was used as a research method on a sample of 322 respondents in Novi Sad and Zrenjanin, as they are the closest generating centers and primary markets. The instrument used for research is a questionnaire compiled by the author. Data processing was conducted by the software package for statistical analysis and data processing SPSS version 19.0.

RESULTS

Research indicated that protected natural areas and rural areas with messuages represent key resources for the development of excursion tourism, and that there is excellent potential for the development of educational-excursion tourism and rural-excursion tourism, which confirmed the hypotheses H_{1a} and H_{1b}. The results of research conducted through surveysconfirm that more than half of the respondents from Novi Sad and Zrenjanin who visited settlements in Šajkaška did not visit protected natural areas or excursion sites and sites allocatedfor swimming, which confirmed hypotheses H_2 and H_3, as well as the basic hypothesis H_1.

IMPLICATIONS AND CONTRIBUTIONS

The study of the material base indicated significant deficiencies which need to be eliminated in future development. Poor presentation of tourist values, unfamiliarity and weak coordination of marketing activities lead to the conclusion that the management of tourism is at an unsatisfactory level. The target markets that marketing activities need to be focused on are Novi Sad and Zrenjanin, which are located in the zone for half-day excursions and Belgrade, which is in the one-day excursion zone.

KEY RECOMMENDATIONS

Excursion tourism should be observed as a segment of the offer of stationary character which, among others, acts as motivation for the acceptance of the entire tourist offer of Šajkaška. The key problem areas include poor tourism management, inadequate presentation of excursion sites, as well as insufficient development of the material base necessary for the realization of excursion travel.

KEY WORDS

Excursion tourism, rural development, Šajkaška, educational tourism

REFERENCES

Bao, J. (1998). Tourism Planning and Tourist Area Life Cycle Model. *Architect*, 12, 170-178.

Beunen, R., Regnerus, D., H., &Jaarsma, F., C. (2008).Gateways as a means of visitor managementin national parks and protected areas. *Tourism Management,* 29, 138-145.

Bornhorst, T.,Ritchie, B.,& Sheehan, L. (2010). Determinants of tourism success for DMOs & destinations: An empirical examination of stakeholders' perspectives. *Tourism Management, 31*(5), 572-589.

Cawley, M., &Gillmor, D.A. (2008). Integrated rural tourism: concepts and practice. *Annals of Tourism Research, 35*(2), 316-337.

Chang, S., &Gibson, H.J. (2011). Physically active leisure and tourism connection: Leisure involvement and chose of tourism activities among paddlers.*Leisure Sciences, 33*(2), 162-181.

Dwyer, L., Mellor, R., Livaic, Z., Edwards, D.,&Kim, C.W. (2004). Attributes of destination competitiveness: a factor analysis. *Tourism Analysis, 9*(1-2), 91-102.

Enright, M.J., &Newton, J. (2005). Determinants of tourism destination competitiveness in Asia Pacific: Comprehensiveness and universality. *Journal of Travel Research,*43, 339–350.

Hewer, M.J., &Gough, W.A. (2018). Thirty years of assessing the impacts of climate change on outdoor recreation and tourism in Canada. *Tourism Management Perspectives,* 26, 179-192.

Janković, D., (2007). Importance of social capital in the development of local rural communities. *ZbornikMaticesrpskezadruštvenenauke,* 123, 173-190.

Kovačević, B., &Gajić, T. (2012). The research of tourist demand of sports and recreational activities in rural areas of Šajkaška.*International Journal of Business and Management Tomorrow, 2*(2),1-11.

Xu Jing, B. (2010). Perceptions of tourism products. *Tourism Management, 31*(5), 607-610.

Williams, J., &Lawson, R. (2001). Community issues and resident opinions of tourism.*Annals of Tourism Research, 28*(2), 269-290.

THE ASSESSMENT OF POTENTIALS FOR TOURISM DEVELOPMENT IN THE TRADITIONAL FARM HOUSES (SALAŠI) OF THE BAČKA REGION

Aleksandra Vujko, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Tamara Gajić, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

In recent years, rural tourism has been increasingly referred to as a catalyst for the development of rural areas (Everett, Aitchison, 2008; Bole et al. 2013; Ursache, 2015; Vujko et al. 2016; Petrović et al. 2017; Gajić et al. 2017).Traditional farms (so called *Salaši* - pl. of the word *Salaš*, Hun. *Szállás*), in Vojvodinarepresent unique cultural objects and depict the way of life of people in this area (Gavrić, 1994; Todorović, Bjeljac, 2007). Bearing in mind the number of farm houses in Vojvodina, it is necessary to pay attention to them as potential objects included in the tourist offer.

OBJECTIVES

According to some authors, traditional farms (so called *Salaši* - pl. of the word *Salaš*, Hun. *Szállás*) in Vojvodina Province are in comparable monuments of Pannonian Plainethnology and the culture of people who lived in this area for centuries (Gavrić, 1994; Todorović, Bjeljac, 2007). Some of the most famous farms (Salaši) in Vojvodina are located in Bačka and represented significant attributes of local residents' way of life.

HYPOTHESIS

The study started from the main hypothesis H: the farm housesare objects that have the power to attract tourists. Certain lower-levelhypotheses are set under the main one:

H_1: Servicein the farm houses (Salaši) is good.
H_2: The ambience is attractive to tourists.

aleksandravujko@yahoo.com

METHODOLOGY

The sample consisted of 234 respondents from five countries (Slovenia, Russia, Croatia, Hungary and Bosnia and Herzegovina), and was part of a wider research project. The survey was conducted in 2016 with the aim of examining the motives and attitudes of foreigners towards the significance of the tourist offer in farm houses and the quality of the services provided there in. The following farm houses were taken in the analysis: Salaš 137, Salaš Tatić, Brkin salaš and Pajin salaš. The variables concerned the general impression about the quality of service at these farm houses as well as ambience. These variables were used in data processing. The collected data were analyzed by employing the Statistical Package for the Social Sciences (SPSS) program.

RESULTS

All respondents were guests of the mentioned farms, in the summer period of 2016. The results show that the largest percentage of the participants came from Russia (71 people – 30.3%) and Slovenia (51 people – 21.8%). All the assessments provided by the respondents were not less than 4, which implies that each of these four farms is very well integrated into the environment and that the respondents liked it.Bearing in mind that a vast majority of the respondents felt that the service in the farms was very good (207 or 88.5%), it can be concluded that the farms are a great potential for the development of Vojvodina's tourism.

IMPLICATIONS AND CONTRIBUTIONS

The mission of farm tourism is to become recognizable as a type of vacation for those who love peace and quiet. The vision of Bačka's tourism is to become synonymous with the sustainability, tradition and gastronomy of this area. The goals are to raise the awareness about the importance of farm houses as guardians of Vojvodinian culture and tradition.

KEY RECOMMENDATIONS

Bearing in mind the results of the research according to which all the respondents were extremely satisfied with the service and the ambience, it is concluded that the farms are a great potential for the development of rural tourism. This primarily points to the need for additional research to determine the representation of this type of tourism.

KEY WORDS

Rural tourism, traditional farm houses, Bačka

REFERENCES

Bole, D., Pipan, P., & Komac, B. (2013). Cultural values and sustainable rural development:A brief introduction. *Acta geographica Slovenica, 52*(2), 367-370.

Campbell, L. M. (1999). Eco-tourism in rural developing communities. *Annals of Tourism Research, 26*(3), 534–553.

Dragićević, V. (2007). Turizam kao faktor revitalizacije salaša – primer Cvetnog i Majkinog salaša na Paliću. *Zbornik radova Geografskog instututa „Jovan Cvijić" SANU*, 57, 223-231.

Everett, S., & Aitchison, C. (2008). The role of gastronomy tourism in sustaining regional identity: a case study of Cornwall, South West England. *Journal of Sustainable Tourism, 16*(2), 150-167.

Getz D., & Carlsen J. (2005). Family business in tourism: State of the art. *Annals of Tourism Research, 32*(1), 237 – 258.

Gaddefors J. (2005). Creating context entrepreneurial opportunities in a consumer market setting. *Journal of Enterprising Culture, 13*(3), 199–224.

Getz D., & Carlsen J. (2000). Characteristics and goals of family and owner-operated businesses in the rural tourism and hospitality sectors. *Tourism Management, 21*(6), 547–560.

Gavrić, Đ. (1994). *Bečejski Salaši, Ej, Salaši*. Novi Sad, Republika Srbija: Izdavačko preduzeće Matice srpske u Novom Sadu.

Gajić, T., Vujko, A., Penić, M., Petrović, M. & Mrkša, M. (2017). Significant involvement of agricultural holdings in rural tourism development in Serbia. *Ekonomika poljoprivrede, 64*(3), 901-919.

Petrović, M. D., Vujko, A., & Blešić, I. (2015). Leisure Time in Countryside: The Health Aspects of Agritourism Activities. *KNOWLEDGE - International Journal Scientific and Applicative papers, 8*(1), 131-136.

Petrović, M., Blešić, I., Vujko, A., & Gajić, T. (2017). The role of agritourism impact on local community in a transitional society: a report from Serbia. *Transylvanian Review of Administrative Sciences*, 50/2017, 146-163.

Todorović, M., & Bjeljac, Ž. (2007). Osnove razvoja ruralnog turizma u Srbiji. [Basics of rural tourism development in Serbia]. *Glasnik srpskog geografskog društva*, *87*(1), 135-148.

Tomić, P., Romelić, L., Kicošev, S., & Lazić, L. (2002). *Vojvodina: naučno-popularna monografija*. Novi Sad, Republika Srbija: Departman za geografiju, turizam i hotelijerstvo, PMF Novi Sad.

Ursache, M. (2015). Tourism – significant driver shaping a destinations heritage. *Procedia - social and Behavioral Sciences, 188(*14), 130-137.

Vujko, A., Petrović, M., Dragosavac, M., & Gajić, T. (2016). Differences and similarities among rural tourism in Slovenia and Serbia - perceptions of local tourism workers. *Ekonomika poljoprivrede*, 4/2016, 1459-1469.

Vujko, A., Petrović, M., Dragosavac, M., Ćurčić, N., & Gajić, T. (2017). The linkage between traditional food and loyalty of tourists to the rural destinations. *Teme, 41*(2), 475-487.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

THE IMPORTANCE AND PHASES OF THE PLACE BRANDING PROCESS

Ana JovičićVuković,PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

In today's globalized world, place branding becomes the basic concept for promoting local competitiveness.The main purpose of branding is to improve the place image, as attractive and competitive place, among target groups to further influence on individual and institutional decisions from which the place, city, region or country will benefit. Branding provides distinctiveness, individuality and makes places irreplaceable in minds of those who come to it.

