



**Kavala Institute of Technology**  
**Department of Accountancy**



**University of Pitesti**  
**Faculty of Economic Sciences**

## **3<sup>rd</sup> International Conference**

# **The Economies of Balkan and Eastern Europe countries in the changed world**



**5-8 May 2011**  
**Pitesti - Romania**

<http://ebeec.teikav.edu.gr>



**Kavala Institute of Technology, Department of Accountancy**

**University of Pitesti, Faculty of Economics**

**3<sup>rd</sup> International Conference**

**The Economies of Balkan and Eastern Europe Countries in  
the changed world**

**EBEEC 2011**

**Pitesti, Romania**

**May 5-8, 2011**

**BOOK OF ABSTRACTS**

## **Friday 9:00**

**Registration** (Aula magna, Faculty of Economic Sciences)

## **Friday 9:30**

**Opening Ceremony and welcome speech**

## **Friday 10:00-10:45**

**Chairman: Gheorghe BARBU**, Rector of University of Pitesti

**Keynote Speaker: Woodrow Sears**, Lithuania College of Social Science, Vilnius, Lithuania, “*HOW ‘YA GONNA KEEP ‘EM DOWN ON THE FARM (After They’ve Seen Paree)*”

**Plenary Session:**

**Speaker: Constantin Arsene**, Manager of Proding Software, Romania, “*VIRTUAL PRACTICE FOR STUDENTS IN ECONOMY*”

## **Friday 10:45-11:15**

**Coffee Break**

## **Friday 11:15-13:15**

**Session I: Banking** (Session room: S003)

**Chairmen: Herdon Miklos/Ramadani Kemajl**, University of Debrecen, Hungary/  
Business University, Albania

- 1) Iulian Caraganciu, Galina Caraganciu, Romania Lucian Blaga University, Sibiu Moldova, Republic of Cooperatist Comercial University of Moldova, “*Capital Markets from Europe and the models for testing their efficiency*”
- 2) Felix-Constantin Burcea, Victor Balau, Cristina Baldan, Tiberiu-Cristian Avramescu Emilia Ungureanu, Romania Universitatea din Pitesti, Romania, “*Central banks between classicism and modernity*”

- 3) George Kyriazopoulos, Dimitrios Petropoulos, Western Macedonia Institute of Technology, Greece/Kalamata Institute of Technology, Greece, *“Does the cross border mergers and acquisitions of the Greek banks in the Balkan area affect on the course of profitability efficiency and liquidity indexes of them?”*
- 4) Vasilios Chouliaras, Christos Bogas, Serres Institute of Technology, Greece, *“Greek Banks in the Balkan Countries: Conclusion derived from the Analysis of their Balance Sheets”*
- 5) Sofoklis Vogiazas, Eftychia Nikolaidou, South East European Research Centre - Research Centre of the University of Sheffield and CITY College, Greece/CITY College - International Faculty of Sheffield University, Greece, *“Investigating the deterministic factors of non-performing loans: evidence from the Romanian banking system”*
- 6) Lajqi Hysen, Ramaj Vehbi, Albania Raiffeisen Bank Kosovo, Albania/ AAB-RIINVEST UNIVERSITY, Albania, *“Commercial banks performance and interest rates in Kosovo”*
- 7) Anca Maria Rosu - Academy of Economic Studies of Bucharest, Romania, *“Customer satisfaction and loyalty of the banks on the Romanian market”*

**Session II: Finance** (Session room: S103)

**Chairmen: Tatiana Karabchuk, Anastasios Michailidis**, Higher School of Economics, Russian Federation/Aristotle University of Thessaloniki, Greece

