5th Dubrovnik International Economic Meeting

DIEM 2021

Global Challenges, Crisis Management and Sustainable Development

Book of Abstracts

University of Dubrovnik
Department of Economics and Business
2 - 3 July 2021, Dubrovnik, Croatia

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U DUBROVNIKU
UNIVERSITY
OF DUBROVNIK

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5th Dubrovnik International Economic Meeting

DIEM 2021

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Maurizio Zollo, Imperial College Business School, Professor of Strategy, Innovation and Sustainability, Head of the Department of Management and Entrepreneurship, and Scientific Director of the Leonardo Centre

Title of the keynote: The enterprise the world needs

Daniel Hjorth, Copenhagen Business School, Professor of entrepreneurship and organization at the Department of Management, Politics and Philosophy, Copenhagen Business School, Denmark.

Title of the keynote: Creative Response to Crisis: On Management and Entrepreneurship in a Sustainably Innovative Future

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IDENTITY FOCUSED ADAPTATION OF NEWCOMERS IN ORGANIZATIONS: RESOURSE FOR PERSONNEL MANAGEMENT

UDK: 005.95:005.32:331.101.3
JEL classification: M50, M54

Abstract

The report addresses the issue of adaptation of newcomers in organizations. This problem is very important now in business and public organizations according to the problem of labor productivity, staff turnover, corporate culture etc. In spite of obvious importance of the adaptation in organization, the studies of this problem require new approaches and methods. Mechanisms are explored that help to retain the staff in organization and to create a desire to continue its activities in this organization. The research is implemented to the framework of the business-psychological approach (S Benton, N. Ivanova, theory of social identity (H. Tajfel, J.C. Turner), concepts of adaptation (T. Bazarov, N. Volkova etc.). Adaptation of newcomers is considered as a natural stage of professional and social self-determination of the individual, as overcoming the identity crisis and identity forming process. In the course of adaptation, an identity is formed that is adequate in relation to the new social roles and goals of activity. The purpose of the study: to develop the identity focused adaptation model, to

test the role of this model in the work with newcomers in organization. Methodology: questionnaire (N= 109), Job Satisfaction Survey (N=15), case study in organizations. Results: The role of information and psychological support of a novice from the manager, mentor and team while including a specialist in joint activities is revealed. The directions of improving the system of adaptation of newcomers in the organization are highlighted.

An identity focused adaptation model has been developed, which includes the following components:

A) Preliminary information to newcomers: preparatory briefing about the company; detailed briefing about the company's rules and regulations.

B) Information about newcomers to colleagues: about the new employee, his workplace, the tasks of his adaptation, the appointment of a mentor.

C) Communications of the mentor: checking the workplace, the initial conversation, monitoring the problems and successes, the employee's initiation into the company's affairs.

D) Communications of the manager: aimed at reducing the uncertainty of the newcomer in the first days of work.

E) Communication of newcomers: questions, feedback, ideas, doubts, wishes.

Results of this research can be useful for management, counseling and coaching for development of newcomer's identity, loyalty, and performance.

Keywords: business psychology, identity focused adaptation model, personnel management, loyalty, adaptation of personnel, social identity, strategy of communication

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THE CHALLENGE FOR ECONOMICS FROM THE NEW "DIGITAL" ECONOMY: SHARING AND COLLABORATIVE ECONOMY THROUGH THE "PLATFORMS NEOCAPITALISM" OF THE 21st CENTURY[1]

UDK: 004:005.1]:330.342.14
JEL classification: D16, D62, L12, M15, O36, P13

Abstract

The so-called collaborative or sharing economy constitutes a multifaceted concept of increasing relevance and evolving in definition that will constitute the focus of our study. This article is presented methodologically as a macro-synthesis of the main trends of the economy, from its local and global spheres, in the convergence that can be glimpsed from the new phenomenon that we are dealing with of neo-capitalism based essentially on digital platforms and media. Some have already advanced it as turbo-capitalism or capitalism 3.0, in increasing expansion from the analysis of massive data from digital platforms. The resulting greater efficiency of decentralization and heterogeneity can be exploited by communities. We claim the need to support the constitution of public support that can constitute the response of the government to the multiple new challenges posed by what we are calling as "platform neocapitalism", which dilutes countries in a planetary and accelerated scale, unimaginable at the beginning of the present 21st century.

Keywords: sharing economy, digital platforms, collaborative economy

[1] « This project has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement n°734855. »

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ANALYSIS OF THE LABOUR MARKET POTENTIAL AMONG THE EU MEMBER STATES IN RELATION TO THE EXPECTATIONS ARISING FROM THE TECHNOLOGICAL REVOLUTION

UDK: 331.5:004](4-67 EU)
JEL classification: J20, J24, F55, O57

Abstract

Changes in the labour market as a result of the technological revolution are inevitable. Both employees and entrepreneurs will have to adapt to changing conditions. The aim of the article is to indicate the differences in the labour market potential between the EU countries, especially between the "old" and "new" member states. For the purposes of the study, research methods based on literature review, content analysis and comparative analysis were used. Cluster analysis was also used, using secondary data from the Eurostat database. The attention was paid to such issues as: continuous vocational training, lifelong learning, acquisition of digital skills, education in STEM areas, R&D financing, applied forms of employment, labour productivity. As a result of the conducted research, a difference was observed between the "old" and "new" EU countries in the analyzed areas. Higher potential in the labour market is observed in the first group of countries.

Keywords: labour market, comparative analysis, European Union

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FROM THE EDITORS

This year the University of Dubrovnik, Department of Economics and Business organised the 5th Dubrovnik International Economic Meeting (DIEM 2021), as an international forum for discussion and presentation of research results in the fields of economics and business, with the emphasis on: Global Challenges, Crisis Management and Sustainable Development.

DIEM 2021 welcomed an array of contributions, both theoretical and empirical, and stimulating discussions of ideas and approaches to the global challenges, crisis management and sustainable development. The Conference aimed at and brought together scientists and experts with different backgrounds to foster exchange of empirical results and ideas from various research fields.

Two eminent researchers were key note speakers who also presented their work at the Conference:

1. Maurizio Zollo, Professor of Strategy, Innovation and Sustainability, Head of the Department of Management and Entrepreneurship, and Scientific Director of the Leonardo Centre, Imperial College Business School in the United Kingdom
2. Daniel Hjorth, Professor of Entrepreneurship and Organization at the Department of Management, Politics and Philosophy, Copenhagen Business School in Denmark

The overall objective was to attract and invite professionals and researchers from the field of economics and other relevant fields, who are aware of practical and theoretical problems of modern economy, to participate and give their contribution in solving these problems with active participation in presentations, working papers and panels and to provide maximum opportunity for presentation by young researchers.

The 5th Dubrovnik International Economic Meeting - DIEM 2021 brought together 116 scientists from 20 countries.

Within the DIEM 2021 Conference, the workshop "How to write a Scientific Paper for Scientific World Leading Journals" was organised,

intended for young researchers, doctoral students and scientists in general. It was held by one of the keynote speakers – Daniel Hjorth.

Furthermore, this year an online panel Croatia: "Start-up Nation" was held as one of the activities of the European project "Start-up Nation: Croatian Thematic Network for the Development of Entrepreneurship and Self-Employment" financed from the ESF fund from 2020 to 2023.

DIEM has been recognised as an excellent platform to present new, contemporary issues and an active promoter of economic profession in the future having succeeded to establish excellent co-operation with many researchers, institutions of higher learning and business entities in spite of the challenges to organise the Conference in 2021 under the specific circumstances with the Covid-19 pandemic both on the site and online.

The peer review was completed by an international team of reviewers, consisting of experts in economics and business as well as other relevant fields from all over the world.

Finally, we would like to thank all the members of the international reviewing team who were at disposal all the time, to our keynote speakers as well as to everyone who has contributed to the Conference in any capacity.

Dubrovnik, July 2021

Full Professor Ivona Vrdoljak Raguž, PhD, Editor in Chief

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CHALLENGES IN HIGHER ONLINE EDUCATION: DISCOURAGING FRAUDULENT ATTEMPTS ON ONLINE EXAMS

UDK: 37.018.43:004]:174
JEL classification: A22, I21, I29, M20

Abstract

It has been more than a year since the coronavirus pandemic pushed higher education even more towards an online format, along with many of its key-activities involved. When it comes to transitioning from conventional face-to-face examination to fully online assessment, the use of e-learning tools such as Moodle may bring multiple benefits but they could also raise a lot of concerns. One of the main concerns refers to content leakage, which involves the unauthorized distribution of the exam subjects, such as question banks, or sharing the quiz attempts with colleagues. When this happens, it can hinder the integrity of the online exams and their unique content, and of course, it will impact grades. There could be various causes for content leaks, such as lack of supervision or maybe settings incorrectly applied to quizzes. However, these could be some of the contributing factors that are enabling students to cheat. In light of the above, the aim of this paper is straightforward: to identify and outline the most important and feasible key-measures that could be adopted in order to detect and prevent or (at least substantially) decrease cheating during online exams. As we will further see, the real challenge appears when it comes to tracking down and grasping cheat scenarios. Fortunately, in this approach, we can mix the facilities provided by technologies used in online classes.

Keywords: Moodle, exam cheating, e-learning

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DIGITAL TRANSFORMATION OF UNIVERSITIES IN POSTPANDEMIC REALITY – EMERGING CHALLENGES FOR HIGHER EDUCATION IN ECONOMICS AND MANAGEMENT

UDK: 37.018.43:378]:616.2-036.21
JEL classification: I19, I23, I25, M21

Abstract

This paper is focused on the emerging challenges of the new post-pandemic reality for universities and higher educational institutions, with special emphasis on HEI in the fields of economics and management. Significant attention will be paid to the need for implementing innovative educational methodologies, re-enforcing the role and the scope of blended and/or hybrid teaching and assessment methods, designing and implementing innovative quality assurance systems, as well as university overall performance management methods and models. This is inevitable in order to achieve the ultimate goal of universities – offering a high quality higher education to the students, in conditions of ongoing global digitalization and dysfunction of the traditional practice. In the new reality, the overall digital transformation of HEI is a serious neo-strategic global challenge for all universities. The tactical adaptability of universities is greatly emphasized and important in this context as well. Apart from theoretical part, research data will be presented, related to identified good practices and benchmarking examples in this context.