OBJECTIVES

The aim of the paper is to highlight the importance of branding locations in order to attract high-quality human resources, a greater number of visitors, tourists, investments and events, achieve better sales and find new distribution channels for local products or services. In addition, the role of place identity and image in the creation of brand will be explained.

HYPOTHESIS

The main objective of the paper is toemphasize the importance of place branding, and to identify the main phases of the place branding process. Due to the lack of relevant information and clear image of a location, global institutions, media or individuals canindependently of a city or country influence its image, by giving certain positive or negative information. Place branding strategy could help prevent misinformation that creates erroneous public opinion (JovičićVuković et al, 2017).

METHODOLOGY

Research methodology of the paper includes desk research of the relevant literature. The paper identifies and explains the main phases of the place

dr.ana.jovicic@gmail.com

branding process, which includes: environment and trends analysis; formulation of mission, vision and objectives; selection of the target groups; identification of the place current identity and image; creation of the new brand identity; positioning of the new place brand; creation of communication strategy; implementation of branding strategy and measuring the success.

RESULTS

Understanding the phases of the branding process will provide the creation of activities that will offer added value for the target groups. The branding process has to be a long-lasting and consistent process.Otherwise its messages may cause confusion and suspicion. Brand massages have to be conceivable, coordinated and mutually agreed, and their content has to be unique and attractive for the target groups.

IMPLICATIONS AND CONTRIBUTIONS

Development of the place encouraged by branding has positive impact on demographical trends, enrichment of cultural content and other important factors relevant to overall quality of life.The branding process is a demanding undertaking that requires consistency, time, knowledge, patience and long-term strategic orientation,which is why identification and understanding of the phases of branding process,which are in the focus of this paper,is crucial to the successful development and implementation of the branding strategy.

KEY RECOMMENDATIONS

Place branding is not a short-term campaign but a long-term and demanding undertaking which requires investments, knowledge, wisdom and patience. Investment in branding strategy and the benefits from it may surpass the costs and the invested time and work. Whether the place tends to change, improve or strengthen its image, a comprehensive branding strategy is the first step towards achieving economic, social and political goals.

KEY WORDS

Place branding, branding process, city branding

REFERENCES

Allan, M. (2004). Why brand places. *Agenda for local development*, 64.

BaltMet Promo. (2010). *Place Branding and Place Promotion Efforts in the Baltic Sea Region: a Situation Analysis*. Baltic Development Forum.

Dinnie, K. (2015). *Nation branding: Concepts, issues, practice*. Routledge.

Govers, R. (2015). Rethinking virtual and online place branding. In *Rethinking Place Branding* (73-83). Springer, Cham.

Guzmán, F. (2005). A Brand Building Literature Review. *The ICFAI Journal of Brand Management, 2*(3), 30-48.

Kalađurđević, M. (2011). Identitet Budve sa problematikom brendiranja grada. *Sociološka Luča*, *5*(1), 96-115.

JovičićVuković, A., Damnjanović, J., Papić-Blagojević, N., & Jošanov-Vrgović, I. (2017). The role of tourism and culture in the city branding: Case study of Novi Sad. In *Conference Proceedings of the International Scientific Conference of IT, Economics, Management and Agriculture, ITEMA 2017*. Budapest, Hungary.

Mihevc, Z. (2015). Brendiranje gradova kao ekonomska nužnost. *Tehnički glasnik*, *9*(2), 198-201.

Miljanović, M. (2015). *Model izgradnje brenda kao odrednice privrednog razvoja*, (Doktorska disertacija). Novi Sad : Univerzitet u Novom Sadu, Fakultet tehničkih nauka.

Paliga, M. (2008). *Branding & konkurentnost gradova: vizija napretka kroz razliku*. Rovinj, Republika Hrvatska : Samostalna naklada.

Prophet Consultancy. (2006). *Branding your city, a guidebook for city leaders*. CEOs for Cities.

Uravić, L., & Paliaga, M. (2008). Integralni pristup razvoju branda i gospodarskog razvoja gradova u uvjetima globalne konkurentnosti. *Ekonomska istraživanja*, *21*(3), 77-87.

Zhang, L. & Zhao, S. X. (2009). City branding and the Olympic effect: A case study of Beijing. *Cities*, *26*(5), 245–254.

ANALYSIS OF SWITZERLAND CULTURE ON THE BASIS OF HOFSTEDE'S MODEL FOR THE PURPOSE OF RESEARCHING THE TOURISM MARKET

Katarina Perčević, MSc
Faculty of Sciences, Department of Geography, Tourism and Hotel Management, Novi Sad, Republic of Serbia
Aleksandra Dragin, PhD
Faculty of Sciences, Department of Geography, Tourism and Hotel Management, Novi Sad, Republic of Serbia
Maja Mijatov, PhD
Faculty of Sciences, Department of Geography, Tourism and Hotel Management, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Dimensions of national cultures represent universal categories that characterize particular community. These dimensions might point to specific differences among the national cultures, while identified differences might further influence perception and behaviour of its members, which could also determine their tourism needs (Hofstede, 2001; Yousef, 2002; Glazer & Beehr, 2005; Pallab, Abhijit & Kausiki, 2006; Bulutlar & Oz, 2009; Josipovič, 2016).

OBJECTIVES

Tourism offer should be adjusted to the members of particular culture. In respect to that, this research is focused on analysing the characteristics among the Switzerland culture, based on the model established by Hofstede, which is pointing to six dimensions, stated as: power distance, collectivism versus individualism, masculinity versus femininity, uncertainty avoidance, long-term versus short-term orientation and indulgence (Hofstede, 1979, 1980, 1983, 1984, 2001; Hofstede et al., 2010).

katarina.percevic@gmail.com

HYPOTHESIS

Research regarding the specificities among the members of particular culture could be useful for actors operating in tourism, primarily for those responsible for designing a tourist offer. Therefore, it is expected that results of this research will lead to better understanding of the members within Switzerland culture on the basis of providing the information necessary for creating the appropriate tourism offer for them.

METHODOLOGY

Methods used for data collecting, processing and analysing are historical, descriptive, comparative, as well as statistical one and synthesis. Also, a survey research was conducted during the 2017, on the basis of perceiving the Switzerland culture by the members of different nations living and working in that country. It was conducted on the convenience sample that obtained 46 respondents. Authors extracted 164 statements from the original Hofstede's questionnaire, or more precisely 82 pairs of opposite statements regarding the six mentioned dimensions of national cultures (on the basis of the consideration that all respondents could express their opinion on these 164 statements, regardless their socio-demographic characteristics). Respondents were asked to choose the statement from each pair that better reflect this culture. According to their answers, research results pointed to the main characteristics of these six dimensions among the Switzerland culture in terms of tourism.

RESULTS

Respondents did not express service-related expectations. However, they are less tolerant of deviations between promised and provided service quality. They consider an interaction with the local population as important. Lower index of uncertainty avoidance suggests that they are adventurous, relaxed and liberal, with positive attitudes towards foreigners. They are also long-term oriented, open-minded, curious, sociable and they consider leisure and sports-recreational activities as important.

IMPLICATIONS AND CONTRIBUTIONS

In addition to contributing to the theory of cultural differences and their effects on tourism, research results might have practical implications in organizations focused on planning the tourism offer. Researching the market segments, in this case - members of the Switzerland culture could provide better insight into the needs of these tourists, which is important, due to the fact that business results of actors on the side of tourist offer could be achieved only by their adequate fulfilment.

KEY RECOMMENDATIONS

On the basis of results gained in this research, the offer for tourists from the Switzerland culture should be conceived as follows: active staying in the nature, with direct contact with the local population and with the educational elements regarding the specific characteristics of the culture they visit.

KEY WORDS

Dimensions of national culture, Hofstede, Switzerland, tourism

REFERENCES

Bulutlar, F., & Oz, E.U. (2009). The effects of ethical climates on bullying behaviour in the workplace. *Journal of Business Ethics,* 86, 273-295.

Glazer, S., & Beehr, T.A. (2005). Consistency of implications of three role stressors across four countries. *Journal of Organizational Behavior,* 26, 467-487.

Hofstede, G. (1979). Value systems in forty countries: Interpretation, validation and consequences for theory. In *Cross-cultural contributions to psychology* (398-407). Netherlands: Swets & Zeitlinger, Lisse.

Hofstede, G. (1983). Dimensions of national culture in fifty countries and three regions. In *Expiscations in cross-cultural psychology* (335-355). Netherlands: Swets and Zeitlinger, Lisse.

Hofstede, G. (1984). The cultural relativity of the quality of life concept. *Academy of Management Review, 9*(3), 389-398.

Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. London: McGraw-Hill.

Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). *Cultures and organizations - Software of the mind: Intercultural cooperation and its importance for survival.* The McGraw-Hill Companies, Inc.

Hofstede, G.H. (1980). *Culture's consequences, international differences in work-related values*. Beverly Hills, CA: Sage Publications.

Josipovič, D. (2016). The Post-Yugoslav space on a demographic crossway: 25 years after the collapse of Yugoslavia. *Stanovništvo*, *54*(1), 15-40.

Pallab, P., Abhijit, R., & Kausiki, M. (2006). The impact of cultural values on marketing ethical norms: A study in India and the United States. *Journal of International Marketing, 14*(4), 28-56.

Yousef, D.A. (2002). Job satisfaction as a mediator of the relationship between role stressors and organizational commitment: A study from an Arabic cultural perspective. *Journal of Managerial Psychology, 17*(4), 250-266.

Part V.

EDUCATION, ENTREPRENEURSHIP AND EMPLOYMENT

THE ACCESS OF THE YOUTH TO THE LABOR MARKET: THE MACEDONIAN EXPERIENCE

Jorde Jakjimovski, PhD
University „Ss. Cyril and Methodius“, Institute for Sociological, Political and Juridical Research, Skopje, Republic of Macedonia

RESEARCH PROBLEM

The age between 15 and 29 is considered to be the milestone in each individual's life, because they completition the educational process and are supposed to get a secure and satisfying employment. If the young person quickly passes this phase and is employed in accordance with their education and qualifications, the result has a positive impactboth on an individually and a society. On the other hand, jobs that certain part of young people get are far from satisfactory – they are badly paid, with long working hours, or force young people to become part of the so called 'grey economy'. This long-term employment negatively influences both them and the country, as a whole.

OBJECTIVES

The subject of this paper is to give a certain observation on the current situation on the labor market, the transition from the educational process of work, where young people want to work and build a career. Particular attention is paid to the duration of unemployment and the reasons for such a situation.