- 1) Christos Grose, Georgios Geronikolaou, Theodoros Kargidis, International Hellenic University, Greece/Thessaloniki Institute of Technology, Greece, *“Mutual Fund Performance in Eastern Europe”*
- 2) Anastasios Konstantinidis Androniki Katarachia, Western Macedonia Institute of Technology, Greece, *“The effects of Behavioral Distortions in Investing Options”*
- 3) Iva Moneva, VFU "Chernorizetz Hrabar", Bulgaria, *“A short overview of theoretical values of the financial statements prepared at fair value”*
- 4) Maria Eleni Voutsas, Department of Economics University of Thessaly, Greece, *“The financial instruments used by international financial institutions regarding the southeast European countries: a critical assessment of their underlying philosophy and orientation”*
- 5) Filip Iorgulescu, Academy of Economic Studies, Bucharest, Romania, *“Exploring the Stylized Facts of Asset Returns on the Romanian Capital Market”*
- 6) Isa Tak, The Bucharest Academy of Economic Studies (ASE), Romania, *“Impacts and losses caused by the fraudulent and manipulated financial information on economic decisions”*
- 7) “Adrian Costea, Academy of Economic Studies, Romania, *“A literature review on the use of data mining techniques for financial performance benchmarking”*

**Session III: e-Commerce , Consumer behaviour** (Session room: S009)

**Chairmen: Theodoros Kargidis, Stavros Valsamidis,** Thessaloniki Institute of Technology, Greece/ Kavala Institute of Technology, Greece

- 1) Persefoni Polychronidou, Stavros Valsamidis, Giannoula Florou, Anastasios Karasavvoglou, Kavala Institute of Technology, Greece, *“Comparison of e-commerce behavior among women consumers of Balkan and Baltic countries”*
- 2) Dimitrios Papadopoulos, Efstathios Dimitriadis, Dimitrios Chatzoudes, Olga Andreadou, TEI of Kavala, Greece / TEI of Kavala, Greece, University of Thrace, Greece / TEI of Kavala, Greece, *“The effect of corporate social responsibility policies on perceptions and behavioral intension of Greek consumers”*
- 3) Sofia Anastasiadou, University of Western Macedonia, Greece, *“Factors affecting consumers’ behavior toward chinese products in a European region: the case of Thessaloniki”*
- 4) Irene Kamenidou, Spyridon Mamalis, George Kokkinis, Christina Intze, Kavala Institute of Technology, Greece/Kavala Institute of Technology, Greece/Thessaloniki Institute of Technology, Greece, *“Improvement Axons for Ardas Festival in Evros, Greece, based on attendees perceptions“*
- 5) Lambros Tsourgiannis, Anastasios Karasavvoglou, Michael Nikolaidis, Region of East Macedonia and Thrace, Greece/Kavala Institute of Technology, Greece *“Consumers’ purchasing behavior patterns regarding organic wine in a convergence E.U. region: the case of the region of east Macedonia and Thrace in Greece”*
- 6) Anna Koutroulou, Lambros Tsourgiannis, Kavala Institute of Technology, Greece/Region of East Macedonia and Thrace, Greece *“Factors affecting consumers’ purchasing behavior towards local foods in Greece: the case of the prefecture of Xanthi”*
- 7) Irene Moschou, Dimosthenis Pappas, Theodosiou Theodosios, Stavros Valsamidis, Kavala Institute of Technology, Greece, *“The impact of m-commerce in Northern Greece”*

**Friday 13:30-15:00**

**Lunch (university campus)**

## **Friday 15:30-17:00**

### **Session I: Enterprises – Law** (Session room: S003)

**Chairmen: Sofia Anastasiadou, Androniki Katarachia**, University of Western Macedonia, Greece/Western Macedonia Institute of Technology, Greece

- 1) Kalliopi Kalampouka, Ilektra Simitsi, Kavala Institute of Technology, Greece/ Democritus University of Thrace, Greece, *“The necessity of changes in the legal framework of European company”*
- 2) Grigoris Michailidis, Kavala Institute of Technology, Greece, *“national legislative initiatives, business activities and the role of justice in the new economic environment”*
- 3) Ieva Nartisa, SIA RHRT, Latvia *“Role and importance of micro enterprises in European Union”*
- 4) Evangelia Zikou, Katerina Sarri, Aristotle University of Thessaloniki, Greece/University of Western Macedonia, Greece *“Female entrepreneurship and its contribution to regional economic development”*

### **Session II: Fiscal policy, Monetary policy** (Session room: S103)

**Chairmen: Kateryna Kononova, Stilianos Alexiadis, V. N. Karazin** Kharkiv National University, Ukraine/University of Piraeus, Greece