Keywords*: Post-pandemic reality, University digital transformation, Innovative performance management, Blended/hybrid learning, Emerging technologies*

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ENGLISH LANGUAGE AND ECONOMY IN THE DIGITAL WORLD

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JEL classification: A12, A20

Abstract

In the modern, globalised world English language has an important role as a means of communication. The use of language in business environment facilitates communication and economic efficiency. Global language survey, carried out in 2013 in 60 countries worldwide, links English language proficiency to economic and social development (ICEF Monitor, 2014). Results of the survey indicate that the countries with higher levels of English language proficiency have stronger economies and higher per capita income levels, and thus a better quality of life. Nevertheless, due to globalisation process and the Internet, the role of English has changed in so far as English proficiency is not only an economic advantage but also a basic skill needed for the entire workforce (ICEF Monitor, 2014). The aim of this paper is to give an insight into attitudes of students of economics and business economics on the significance of English in the business environment. The paper analyses differences in students' attitudes in relation to the gender and the year of study. For that purpose the research was carried out among the students enrolled in undergraduate study programmes at the Department of Economics and Business Economics. As the research instrument, the Questionnaire "English in Business Environment" has been applied. The research results indicate that the participants consider English language to be an important factor in economy and their future business environment. There were no statistically significant differences relating to gender while some statistically significant differences for the year of study have been found. This paper suggests further research based on a context-specific

approach, to be carried out in other educational contexts, encompassing different study programmes and levels of study.

Keywords: language proficiency, economy, business environment

ENTREPRENEURSHIP

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EXPLORING ENTREPRENEURIAL ALERTNESS AND ENTREPRENEURIAL INTENTION IN TIMES OF THE COVID-19 PANDEMIC

UDK: 330.35+005.41]:616.2-036.21
JEL classification: I19, L26, D91, M13

Abstract

Entrepreneurship is of great importance for boosting economic growth as well as reducing unemployment. Therefore, understanding entrepreneurial behavior and its antecedents has been one of the main concerns of entrepreneurship scholars. The objective of this research is to explore the relationship between entrepreneurial alertness and entrepreneurial intentions in the context of high environmental uncertainty caused by the COVID-19 pandemic. Research was conducted using a sample of 255 students from two educational institutions: University of Zenica and Higher Education Institution "International Business-Information Academy" Tuzla during December 2020. The questionnaire was distributed using the CAWI method. Research findings suggest a strong positive relationship between entrepreneurial alertness and the following elements of the theory of planned behavior: entrepreneurial intention, personal attitudes and perceived behavioral control. The final model demonstrated partial mediation effect of personal attitudes and perceived behavioral control in the relationship between the entrepreneurial alertness dimension and entrepreneurial intention. Furthermore, the study shows that individuals who perceive the COVID-19 pandemic as a threat tend to be more alert,

while the perception of the pandemic has no effect on entrepreneurial intention. These findings point to the fact that entrepreneurial intention and entrepreneurial alertness, while both serve as predictors of entrepreneurial behavior, do not share the same sensitivity to current environmental uncertainty.

Keywords: theory of planned behavior, uncertainty, mediation effect

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EARLY IMPACT OF COVID-19 PANDEMIC ON ENTREPRENEURSHIP IN SLOVENIA; BASED ON GLOBAL ENTREPRENEURSHIP MONITOR DATA

UDK: 005.1:616.2-036.21](497.4)
JEL classification: I19, L26, O10

Abstract

As the COVID-19 pandemic spreads around the globe, entrepreneurs, their ventures and societies face unprecedented challenges. Entrepreneurship fosters the innovation needed not only to take advantage of new opportunities, boost productivity and create employment, but also to address the economic shockwave triggered by the COVID-19 pandemic. Slovenia, as a small open economy, is particularly vulnerable to the effects of the pandemic. Therefore, the main objective of the paper is to analyse and compare how the entrepreneurial sector responded to the first lockdown situation in Slovenia. The data will be obtained from the Global Entrepreneurship Monitor database and the results will be compared with European countries. The question is whether the response of the entrepreneurial sector was to some extent dependent on the response of the government. The results allow a first approximation of the rapid changes that entrepreneurs have to face in order to adapt to the new scenario and prevent the deterioration of the economy or its reconstruction. Government policies need to be adapted to the economy's developmental level and depend on the type of entrepreneurship that needs to be encouraged. Policy makers need to create coherent, holistic and conducive frameworks for entrepreneurs to thrive in a post COVID -19 world. In sum, there is much potential for small businesses to contribute to the "post-covid economy", especially if they are empowered through targeted support measures.

Keywords: entrepreneurship, entrepreneurship ecosystem, government policy, COVID-19, GEM data

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IMPACT OF COVID 19 ON SMEs

UDK: 65.017.2/.3:616.2-036.21
JEL classification: I19, L25

Abstract

Small and Medium Sized Enterprises (SMEs) are major driver of economies worldwide. Due to their characteristics they are exposed to various risks whose severity and probability of influence is highly increased due to the global economic shock caused by the Covid 19 pandemic. In this paper, we try to analyse major risks that SMEs are exposed to in this new surroundings that is unprecedented in its uncertainty, severity and complexity as well as the ways small businesses are responding to them. Analysing numerous studies that are dealing with this topic, as well as official statistical data, we will compare SME sector in Republic of Croatia with SME sector in other EU and non EU countries and discuss our main findings on the key issues they have in managing their enterprises in these new circumstances. It is obvious that there are many similarities between the exposure of SMEs to some specific risks, but there are also country-specific issues that are very different among SMEs in analysed countries.

Keywords: SMEs, Management, Risks

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ANALYSIS OF ENTREPRENEURIAL EDUCATION AMONG STUDENTS OF THE UNIVERSITY OF DUBROVNIK[1]

UDK: 005.3:37-057.875
JEL classification: A20, L26

Abstract

Entrepreneurial education is one of the most important aspects of the curriculum in the member states of the European Union, while in Croatia it appears in the National Framework Curriculum as a cross-curricular topic. Some of the social and economic factors that contribute to the development of entrepreneurship education are the acceptance that entrepreneurship can be learned, and therefore taught, and that not only "born" entrepreneurs must be successful. It is the growing interest in entrepreneurship courses by students that led to the goal of this work: to analyse the entrepreneurial education of current undergraduate and graduate students in three departments of the University of Dubrovnik: Department of Business

[1] This paper is created by the project Entrepreneurial education in children funded by institutional funding of scientific activities of the University of Dubrovnik.

Economics, Department of Maritime and Department of Electrical Engineering and Computing. The purpose of the research was to examine the opinion of students about entrepreneurship and their predispositions and desires to become entrepreneurs. Research has shown that students are interested in entrepreneurship education.

Keywords: entrepreneurial education, students' entrepreneurship, Croatia

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THE COVID-19 PANDEMIC. SOME ENTREPRENEURIAL ISSUES

UDK: 005.1:616.2-036.21
JEL classification: I19, L26, D20, H12

Abstract

The COVID-19 pandemic changed the rules of our society and led to a rapid shift in the behaviour of individuals. In this context, this paper aims to highlight the consequences of the pandemic on the economic activity, by analysing a number of changes and the corresponding market reactions. To underline how the market is adjusting, we focused on entrepreneurial activity, identifying a number of challenges, limitations, and opportunities. From a methodological point of view, the research approach combines a review of the specialty literature and data analysis. The results show that at a society level, this pandemic filtered entrepreneurs once more according to their skills and knowledge.

Keywords: COVID-19, entrepreneurship, pandemic

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THE IMPACT OF SOCIAL ENTREPRENEURSHIP EDUCATION ON SOCIAL ENTREPRENEURSHIP DEVELOPMENT IN THE REPUBLIC OF CROATIA

UDK: 005.35:37
JEL classification: L31, I21, J24

Abstract

Knowledge about social entrepreneurship in Croatia has not been available to relevant individuals, institutions and civil society associations to a sufficient extent; hence, there is a lack of initiative for undertaking social entrepreneurship ventures for the purpose of solving social problems. Although social entrepreneurship organizations provide education about social entrepreneurship, including workshops and seminars, they are insufficient to improve the level of social entrepreneurship in Croatian society. Therefore, according to respondents' opinions, social entrepreneurship education should be formally incorporated into high school and college curricula. The conducted research results show the existing potential for the further development of social entrepreneurship in the Republic of Croatia but there is a need for comprehensive understanding of social entrepreneurship as well as enhancing stakeholders' knowledge regarding social entrepreneurship ventures. Improved access to social entrepreneurship education would improve the understanding of the role of social entrepreneurship and its contribution to the social and economic advancements of local communities. Such education would foster social entrepreneurship development in the Republic of Croatia.

Keywords: social entrepreneurship, social entrepreneurship education, social entrepreneurship development

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TRENDS IN COMBATING MONEY LAUNDERING IN THE EUROPEAN CONTEXT

UDK: 343.359(4-67EU)
JEL classification: E26; F36; G28; K14; K42

Abstract

The purpose of this study is to evaluate the result of the decisions addressed in preventing and combating money laundering by Romania, together with the other member states of the European Union, following the regulations changes in the field. Against the background of technological developments and new threats, regulators have developed rules and procedures to prevent the exploitation of the financial system for the purpose of money laundering, with clear deadlines for transposition into national law. In order to determine the impact of the joint effort in the fight against money laundering, we analyzed the annual reports of European Financial Intelligence Units for 2018 and 2019 and the reports for the last ten years (2011-2020) of the National Office for Preventing and Combating Money Laundering in Romania. Based on the data from these reports, the study presents trends by using, inter alia, descriptive statistics. The results of our study draw attention to the increase in the number of reports of suspicious transactions, the number of cases sent for investigation to the competent authorities, the number of requests for information or dissemination of information to foreign FIUs, the volume of suspended transactions and

amounts seized or confiscated by authorities. Although European Union Member States have responded to the obligation to transpose European directives, further steps are needed to create a common framework for action and reporting, so that the combined efforts have real results in line with the expectations of the European institutions. Through the results presented, the study supports governmental and non-governmental entities, highlighting the areas that need immediate attention.