HYPOTHESIS

H_1: Young people (aged 15-29) are in an unfavorable position on the labor market.
H_2: The transition to becoming an independent adult man has prolonged from the mid-twenties to the mid-thirties.
H_3: Long-term unemployment requires them to postpone important private/individual and public functions.

jakjor@isppi.ukim.edu.mk

METHODOLOGY

The basic methodology applied in this research is comprised of the knowledge gained through the analysis of the conducted survey, and from previous statistical data and other researches.
The field survey: “Youth Trends in the Republic of Macedonia”. was conducted in the November 2014. The survey data collection was carried out according to the procedure: "door to door". The research sample included 1,200 respondents/adults (15-29).
Our data were complemented with various secondary sources from the State Statistical Office of the Republic of Macedonia: employment and unemployment rate by gender and education from the 2017.

RESULTS

38.8 % of the unemployed in the Republic of Macedonia are aged between 15 and 29 (Labor Force Survey, 2017). The main reason for this situation is the unsuitable system of education, that is, the training of staff who do not respond to the labor market, but also the lack of sufficient programs for employment. The survey shows that 76.8% of the examined young population is losing the best years of life waiting for employment, while 63.5% of the respondents stated that unemployment is shifting the age limit for marriage and the raising of children (Jakimovski, 2016).

IMPLICATIONS AND CONTRIBUTIONS

With this paper, it is possible to inspect the educational profile of young people, the problems of transition from educational process to the work process, the ratio of the employed and unemployed in relation to the average unemployment rate and possible solution for the reduction of the unemployment rate. Because of the incompatibility of the information on the condition of the workplaces and the qualifications of the unemployed, time and effort is needed to bring nearer the supply of the unemployed and the demand of the potential employers (Mortensen, 1970; Devine and Kiefer, 1990; Ioannides and Loury, 2004).

KEY RECOMMENDATIONS

The idea is to contribute to easier access to the labor market, achieving a higher employment rate, lowering the unemployment rate and providing decent working conditions.

KEY WORDS

Young people (15-29), labor market, employment, unemployment, long-term employment

REFERENCES

Coles, B. (1995). *Youth, youth transitions and social policy*. London: UCL Press.

Devine, T., & Kiefer, N. (1990). *Empirical Labor Economic: The Search Approach*. New York: Oxford University Press.

Ioannides, M.Y., & Loury, L.D. (2004). Job Information Networks, neighborhood Effects and Inequality. *Journal of Economics Literature, 42*(4). 1056-1093.

Jakimovski, J. (2013). Developments in the Macedonian Labor Market. *EBES Anthology*, 22-36.

Jakimovski, J. (2016).Youth on the Labor Market. In *Study for the youth in the Republic of Macedonia* (31-37). Skopje, Republic of Macedonia: Institute of Sociological, Political and Juridical Research in Skopje.

Mortensen, D.T. (1970). Job Search the Duration of Unemployment and the Phillips Curve. *American Economic Review, 60*(5), 846-862.

ENTREPRENEURIAL POTENTIAL OF STUDENTS IN TOURISM AND HOSPITALITY

Ana Jovičić Vuković, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Nataša Papić-Blagojević, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Development of entrepreneurial potentials of young people, support in building an entrepreneurial culture and creating an environment that stimulates innovation are key factors for the successful and continuous economic development of the country. The entrepreneurship ensures generating new jobs, as well as social and cultural progress. In the paper will be explored the perception of students about the concept of entrepreneurship, their willingness to become entrepreneurs and factors that can influence on it.

OBJECTIVES

The aim of the research is the analysis and identification of the entrepreneurial potentials of students of tourism and hospitality study programs. Based on the conducted research and analysis of the obtained results, it will be gained the insight into how students perceive their own capacities for starting a business, the level of external support, and possible restrictions for starting entrepreneurial ventures.

HYPOTHESIS

The main objective of the paper is operationalized through hypotheses which will examine the students' perception about the existing and necessary level of knowledge for starting their own business, personal characteristics and external factors (business and financial support and limitations) that may affect on realization of entrepreneurial venture.

dr.ana.jovicic@gmail.com

METHODOLOGY

The research on the entrepreneurial potentials was conducted on a sample of 104 students of applied studies in AP Vojvodina, tourism and hospitality study programs.
The research instrument was a survey taken form Liñán, Rodríguez-Cohard, & Rueda-Cantuche, (2011) and then adapted to the research needs. A detailed process of creating and validating the Entrepreneurial Intention Questionnaire (EIQ) was explained in Liñán and Chen (2009) and validated in Kolvereid (1996), Krueger et al. (2000) and Veciana et al. (2005) studies.
The collected data was prepared and analyzed using the statistical software IBM SPSS 20.0. Statistical data processing methods used in the work are descriptive statistics and frequency analysis.

RESULTS

The results indicate a lack of an adequate level of entrepreneurial education and the insufficient students' knowledge about instruments of support. Most respondents stated that their former education prepared them for future entrepreneurial venture at the middle level, although the quality of the atmosphere to encourage entrepreneurship in higher education institutions is considered satisfactory. In terms of own capacities, respondents' top-rated statements were referring to responsibility for fulfilling their obligations, while the lowest rated was the possession of knowledge to start their own businesses.

IMPLICATIONS AND CONTRIBUTIONS

The results of the research point to the key problems and difficulties for young entrepreneurs. Insufficient knowledge necessary to start their own business ventures, lack of information about existing support programs for entrepreneurs, the middle level of support that young people receive in education institutions are the basic problems that young entrepreneurs face during and after school.

KEY RECOMMENDATIONS

Based on the identified difficulties, it is necessary to provide improvements in terms of institutional support for the development of entrepreneurship, improvement of the education system, i.e. development of entrepreneurial potential at all levels and in all forms of education. Also, a higher level of support by educational institutions, but also providing better information on market opportunities and programs of financial and other forms of support are key factors for the development of entrepreneurial potentials of young people.

KEY WORDS

Entrepreneurship, young people, entrepreneurial potential, AP Vojvodina, schools of applied studies, tourism and hospitality

REFERENCES

Kolvereid, L. (1996). Prediction of employment status choice intentions. *Entrepreneurship Theory and practice*, *21*(1), 47-58.

Krueger Jr, N. F., Reilly, M. D., & Carsrud, A. L. (2000). Competing models of entrepreneurial intentions. *Journal of business venturing*, *15*(5-6), 411-432.

Liñán, F., & Yi-Wen, C. (2009). Development and Cross-Cultural application of a specific instrument to measure entrepreneurial intentions. *Entrepreneurship theory and practice, 33*(3), 593-617.

Liñán, F., Rodríguez-Cohard, J. C., & Rueda-Cantuche, J. M. (2011). Factors affecting entrepreneurial intention levels: a role for education. *International entrepreneurship and management Journal*, *7*(2), 195-218.

Veciana, J. M., Aponte, M., & Urbano, D. (2005). University students' attitudes towards entrepreneurship: A two countries comparison. The *International Entrepreneurship and Management Journal*, *1*(2), 165-182.

A FEMINIST POLIT-ECONOMICAL APPROACH TO RESEARCHING FAMILY BUSINESS MANAGEMENT WITHIN THE SERBIAN NATIONAL ECONOMY

Tatjana Đurić Kuzmanović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Leonard Salai, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Current gender regimes disfavour female potentials and lead to negative selection of women and their subordination, especially when it is about spouses who run the business. The first feminist researches in this area in Serbia suggest that neoliberal myths become more and more visible. A feminist approach to small-scale micro-and small family firms should deal with gender regimes, the neoliberal business environment, the bargaining power of spouses and their roles in managing the business firm.

OBJECTIVES

Family entrepreneurship and management, as well as the policies, strategies and instruments created in these fields, are considered gender neutral. Family business is a complex system in which the family itself and the business sphere coincide and partly overlap. In this segment, our research targets the analysis of care work distribution and the determination of bargaining power of spouses over family assets allocation, and bringing decisions concerning the family as a firm.

HYPOTHESIS

1. Gender regimes and bargaining processes create gender bias of women's visibility in the private and the public sphere; 2. Gender blindness appears in business actors' behavioral patterns; 3. Patriarchal bargaining enacts gender biased roles of women in the family business; 4. Power relations of spouses are gender biased and largely determine the care work; 5. Caregivers in the household are mostly women, which predetermines their subordination to the male spouse who brings key decisions for the firm.

tanjadjk@eunet.rs

METHODOLOGY

Complexity and multidimensional focus of this research has imposed the need to apply a sophisticated methodology. Empirical data for the research were collected through the application of 1) an in-depth interview, 2) a questionnaire given to spouses in the selected ten firms, and 3) a case study of a repeated qualitative research of two spouse firms from the sample.

RESULTS

Gender blindness keeps backing gender bias in the Serbian realm. The heavy exploitation of female resources is followed by their simultaneous pacification with the means of the patriarchal ideology. Women within family businesses mainly face ‘predestination’ for care work and managing the family affairs, while the decision role for the firm’s success remains reserved to the man. Female leaders thrive only in case male members from the next generation stand back from taking the lead position.

IMPLICATIONS AND CONTRIBUTIONS

Findings suggest that gendered regimes and power relations within the society shape private and business male and female roles. Current business dynamics in family firms owned by spouses does not welcome the idea of gender equality. Changes in family entrepreneurship largely encourage patriarchal gender roles and misogyny. Findings suggest that a bifurcation of existing and an emergence of new types of gender regimes are taking place in small-scale entrepreneurship.

KEY RECOMMENDATIONS

Main limitations of the research stem from a need to be restrained from too much generalization. The reason for this can be found in the limited, narrow sample that we have used in order to find confirmation for our assumptions. However, longitudinal scope of the research has partly been provided by its perpetuation. Future research should be focused on widening the span of included subjects, providing more diverse results, and enrich our knowledge on the subject.

KEY WORDS

Gender neutrality vs. bias, gender blindness, spouses, small-scale family entrepreneurship, micro and small family firms, Serbia.

REFERENCES

Ahl, H., & Marlow, S. (2012). Exploring the dynamics of gender, feminism and entrepreneurship: advancing debate to escape a dead end?. *Organization*, *19*(5), 543-562.

Al-Dajani, H., Bika, Z., Collins, L., & Swail, J. (2014). Gender and family business: new theoretical directions. *International Journal of Gender and Entrepreneurship*, *6*(3), 218-230.

Babović, M. (2013). Promene u ekonomskim strategijama domaćinstava u Srbiji 2003-2012: ekonomsko delanje pripadnika različitih društvenih slojeva u uslovima rasta i recesije. U: *Promene osnovnih struktura u periodu ubrzane transformacije* (99-118). Beograd, Republika Srbija: ISIFF.

Campopiano, G., De Massis, A., Rinaldi, F. R., & Sciascia, S. (2017). Women's involvement in family firms: Progress and challenges for future research. *Journal of Family Business Strategy*, *8*(4), 200-2012.

Dugan, A., Krone, S., LeCouvie, K., Pendergast, J., Kenyon-Rouvinez, D., & Schuman, A. M. (2016). *A woman's place: The crucial roles of women in family business*. Springer.