- 1) Georgios Makris, Konstantinos Filippidis, University of Western Macedonia, Greece, *“Fiscal Policy under the EMU - Facts and prospects”*
- 2) Ljubinka Joksimovic, Faculty of Economics, Belgrade, Serbia *“The interplay of infrastructure investment and fiscal adjustment: the Serbian case”*
- 3) Alexandru Leonte, ASE Bucharest, Romania *“Estimating a fiscal reaction function for the Greek economy”*
- 4) Ramadani Kemajl, Ramaj Vehbi, Business University, Albania/AAB-Riinvest University, Albania, *“Behavior analysis (motion) of the prices before and after applying of value added tax in Kosovo”*

### **Session III: Fiscal policy, Monetary policy** (Session room: S009)

**Chairmen: Iva Moneva, Ioannis Sotiropoulos**, VFU "Chernorizetz Hrabar", Bulgaria/Epirus Institute of Technology, Greece

- 1) Maria Dr Nicola Giatas, Thessaloniki Institute of Technology, Greece *“An approach to the international monetary systems reform in the context of the economical crisis”*

- 2) Adriana Giba, Academy of Economic Studies, Bucharest, Romania, *“Prudential supervision and monetary policy in the context of systemic crisis. A conflict of interests?”*
- 3) Arqam Al-Rabbaie, Atef Khalil Baniata, Usama Al-Qalawi, Hashemite University, Jordan, *“Modeling Financial Innovation in the Demand for Money Using Structural Time series approach: The Case of the US “*

**Session IV: European Union, Euro-Zone** (Session room: S109)

**Chairmen: Nikitas-Spiros Koutsoukis, Georgios Makris,** University of Peloponnese, Greece/University of Western Macedonia, Greece,

- 1) Ion Lucian Catrina, Academy of Economic Studies Bucharest, Romania, *“The limits of European economic convergence”*
- 2) Vassilios Zoumpoulidis, Raimund Schweighoffer, Kavala Institute of Technology Greece/ Hochschule Kempten/University of Applied Sciences, Germany, *“Improving the competitiveness of the greek economy in combination with a wage policy strengthening the domestic demand in the ewu countries with current account surpluses - particularly in Germany”*
- 3) Marius-Corneliu Marinaş, Cristian Socol, Aura-Gabriela Socol, Academy of Economic Studies, Bucharest, Romania, *“Analysis of shocks similarities between new eu member states and euro area”*
- 4) Stilianos Alexiadis, Christos Ladias, Sotirios Milionis, University of Piraeus, Greece/University of Central Greece, Greece/National Technical University of Athens, Greece, *“The ‘cohesion-competitiveness’ dilemma: Detecting areas of intervention”*
- 5) Marietta Fesselné Harsányi, Modern Üzleti Tudományok Főiskolája, Hungary, *“Croatia at the gate of the European Union”*

**Friday 17:00-18:30**

**Session I: ICT** (Session room: S003)

**Chairmen: Logica Banica, Tiberiu Avramescu,** University of Pitesti, Romania

- 1) Logica Banica, Viorel Paun, Liviu Cristian Stefan, University of Pitesti, Romania, *“Integrating WEB 2.0 in the e-learning process”*
- 2) Gergely Ráthonyi, László Várallyai, University of Debrecen, Centre for Agricultural and Applied Economic Sciences, Faculty of Applied Economics and Rural Development, Institute of Economic Analytical Methodology and Applied Informatics, Hungary, *“Travel 2.0 and Hungarian tourism”*
- 3) András Cseh, University of Debrecen, Faculty of Applied Economics and Rural Development, Hungary, *“Information sources and services for farmers”*

- 4) Maria-Cecilia Simion Ciocan, University of Economics, Bucharest, Romania, *“Business Networking as digital ecosystems”*
- 5) Kateryna Kononova, V. N. Karazin Kharkiv National University, Ukraine, *“Formation of information society in Ukraine”*
- 6) Georgios Kountios, Anastasios Michailidis, Afroditi Papadaki-Klavdianou, Aristotle University of Thessaloniki, Greece, *“Educational needs of young farmers in information and communication technologies”*
- 7) Emil Burtescu, Claudia Burtescu, University of Pitesti, Romania, *“Monte-Carlo simulation in security risk analysis”*