Keywords: financial crime evolution, investigations, measures implemented

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THE IMPACT OF FISCAL DETERMINANTS ON INVESTMENTS IN EUROPEAN UNION COUNTRIES. A PANEL DATA ANALYSIS

UDK: 330.322(4-67EU)
JEL classification: H25, O11, O23

Abstract

Taxation plays an important role in investment decisions and on net profit. In this view, this paper examines the fiscal determinants of investments realized by non-financial corporations in European Union (EU) countries. More exactly, the influences of profit tax and other important taxes like consumption and labor tax on the rate of investment are analysed. For this purpose, we use a panel analysis for 28 Member States from 2008 to 2018. In the presence of variables cointegration, we apply the fully modified ordinary least square (FMOLS) for investigating the long-run impact of taxation. Our results show a negative influence of the profit tax and a positive influence of consumption tax on the investment expansion. In addition, we find that the profit tax rate decreased after 2008 representing one of the most important fiscal measure adopted by the majority of EU Member States in order to stimulate the investment increase. The results are important for the governments, corporate governance of the companies and the investors, in order to understand the efficiency of their decisions to recover after a crisis.

Keywords: Corporate tax policy, Rate of investment, Panel data

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VOLUNTARY PENSION FUNDS IN CROATIA: INVESTMENT PERFORMANCE AND INCENTIVES

UDK: 657.412.7(497.5)
JEL classification: G20, G23

Abstract

Saving for the third age is extremely important in the conditions of an uncertainty in the global economy, unfavorable demographic trends and the related problem of fiscal imbalances. In order to improve the sustainability of the Croatian three-pillar pension system, there have been recent attempts to significantly increase the role of voluntary pension insurance and other forms of saving for the third age. The aim of such measures is to reduce the increasing dependence of pension beneficiaries on payments from the state budget and to achieve a more sustainable pension system. Measures to encourage voluntary saving in Croatia are the state incentives for the insured and the tax benefits for employers. Despite the numerous investment advantages and government incentives for this form of saving, voluntary pension funds in Croatia are still among the least developed institutional investors, considering the amount of assets and the number of members. The question arises as to the reasons for the relative disregard of these financial institutions and the low interest of the working population in Croatia. The aim of this paper is to analyze the performance of voluntary pension funds and identify the reasons for the insufficient capitalised savings in the third pension pillar in Croatia.

Keywords: Croatian pension system, voluntary pension funds, financial literacy, governement incentives

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DE JURE HARMONIZATION OF FINANCIAL REPORTING FOR LISTED COMPANIES: EVIDENCE FOR SELECTED CEE COUNTRIES

UDK: 658.14/.17(047.32)
JEL classification: M41, M42, M48

Abstract

Globalization of business and free flow of capital resulted in strong demand for comparable financial reports worldwide. An important element of achieving de facto harmonization of financial reporting is de jure harmonization, i.e. harmonization of regulatory requirements on the country level. Although more than 100 countries have a requirement for use of IFRS (International Financial Reporting Standards) for listed companies, de facto harmonization is still an ongoing process. De facto harmonization is affected by many influential factors, among which de jure harmonization represents one of the most important factors. For the purpose of the study, the authors developed an index of de jure harmonization (IDJH) based on the EU regulatory framework and evaluated its value for 5 CEE countries (Croatia, Bosnia & Herzegovina, Montenegro, Slovenia and Serbia). Empirical findings reveal significant differences in de jure harmonization, related to the country's status in relation to EU integration processes.

Keywords: de jure harmonization, financial reporting, CEE countries

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THEORETICAL AND METHODOLOGICAL APPROACHES ON TAX EVASION

UDK: 336.228.34
JEL classification: H26, E30, O17

Abstract

Measurement of an economic indicator or phenomenon starts by defining it first and determining its components. Tax evasion as a component of the underground economy is a phenomenon that is hard to be observed and estimated because of its hidden nature. To be able to compare the figures for tax evasion from different countries, there is the need for a definition internationally accepted. This paper aims to make a literature review on the phenomenon and to find a definition that is widely accepted. In this area, not only the literature review is important but also the legislation from different countries. We will look closely at the definition of tax evasion given by the legislation of different countries from the EU and the USA. In the literature, there are several methods to estimate the underground economy. There are direct methods (questionnaire), indirect methods (indicator methods), and statistical methods (MIMIC), but all of them have their shortcomings. In the paper, all the shortcomings of each method used in the present are discussed to estimate the underground economy. As a conclusion, we can state that at the present moment there is not a definition internationally accepted for the underground economy, making it hard to estimate and to compare the results from different countries. In addition, the methods used to estimate the phenomenon have advantages and disadvantages. None of the methods is better than the other. When estimating the underground economy, it is advised to use more than one method. At this moment it is safe to say that the link between theory and empirical estimation is still unsatisfactory.

Keywords: tax evasion, underground economy

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ETHNIC AND RELIGIOUS DIVERSITY AND FINANCIAL INCLUSION: A GLOBAL PERSPECTIVE

UDK: 316.347:336.7
JEL classification: Z10, Z13, G00

Abstract

Diversity plays a crucial role in investor's decision-making behaviour. If the culture of heterogeneity escalates, consumer choices also create catastrophic shifts in the financial markets. This study aims to investigate the relationship between ethnic and religious diversity and financiall inclusion by using the data of 187-countries of the world. The results indicate that diversity either ethnic or religious, or both have a significant positive association with financial inclusion (Financial inclusion is measured through mixture activities of usages dimension; access dimension and bank branches and barriers dimensions). This study suggests that diversity is a natural phenomenon; however, productive results of diversity can be obtained by providing an equal and peaceful society through cohesiveness.

Keywords: Ethnic diversity, Religious diversity, Financial inclusion

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PREDICTORS OF LOSS DUE TO PHARMACEUTICAL FRAUD: EVIDENCE FROM THE U.S.

UDK: 615.012:343.721
JEL classification: L65, K42

Abstract

Background. Pharmaceutical fraud account for a reasonable share of crimes globally and especially in the in the U.S.
Aim. This exploratory study aims to demonstrate a fraudster's profiles as well as to estimate average consequences in terms of costs and identify the loss predictors' hierarchy in the pharmaceutical industry in the U.S. Materials and methods. Data from the Corporate Prosecution Registry and mixed-effects models are utilized for this purpose.
Results. A typical fraudster's profile is defined as a middle-aged white male CEO. The results revealed the year and state where the fraud is prosecuted explained the largest portion of the variance in loss size. Predictably, case-specific factors also have a significant impact on the loss. Specifically, the existence of collusion, and fraudster's age are associated with higher cost due to pharmaceutical fraud.
Conclusions. This study empirically justifies considering loss, due to pharmaceutical fraud, from a multi-level perspective. Identified profiles of a

typical fraudster helped to elaborate on specific practical recommendations aimed at pharmaceutical fraud prevention in the U.S.

Keywords: pharmaceutical fraud, hierarchical linear model, profiling

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THE PROFITABILITY DETERMINANTS OF THE GLOBAL PHARMACEUTICAL & BIOTECHNOLOGY COMPANIES DURING THE COVID-19 PANDEMIC

UDK: 658.155:615.012]:616-036.21
JEL classification: L65, G30, G32, I19

Abstract

In today's chaotic, complex, unpredictable, and extremely dynamic business environment, it is more than ever essential to operate in a way that will ensure sustainable operations and demand for companies' goods or services. Employing contemporary corporate governance, advanced information technology, and adequate financial management are significant foundations for sustaining high profitability and adequate financial stability as crucial objectives that ensure adding value for companies' owners. Covid-19 is an excellent stress test for every entity, as for micro-companies, so for the largest multinational corporations. Nowadays, in the era of the world Covid-19 pandemic, companies challenge to maintain business operations and going concern assumption. However, in every crisis or adverse situation, some companies take enormous benefits of it. Pharmaceutical and biotechnology companies can be characterized as the major players during this last, still actual crisis. Their role can be observed from two angles, first as a provider of necessary drugs for curing Covid-19 patients and from the other side, as a developer of effective and efficient vaccine which will 'save

the world' and brought us back to the 'old normal'. This paper seeks to investigate financial determinants that are the most significant for the profitability of the pharmaceutical and biotechnology companies. The question is how those companies coped with the Covid-19 crisis, and what is the impact on their profitability in 2020 compared to previous operating years? Another question is how the development of the vaccine financed is and are R&D expenses significantly increased in 2020? Therefore, the objective of the paper is to investigate the impact of the Covid-19 crisis on the profitability of global pharmaceutical and biotechnology companies. The research covers 52 entities on the global level for the period from 2010 to 2020. Data will be analysed by applying adequate panel data analysis and moderator regression analysis.

Keywords: profitability ratios, pharmaceutical and biotechnology companies, Covid-19

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BITCOIN AS A POSSIBLE MEANS OF FINANCIAL MARKET FRAUD[1]

UDK: 336.744-021.131:336.7
JEL classification: B15, E02, G14, G17

Abstract

The aim of this paper is to present the manipulation possibilities in the operation of information technology. Many authors have already dealt with cryptocurrencies and their investment potential, with special emphasis on bitcoin. Therefore, the aim of this paper is to identify possible manipulative activities in the segment of information technology about bitcoin as a possible means of fraud in the financial market, especially if it is analysed the trend of its movement and potential financial risk. In this paper, the authors investigate in detail the characteristics of securities by linking them to market manipulations. The authors analyse bitcoin as a relative market and financial unknown, explain its origin and the most significant characteristics, and define the risks in terms of possible market manipulations. Finally, the authors analyse the financial bubble that is created around bitcoin and its impact on the economy. The authors analyse that bitcoin and other cryptocurrencies are still suitable for fraudulent activities in financial markets and emphasize the importance of institutions in reducing potential risks.