Đurić Kuzmanović, T. (2018). Small-scale Family Entrepreneurship As Support To The Neoliberal State In Post-socialist Serbia. *Sociologija, 60*(1), 50-63.

Đurić Kuzmanović, T., Markov, S., Fišer, J., & Mandić, S. (2016). Rodna pristrasnost u upravljanju mikro i malim porodičnim firmama u Srbiji. *Nasleđe, rod, građanski status. Beograd: Centar za studija roda i politike, FPN*, 190-205.

Đurić Kuzmanović, T., Fischer, J., & Mandić, S. (2016). Pregovaranje u upravljanju mikro i malim porodičnim firmama i ekonomiji nege u postsocijalističkoj neoliberalnoj transformaciji Srbije. *Škola biznisa*, *1*, 32-42.

Đurić Kuzmanović, T., Slobodanka, M., Jelena, F., & Sonja, M. (2016). Spouses in Household and Family Business–Who (Does) the Care and Who (Does) the Work. *Gender Studies*, 190-208.

Gupta, V., & Levenburg, N. M. (2013). 16 Women in family business: three generations of research. *Handbook of research on family business*, 346-367

Marlow, S. (2014). Exploring future research agendas in the field of gender and entrepreneurship. *International Journal of Gender and Entrepreneurship*, *6*(2), 102-120.

PARTNERSHIPS IN HIGHER EDUCATION: EMPLOYERS' VIEWS

Ljerka Sedlan König, PhD
Josip Juraj Strossmayer University of Osijek, Faculty of Economics in Osijek,Croatia
Mia Hocenski
Josip Juraj Strossmayer University of Osijek, Faculty of Economics in Osijek,Croatia

RESEARCH PROBLEM

Primary purpose of higher education (HE) should be to prepare graduates for the world of work by enhancing students' knowledge, skills, attributes and abilities while simultaneously empowering them to be critical, reflective lifelong learners (Harvey, 2000). Employers look for flexible, adaptable and intellectually talented individuals with a sound knowledge and skills appropriate to the demands of the 21st century world (Griesel, 2003; Lowden et al., 2011). HE and businesses are sources of brainpower, experience, innovation and ideas (Brown et al., 2002). However, academics are often suspicious of closer links with businesses because they fear that enhanced employability links will infringe academic autonomy, undermine critique and result in training rather than education (Bates, 1999).

OBJECTIVES

Establishing and maintaining cooperation with employers is the key factor in providing authentic learning experience for students, which promotes graduate employability (Ferns, 2012). Furthermore, mutually beneficial relationships between businesses and higher education institutions (HEI) are fundamental to an inclusive student experience with desirable outcomes for all stakeholders. The survey aims to capture employers' views on the role of partnerships between (HEI) and businesses in preparing graduates for the changing needs of work.

ljerka.konig@gmail.com

HYPOTHESES

The paper proposes the following hypotheses:
H_1: Employers believe that soft skills are sufficiently developed during HE.
H_2: Employers estimate that during HE students are provided enough opportunity to apply acquired knowledge.
H_3: Employers value HE partnerships with businesses important for graduate employability.

METHODOLOGY

The online Graduate Employability Survey employed open and closed questions, as well as 5-point Linkert scales for answers. In total 132 responses were received from employers from large, medium and small companies in Croatia and of different types of business entities.
Interestingly, no significant differences in answers have been observed regarding the size of company, the type of business entity or where the company generates its income (on the Croatian market or abroad). In our sample, only 7% of employers reckon that during HE enough attention is placed on the application of acquired knowledge, and as many as 93% believe that students upon graduation, in general, lack soft skills.

RESULTS

Our results show that employers regard HE partnerships with businesses as the most important factor for increasing employability of students ($\bar{x}$ 4.81). Furthermore, employers consider cooperation of departments at the University for the exchange of experience ($\bar{x}$ 4.54), and teacher training in the use of innovative teaching methods ($\bar{x}$ 4.65) as very important. Furthermore, as much as 65.4 % of employers see participation of prominent, successful business people in the design of university courses as extremely important.
Employers in our survey seem to be very interested in working in partnerships with HEI.

IMPLICATIONS AND CONTRIBUTIONS

Partnerships of HE and businesses have a huge potential. This paper suggests Cooperative education (Fleming, 2013) as a model of work-integrated learning, where the aim is to integrate theory and practice and develop capabilities to enhance employability, and in which stakeholders understand the meaning, expectations, outcomes, associated responsibilities and level of commitment, and actively and consciously participate, cooperate and collaborate.

KEY RECOMMENDATIONS

It must be noted that governments play an important role in facilitating and encouraging such cooperation and should offer support as is appropriate to insure success. To maximize the benefits of partnerships, a cross representation on the boards of business and universities, as well as some kind of liaison panels are suggested. The role of university career centers must not be underestimated. The results present a clear signal for HEI to consider significant curriculum changes, as well as for a major modification of teaching and assessment methods at the HEI.

KEY WORDS

Graduate employability, higher education, business, curriculum changes

REFERENCES

Bates, I. (1999). The Competence and Outcomes Movement: The Landscape of Research. In *Education, Training and the Future of Work II* (99-123). London: Routledge in association with the Open University.

Brown, R., Blake, B., Brennan, J., & Bjarnason, S. (2002). An essential partnership: business/higher education relationships. In *Proceedings of the CHE Colloquium. Council of Higher Education*.

Ferns, S. (2012). *Graduate employability: Teaching staff, employer and graduate perceptions*. Retreived 20 June, 2018, from http://acen.edu.au/2012conference/wp-content/uploads/2012/11/84_Graduate-employability.pdf

Fleming, J., & Hickey, C. (2013). Exploring cooperative education partnerships: A case study in sport tertiary education. *Asia-Pacific Journal of Cooperative Education, 14(*3), 209-221.

Griesel, H. (2003). Universities and the world of work: a case study on graduate attributes. *Relations between Higher Education and the Labour Market*, 38-58.

Harvey, L. (2000). New realities: The relationship between higher education and employment. *Tertiary Education & Management*, *6*(1), 3-17.

Lowden K., Hall, S., Elliot, D., Lewin, J. (2011). *Employers' perceptions of the employability skills of new graduates.* London: University of Glasgow SCRE Centre and Edge Foundation.

National Committee of Inquiry into Higher Education (NCIHE). (1997). *Higher Education in the Learning Society*. London: HMSO

THE EFFECT OF GENDER, AGE AND ACADEMIC RANK ON WORK-LIFE BALANCE

Miha Marič, PhD
University of Maribor, Faculty of Organizational Sciences, Kranj, Slovenia
Jasmina Žnidaršič, MSc
University of Maribor, Faculty of Organizational Sciences, Kranj, Slovenia

RESEARCH PROBLEM

Nowadays, due to a fast pace of life, work-life balance is not always an easy task. Problems related to work-life balance and the coordination of different spheres affect everyone, regardless of their level of education, gender, income, family structure, profession, race, age, a status of the work (McMillan, Morris & Atchley, 2011). The problem of work-life balance also appears in the academic sphere, which is also characterized by the fact that the working day is not precisely defined.

OBJECTIVES

Work-life balance has been a topic of various researches. Many types of research have been concerned with the impact of organizational practices and policies on work-family balance, whereas the relationship between demographics and work-life balance, particularly in the academic sphere, has not been well investigated. We, therefore, test how gender, age, and the academic rank affect work-life balance among higher education lecturers.

HYPOTHESIS

Based on studied literature and previous research, we propose three research questions; and explore if there is a difference in work-life balance among higher education lecturers based on gender; and the possible curvilinear relationships between the age and work-life balance among higher education lecturers; and the academic rank and work-life balance among higher education lecturers.

miha.maric@um.si

METHODOLOGY

Participants in this study were higher education lecturers from Austria, Croatia, Czech Republic, Germany, Serbia and Slovenia, from which we gathered data through the questionnaires, by using a survey in which they were questioned about their gender, age, academic rank and on the variables constructing work-life balance. The full set of questionnaires was completed by a total of 171 online participants.

Descriptive statistics for the variables constructing work-life balance were measured by the four statements. Higher education lecturers had to indicate by circling a number ranging from "1" – strongly disagree to "5" – strongly agree on how strongly they personally agree or disagree with the statement.

Empirical research was performed by survey method. To obtain data, we designed an online questionnaire, which was sent via e-mail in winter 2018. For processing and analysing data, we have used IBM SPSS Statistics 24.

RESULTS

The results of our research show that with a higher academic rank the work-life balance among higher education lecturers' increases. Results show no difference in work-life balance among higher education lecturers based on gender. Potential curve-linearity between age and work-life balance among higher education lecturers was not confirmed due to the lack of statistical significance.

IMPLICATIONS AND CONTRIBUTIONS

The results of this study give better insights into the basic demographics' effect on the work-life balance among higher education lecturers. The implications are foremost for the policymakers, higher education lecturers themselves and work-life balance researchers. Results of this study can be used both for further research and in the practice.

KEY RECOMMENDATIONS

For further research, we suggest investigating the effects of the determinants omitted or to put in other words not included in our study. The study was focused mostly on how some demographics, namely gender, age and academic rank, affect higher education lecturers' work-life balance, whereas some other demographics (e.g. number of preschool children, marital status, education..) or other determinants were not considered, and there are also other factors involved in achieving work-life balance.

KEY WORDS

Work-life balance, higher education lecturers, HRM

REFERENCES

Bedarkar, M., & Pandita, D. (2014). A study on the drivers of employee engagement impacting employee performance. *Procedia - Social and Behavioral Sciences*, 133, 106–115.

Boyar, S. L., Maertz, C. P. Jr., Mosley, D. C. Jr., & Carr, J. C. (2008). The impact of work/family demand on work-family conflict. *Journal of Managerial Psychology*, *23*(3), 215-235.

Brough, P., Timms, C., O'Driscoll, M. P., Kalliath, T., Oi-Ling Siu, Sit, S. & Lo, D. (2014). Work–life balance: a longitudinal evaluation of a new measure across Australia and New Zealand workers. *The International Journal of Human Resource Management*, *25*(19), 2724-2744.

Caesens, G., & Stinglhamber, F. (2014). The relationship between perceived organizational support and work engagement: The role of self-efficacy and its outcomes. *Revue européenne de psychologie appliquée, 64, 259–267*.

Erdamar, G. & Demirel, H. (2014) Investigation of work-family, family-work conflict of the teachers. *Procedia 5th World Conference on Educational Sciences - WCES 2013. - Social and Behavioral Sciences* (4919 – 4924).

Etikan, I., Abubakar Musa, S., & Sunusi Alkassim, R. (2016). Comparison of Convenience Sampling and Purposive Sampling. *American Journal of Theoretical and Applied Statistics, 5*(1), 1-4.