**Session II: Agricultural** (Session room: S103)

**Chairmen: Giannoula Florou, Nikolina Grozeva,** Kavala Institute of Technology, Greece/VFU Chernorizets Hrabar, Bulgaria

- 1) Androniki Katarachia, Anastasios Konstantinidis, Technological Educational Institute of Western Macedonia, Greece, *“Market orientation and regional development: strategic and structural issues for the agribusiness sector in Balkans”*
- 2) Fotios Chatzitheodoridis, Anastasios Michailidis, Georgios Theodossiou, Efstratios Loizou, Western Macedonia Institute of Technology, Greece/School of Agriculture, Aristotle University of Thessaloniki, Greece/Larissa Institute of Technology, Greece/Western Macedonia Institute of Technology, Greece, *“Local cooperation: a dynamic force for endogenous rural development”*
- 3) Miklos Herdon, Robert Szilagy, Szilvia Botos, Laszlo Varallyai, University of Debrecen, Hungary *“Implement agricultural education sector in the european qualification framework”*
- 4) Anatoli Marantidou, Anastasios Michailidis, Afroditi Papadaki-Klavdianou, Aristotle University of Thessaloniki, Greece, *“Information and communication technologies as agricultural extension tools”*
- 5) Simona Spanu, Virgil Nicula, Lucian Blaga University, Romania *“The analysis of the eco-tourist potential from the perspective of eco-labeling of agro-tourist pensions in Romania”*
- 6) Ioanna Apostolidou, Anastasios Michailidis, Aristotle University of Thessaloniki, Greece, *“Evaluation of new technologies and farming methods in agriculture: a case study of an innovative greenhouse in Greece”*

### **Session III: Management** (Session room: S009)

**Chairmen: Radmila Jablan Stefanovic, Lambros Tsourgiannis**, Faculty of Economics  
University of Belgrade, Serbia/Region of East Macedonia and Thrace, Greece

- 1) Yılmaz Gökşen, Mete Eminagaoglu, Onur Dogan, Dokuz Eylul University, Turkey/Yasar University, Turkey/Dokuz Eylul University, Turkey, “*Data mining in medical records for the enhancement of strategic decisions: a case study*”
- 2) Pavlos Delias, Theodosios Theodosiou, Ioannis Kazanidis, Stamatios Asimis, Kavala Institute of Technology, Greece, “*A managerial perspective for the assessment of the exposure to social networks business risk*”
- 3) Alexis Lazanas, Yiannis Aggelopoulos, Patras Institute of Technology, Greece, “*Exploiting organizational knowledge through virtual communities*”
- 4) Marian Țaicu, Maria-Daniela Bondoc, University of Pitesti, Romania, “*Cost analysis – a company performance management tool*”
- 5) Firescu Victoria, Taicu Marian, University of Pitesti, Romania, “*Company performance measurement: conceptual and methodological approaches*”
- 6) Ioannis Kazanidis, Ioannis Petasakis, Stavros Valsamidis, Alexandros Karakos, Kavala Institute of Technology, Greece/Democritus University of Thrace, Greece, “*LMS contribution to a better business education*”
- 7) Ekaterini Galanou, Ioannis Sotiropoulos, Georgios Georgakopoulos Stella Stiliadi, Patras Institute of Technology, Greece/Epirus Institute of Technology, Greece/University of Amsterdam, Netherlands, Patras Institute of Technology, Greece, “*Challenges and uncertainties of managers as predictors of the degree of formalization applied by organization in it: What they think to do versus what they think they should do in a Greek reality*”

### **Session IV: Labour market, Migration** (Session room: S109)

**Chairmen: Efstratios Loizou, Vassilios Grammatikas**, Western Macedonia Institute of  
Technology, Greece/Democritus University of Thrace, Greece