Keywords: bitcoin, institutions, bubble

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INNOVATION

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THE ROLE OF UNIVERSITIES AS INNOVATION DRIVERS AT REGIONAL LEVEL

UDK: 330.34:378.4](437.6+497.5)
JEL classification: I23, O31, R58

Abstract

Universities, as educational as well as research institutions, occupy an important position in a knowledge and innovation-based society with a view to sustainable development at local, regional, national and global levels. However, the society is sometimes little aware of what different services universities provide for it, or rather how universities help to solve societal or local problems with their activities. With active cooperation of universities with local and regional government, students have the opportunity to participate in identifying the problems of society and finding appropriate solutions by applying their theoretical knowledge. It is precisely the universities that, as the basis of a functioning innovation system, should be key regional innovation centers. The aim of the paper is to define the importance of competitiveness and specifically the impact of using the knowledge economy, from the perspective of identifying the possibilities and potential of higher education for increasing regional competitiveness. The paper examines the role of the university system in Slovakia compared to Croatia at the regional level, emphasizing what are the most useful mechanisms for transferring know-how from universities to practice. Through the analysis of the quality of universities in the comparison of Slovakia and Croatia, based on the success of individual universities in selected world rankings and evaluation of cooperation between universities and regional actors, it contributes recommendations in communication,

research, innovation and technology and proposes standardization of this interaction to real needs at the regional level.

Keywords: universities, innovation, regional development

INTERNATIONAL TRADE

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CONCEPTUAL FRAMEWORK FOR MATERIAL AND INFORMATION FLOW OPTIMISATION IN NATURAL GAS SUPPLY CHAIN

UDK: 658.7:622.324.5
JEL classification: Q41, D3, L95

Abstract

Natural gas is third most used fossil fuel and energy resource in the world, with significant increase in its consumption over last 20 years. As a consequence, research in optimisation of its supply chain processes are becoming increasingly significant. This paper aims to develop conceptual framework for material and information flow optimisation in natural gas supply chain and suggests its future use. Based on previous researches on mapping natural gas supply chain, bullwhip effect in natural gas supply chain and simulation models in natural gas supply chain, paper proposes new conceptual framework for material and information flow optimisation in natural gas supply chain. Results of implementation of this framework in natural gas supply chain of Republic of Croatia are presented with all suggestions for improvement explained.

Keywords: natural gas supply chain, simulation model, bullwhip effect

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DETERMINANTS OF THE BILATERAL TRADE FLOWS OF NORTH MACEDONIA– A GRAVITY MODEL APPROACH

UDK: 339.5(497.7)
JEL classification: F10; F14; C23

Abstract

The paper makes an indetail overview of the structure of the trade exchange of goods of Macedonia and explores the determinants of its bilateral trade flows using the gravity model. The analysis includes data on 40 trade partners of Macedonia in the period from 2005-2019. The used variables in the model are: GDP per capita difference, population, distance and relative endowments of factors of production (capital, land and labour). In most of the analyzed regressions the coefficients on determinants such as GDP per capita difference and population are positive and their impact upon the bilateral trade (as dependent variable) is statistically significant. Intensity of Macedonian trade decreases in regard of the distance from a trade partner and increases in partner's size – the country tends to trade more with lager countries. In our analysis we included three dummy variables such as: membership in the EU and in CEFTA-2006 and common language. The impact of the possible membership in the EU is clearly positive and

statistically significant. Being a candidate country for full EU membership, Macedonia trades more with EU trade partners rather than with the neibouring countries, members of CEFTA-2006.

Keywords: bilateral trade, gravity model, trade partners, Republic of North Macedonia, European Union, CEFTA-2006

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THE IMPACT OF OIL PRICES ON INVESTMENT IN CROATIA

UDK: 665.6:330.322(497.5)
JEL classification: E22, Q43

Abstract

If we look at economic growth as a function of labour and capital then, aside from the labour force, investment is a key determinant of capital accumulation and, accordingly, a prerequisite for economic growth and prosperity. During the analysed period (1996:Q1-2015:Q4) investment in Croatia demonstrated pro-cyclically behaviour but showed a higher level of fluctuation then personal consumption or GDP. The aim of the paper is to examine the influence of oil prices on investment during the analysed period using Vector Autoregression (VAR) analysis and to determine the nature of their relationship by permuting four different oil price indicators. The results indicate that investment initially react positively to the growth of oil prices after which their reaction to oil price growth becomes negative (and more pronounced than the initial positive reaction). Contribution of oil price changes to investment fluctuations were also found.

Keywords: investment, oil prices

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CURRENT CHALLENGES ON THE INTERNATIONAL REINSURANCE MARKET

UDK: 368.029:616-036.21](100)
JEL classification : G22, G15

Abstract

The aim of this paper is to present the analysis of the international reinsurance market. After we have made a literature review, we highlighted a brief history of it and then a brief analysis of the main actors operating in the international reinsurance market. Following this analysis, a top of reinsurance companies was made, then a classification and also the current challenges faced by the global reinsurance market, the Covid-19 crisis, were presented. We have studied the impact of the coronavirus pandemic on the companies mentioned before as being part of the top ranking. The results of the study showed that the crisis had a major impact, destabilizing the reinsurance market.

Keywords: reinsurance, international market, pandemic

MACROECONOMICS

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REGIONAL ANALYSIS OF THE PACIFIC ALLIANCE COUNTRIES ON THE RELATIONSHIP BETWEEN INCOME INEQUALITY AND SOCIAL CAPITAL

UDK: 330.564+330.14:316]:339.92
JEL classification: A13; D31; R11

Abstract

Social capital is considered a productive resource for societies. The increase in social trust is usually related to both economic growth and a reduction in inequality. In Latin American countries, and particularly the economies that belong to the Pacific Alliance, the relationship between social capital and income inequalities has not been studied at regional level. The paper aims to analyze whether social capital impacts income inequality in the case of the Pacific Alliance regions. Dynamic panel data models were used, covering 72 regions during the period 2002-2011. The results show that the decline in generalized trust and congress trust impacts negatively income inequality, while government trust, police trust and company trust have not effect.

Keywords: social capital, inequalities, dynamic panel model, Latin America

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NEW TENDENCY OF ECONOMIC AND FINANCIAL CRIME IN THE CONTEXT OF DIGITAL AGE. A LITERATURE REVIEW

UDK: 343.53:004.056:007
JEL classification: O2, O32, O38, H11, H26

Abstract

This paper wraps together two big concepts. First of them is the economic and financial crime and the second one is the digitalization. Each one of them has its own sub-components. The economic and financial crime can be split in: corruption, shadow economy, money laundering or cybercrime. Also, the digitalization can be explained as being related to smaller components, such as: connectivity, use of internet or digital public services. We tried to identify the relationship between these two concepts. As time goes on, we notice that the classical methods of economic and financial crime are at the same level as they were in the past, but digitalization is increasingly making itself comfortable in the field, which is why these types of crime methods are blooming. The subject provides a long-term research because of the technological development. This literature review study paves the way for more extensive research in the form of an empirical research, in order to statistically identify which phenomenon affects the other and how it is actually happening.

Keywords: money laundering, cybercrime, fraud

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INDEBTEDNESS IN THE TIME OF THE COVID-19 PANDEMIC – CASE OF BOSNIA AND HERZEGOVINA

UDK: 336.27:616.2-036.21]˙497.5)
JEL: I19, E61, E66, H60

Abstract

The COVID-19 pandemic is a global unprecedented event since the Spanish flu pandemic in 1918. The IMF addressed this pandemic-caused economic fallout as the worst crisis since the Great Depression. Entire continents are in lockdowns just with essential services and activities. Unlike the global financial crisis that derived from a financial sector, this pandemic-caused crisis is shock in real economy, both on the demand and supply side. During previous crisis, especially during global financial crisis, most governments responded with austerity measures and fiscal consolidation. This time it is different. Governments worldwide approved additional expenditures, tax cuts, government bond issuance and borrowing in order to mitigate economic consequences of the looming crisis. One of the pandemic's results is dramatic increase of indebtedness that could affect efficiency of fiscal and monetary responses created before to fight against crisis. This sudden and strong COVID-10 shock especially effects developing countries and emerging markets, but also advanced countries with already limited fiscal space. The COVID-19 pandemic-caused crisis evoked again fear of debt crisis and expanded a number of countries with indebtedness problems. Bosnia and Herzegovina as developing country with complex state structure and its own macroeconomic, political, institutional problems is not spared of negative effects of the pandemic. In order to save economy when recovery from the previous crisis is still in swing, Bosnia and Herzegovina did emergency measures to support economy. Increase of government spending in addition to reduced tax revenues has created the need for budget

rebalance and additional borrowing. The aim of this work is to show macroeconomic situation and problems in the EU countries, countries in the region and especially in Bosnia and Herzegovina before the pandemic as well as current problems, their reactions to COVID-19 pandemic and necessary financial support that could cause increase of indebtedness.

Keywords: COVID-19 pandemic, indebtedness, Bosnia and Herzegovina

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TRANSFORMING LIBRARIES AS A PROFIT MAKING ORGANIZATION TO IMPROVE SERVICE PERFORMANCE

UDK: 02:005.1
JEL classification: I25, L30, O36, Z19

Abstract

Libraries are non-profit service-oriented organizations engaged in satisfying the patrons' needs by providing them whatever they seek from the library, i.e., Books, Journals, Magazines, CDs/DVDs, and Online Resources. However, the libraries have to face hardships regarding funds which creates difficulties in maintaining the libraries and providing better library services. Its high time libraries should become self-dependent rather than depending upon the funds provided by the parental organization. The funds that the parental organization allocates are minimal and do not cover every library area.

Purpose: The purpose of the paper is to transform libraries into profit-making organizations to provide improved library services as a whole.

Results: To make libraries a profit-making organization, librarians should go unconventional by making some amends in the library policy like charging money in exchange for some services which were earlier not provided by the libraries, i.e. (1) Rental of equipment: Renting the items like Computers, CD/DVDs, Cassette, etc. can provide some amount rent. (2) Advertisement: Libraries can charge advertisement costs by promoting books written by authors. (3) Selling the wedding out items. (4) Translation. (5) Reproduction Cost. (6) Service charge on-demand services. (7) Inter-Library Services. (8). Membership Schemes. (9) Book Reservation. (10)

Training. The charges incurred from the above services can be implemented to make the library a better place by providing better resources and better services.