Ferguson, M., Carlson, D., Zivnuska, S., & Whitten, D. (2012). Support at work and home: The path to satisfaction through balance. *Journal of Vocational Behavior*, 80, 299–307.

Greenhaus, J. H., Ziegert, J. C., & Allen, T. D. (2012). When family-supportive supervision matters: Relations between multiple sources of support and work–family balance. *Journal of Vocational Behavior*, 80, 266–275.

Kashyap, S., Joseph, S., & Deshmukh, G. K. (2016) Employee Well - Being, Life Satisfaction and the need for Work - Life balance. *Journal of Ravishankar University*, Part - A, 22, 11 -23.

Lapierre L. M., Spector, P. A., Allen, T. D., Poelmans, S., Cooper, C. L., O'Driscoll, M. P., Sanchez, J. I., Brough, P., & Kinnunen, U. (2008). Family-supportive organization perceptions, multiple dimensions of work–family conflict, and employee satisfaction: A test of the model across five samples. *Journal of Vocational Behaviour*, 73, 92–106.

McMillan, H. S., Morris, M. L. & Atchley, E. K. (2011) Constructs of the Work/ Life Interface: A Synthesis of the Literature and Introduction of the Concept of Work/Life Harmony. *Human Resource Development Review, 10*(1) 6-25.

Parakandi, M., & Behery, M. (2016). Sustainable human resources: Examining the status of organizational work–life balance practices in the United Arab Emirates. *Renewable and Sustainable Energy Reviews*, 55, 1370–1379.

Suresh, S., & Kodikal, R. (2017). SEM approach to explore Work Life Balance: A study among nurses of Multispecialty Hospitals. *SJOM, Sahyadri Journal of Management*, *1*(1), 1-17.

Turliuc, M. N., & Buliga, D. (2014) Work-Family Conflict and Job and Family Satisfaction. The Mediating Role of Cognitions. *Procedia - Social and Behavioural Sciences*, 159, 105–109.

EFFECT OF SOCIO-DEMOGRAPHIC FACTORS ON WORK MOTIVATION IN PUBLIC ENTERPRISES

SnežanaLekić, PhD
Belgrade Business School – Higher Education Institution for Applied Studies, Belgrade, Republic of Serbia
JelenaVapaTankosić, PhD
University Business Academy, Faculty of Economics and Engineering Management, Novi Sad, Republic of Serbia

RESEARCH

Motivation of employees is a key determinant of individual and organizational performance, in both private and public companies. The activity of public companies concerns general public interest, and their flexibility and productivity depend on the knowledge and expertise of their employees. Numerous research carried out in this field has shown that the motivation of employees in public enterprises is conditioned by many factors. In this paper, the authors have analyzed the influence of socio-demographic factors on the work motivation of employees in public sector.

OBJECTIVES

The study of the impact of socio-demographic factors on the motivation of employees is part of a wider research that analyzes the impact of organizational behavior on organizational commitment. The aim of the paper is to identify the motivational factors of employees in public companies and to determine whether they are influenced by socio-demographic factors (gender, age, work experience and education level).

HYPOTHESIS

Due to the specificity regarding the possibilities of employees' motivation in public enterprises, the research hypothesis (H) is as follows: Socio-demographic factorshave a significant influence of on the motivation of employees in public enterprises.

J.Vapa@libero.it

METHODOLOGY

The survey consists of 508 public employees respondents and has been conducted in 2017 in Belgrade. Data collection was done by an anonymous survey. The first part of the survey refers to socio-demographic factors: gender, age, year of service and degrees of professional development. Employee motivation was tested using the following motivation factors: the amount of earnings (M1); good relations with the manager (M2); greater autonomy in work and decision-making (M3); better information on issues related to the future of the company (M4); possibility of professional development (M5); the possibility of additional training (M6); stimulating financial incentives (M7); going on paid vacation (M8); the possibility of resolving the housing issue (M9). Data processing was performed using the statistical software package SPSS 19.0. The data analysis has used descriptive statistics, Chi-square test and Spearmen's correlation coefficient, to test the existence of statistically significant dependence of socio-demographic factors and nine motivational attitudes.

RESULTS

The Chi-square test determined that a statistically significant relationship between socio-demographic factors and individual motivational factors, having confirmed the starting hypothesis (M1 - gender, education level, work experience; M2 - gender, education level, work experience; M3 - age, education level, work experience; M4 - age, education level, work experience; M5 - gender, age, education level; M6 - gender, age; M7 - education level, work experience; M8 - all social-demographic factors; M9 - age, education level, work experience).

IMPLICATIONS AND CONTRIBUTIONS

Our findings show that the expected work outcome of public employees is influenced by a wide context of motivational factors; extrinsic reward, such as financial incentive, seem to exert strongest influence on employees' preferences. The highest percentage of respondents of both sexes (92.7%) responded that financial incentive as the greatest motivational factor impacting their job performance.

KEY RECOMMENDATIONS

Since motivation directly affects organizational commitment, managers in public companies need to better understand both the extrinsic and intrinsic motivational factors. Further research shall be directedto understanding workplace related motivational needs, in a specific reality such as Serbia.

KEY WORDS

Public enterprises, motivation, employees, organizational commitment

REFERENCES

Anderfuhren-Biget, S., Varone, F., Giauque, D., & Ritz, A. (2010). Motivating Employees of The Public Sector: Does Public Service Motivation Matter? *International Public Management Journal*, *13*(3), 213–246.

Burgess, S., & Ratto, M. (2003).The Role of Incentives in the Public Sector: Issue and Evidence. *Oxford Review of Economic Policy*, *19*(2), 285–300.

Cacioppe, R., & Mock, P. (1984).A Comparison of the Quality of Work Experience in Government andPrivate Organizations. *Human Relations*, *37*(11), 923–940.

Desmarais, C., & Gamassou, C.E. (2014). All motivated by public service? The links between hierarchical position and public service motivation. *International Review of Administrative Sciences*, *80*(1), 131–150.

Fisher, C.D., & Yuan, A.X. (1998). What Motivates Employees? A Comparison of US and Chinese Responses. *International Journal of Human Resource Management*, *9*(3), 516–528.

Koronios, K., Mavromati, M., & Kriemadis, A. (2017). Motivating Public Sector Employees: Evidence from Greece. *International Journal of Business and Economic Sciences Applied Research*, *10*(1), 7–12.

Lekić, S. (2010). *Uticaj organizacionog ponašanja na organizacionu posvećenost* (Doktorska disertacija). Novi Pazar: Fakultet za menadžment i poslovnu ekonomiju.

Lekić, S., Vidas-Bubanja, M., & Bogetić, S. (2015). Motivacija zaposlenih kao pokretačka snaga razvoja savremenih organizacija. *FBIM Transactions*, *3*(1), 17–26.

Manolopoulos, D. (2008). Work Motivation in the Hellenic extended public sector: an empirical investigation. *The International Journal of Human Resource Management*, *19*(8), 1738–1762.

Nowlin, W.A. (1982). Factors that Motivate Public and Private Sector Management: A Comparison. *Public Personnel Management*, *11*(2), 22–27.

Robbins, S.P., & Judge, T.A. (2013).*Organizational Behavior* (15th edition). Boston: Pearson.

Urošević, S., &Milijić, N. (2012).Influence of Demographic Factors on Employee Satisfaction and Motivation. *Organizacija¸ 45*(4), 174–182.

Warr, P. (2008). Work values: Some demographic and cultural correlates. *Journal of Occupational and Organizational Psychology*, *81*(4), 751–775.

Williams, C. (2010). *Principi menadžmenta– MGMT*. Beograd: Data Status.

Wright, B. E. (2001). Public-Sector Work Motivation: A Review of the Current Literature and a Revised Conceptual Model. *Journal of Public Administration Research and Theory*, *11*(4), 559–586.

INVESTMENT IN TERTIARY EDUCATION AS THE INITIATOR OF ECONOMIC GROWTH

Mirjana Dmitrović, MSc
Higher medical and business-technological school of applied studies, Šabac, Republic of Serbia
Jelena Obradović, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Knowledge is used to create a new value, and therefore requires certain investments. It represents the most significant and most profitable investment in each country. The most developed countries in the world today are countries that have a high share of expenditures in education as percentage of GDP. In this respect, all countries in the region are below the internationally recommended target of 6% of GDP for education (or 2% for higher education).

OBJECTIVES

Tertiary education is one of the most important factors that contribute to the quality of human capital formation. By investing in higher education, human capital accumulates, and should significantly contribute to economic growth. The effects of investing in tertiary education on economic growth can be expected only after a certain period of time, and not currently. The main objective of this paper is empirical confirmation of theoretical assumption on the example of countries in the region.

HYPOTHESIS

The main hypothesis is to determine the (non) existence of the impact of investments in tertiary education on the economic growth of the countries in the region. As well as, by ensuring better conditions for students, a policy is promoted that would motivate the inhabitants of one country to strive to acquire knowledge at universities.

dmitrovićmima@gmail.com

METHODOLOGY

Panel data analysis, due to its numerous advantages, is applied to a sample formed by 11 countries (Serbia and neighboring countries) in the period from 2000 to 2016. For testing existence of link between investment in tertiary education and economic growth, growth of GDP is the only dependent variable. Key independent variables are public funding for higher education as % of total public spending on education and public funding per student as % of GDP per capita. Other independent variables are numerous educational, economic, demographic indicators. Source of data is the World Bank's databases. Statistical software R is used for data analysis. Modified Solow's model according to Lucas is used as a basic model of the importance of investing in tertiary education for testing hypothesis. Appropriate tests are used for specification of model, as needed, to determine which of the statistical panel models are the most convenient.

RESULTS

The paper confirms that investments in tertiary education have a significant impact on economic growth, but it does not confirm that investment in higher education has a positive impact on the number of highly educated.

IMPLICATIONS AND CONTRIBUTIONS

After reviewing the literature dealing with the topic of education, it can be noticed that there is the lack of empirical studies about the impact of investments in tertiary education on economic growth, especially for countries of the Western Balkan. Therefore, this paper has a significant contribution in determining the importance of investments in tertiary education in the observed countries.

KEY RECOMMENDATIONS

In the countries considered in this paper, higher education institutions are primarily financed by public funds, while other sources of investments are marginal phenomena. It is important to increase the existing and determine new sources for financing tertiary education, diversify their source of income, increase the participation of corporations and other businesses and maximize the value of invested resources.

KEY WORDS

Tertiary education, economic growth, investments, human capital, panel analysis

REFERENCES

Acosta – Ormachea, S., & Morozumi, A. (2017). Public spending reallocations and economic growth across different income levels. *Economic Inquiry*, 55, 98-114.