- 1) Tatiana Karabchuk, Higher School of Economics, Russian Federation, “*Career-Fertility Combinations among Women and their Effect on Life Satisfaction*”
- 2) Tatiana Karabchuk, Higher School of Economics, Russian Federation, “*Temporary employment in Russia: why mostly men?*”
- 3) Oksana Ruzha, Viktor Voronov, The University of Daugavpils, Latvia, “*Factors affecting the evaluation of market value in Riga*”
- 4) Oleksandr Chernyak, Yevgen Chernyak, Taras Shevchenko National University of Kyiv, Ukraine/Taras Shevchenko National University of Kyiv, Ukraine, “*Modern challenges in governmental regulation of labor force migration in Ukraine*”
- 5) Byron Pissalidis, A.S.P.E.T.E School of Pedagogical and Technological Education of Thessaloniki, Greece, “*Economic cultures and their intercultural communication impact on migration societies. The Greek Case*”

- 6) Stilianos Alexiadis, Christos Ladias, Sotirios Milionis, University of Piraeus, Greece/University of Central Greece, Greece/Hellenic Public Real Estate Corporation, Greece, *“The economic impact of immigration on the destination countries: a case study of Greece”*
- 7) Rus Mihaela, Ovidius University, Constanta, Romania, *“The Social Protection of Children Whose Families Are in Temporary Labor Migration”*

### **Friday 19:30**

**Conference gala dinner (Victoria Hotel)**

### **Saturday 9:00-10:30**

**Session I: Economic crisis** (Session room: S003)

**Chairmen: Woodrow Sears, Mihaela Diaconu**, Lithuania College of Social Science, Lithuania/University of Pitesti, Romani

- 1) Aleksandar Cuculeski Nikola Cuculeski, Ohrid Ekspres, FYROM/ University American College FYROM *“Macedonian economic measures: a way to deal with the influence of global economic crisis”*
- 2) Ionescu Romeo, Dunarea de Jos University, Romania, *“Global crisis and the saving rate in the EU”*
- 3) Maria Vasilescu, "Constantin Brancusi" University, Romania, *“Innovative Dimensions of Contemporary Financial Crises”*
- 4) Marietta Janowicz-Lomott, Krzysztof Łyskawa, Gdansk University, Poland/Poznan University of Economics, Poland, *“Domestic insurers in Poland and the global crisis”*
- 5) Mihaela Diaconu, Ionela Cristina Micu, University of Pitesti, Romania, *“Balkan tourism forecasts in the context of the global economic crisis”*
- 6) Spyros Roukanas, Nikitas-Spiros Koutsoukis, University of Piraeus, Greece/ University of Peloponnese, Greece, *“The Greek crisis that should have been avoided”*
- 7) Petia Tanova, John Violaris, Frederick University, Cyprus, *“Economic and Institutional Reflections on the Greek Crisis”*
- 8) Socol Cristian, Socol Aura Gabriela, Marinas Marius, Academy of Economic Studies, Romania, *“Romania post- crisis. Closer or farther away from the European model?”*

**Session II: International economic relations, F.D.I., competitiveness** (Session room: S103)

**Chairmen: Pantelis Sklias, Yılmaz Gökşen**, University of Peloponnese, Greece/Dokuz Eylul University, Turkey

- 1) Cristina Sandu, Spiru Haret University, Romania, *“Principles and suggestions we need to take into account while developing the export strategy of wine within the current international context”*
- 2) Anagnostis Kipouros, George-Fokion Kipouros, Kavala Institute of Technology, Greece, *“FDI and impacts of country risk –factors affecting the influx of FDI in emerging economies”*
- 3) Constantinos Styliaras, Dimitrios Kirkilis, Federation of Industries of Northern Greece, Greece/University of Macedonia of Economic and Social Science, Greece *“Competing through integration or integrating through competition?”*
- 4) Joel Deichmann, Bentley University, U.S.A., *“Origins of Foreign Direct Investment in Croatia: Application of an Expanded Gravity Model”*
- 5) Taras Sakalosh, National Technical University of Ukraine “Kyiv Polytechnic Institute”, Ukraine, *“Would social and cultural factors become the strengths of international competitiveness of Ukrainian economy?”*
- 6) Merale Fetahi-Vehapi, Irena Spasenovska, State University of Tetovo, The Former Yugoslav Republic of Macedonia/privet company AD "EDTKO"- Tetovo, The Former Yugoslav Republic of Macedonia, *“Role and Determinants of Foreign Direct Investment in Transition Economies: With special look in Former Yugoslavian Republic of Macedonia”*
- 7) Hagiu Alina, Suciú Marta Christina, Universitatea din Pitesti, Romania/Academia de Studii Economice Bucuresti, Romania. *“The competitiveness of the Romanian car industry on the European Union market”*