Conclusion: As libraries are meant to be non-profit organizations and must provide services free of cost to the patrons, but the library's primary goal is to keep the users' satisfaction into consideration. To keep the users satisfied, libraries must keep implementing new policies and procedures to keep them go head on head with time.

Keywords: Library Services, Library Resources, Library Funds

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ADAPTATION TO EXTERNAL SHOCKS WITHIN THE CURRENCY BOARD SYSTEM ON THE EXAMPLE OF THE BALTIC COUNTRIES AND BOSNIA AND HERZEGOVINA

UDK: 339.743(474+497.6)
JEL classification: E32, E42, E55 F33, F43, F44

Abstract

One of the most important economic policy issues, especially in the post-transition countries, is exchange rate regime (ERR), i.e. the question of optimal exchange rate regime that would stimulate economic growth and propagate macroeconomic stability. For small and EU-oriented countries like Bosnia and Herzegovina (B&H), the EU accession processes and character of countries' economic cycle phase are usually highlighted among many factors. The choice of the appropriate exchange rate system is determinated by the specific characteristics of individual countries, time moment and the characteristics of the external shock occurrence. It is generally accepted that monetary instabilities are treated by fixation and real economic shocks by exchange rate fluctuations. An important criterion for assessing the adequacy of the current exchange rate regime is its response to external shocks, such as the Great Recession in 2008. While flexible exchange rate regime is used as an automatic stabilizer, fixed exchange rates place certain restrictions. The process of macroeconomic adjustment in the Baltic States is an example of how large macroeconomic imbalances can be reduced without adjusting the nominal exchange rate and how the currency board can be successfully used as a stage in the euro introduction process. The aim of this paper is to give a comparative overview of the currency board introduction in Bosnia and Herzegovina and the Baltic countries, results achieved and reactions to external shocks (Great Recession in 2008) within this exchange rate arrangement, so conclusions that could be valuable in post-COVID 19 recovery can be drawn.

Keywords: exchange rates, currency board, external shocks

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ECONOMIC EFFECTS OF COVID-19 PANDEMIC ON THE ECONOMY OF FEDERATION OF BOSNIA AND HERZEGOVINA

UDK: 616.2-036.21:338(497.6)
JEL classification: I19, E60, E62,E63

Abstract

From the middle of March, 2020 the Federation of Bosnia and Herzegovina, as well as the whole world, has faced with unprecedented crisis caused by the Covid-19 pandemic. Authorities of Federation Bosnia and Herzegovina introduced strict closure measures to protect the health of the population and preserve the country's health system as a reponse to pandemic. These preventive and temporary measures, especially decisions on the "prohibition on leaving the place of residence and permanent residence", the closure of certain activities suspended the market's funcitioning, which practically froze the markets of goods and services, labor market, tourism and greatly affected on financial markets. Corona virus pandemic and lockdown of Federation Bosnia and Herzegovina's economy has left enormous negative economic effects. The pandemic continues, damage is adding up, the GDP is expected to decline and the assessment of economy impact is carried out. The purpose of the paper is to investigate and analyse macroeconmic measures, esppecially of fiscal policy, which are made by FBiH and other goverment levels (counties, local sefl-goverment units) to alleviate and stabilise current situation of economy. The ultimate goal of these policies is to minimise the negative socio-economic effect of pandemics and to use the crisis as a possibility to relaunch the economy. Due to the unique way of origin (health crisis) of mechanisms and large consequences, this crisis will be a great challenge for economic science and profession, and also for the creation of future macroeconomic policies.

Keywords: macroeconomic measures, COVID 19, economic crisis, fiscal policy

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SYSTEM-DYNAMIC MODELING OF THE IMPACT OF SOCIAL CAPITAL ON ECONOMIC GROWTH

UDK: 330.14:316]:338.1
JEL classification: C63, O40, Z13

Abstract

This paper presents a qualitative and quantitative system-dynamic modeling of the impact of social capital on economic growth. Social capital is the most problematic of all the concepts that determine progress. On a broad conceptual level, there is agreement about the importance of social capital, which has been used to explain differences in progress among nations with similar natural, human and physical capital. Recent research suggests that it is more important to include an explanation of the interaction of economic actors and their organization when measuring progress than to measure progress without the influence of social capital. The purpose of this paper is to develop a system-dynamic model of the impact of social capital on economic growth that will enable better understanding and management of social capital. In order to build a system dynamics model, the paper will: provide an analysis and overview of social capital and system dynamics; develop a system dynamics structural and mental-verbal model of the impact of social capital on economic growth; and develop a mathematical model of economic growth. This will provide a practical insight into the dynamic behavior of the observed system, i.e., analyzing economic growth and observing the mutual correlation between individual parameters.

Keywords: social capital, economic growth, system dynamics, structural model

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SOCIAL COST OF COVID-19 PANDEMIC: DOES SOCIAL ISOLATION INCREASE DOMESTIC VIOLENCE?

UDK: 364.624.4:616.2-036.21]:364.63-055.5/.7
JEL classification: J12, I19

Abstract

Coronaviruses are a category of associated viruses that trigger disease in mammals and birds. Human coronaviruses were detected in the 1960s. Mild diseases involve certain instances of common cold/flu (primarily rhinoviruses), whereas more deadly variants been identified, including severe acute respiratory syndrome-related coronavirus (SARS-CoV) in 2003, human coronavirus NL63 (HCoV NL63) in 2004, human coronavirus HKU1 (HKU1) in 2005, Middle East respiratory syndrome-related coronavirus (MERS-CoV) in 2012, and severe acute respiratory syndrome-related coronavirus-2 (SARS-CoV-2) in December, 2019.This study aims to examine weather isolation in lockdown (due to coronavirus pandemic disease) increases family violence or not. Coronavirus is widely known as a pandemic disease. At the moment, world is fearing from this widespread pandemic, how to stop its outbreak and no idea that how it is creating an environment of family conflicts. This study used a qualitative and quantitative approach to measures the effects of isolation in lockdown situation in form of family violence. This study designed questionnaires for those who were isolated at their home in Pakistan. We asked questions from 300-households those were isolated at their home. This study concludes that during lockdown people are too much frustrated (economic, social and politically) and cause of family violence. They represent lockdown due to coronavirus increase family violence. These individuals also part of family violence and their consequences may be more severe in future this study suggests that increase time of lockdown increase the severity of family violence. So there is an urgency to provide basic necessity of life especially to lower class income group to create peaceful society and social rest.

Keywords: Corona virus (COVID-19); family violence

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DEVELOPMENT OF ECONOMIC THEORY – FROM THEORIES OF ECONOMIC GROWTH AND ECONOMIC DEVELOPMENT TO THE PARADIGM OF SUSTAINABLE DEVELOPMENT

UDK: 330.34/35-022.316
JEL classification: B10, B15, Q01

Abstract

Rapid economic growth is a relatively recent phenomenon, which has been examined since the end of the 18th century. In the scientific literature researchers use the concept of "economic growth" and "economic development" when analyzing economic processes. "Economic growth", as defined by Paul M. Romer occurs whenever people use resources and rearranges them in more valuable ways. Thus, economic growth means an increase in a real national income / national output. In contrast, economic development is an improvement of the quality of life and living standards, e.g. improvement of literacy, life expectancy, and approach to environmental issues. Economic development encircles a wider range of metrics than just gross Domestic Product (GDP) per capita, it is about actual standard of living, level of environmental standards, availability and quality of housing and other aspects. The article analyzes, compares and evaluates theories of economic growth and economic development in the context of sustainable development.

Keywords: economic development, economic growth, sustainability

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COORDINATED GOVERNANCE STRATEGY TO INCREASING OF PUBLIC VALUE: LATVIA APPROACH[1]

UDK: 614.2
JEL classification: I15, H75

Abstract

Latvia is continuing health system reforms, and these reforms are the most ambitious and constructive in the last thirty years in the following areas: Infrastructure and mapping, defining the role of local governments in the health care system, human resources, improving the selection process of state budget-paid health care providers, improvement of the health care quality system, e-health and patient identification. The following steps for reforms in the health sector should be considered because there is a growing academic's and practitioner's interest in health services' public value. Value-based healthcare (VBHC) is a new and practical management approach in the health sector, which has been introduced by leading European and global health service providers. In Latvia, a group of analytical indicators for the performance measurement system is currently focused mainly on the improvement of the organizational volume indicators. This scientific article aims to explore the possibilities of applying VBHC in Latvia and the interaction between various management tools in the field of health care. The meta-analysis of the research is based on the use of qualitative data sources – the existing data sources from policies implemented by the Latvian Ministry of Health and examples of VBHC initiatives. Application of the VBHC concept in Latvia proposed for discussion, where the outcome of the corresponding measures would be identified for each health service provider

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as part of a one-patient (care) pathway involving several independent health service providers.

Keywords: VBHC, Health policy, Outcome Measures

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THE ROLE OF DIGITAL GOVERNMENT IN REDUCING THE SHADOW ECONOMY: AN INTERNATIONAL EMPIRICAL ANALYSIS

UDK: 004.7:35]:331.526.8
JEL classification: C23, E26, H83, O17

Abstract

The shadow economy is a serious problem in many countries since it is considered as a recognised consequence of imperfections in the economic system and inadequacies in economic policies. Generally, the shadow economy includes any market-based activities that are intentionally hidden from public authorities to avoid payment of taxes and other obligations or to avoid meeting certain legal standards or conforming to certain administrative procedures. Consequently, it erodes the tax bases and reduces the tax revenue forcing the governments to find other sources of revenue to finance public spending. There exist several factors that generate and foster the growth of a shadow economy, whereby the most important are recognised in excessive tax burden, government overregulation and poor performance by government bodies. In this context, the implementation of digital government (e-government) is often emphasized as an instrument to reduce administrative burden costs, reduce tax evasion, and improve government effectiveness and efficiency. Accordingly, the main aim of the paper is to systematically examine the impact of digital government on reducing the shadow economy. The panel data analysis is based on a sample of about 150 countries around the world during the period 2005 – 2017, where the data on main variables of interest, i.e., estimated shadow economy and digital government development index are both available. The results show that digital government is a powerful instrument for reducing the shadow economy. The findings highlight the importance to achieve sufficient

level of digital government development, especially in developing countries, where governments are still unable to fully benefit from information communication technology tools.