Dmitrović, M. (2018). *Panel analysis of the impact of higher education on economic growth in the period from 2000 to 2016*. (Master thesis). Novi Sad, Republic of Serbia: University Center for Applied Statistics, University of Novi Sad.

Dmitrović, M., & Obradović, J. (2018). Uticaj visokog obrazovanja na ekonomski rast u Srbiji i regionu. U: *Trendovi razvoja: Digitalizacija visokog obrazovanja*. Kopaonik.

Dragutinović – Mitrović, R. (2002). *Analiza panel serija*. Beograd, Republika Srbija: Zadužbina Andrejević.

Drucker, P. (2005). *Postkapitalističko društvo*. Beograd, Republika Srbija: Privredni pregled.

Freyson, L., & Wahrig, L. (2013). *The level of government expenditure on education varies between Member States*. Eurostat.

Hanushek, E.A., & Wößmann, L. (2008). The role of cognitive skills in economic development. *Journal of Economic Literature*, *46*(3), 607-668.

Keller, K.R. (2006). Investment in primary, secondary, and higher education and the effects on economic growth. *Contemporary Economic Policy*, *24*(1), 18-34.

Sambt, J., Redek, T., Majcen, B., & Čok, M. (2010). *Increase in public expenditures on tertiary education: A burden to public finances or growth stimulus?* Ljubljana: Faculty of Economics.

Škrabić Perić, B., Aljinović, Z. & Mamić, H. (2017). Importance of higher education and investment in higher education in CESEE countries. In *Proceeding from the 14th International Symposium on Operational Research in Slovenia (SOR – 17).* Bled.

Sylwester, K. (2000). Income inequality, education expenditures, and growth. *Journal of Development Economics*, 63, 379-398.

ENTREPRENEURIAL INTENTIONS OF STUDENTS OF HIGHER EDUCATION SCHOOLS IN THE TERRITORY OF AUTONOMOUS PROVINCE OF VOJVODINA

Slobodanka Jovin, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Ivana Jošanov - Vrgović, PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Based on the existing knowledge and research results, there is a research problem that can be defined as follows:
What are the entrepreneurial intentions of students of higher educationschools in the territory of AP Vojvodina?
The problem defined in this way is scientifically valid and important, because it speaks about the potentials of students of higher educationschools for starting an entrepreneurial venture. Determining entrepreneurial intentions will indicate the existence of students' wishes and intentions to start and run their own business.

OBJECTIVES

The basic idea of these research is to find out in this way the information that is essential for creating favorable and stimulating conditions for the development of ideas, its implementation and the development of a successful company.
The objectives of this research are defined in the following way:
1. Identify entrepreneurial intentions among students of higher educationschools in the territory of AP Vojvodina.
2. On the basis of the obtained results and the available knowledge from the previous research, provide general guidelines and practical solutions for the development and fostering of entrepreneurial intentions among students of higher educationschools.

boba_jovin@yahoo.com

HYPOTHESIS

Based on the knowledge of theoretical nature, as well as on the basis of the research carried out so far, we assume that there are entrepreneurial intentions of students of higher educationschools.
The main hypothesis of this research is:
H1: There are entrepreneurial intentions of students of higher educationschools in the territory of AP Vojvodina.

METHODOLOGY

Within the framework of a project approved and financed by the Provincial Secretariat for Higher Education and Scientific Research, and for the purpose of examining the entrepreneurial potential of students of higher education schools in the territory of the AP Vojvodina, a questionnaire was formed, in which the open and closed type questions were combined. The results that would be presented below are related to a sample of 442 students of higher education schools from the territory of AP Vojvodina. The following schools participated in the research:
- Higher School of Professional Studies in Management and Business Communications, SremskiKarlovci;
- Preschool Teacher Training and Business Informatics College of Applied Studies "Sirmium" Sremska Mitrovica;
- Novi Sad School of Business;
- Agriculture College of Applied Studies, Šabac;
- Higher Education Technical School of Professional Studies in Novi Sad;
- Higher Education Technical School of Professional Studies in Zrenjanin.

RESULTS

The analysis of the results pointed to the following:
Most students want to open their own company in the future (24.9%) and feel that they will do the best they can to start and run their business. For most students, the planned period of time between completing studies and setting up their own business is from 3 to 5 years. They would start their business in the team (33.1%) or independently (31.1%).
Students see their future, after completing studies, in this country. The highest percentage of students responded that theywould want an employment in their country (32.3%). The smallest percentage of students responded that theywould want to go abroad for further studies (4.1%).

IMPLICATIONS AND CONTRIBUTIONS

Considering that the aim of the research was to examine the entrepreneurial intentions of students of higher education schools on the territory of APV, the results pointed to the desire and intention of students to start and run their own business. Developing the idea, its implementation and the development of a successful company is the most important aspect of entrepreneurship. The role of education is of great importance, but also the connection between the education system and the economy, which will influence the creation of an entrepreneurial culture through the growth of creativity and innovation.

KEY RECOMMENDATIONS

Based on the foregoing, it can be concluded that improvements are necessary in the following areas:

- Additional education of students, potential entrepreneurs, both within the formal education as well as within the national support network and private consultants;
- Improving the institutional framework and improving the business environment for performing entrepreneurial activity;
- Improving the financial support.

KEY WORDS

Students, entrepreneurs, innovations, entrepreneurship, education

REFERENCES

Barba-Sánchez, V., & Atienza-Sahuquillo, C. (2012). Entrepreneurial behavior: Impact of motivation factors on decision to create a new venture. *Investigaciones Europeas de Dirección y Economia de la Empresa*, 18, 132-138.

Brockhaus, R.H. & Horwitz, P.S. (1986). The psychology of the entrepreneur. In *The art and science of entrepreneurship* (25-48). Cambridge: Ballinger.

Chandler, G.N., & Jansen, E. (1992). The founder's self-assessed competence and venture performance. *Journal of Business Venturing, 7*(3), 223.

Davidsson, P. (1995). Culture, structure and regional levels of entrepreneurship. *Entrepreneurship and Regional Development*, 7, pp. 41–52.

Douglas, E.J., & Shepherd, D.A. (1997). Why entrepreneurs create businesses: a utility maximizing response. *Frontiers of Entrepreneurship Research*, 17, 185-186.

Estay, C., Durrieu, F., & Akhter, M. (2013). Entrepreneurship: From motivation to start-up. *Journal of International Entrepreneurship, 11*(3), 243-267.

Herron, L., & Robinson, R.B. (1993). A structural model of the effects of entrepreneurial characteristics on venture performance. *Journal of Business Venturing*, 8, 281-294.

Jovin, S., Papić-Blagojević, N., Jošanov-Vrgović, I., & JovičićVuković, A. (2018). Faktori razvoja preduzetničkih kreativnih ideja studenata visokih strukovnih škola. U: *Trendovi razvoja*.

Jošanov- Vrgović, I., Jovin, S., Papić-Blagojević, N., & JovičićVuković, A. (2017). Inovacioni potencijali preduzetništvo – empirijska analiza studenata visokih strukovnih škola. U: *Inovacijama do održivog razvoja*. Beograd, Republika Srbija: Fakultet za primenjeni menadžment, ekonomiju i finansije Beograd.

Kolvereid, L. (1996). Prediction of employment status choice intentions. *Entrepreneurship Theory and Practice, 21*(1), 47–57.

Krueger, N.F., Reilly, M.D., & Carsrud A.L. (2000). Competing models of entrepreneurial intentions. *Journal of Business Venturing, 15*(5–6), 411–432.

Kolvereid, L. (1996). Prediction of employment status choice intentions. *Entrepreneurship Theory and Practice, 21*(1), 47–57.

Krueger, N.F., Reilly, M.D., & Carsrud A.L. (2000). Competing models of entrepreneurial intentions. *Journal of Business Venturing, 15*(5–6), 411–432.

Shane, S., Locke E. A., & Collins, C.J. (2003). Entrepreneurial Motivation. *Human Resource Management Review*, 13, 257–279.

Stanković, Lj., Đukić, S., & Lepojević, V. (2014). Innovation capacities of Serbian Small and medium-sized enterprises, *Teme*, 3/2014, 1077-1093.

EMPLOYMENT AND EDUCATION: STATE AND PERSPECTIVES OF WORK

Marijana Maksimović, PhD
Institute of Social Sciences, Belgrade, Republic of Serbia
Nada Novaković, PhD
Institute of Social Sciences, Belgrade, Republic of Serbia

RESEARCH PROBLEM

The paper deals with the study of the link between (un)employment and education. Particular attention is paid to employment and employment growth opportunities. This indicates the resistance that occurs in the resolution of the status of unemployment. However, this leads to the issue of the functioning of certain institutions, the issue of inculcation, and the issues of exercising workers' rights.

OBJECTIVES

This paper examines employment issues by age groups of working age population. There are also young people looking for work, which are a special problem in the 21st century. For these reasons, the first goal of the research is to emphasize the importance, but also the advantages of engaging in the work of all age groups, in order to be able to exercise all rights from work. The second goal is to highlight the importance of employee health and outline the reasons why this is important nowadays.

HYPOTHESIS

The main hypothesis from which the authors start is that employment is much more difficult and complex today than it was at the end of the nineteenth century of the 20th century. This indicates the major changes that have taken place, the problems that have arisen, but also the opportunities that have been created in the meantime. Flexibility of work itself has brought many uncertainties and changes. The question arises as to whether flexibility is conditioned by globalization or deindustrialization? In addition, the development of information technology has also led to many modifications during work, and for this there are numerous research.

mmaksimovic@idn.org.rs

METHODOLOGY

The paper uses an economic and sociological approach with a focus on the most important institutions and mechanisms in charge of employment and education. The authors emphasize the two levels on which employment is observed. The first is the macroeconomic level that speaks about the number of employees in one country as well as the total number of the unemployed. The second level is microeconomic which includes the field of human resources management and includes specific employment issues at the enterprise level. The study uses a descriptive, analytical and comparative method to compare data from different levels of observation and adequately present it. The sources used in this paper are theoretical, analytical, statistical, and case studies.

RESULTS

The obtained results indicate the need to monitor changes that occur in the area of (labor market), education and employment. These issues can be additionally complicated by the process of integration into the European Union (EU). For these reasons, quality and efficient integration should lead to positive changes in our Serbian society. The opening of Serbia towards the EU and the rest of the world, such as the United States, China and Russia, is necessary, but requires a lot of research to fully engage in global processes.

IMPLICATIONS AND CONTRIBUTIONS

The research in this paper led the authors to a few conclusions. They point to the necessity of Serbia's inclusion in the global division of labor, pointing to the need to monitor changes in the field of labor and employment, but also education. In doing so, gaining insight into the changes caused by the development of information technologies and the flexibility of work have become the primary goal of the time in which we live. With the development of globalization, there have been changes in the field of human resources and the manner of their utilization.