**Session III: Economic growth, Economic development** (Session room: S009)

**Chairmen: Emil Burtescu, Maria-Daniela Bondoc**, Faculty of Economics, University of Pitesti

- 1) Mariana Claudia Mungiu-Pupazan, Constantin Brancusi University of Targu JIU, Romania, *“Economic structure and development dynamics of economic efficiency”*
- 2) Stoika Radu, Academy of Economic Studies, Bucharest, Romania, *“Education for sustainable development”*
- 3) Dimitrios Maditinos, Nerantzis Vraxionis, Athanasios Mandilas, Dimitrios Chatzoudes, TEI of Kavala, Greece / TEI of Kavala, Greece / TEI of Kavala, Greece / University of Thrace, *“Strategic plan for the expansion of the National Bank of Greece (NBG) in the countries of the South Eastern Europe”*
- 4) Ozcan Karahan, Olcay Çolak, Balikesir University Turkey/Rize University, Turkey *“The impact of inflation targeting policy on the inflation uncertainty in Turkey”*

- 5) Ivica Smilkovski, Klime Poposki, Tome Nenovski, University American College, F.Y.R.O.M., *“Remodeling the economy of Former Yugoslavian Republic of Macedonia”*

**Session IV: Finance, Accounting** (Session room: S109)

**Chairmen: Claudia Burtescu, Ion Lucian Catrina**, University of Pitesti/Academy of Economic Studies Bucharest, Romania

- 1) Nikolina Grozeva, VFU Chernorizets Hrabar, Bulgaria, *“Reporting the investments of intangible assets in the annual financial statements of the companies”*
- 2) Radmila Jablan Stefanovic, University of Belgrade, Serbia, *“Cost accounting role in an environment without borders”*
- 3) Marina Domdouzi, Kavala Institute of Technology, Greece, *“Transition economies and IAS”*
- 4) Marculescu Iulia – Ana, Medintu Daniela Nicoleta, Academy of Economic Studies, Romania *““Red flags” concerning fraud in financial statements – an empirical study in Romania”*

**Saturday 10:30-11:00**

**Coffee Break**

**Saturday 11:00-12:30**

**Session I: Balkan economies and cooperation** (Session room: S003)

**Chairmen: Klime Poposki Ozcan Karahan**, Faculty of tourism and hospitality, University American College, F.Y.R.O.M./Balikesir University, Turkey

- 1) Pantelis Sklias, University of Peloponnese, Greece, *“The political economy of regional cooperation in western Balkan economies: a non accomplished task”*
- 2) Vassilios Grammatikas, Democritus University of Thrace, Greece, *“The EU v. Balkan and Eastern European countries: unwelcome neighbors or potential members?”*
- 3) Eftychia Tsanana, Constantinos Katrakilidis, Panagiotis Pantelidis, Aristotle University of Thessaloniki, Greece/Serres Institute of Technology, Greece, *“Balkan Area & EU-15: An empirical investigation of Growth Convergence”*
- 4) George Borovas, University of Western Macedonia, Greece, *“Economic Relations of Bosnia - Herzegovina and FYROM with the other states that emerged from the breakup of Yugoslavia in light of the Ohrid and Dayton agreements: The phenomenon of Yugonostalgia in trade and economic relations of those countries?”*