Keywords: digital government, shadow economy, public administration, panel data analysis

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INEQUALITY, ECONOMIC GROWTH AND VARIETIES OF CAPITALISM

UDK: 316.344:330.35:330.342.14
JEL classification: D63, F43, P51

Abstract

Some authors suggest that inequality is a cost for the economic growth, while others consider that inequality has a negative effect on the GDP growth. The Varieties of capitalism theory shows that according the chosen institutions, countries can be classified as a Liberal Market Economies, Coordinated Market Economies, Depended Market Economies and others. Such theory suggests that each group of countries has different levels of inequality. There are not studies that measure the effect of the inequality on the economic growth by variety of capitalism. The paper aims to measure the effect of inequality on the GDP growth by variety of capitalism. To do that it was used a panel data analysis for advanced market economies. Findings shows that the inequality has a negative effect on economic growth and such relationship differs according the varieties of capitalism.

Keywords: Inequality, varieties of capitalism, economic growth

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PERSONAL PROTECTION DATA (GDPR) WITH EFFECTIVE BENEFITS

UDK: 343.211.3:342.721
JEL classification: K20, K24, L51, O30

Abstract

The problem of Personal data protection (GDPR) is one of the most actual and sensitive issue, not only in EU, but all around the world. We consider that GDPR is a valuable asset, which can give more values when included in information and commercial networks. This is an action going on and it is a characteristic for the digitalization in progress of our world. There are some approaches of this issue, of which, in this paper, we are interested in the perception of security of our activities, in a way like that of the second level of the Maslow's Hierarchy of Needs and the use of information stocked to improve the commercial traffic and create new opportunities for the customers. We've started from the meaning of the compound term GDPR, from the analysis of EU policy and regulations and their importance in our lives. Furthermore, we used empirical data from different sites or links and information from the specific media in the field. In each and every search on Internet, we find sites in which the permission is required to use cookies and warnings regarding the protection of personal data process. Important thing for each and every person is to understand that the respective media providers or commercial suppliers intend to store information, to identify us and to measure our needs and goals, including our geo-location data. Even it is considered a protectionist policy, GDPR can have positive benefits for individuals and economies, including consumers' loyalty, providing new products or activities according to requests, the business security outside the EU. Furthermore, it can raise the economic growth by improving the competitive advantages, even using the modern technologies such as blockchain.

Keywords: personal data, legal framework, commerce, protective policy

MANAGEMENT

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FACTORS AND MECHANISMS OF ORGANIZATIONAL RESILIENCE IN THE FACE OF UNANTICIPATED GLOBAL CRISES

UDK: 005.2:37.091:616-036.21
JEL classification: M50, M54, I19, I20

Abstract

The global COVID-19 pandemic has led to a reassessment of the foundations of human life and the functioning of companies. Forced informatization of all types of activities, the accumulation of large amounts of information and the acceleration of the transition to new technologies and processes (in particular AI and information systems) have become a new modern reality. Moreover, the establishing of various restrictions, a reduction in the amount of available resources, a drop in consumer demand, and, finally, the transition of employees to remote work, forced managers to adapt to the new business environment and quickly change working methods. Companies are faced with a new global challenge – the revision of the understanding of how organizations function and are managed in a "normal" mode in a "post-covid" space. Virtual teams of employees have completely new organizational dynamics and methods of interaction within the team. The separation of people and a qualitative change in their communication influenced not only the feeling of community and positive interactions between employees, but also the resilience of the organization in the face of external crises. To assess the stability of organizations to external shocks we use the term "Resilience" (not "Recovery" or "Coping"). Organizations are more resilient at surviving shocks when there is increased interaction between individuals and teams within the company – the high level of social capital (Giustiniano L., 2018). Concepts and typologies of social capital have been proposed by P.Bourdieu (1986), J.S. Coleman (1988), I.Serageldin (1996); J.Nahapiet and S.Ghoshal (1998), S.Cote and T.Healy (2001), P.S.Adler and S.Kwon (2002), etc. In this study, we use the classification of social capital by dimensions: structural, relational and cognitive, and also consider the fourth component – external civic engagement. They are used to develop own questionnaire to measure the

level of social capital of an employee of an educational organization. The novelty and significance of this study are based on a comprehensive analysis of the organization design of resilience of educational institutions in the face of unanticipated global crises for the purpose of identifying the factors of resilience of educational organizations with different types of management (research goal), assessing the level of cohesion of the teaching staff (pedagogical goal) and generalizing recommendations for school principals (practical goal).

Keywords: resilience, team resilience, social capital, COVID-19

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THE BALANCE BETWEEN WORK AND FAMILY RESPONSIBILITIES AMONG MOTHERS DURING THE COVID-19 PANDEMIC

UDK: 173.5-055.52-055.2:331
JEL classification: J16, J31, G51, I19

Abstract

The COVID-19 pandemic has brought a series of changes and challenges to the daily lives of families. In addition to economic and health uncertainties, new circumstances, such as working from home and online education, have significantly changed the way families are run and organized. The changes in private and business lives are particularly prominent in families with children, where a pandemic has highlighted many challenges for mothers, especially for working mothers. Recent research (WTO, 2020, Power,220) points out that the COVID-19 pandemic has increased women's care burden. Balancing between business obligations, work from home, and the growth of unpaid care work is among the most significant challenges' mothers face in the pandemic. The fact is that the unpaid care responsibilities are not equally distributed, partly because of ingrained traditional gender roles and partly because of the jobs mothers perform, which are more likely to be part-time, flexible, and less paid. So, in addition to their paid activities, mothers' burden of unpaid care work in times of pandemic is doubled. This is not just physically strenuous but can negatively affect their income, educational and professional development and advancement opportunities, and consequently long-term financial position. Therefore, this research aimed to explore the link between work obligations, unpaid care work, and the financial position

of mothers in Croatia during the COVID-19 pandemic. Research results show that mothers, especially working mothers, are strongly affected by the constraints imposed by a pandemic. Their position worsened in pandemic due to exposure to significant pressures to balance work and family responsibilities.

Keywords: COVID-19, unpaid care work, work, family, mothers, financial position

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KNOWLEDGE ECONOMY CREATION MODEL IN THE CONDITIONS OF THE EU AND THE SLOVAK REPUBLIC

UDK: 330.3:378(4-67 EU:437.6)
JEL classification: I21, J24, O15, O32

Abstract

The European Union is currently a specific model of the transnational economic complex, which is built and works based on the synergy of complex links created between the national economic complexes of individual Member States. One of the key objectives of the European Union in the economic field at regional and global level is to achieve a greater degree of economic convergence of its internal economic space, as well as, to maintain and achieve a higher degree of economic performance and competitiveness. In this context, at the level of the European Union and its individual Member States, the importance of education, support for science and research as key sources of economic growth, increasing economic performance and competitiveness is emphasized. The presented paper will focus on defining and clarifying the specific model of knowledge economy formation applied in the given area by the European Union and on the degree of efficiency of the Slovak Republic in the context of implementing selected approaches in the process of rebuilding existing social structures of economic practice on the model of knowledge economy.

Keywords: The European Union, The Slovak Republic, knowledge based economy, knowledge based economy, science, research, level of quality of education, system of education, employment, innovations

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THE PRACTICE OF CONTINUOUS IMPROVEMENT BEHAVIOURS IN MANUFACTURING COMPANIES WITH ISO 9001

UDK: 005.62
JEL classification: M20, M21, D21, L20

Abstract

Continuous improvement gained much attention in the literature as one of the principles in total quality management and practice under methodologies such as Lean or Six Sigma. Continuous improvement in organizations represents a comprehensive process that includes involvement of all people on all organizational levels to make improvements throughout the whole organization. Therefore, building and sustaining the organizational CI capability through practicing the CI behaviours leads to achieving better efficiency, effectiveness and business results of the organization. Also applying CI behaviours leads to change in organizational culture which is, in the long run, oriented toward making every day continuous improvements. The purpose of this paper is to present which CI behaviours can be developed in organization and measured according to the Bessant's evolutionary model of continuous improvement behaviour. Also, the goal of the research is to present based on the conducted research, the state of CI practice regarding adopted CI behaviours which will be presented as the development level of CI behaviours that researched manufacturing companies in Croatia with ISO 9001 certificate, have.

Keywords: continuous improvement behaviours, kaizen, model

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DEFINITIONS AND MEASURES OF WORKPLACE LEARNING AND JOB SATISFACTION IN THE CONTEXT OF INDUSTRY 4.0

UDK: 004:005.963.5:331.101.32
JEL classification: M53, M54

Abstract

People obtain more knowledge, information and skills on the job market, thus management of human resource becomes more crucial by day for every organization. The concept of workplace learning is becoming essential factor for businesses success, especially in the time of crisis. It helps companies to stay competitive on the market and helps them respond promptly to the challenges provoked by the rapid changes due to forth industry revolution. Industry 4.0 represents fast gains in developed technologies and applications in industries that help in increasing productivity but also require continuous learning of employees in order to be able to integrate with new technological improvements. Perhaps, different authors have different definitions of job satisfaction; it is extensively researched yet barely understood phenomena in organizations. Job satisfaction yields to subjective perception, how one feels about work, thus various factors are associated with it, both external and internal. The objective of this paper is to provide with definitions and review of active workplace learning measures used in empirical studies in human resource development and most commonly used measures for job satisfaction. The findings can provide organizations and practitioners with different approaches to measure and identify employees' preferences and to help them find a way of satisfying their workers and obtaining them in this fast changing work environment.

Keywords: workplace learning measures, job satisfaction measures, industry 4.0

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OUTSOURCING OF SHIP MANAGEMENT

UDK: 656.61:005.3]:005.591.43
JEL classification: L24, M11, R41

Abstract

New and innovative relationships are rapidly developing between shippers and logistics service providers. First of all, it should be noted that companies are expanding the practice of attracting external suppliers of logistics services (outsourcing). It consists in the transfer of individual (auxiliary) functions - accounting, settlements with suppliers, information support, and business processes in the management of an external organization in order to help reduce costs and increase efficiency. Therefore, some of the logistics functions are entrusted to other firms not only to save capital, but also to reduce risks and potential losses. A new area for outsourcing is ship management. Ship-owners are switching to it in order to reduce operating costs, re-register their ships (flag out) in traditional and new open registers and gain access to other sources of labor.