KEY RECOMMENDATIONS

After detailed analysis and research in this paper, the following issues have been crystallized as key recommendations: it is necessary to monitor changes in the field of employment and education, it is necessary to face the challenges of integration in the EU, it is necessary to point to the current situation and possible prospective and solve structural unemployment issues, if any. In particular, it is necessary to emphasize the importance of work and the attempt to reduce unemployment in order to improve the health care of employees. Then, raising people's standard of living, the necessity of education and training throughout the lifetime, highlighting cultural values, but also pointing out how important it is to the quality of everyday life.

KEY WORDS

Employment, education, work, flexibility, human resources management

REFERENCES

Global employment Trends for Youth 2017: Paths to a better working future. (2017). Geneva: ILO.

Ivancevic, M. J., & Konopaske, R. (2013). *Human Resource Management*. New York: McGraw-Hill.

Maksimovic, M. (2017). Structural Changes in The Labor Market and Management Human Resources. In *Book of Apstracts* (36-37). Belgrade, Republic of Serbia: Center for Economic Research, Institute of Social Sciences in Belgrade.

Maksimovic, M. (2017). Human Resources Trends and Challenges. In *Proceedings from International Conference: Challenges of contemporary Society II* (207-220). Skopje, Macedonia: Institute for Sociological, Political and Juridicial Research.

Tung, L. R. (2016). New perspectives on human resource management in a global context. *Journal of World Business,* 51, 142–152.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

CONCEPTUALISATION OF CONSCIOUS LEADERSHIP

Dejan Marinčič
University of Maribor, Faculty of Organizational Sciences, Kranj, Slovenia
Miha Marič, PhD
University of Maribor, Faculty of Organizational Sciences, Kranj, Slovenia

RESEARCH PROBLEM

Conscious leadership is a recent construct, yet to be researched. A true conscious leader must be aware of his position and his mission and must strive to be educated every day, work on his own consciousness, form his own context of life, try to perceive information from the surroundings, learn from life experiences, and closely monitor all the events around him. Therefore, one must first become self-aware; have a systemic insight, be conscious of things and build on the collective consciousness.

OBJECTIVES

We will study what and how influences on the level of conscious leadership, and how we can become a good conscious leader. We will achieve this through a critical review of the secondary literature and a synthesis of relevant literature in which this topic is addressed, as well as a clarified narrow scientific field of conscious leadership and the effects of conscientious leadership on followers in organisations. We will also create a conceptual model of conscious leadership.

HYPOTHESIS

Conscious leaders maintain awareness of thoughts, feelings, and experiences to achieve goals or to be successful and therefore have to be conscious of their mindfulness and develop it; they must have the following characteristics: to see a problem from different perspectives, but at the same time he must remain neutral; collect information and learn from experience; be clear in discussions; be able to assume responsibility; fair and open to communicate; aim towards a positive outcome (Ward, 2016).

dejkom@gmail.com

METHODOLOGY

Leaders must find effective ways of managing in order to be successful. Conscious leadership means to maintain awareness of thoughts, feelings and experiences to achieve a goal. A conscious leader must have the following characteristics: he must see a problem from different perspectives, but at the same time he must remain neutral; collect information and learn from experience; be clear in discussions; he must be able to assume responsibility; fair and open to communicate; he must aim towards a positive outcome (Ward, 2016).

Hayden (2017) describes that the model of conscious leadership is composed of four key elements: a conscious leader must be self-aware and self-sufficient; must live a conscious life of his choice; must be aware of his values and values of others and include them in communication; must have the ability to see more perspectives and not be identified by them. Another important element of the model is that the leader must be aware of things that lead to relationships.

RESULTS

Conceptualisation of conscious leadership is composed of three subgroups, which are mutually intertwined. Expanded consciousness is co-created with the help of meditation, life values, life goals, and a healthy spirit in a healthy body; it promotes individual's internal growth and helps shape one’s true self and expression. The elements of conscious guidance are life context, expanded consciousness, sensory filters, life experiences, and attention.

IMPLICATIONS AND CONTRIBUTIONS

Leaders upgrade their competences and add new dimensions to them; some of which are mindfulness, energy and love. New era leaders are also aware of the responsibility for the material, emotional and spiritual well-being of the organisation. They act with love for spontaneity and their deepest values. They continuously upgrade and develop all dimensions of perception, intelligence, emotional and spiritual intelligence, and take care of their physical vitality (Klopčič, 2016).

KEY RECOMMENDATIONS

The leaders’ role is to help and associate different thinkers and integrate them into a whole. Conscious leaders see their world differently, as they can receive more information from the environment, they can listen to others, accept contradictions and paradoxes, promote co-operation, include different perspectives and combine systems, are flexible with their hierarchies, and decentralise control. Conscious leaders can use their intuition to overcome their rational thinking (VUCA World, 2017).

KEY WORDS

Conscious leadership, organisation , management, awareness, conceptualisation

REFERENCES

Cooper, D., & Crosswell, K. (2010). *Ključi do vesolja*. Celje: Zavod Gaia Planet.

Goleman, D. (2016). *Fokus, Skritogoniloodličnosti*. Novo mesto: Založba Penca.

Hayden, G. (2016). *A Deeper Looking to the Conscious Leader*. Retrieved from http://consciousleadershipconsultancy.com/a-deeper-look-into-the-conscious-leader/

Hayden, G. (2017). *Coaching Questions for Conscious Leaders*. Retrieved from http://consciousleadershipconsultancy.com/coaching-questions-for-conscious-leaders/

Hulnick, H., & Hulnick M. (2010). *Loyalty to Your Soul: theHeartofSpiritualPsychology*. Carisbad, CA: HayHouse, Inc.

Klopčič, S. (2009). *Zavestno vodenje*. Retrieved from http://www.i-leaders.net/2009/11/zavestno-vodenje.html

Klopčič, S., & Zupan, N. (2015). *Voditeljstvo - Vodenje in sodelovanje, moč in odgovornost*. Samozal.

Klopčič, S. (2016). *The Energy Inside Leadership*. Zagorje ob Savi.

VUCA World (2017). *Leadership in the New World: The Rise ofthe Post – Heroic, ConsciousLeader*. Retrieved from http://consciousleadershipconsultancy.com/leadership-in-the-new-world-the-rise-of-the-post-heroic-conscious-leader/

Ward, S. F., & Haase, B. (2016). ConsciousLeadership. *AORN Journal, 104*(5), 433.

Zohar, D., & Marshall, I. (2006). *Duhovni kapital – Bogastvo, od katerega lahko živimo*. Ljubljana: ZaložbaTozd.

SURVEY OF CONTEMPORARY DEEP LEARNING MODELS AND THEIR APLICATIONS

Jovan Njegić,PhD
Novi Sad School of Business, Novi Sad, Republic of Serbia
Mladen Dumanović, MSc
HR consultant and Teaching Assistant, Com Data, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

Artificial intelligence has demonstrated enormous success in various applications in the past few years. The inherent capability of overcoming the drawback of traditional algorithms dependent on hand-designed features has drawn increasing research interests to the deep learning techniques. Unfortunately, the application of deep learning is still insufficiently investigated field in Serbia. Therefore, this paper strives to provide an overview of recent development in the field of deep learning.

OBJECTIVES

This article aims to present a brief survey of recent progress in deep learning applications since 2012. It introduces the general architecture of a modern deep neural networks and provides an overview of the possibilities of their application. The objective is to provide practitioners and researchers with the insights in contemporary trends in this fast-growing field.

HYPOTHESIS

Recent studies show that contemporary state of the art models of deep learning are capable of not only reaching human performance, but also exceeding them in performing of certain tasks. Therefore, the main hypothesis that this paper is based on is that the increase of the application of contemporary models of deep learning can result in significant improvement of the quality of life.

jovan.nj@gmail.com

METHODOLOGY

Using content analysis method, the research papers are grouped according to the areas in which the observed deep learning models are applied. Models are ranked according to the results achieved in the respective areas. The deduction method was used in order to draw conclusions regarding the future development trends of deep learning in these areas.

RESULTS

Based on reviewed relevant literature, a chronological overview of contemporary achievements in the field of application of deep learning is provided. The overview is structured according to the areas in which the possibilities of application of deep learning are examined at present. The current scopes of application in these areas were summarized, and the conclusions regarding future development trends of deep learning in related areas were outlined. Based on the findings, recommendations for further research, as well as the suggestions for the possibilities of application in business, were offered.

IMPLICATIONS AND CONTRIBUTIONS

The latest research indicates that there are vast opportunities and benefits that could be realized by the use of artificial intelligence. A review of contemporary developments in this area will make it easier for practitioners to understand the possibilities of applying these models. It will also provide a solid base of research and results that can be beneficial to the future researchers.

KEY RECOMMENDATIONS

According to the author's knowledge, the domain of deep learning, as well as the application of the deep learning models in practice represent an insufficiently investigated fields. The research conducted in this study indicates that the application of deep learning models in practice can potentially bring highly significant benefits. It is recommended that in the forthcoming period increasing resources should be directed to research of the possibilities of applying deep learning models in business.

KEY WORDS

Artificial intelligence, deep learning, neural networks

REFERENCES

Bolukbasi, T., Chang, K.W., Zou, J.Y., Saligrama, V., & Kalai, A.T. (2016). Man is to computer programmer as woman is to homemaker? debiasing word embeddings. In *Advances in Neural Information Processing Systems* (4349-4357).

Gatys, L.A., Ecker, A.S., & Bethge, M. (2015). A neural algorithm of artistic style. *arXiv preprint arXiv:1508.06576*.

He, K., Zhang, X., Ren, S., & Sun, J. (2016). Deep residual learning for image recognition. In *Proceedings of the IEEE conference on computer vision and pattern recognition* (770-778).

Krizhevsky, A., Sutskever, I., & Hinton, G.E. (2012). Imagenet classification with deep convolutional neural networks. In *Advances in neural information processing systems* (1097-1105).

LeCun, Y., Bottou, L., Bengio, Y., & Haffner, P. (1998). Gradient-based learning applied to document recognition. *Proceedings of the IEEE*, *86*(11), 2278-2324.

Levine, S., Pastor, P., Krizhevsky, A., Ibarz, J., & Quillen, D. (2018). Learning hand-eye coordination for robotic grasping with deep learning and large-scale data collection. *The International Journal of Robotics Research*, *37*(4-5), 421-436.

Li, B. (2017). 3d fully convolutional network for vehicle detection in point cloud. In *Intelligent Robots and Systems (IROS), 2017 IEEE/RSJ International Conference on* (1513-1518). IEEE.

Lin, M., Chen, Q., & Yan, S. (2013). Network in network. *arXiv preprint arXiv:1312.4400*.