Keywords: Ship-owner, Logistics, Ship manager, Charterer, Organization, Outsourcing

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SPECIFICITIES OF SATISFACTION AND MOTIVATION OF EMPLOYEES IN THE STATE-OWNED ENTERPRISES: THE CASE OF CROATIAN STATE-OWNED RAILWAY FIRM

UDK: 331.101.3:330.526.34
JEL classification: M54, L32

Abstract

In modern business circumstances in all types of organizations it is imperative to have motivated employees and use their full potential for the benefit of the organization. According to previous research, motivation and productivity are positively correlated, but employee motivation in state-owned enterprises differs from the private sector. Organizational characteristics of state-owned enterprises such as rigid structure, hierarchical authority, emphasizing the status quo, the absence of specific organizational goals, can have negative effects on job satisfaction and employee motivation. The empirical part of this paper consists of the results of a survey of employee attitudes related to satisfaction and motivation in their workplaces. Motivational factors are examined on a sample of 134 employees of the one of the Croatian state-owned railway firm. The aim of this paper is to further clarify the specificities of motivational factors in state-owned enterprises and to provide some guidelines that will help the management structure in managing human resources in state-owned enterprises.

Keywords: satisfaction, motivation, state-owned enterprises (SOEs)

MARKETING

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MIXED RESEARCH METHOD OF ORGANIC FOOD PREFERENCES AMONG GENERATION Y CONSUMERS

UDK: 631.147:664]:659.113.25(437.3+437.6)
JEL classification: Q13, C12, M31

Abstract

The article analyses by mixed research methods the attitude regarding the purchase of bio and organic food for the population of the Generation Y in Czech and Slovak Republic. The collection of primary data was obtained in the form of a questionnaire survey carried out in the year 2014 and then repeatedly in the year 2019. Both phases of questionnaires were distributed electronically among respondents, university students, ranged from 16 to 35 years in Czech and Slovak Republic. The research questions related to the reasons why respondents purchase or do not purchase organic food and what criteria are motivational for choosing organic food products. In data processing was used statistical software Statistics. Methods applied to the data were statistical hypothesis testing and regression modelling. The key factors have been identified with the software influenced the respondent's decision to buy bio-and organics products in 2019. The research findings prove that visual appearance and brand doesnt play the decision key role for generation Y customers, as they put the main emphasis on the quality and availability of the bio-product.

Keywords: organics food, logit model

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SUBLIMINAL MESSAGES: REALITY OR SENSATIONALISM?

UDK: 659.13/.16:179
JEL classification: M31, M37, A13

Abstract

Subliminal messages are used in movies, commercials, videos, and even cartoons to influence consumer behaviour. These are hidden signals inserted into messages sent to a target audience through advertisements to influence their unconscious mind. Subliminal messages are viral and used to manipulate the masses. Such advertising is often considered morally dubious and in some countries even forbidden by law. Thus in Croatia, the Electronic Media Act states that "commercial audiovisual communication must not use subconscious techniques". However, commercials often seek to insert subliminal messages to achieve benefit for the client. Previous researches on subliminal messages indicate people do, in some way, perceive subliminal stimuli that can have an impact on their behaviour. Thus, the effects of subliminal stimuli have been confirmed in some measurable behaviours, from brief semantic effects to intense impacts on an individual's emotional life and decision-making. Subliminal messages have been shown to affect perceptual boundary, memory, level adjustment, conscious perception, emotional reaction,verbal behaviour, instinct-related behaviour, and even dreams. However, most researchers of the human psyche are still inclined to think people on an unconscious level cannot be persuaded to behave in a way that they would not consciously undertake. Till today, there is no real evidence in the literature how important and crucial the influence of subliminal messages is for human behaviou. The main goal of this paper is to determine whether people are aware of the existence of subliminal techniques in the media and media manipulations. The study conducted on

the population aged 15 to 55 and over has shown that respondents are aware of subliminal messages and the ways how they have been used in commercials. Hovewer, most of the respondents believe they can recognize them ones they see them. The useful information for marketing decision-makers is the fact that most respondents consider the use of subliminal messages as an unethical practice.

Keywords: subliminal messages, advertising, ethical practice

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THE RELATIONSHIP BETWEEN SOCIAL IDENTITY AND CONSUMER BEHAVIOR

UDK: 659.113.25:316.4
JEL classification: D12, D91, M12

Abstract

The article demonstrates the results of the study of the relationship between the characteristics of social identity and consumer preferences when choosing products of domestic manufacturers. In the context of the growing role of the economic environment, there is an increasing interest in understanding the role of socio-psychological mechanisms of consumer behavior. It is relevant to study the relationship between the components of social identity and the features of its consumer behavior when making decisions about goods. The paper examines the relationship between the cognitive and value components of social identity and consumer preferences of a person when choosing domestic goods. The sample consisted of 62 people aged 20 to 55 years (M = 33.06; SD = 9.73). As research methods, were used open and projective questions, the methods of" Who am I "by M. Kuhn, T. McPartland, and a modification of the" Must-test " method by P. N. Ivanov to study the value component. Statistical processing of the obtained data was carried out using correlation-search factor analysis using the

statistical package SPSS 19. The relationship between the indicators of identity and consumer preferences in relation to the "attached" characteristics of goods that are of particular importance to a person is revealed. Preference for goods produced by domestic producers is positively associated with civic, ethical, religious, and patriotic characteristics of identity, and negatively with material values. Thus, the relationship between cognitive and value indicators of social identity and consumer preferences of the individual is revealed.

Keywords: social identity, components of social identity, civic identity, consumer behavior, consumer preferences

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THE INFLUENCE OF THE OFFER OF ANIMATION PROGRAMS ON CUSTOMER SATISFACTION AND LOYALTY

UDK: 796/799:338.48](497.5)
JEL classification: L83, Z32

Abstract

Tourist animation is a combination of services and content aimed at improving the overall experience of the tourist service. The purpose of animation activities is to provide the guest with more than anticipated, to outperform guests' expectations. The importance and significance of the added value that is provided to guests is increasingly emphasized. This paper was designed to overcome the deficit of research conducted in the field of tourist animation, especially the part related to the influence on customer satisfaction and loyalty. The main purpose of this research was to identify the factors of guest satisfaction that are positively related to the loyalty of guests in the hotel industry in the Republic of Croatia, through a review of the literature and the theory of guest satisfaction. Therefore, an empirical study was conducted in order to examine the impact of animation program offerings on guest satisfaction and loyalty from a manager's perspective using a qualitative study. From the collected and analyzed data, it is possible to presume that the quality of animation programs, animators, and communication with the guest has a positive effect on guest satisfaction. Also, it has been found that the offer of animation programs affects the return and loyalty of guests. Based on the results obtained at the end of the paper, guidelines for further development in this area are proposed. The contribution of this paper is reflected in the acquisition of new knowledge regarding the impact of animation programs on guest satisfaction and loyalty, with an emphasis on the comprehensiveness of animation programs.

Keywords: animation program, guest satisfaction, guest loyalty

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MEDIA CONSUMPTION BY GENERATION Z AND ITS IMPLICATIONS FOR MANAGING MEDIA ORGANIZATIONS. A CASE OF POLISH MARKET.

UDK: 004:316.774-053.6](438)
JEL classification: J13, L82, M31

Abstract

Nowadays, consumer behavior is changing at a steady pace, and marketers need to keep track of where their target group is. We are currently in the middle of a digital shift which has accelerated faster than we could have imagined. This digital shift has taken place with regard to how today's customers are consuming media. Changes in media consumption are observed in two dimensions. First one refers to the changing character of traditional media and the way they provide customers with the content. For example, radio is no longer a tool enabling consumers passively listening to news and music. Nowadays they can "watch" radio on its website and even create content provided by radio station. The second one refers to the development of new forms and devices enabling media consumption. This paper refers to the later dimension. The development of digital media as well as digital devices results in the shift in consumers' preferences towards Internet, social media, smartphone applications, and streaming platforms. It provided consumers with an option to access the media content of their choice anytime and anywhere. It is especially vital among younger generations, e.g., generation Z. They are excited about new devices at their disposal and all the apps they offer in searching for the content they are interested in. They can multitask and often switch between these apps while consuming content. They are loyal to the content not the channel and use media to the extend they satisfy the need for content. Generation Z is likely

to get specific media content they need at the specific moment and in the most convenient way. The aims of the paper are twofold. Firstly, we examine patterns of media consumption by Generation Z with the focus on media content not media channel. Secondly, we explore what implications does the shift from media channel consumption into media content consumption have for the organization of media company. As a result, we propose a new concept (model) of media company organizational structure.

Keyword: media consumption, Generation Z, Poland, media organizations

TOURISM

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THE EFFECTS OF THE PANDEMIC CRISIS ON TOURISM. A QUALITATIVE SURVEY ON THE OPINIONS OF TOUR OPERATORS IN SICILY

UDK: 338.48:616.2-036.21](450.82)
JEL classification: I19, L83

Abstract

The COVID-19 pandemic crisis has had direct effects on social relationships. Tourism activities are by definition linked to the interaction among human beings, beginning with a physical movement of a person from a habitually-frequented environment to one or more destinations. Any denial of mobility, therefore, negates the tourist experience. After briefly discussing the effects of the COVID-19 crisis on the tourism system and hospitality, this work presents a qualitative survey by means of a thematic analysis approach. The study investigates tourism professionals operating in Sicily, across different tourism sectors and in various segments of the market (cultural, luxury, nautical, rural, and slow tourism). The operators were asked questions about their experiences of the pandemic, with its negative impact, and their expectations and prospects. The abilities to adapt to the new normal and build resilience are often related to offering sustainable products and services, which are characterized by a more robust relationship with the territory and local economy.

Keywords: COVID-19, Tourism, Hospitality

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DIGITALISATION AND NEW TRENDS IN TRAVEL DISTRIBUTION

UDK: 004.7:001.895:339.187.9
JEL classification: L83, O31, Z13, Z31

Abstract

This paper seek to understand the role of new technologies on transformation processes of special areas of business of travel intermediaries even emerging new entities that collaborate with both poles of tourism demand. Special attention is payed to results of modification of distribution channels to be competitive in online travel market. Softwer as channel manager is more than a tool, it is emerging as core intelligence that manage time, impacting on benefits from converegence. New technologies allowed new digital platforms (Booking, Airbnb, Expedia) making travel easier. The preferences of the postmodern tourist extend beyond the streamlined and impersonal experiences, services and products. Driven by the ambition of deviating from the beaten track, new generations of travellers are converging on digital platforms to retrieve recommendations and information from fellow travellers and local residents,i.e. sources other than traditional travel intermediaries. The COVID crisis has triggered a number of changes in the world of rental accommodation. Some of these changes are flexible cancellations, new market prices, and shorter booking window. High expections make preassure on attnders in channel of distribution. There is an even greater emphasis on cleanliness, privacy and security. At the end of the research, the results speak in favor of exceptional impact of new technology on business development as well as the role that

human potential has in acquiring digital skills through education and training and providing their own tools or products that facilitate business. This paper consider sociological, economic and cultural dimension that impact on behavior of users of digital platforms are formulated to support previously incompatible ideas, like (1) models of economic systems, relationships); cultural and moral perspectives on human coexistence (negotiation, lifestyle, stewardship, prosocial behaviour/altruism, collaborative symbiosis and; ideas of efficiency and enhanced value creatio.

Keywords: digitalisation, innovation, distribution channels

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STORYTELLING – THE TOOL OF DESTINATION MANAGEMENT COMPANIES FOR CREATING AN EXTRAORDINARY EXPERIENCE IN FILM TOURISM

UDK: 338.48:791
JEL classification: L82, L83, Z31, Z33

Abstract

Experience-based industries, such as tourism, gain a competitive advantage when they create an extraordinary experience for their customers. Contemporary tourists prefer authentic experiences, acquisition of new knowledge and skills as well as participation in community activities. Therefore, they don't want to consume only the products and services in the destination, but they are really interested in the story behind the tourist products. In film tourism, the story has a special role since it is a type of product that arises from the individual experience of the location, which is displayed in some form of media presentation. Consequently, it is particularly important for the destination management companies to use tools and techniques that can influence the customer experience. In this context, the aim of this paper is to analyse possibility of destination management companies to use storytelling in creating film tourism products. Although storytelling is often used by destination management organization as a destination marketing tool, destination management companies can use it to create high value-added products. This paper analyzes an example of good practice how a destination management company can use storytelling in creating and developing its products. However, as the example of good

practice emphasizes, the application of storytelling in creating extraordinary experience requires an interdisciplinary approach and great creativity of experts from different fields, where additional value can be achieved through the use of modern information and communication technology. Applying this approach, storytelling is a tool that destination management companies can use very successfully to transform the film tourism product into an extraordinary experience for their customers.

Keywords: storytelling, destination management company, film tourism

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TOURISM DEMAND FORECASTING – THE CASE STUDY OF THE REPUBLIC OF CROATIA

UDK: 338.486.5
JEL classification: L83; C53; Z32

Abstract

Tourism has an important role in economic development of many countries all over the world. According to the World Travel and Tourism Council (WTTC) in 2018 the direct, indirect and induced share of tourism in GDP in the Republic of Croatia was 25%. Also, the share of employees in tourism was 25% and tourism participates in total exports with 38.6%. Considering that fact, the need for tourism demand forecast has been recognised for years on one side by scientists and on the other side by policy makers. The main purpose of this paper is to determine a model best fitting the tourist demand in the Republic of Croatia and to forecast the number of tourists' arrivals in The Republic of Croatia for the next five years. The method of maximum likelihood was applied in order estimate the parameters and to forecast the number of tourists in the future. Research results indicate a significant prevalence a strong seasonal influence on the total number of tourism demand in The Republic of Croatia. This paper provides practical implications for policy makers.

Keywords: tourism demand, forecasting, SARIMA

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WHEN TOURIST MOVE IN: CITY RESIDENTS MOVE OUT

UDK: 338.48:332.85
JEL classification: L83, G51, R31, Z32

Abstract

This paper investigates the influence of tourism on housing market in city of Split. Presented analyses provide evidence that usage of homes via variety of Internet companies increase house prices and cause decrease in supply of housing stock in touristic attractive areas in the city. That causes additional spillover in house prices in other parts of the city, decreases housing affordability and consequently the city residents move out to suburban cities/areas. We identified dominate supply of tourist accommodation in the residence homes as main cause of low housing affordability in Split. Namely, the number of beds in hotels did not follow fast development of tourism in city. The new tourist demand was quickly and cheaply fulfilled by renting residential real estate using online platform services. On the other hand, need for new hotels did not reconciled at first. In addition, building new hotels requires significant time and money and need to be supported by local government. That was not in case in city Split. The result of these uncontrolled tourism development is depopulation in the city.

Keywords: housing affordability, tourism, sharing economy

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STRATEGIC DEVELOPMENT OF ASTROTURISM IN THE REPUBLIC OF CROATIA – COMPARATIVE ANALYSIS[1]

UDK: 628.971:699.885]: 338.48:52
JEL classification: Q57, Q59, Z32, Z39

Abstract

The paper investigates the issue of strategic development of a new selective form of tourism that is growing in many countries around the world named astrotourism. The issue of light pollution is also considered, given that a clear starry sky is a fundamental prerequisite for the development of this selective form of tourism. The aim of this paper is to investigate the level of development of astrotourism in the Republic of Croatia. For this purpose, a comparative analysis was performed targeting selected astrotourist destinations - the so-called Dark-Sky Parks in Croatia and Europe, as well as a research focusing on the geographical distribution and number of certified sky parks in the world. Certified Dark-Sky Parks are typical astrotourism destinations that meet all the prerequisites for its development, and are awarded the official certificate issued by the IDA - International Dark-Sky Association, as the world's umbrella institution dealing with light pollution.

[1]This work has been fully supported by/supported in part by the University of Zadar under the project number IP.01.2021.07"

Observatories have a special role in the development of astrotourism, so the proposed paper presents an overview of observatories in Croatia that are focused on this type of activities. The paper aims to sensitize the scientific and professional public regarding the issue of light pollution, but also to encourage further research and expert discussions relating to this topic. Astrotourism combines different components and functions – a scientific and a recreational one, but also a very important ecological and educational function, encouraging special discussions and proposals focusing on solutions for the sensitive but still insufficiently researched area of light pollution, inadequate public illumination, as well as other "unhealthy" forms of illumination.

Keywords: astrotourism, light pollution, Dark-Sky Parks

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EWOM IN TOURISM: SELECTION OF PRIVATE ACCOMMODATION FOR HOLIDAYS

UDK: 640.42:004.738.5
JEL classification: L86, M31, Z33

Abstract

Electronic word of mouth is a more recent form of word of mouth used by internet users who share and benefit from worldwide information. Online reviews are a very important source of information for tourists. They represent a more modern and a more reliable source of information in decision making process when compared with the content published by the foreign travel agencies. Previous research has shown that the online reviews on websites specialized for hotel ratings made a significant impact on the total number of hotel reservations. The majority of tourists find online reviews very useful and more than half of them will not make a hotel reservation if a hotel has no reviews. Since the private accommodation is quantitatively the most significant accommodation type in Croatia, the goal of this paper is to analyze the impact of electronic word of mouth on the tourist selection of private accommodation for holidays.

Keywords: eWOM, private accommodation, review

TRADE

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ACCOMMODATION AND FOOD SERVICES SUPPLY CHAINS: AN INPUT-OUTPUT METHODOLOGICAL FRAMEWORK

UDK: 658.7:338.48
JEL classification: C67, Z30

Abstract

The ratio of direct tourism gross value added to internal tourism consumption varies substantially from country to country. The paper aims to analyze these differences stemming from the variation and structure of their supply chains. The analysis is based on a comparative analysis of the input-output tables of France, Italy, Spain and Croatia in 2005, 2010 and 2015 published by the OECD. The analysis is performed in three steps. In the first step, an analysis based on a technical coefficient matrix is made of the structure of accommodation and food service industries supply chains in four Mediterranean countries. The second step includes the calculation of the industry's direct import dependence. The third step compares the effects of backward linkages of inputs. Results provide an insight into the factors that determine the different abilities of economies to generate added value and indicate the possibility of increasing the added value of tourism without increasing its physical volume.

Keywords: Accommodation and food services, input-output tables, supply chain

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USER ACCEPTANCE OF DEMAND RESPONSIVE TRANSPORT IN RURAL AREAS

UDK: 656.07:911.373
JEL classification: R41, R53, R58

Abstract

The aim of this contribution is (i) to highlight the importance of research on user acceptance for demand responsive transport in rural areas; (ii) to explore specific conditions for transport services in rural areas based on a case study in Austria, and (iii) to identify factors for use and non-use of public transport related to that specific context. In recent years, the expansion of public transport has received considerable attention as a means to reduce carbon emissions. This is applicable to urban areas, but not as easily to rural areas, partly reasoned by the low current share of public transport use. Demand-responsive transport (DRT) services are handled as potential solution, yet, successfully implementing DRT in rural areas appears to be challenging. We believe user acceptance to be a key issue in this regard. Prior research on user acceptance of public transport has mostly concentrated on urban areas, and produced inconclusive results regarding identified factors influencing user acceptance, calling for a more differentiated elaboration in the specific rural setting. To address this research gap, we conducted three online focus groups in three different rural municipalities in Austria, accompanied by expert-interviews. We present results explaining the particular conditions for public and demand-responsive transport in rural regions referring to the perspectives of

different stakeholders (users, providers, policy makers), inter alia, (i) insights on the specific, mountainous topography as influencing factor; (ii) artificial boundaries of the transport system that are legally, politically and economically originated; (iii) the dilemma of the interdependence of user satisfaction, provider costs and driver payments. Furthermore, our findings on strengthening and limiting factors for user acceptance include reasons to use public transport or DRT and reasons for not using public transport or DRT. Moreover, the lack of information about existing transport services is presented as essential aspect.

Keywords: demand responsive transport, rural areas, user acceptance, CO2 emission reduction