Sabour, S., Frosst, N., & Hinton, G.E. (2017). Dynamic routing between capsules. In *Advances in Neural Information Processing Systems* (3856-3866).

Saltz, J., Gupta, R., Hou, L., Kurc, T., Singh, P., Nguyen, V., ... & Van Arnam, J. (2018). Spatial organization and molecular correlation of tumor-infiltrating lymphocytes using deep learning on pathology images. *Cell reports*, *23*(1), 181.

Schroff, F., Kalenichenko, D., & Philbin, J. (2015). Facenet: A unified embedding for face recognition and clustering. In *Proceedings of the IEEE conference on computer vision and pattern recognition* (815-823).

Simonyan, K., & Zisserman, A. (2014). Very deep convolutional networks for large-scale image recognition. *arXiv preprint arXiv:1409.1556*.

Szegedy, C., Liu, W., Jia, Y., Sermanet, P., Reed, S., Anguelov, D., ... & Rabinovich, A. (2015). Going deeper with convolutions. In *Proceedings of the IEEE conference on computer vision and pattern recognition* (1-9).

Taigman, Y., Yang, M., Ranzato, M. A., & Wolf, L. (2014). Deepface: Closing the gap to human-level performance in face verification. In *Proceedings of the IEEE conference on computer vision and pattern recognition* (1701-1708).

OBJECT-ORIENTED APPROACH FOR MODELLING OF ADMINISTRATION OF EDUCATIONAL SOFTWARE

Dalibor Petković, PhD
Pedagogical Faculty in Vranje,University of Niš, Vranje, Republic of Serbia
Nebojša Denić, PhD
Faculty of Science and Mathematics in Kosovska Mitrovica, University of Priština, Kosovska Mitrovica, Republic of Serbia

RESEARCH PROBLEM

Learning process could be very complex cognitive task which can be imposing on students because it requires a lot of efforts from them (Petri &Wangenheim, 2017). The main problem is student motivation. Because of that it is suitable for education benefit to model educational software which will make more motivation for students and teachers as well (Kordaki & Gousiou, 2017). Education software is a computer software which is used for teaching or self-learning. Recently possibility of video games involvement in education was investigated widely (Flores, Paiva & Letra, 2016). However the education games are not reached in teaching practice in reality since many are convinced that the education games cannot be beneficial for students.

OBJECTIVES

Therefore it is essential to model educational software which will be acceptable for all users in the teaching process. Moreover it is more important the software would be universal and can be applied in all education institutions and by all users. Also, the software should be understandable and easy in application for anyone. In order to make such software it is important to analyze and model the structural and dynamical characteristics of the software.

HYPOTHESIS

One of the best solutions for analyzing and modeling of the software is object-oriented approach (Lethbridge & Laganiere, 2005). This approach is used at the

nebojsa.denic@pr.ac.rs

beginning of the software life cycle. Object-oriented modelling strategy is an attempt to encapsulate data and process into thing called objects. The data in the objects could be created, deleted or used only by some encapsulated processes or methods. The object-oriented strategy is focused on assembly of the system from a library of reusable objects. By assembling the objects the useful computer application could be made which represents one system (Jacobson, 1993; Rumbaugh, Jacobson & Booch, 2004)

METHODOLOGY

Although there are different methodologies for the object-oriented modelling it is very difficult for beginners to understand and to model some systems. Unified modelling language (UML) is a standard tool which could help developers and engineers to make detailed specification and documentation of any system. UML is based on use cases, architectures, iterations and increments.

RESULTS

In this paper the education software is analyzed and modelled based on administrative processes with the help of use case diagrams. Modelling and analyzing this kind of problem by UML can help to visualize, specify, contract and document the system artifact effectively which is helpful for better understanding of the problem and for various stakeholders of the application.

IMPLICATIONS AND CONTRIBUTIONS

Visual modelling approach is a way of thinking about problems where models are based on real word ideas. UML is a standard for modelling tool for software development. By UML one can track software development in every stage. Furthermore, one can upgrade the software since it is visually easy to check and track software stage.

KEY RECOMMENDATIONS

The key recommendations for further research are to add more users and use cases in the software. Also there is a possibility to merge UML with other strategies in order to improve the software development.

KEY WORDS

Education software, object-oriented modeling, unified modelling language (UML)

REFERENCES

Flores, N.H., Paiva, A.C., & Letra, P. (2016). Software engineering management education through game design patterns. *Procedia-Social and Behavioral Sciences*, *228*, 436-442.

Jacobson, I. (1993). *Object-oriented software engineering: a use case driven approach*. Pearson Education India.

Kordaki, M., & Gousiou, A. (2017). Digital card games in education: A ten year systematic review. *Computers & Education*, *109*, 122-161.

Lethbridge, T.C., & Laganiere, R. (2005). *Object-oriented software engineering*. New York: McGraw-Hill.

Petri, G., & von Wangenheim, C.G. (2017). How games for computing education are evaluated? A systematic literature review. *Computers & Education*, *107*, 68-90.

Rumbaugh, J., Jacobson, I., & Booch, G. (2004). *Unified modeling language reference manual, the*. Pearson Higher Education.

INTERNATIONAL SCIENTIFIC AND EXPERT CONFERENCE
Economic development and competitiveness of European countries: Achievements-Challenges-Opportunities

THE APPLICATION OF MODERN INFORMATION AND COMMUNICATION TECHNOLOGIES IN EDUCATION

Dejan Sredojević, MSc
Novi Sad School of Business, Novi Sad, Republic of Serbia

RESEARCH PROBLEM

The goal of this paper is to research the rapid development of information and communication technologies (ICT) and their application in the field of education. The digital revolution that began with the processes of digitization and automation, now present in all aspects of life has resulted in a new form of education and digital literacy.Only people who receive education based on modern ICT will be able to catch up with the digital world.

OBJECTIVES

In order to better adapt theeducational system to the needs of the digital revolution, it is necessary to pay great attention to the selection of ICTs that will contribute to the digital literacy of people. The main goal of this paper is to present ICTs which should be applied in the modern educational process in order to educate people who will easily adapt to the modern and networked digital world.

HYPOTHESIS

In order foran education process to continuously follow the rapid digitization process, it is necessary to include modern ICTs that will enable this. The most common types of modern learning are e-learning, smart classrooms, podcast, webcast, blogs, hybrid-learning, online social networking and websites supported by modern ICTs such as special software packages, cameras, computers, smart boards, Touch-Pads, mobile and smart phones etc.

dsredojevic.vps@gmail.com

METHODOLOGY

In order for an educational institution to educate peopleby using modern ICTs, there are several indispensable prerequisites that must be met. One of the first conditions for education through the use of modern ICTs is trained staff, as well as the willingness of the staff to constantly improve their skills following the latest trends in the field of education. It is very important to follow the trends of other countries that are leaders in quality education.

Furthermore, the technology that is used must be interactive and conceived in such a way as toincrease students' satisfaction during the learning process and to contribute to a greater level of learning efficiency. In addition, the most efficient educational system which incorporates modern ICTs usesmethods such as real-world problems, simulation and modelling, discussions, debates and forums, coaching, formative assessment etc.

RESULTS

The application of modern ICTs in education greatly facilitates and accelerates the learning process. Education becomes more accessible while greater flexibility in both teacher and student schedules increases productivity. The application of modern ICTs in the education process in the past 10 years has already given significant results. Graduated students are adapting very quickly and are able to face the new challenges caused by the digital revolution.

IMPLICATIONS AND CONTRIBUTIONS

One of the best examples of the application of the results of this research is the rapid growth of the IT sector. For its efficient development, a digitally literate workforce is necessary. The development of the IT sector results in digitization and automation in all spheres of life andone can become equipped for such a world through continuous education using the methods described in this paper.

KEY RECOMMENDATIONS

A better promotion of modern forms of education and the possibilities it brings is one of the most important basesfor an increase in social standard. Also, one of the recommendations is to improve the digital literacy of socially vulnerable groups so that the gapbetween social classes is reduced. One of the recommendations for the improvement of the quality of education is to support the appropriate standards required by modern forms of education by competent state institutions.

KEY WORDS

ICT, Modern education, Digitalization, High-tech education, Learning

REFERENCES

Britland, M. (2013). *What is the future of technology in education?* Retrieved from https://www.theguardian.com/teacher-network/teacher-blog/2013/jun/19/technology-future-education-cloud-social-learning

Castillo, F. (2010). Information and communication technology in todays modern education. In: *2nd InternationalConference on Engineering Systems Management and Its Applications*. (1-6). IEEE.

Dillenbourg, P. (2016). The Evolution of Research on Digital Education. *International Journal of Artificial Intelligence in Education*. 26.

Hernandez, R. (2017). Impact of ICT on Education: Challenges and Perspectives. *Journal of Educational Psychology - Propositos y Representaciones*, *5*(1), 337-347.

Hoel, T., & Mason, J., (2018). Standards for smart education – towards a development framework. *Smart Learning Environments*, *5*(1), 3.

Kommers, P. (2010). ICT as Explicit Factor in the Evolution of Long-Life Learning. *International Journal of Continuing Engineering Education and Life-Long Learning*, 20, 127-144.

Lynch, M. (2017). *7 ways technology is impacting modern education*. Retrieved from https://www.thetechedvocate.org/7-ways-technology-impacting-modern-education/

Molnár, G. (2014). Modern ICT based teaching and learning support systems and solutions in higher education practice. In *10th* I*nternational Scientific Conference on Distance Learning in Applied Informatics*. (421-430). Prague: Wolters Kluwer Law and Business.

Molnár, G. (2015). Teaching and Learning in modern digital Environment. In *13th International Symposium on Applied Machine Intelligence and Informatics*. (213-217). IEEE.

Ron, O. (2002). *The role of ICT in higher education for the 21st century: ICT as a change agent for education*.

Sangrà, A., & Sanmamed M. (2010). The role of information and communication technologies in improving teaching and learning processes in primary and secondary schools. *ALT-J*, *18*(3), 207-220.

Smith, S. (2015). *7 Hi-Tech Education Trends to Watch for in 2016.* Retrieved from https://tech.co/7-hi-tech-education-trends-watch-2016-2015-12

Sysoyev, P., Evstigneeva, I., & Evstigneev, M. (2014). Modern Information and Communication Technologies in the Development of Learners' Discourse Skills. In: *XXV Annual International Academic Conference, Language and Culture*. (214-219). Amsterdam: ELSEVIER.

Valentine, A. (2016). 10 *Incredible Hi-Tech Education Tools.* Retrieved from https://blog.proto.io/10-incredible-hi-tech-education-tools

Zhu, Z., Yu, M., & Riezebos, P. (2016). A research framework of smart education. *Smart Learning Environments*, *3*(1), 4.