**Session II: Various topics** (Session room: S109)

**Chairmen: Virgil Nicula, Szilvia Botos**, University of Sibiu, Romania/University of Debrecen, Hungary

- 1) Mladen Tonev, Jordanka Stojanova, Varna Free University, Bulgaria, *“The social capital as basis for development of the human capital”*
- 2) Jerzy Handschke, Poznan University of Economics, Poland, *“Insurance market in Poland - the road from socialist economy to the EU membership”*
- 3) Zurab Megrelishvili, Ibraim Didmanidze, Grigol Kakhiani, Shota Rustaveli state university of Batumi, Georgia, *“The definition of the optimal parameters of cation exchangers work for further economic calculations”*
- 4) Szilvia Botos, University of Debrecen, Hungary, *“Broadband ranking of regions and its methodological basis”*
- 5) Nicolae Damu, Academy of Economic Studies, Romania, *“The role of social networks in Romanian TV shows communication”*
- 6) Simona Spanu, Virgil Nicula, Lucian Blaga University, Romania, *“Reducing the carbon footprint in the context of climate change – responsibility for preserving the biodiversity”*

**Saturday 12:30-13:30**

**Lunch (university campus)**

**Saturday 14:00-20:00**

**Social programme - trip to the famous monastery of Curtea de Arges and the beautiful Vidraru dam on the Arges river.**

**Saturday 20:00**

**Dinner**

**Sunday 9:00-11:30**

**Talks of scientists and professors, talks of PhD and master students - Aula magna, Faculty of Economic Sciences**

**Sunday 12:00**

**Closing Conference**

# HOW 'YA GONNA KEEP 'EM DOWN ON THE FARM (After They've Seen Paree)

Woodrow H. Sears, Ed.D.  
College of Social Science, Vilnius, Lithuania  
woodysears@gmail.com

## ABSTRACT

*Change is abroad across the land, as often destructive as constructive. No one is immune. The financial crisis is perhaps the most obvious wave of change, but as the title of this paper (and also the title of a song popular in America between World I and World War II<sup>1</sup>) suggests, the most pervasive, seductive, and subversive changes are fueled by the view of the wider world provided by the internet with its blogs and social networks. How 'ya gonna keep 'em satisfied with a second-class life (or worse) after they have seen the luxuries and freedoms of the wider world? Knowledge is power, and frightening amounts of people-power can be marshaled via the internet. Tyrants fall and royal families quake in the face of so much focused intentionality. But even as freedoms are recovered, what are all the unemployed to do with that freedom, especially in those countries in which the average age is between late teens and early twenties – kids, really, with no prospects of the good life? Add to this the coming shortage of food, drinking water, and fuel and the resulting upward spiral of costs for life's necessities, further imposing hardship on new members of 'the internet generation.' Social and political catastrophes are to be expected. What can the countries in 'Europe's southern neighborhood' do to respond, to be proactive in the face of massive and predictable changes?*

**KEYWORDS:** predictable problems, proactive response, cross-border collaboration, food, fuel riots

**JEL CLASSIFICATION CODES:** I0, I1, I3

# CAPITAL MARKETS FROM EUROPE AND THE MODELS FOR TESTING THEIR EFFICIENCY

Iulian Caraganciu<sup>1</sup>, Galina Caraganciu<sup>2</sup>

<sup>1</sup>Lucian Blaga University, Sibiu, Romania, [j.caraganciu@gmail.com](mailto:j.caraganciu@gmail.com)

<sup>2</sup>Cooperatist Comercial University of Moldova, Republic of Moldova, [g.caraganciu@gmail.com](mailto:g.caraganciu@gmail.com)

## ABSTRACT

The goal of a Capital Market is to finance the Companies through attractions of large capital on long term. The appearance of Capital Market, in its modern sense, was conditioned by the creation of shareholder societies.

At the estimate of economists, Zevros and Levine, there is a connection between the market's liquidity and the rates of economic growth. They propose two methods of measurement of liquidity as follows: by the value-traded ratio and by the turnover ratio.

Being related to their measurements of liquidity we must speak of the term of Market Efficiency. This term expresses the transparency of the information that is on the market. Thus the more efficient a market is the more the prices incorporate the information that is on the market about this type of shares.

Market efficiency was categorized by Fama Eugene, as to be of three distinct types: Strong, Demi-Strong and Weak.

On a market with weak efficiency the prices don't express the information about the shares they rate. As for Strong and Demi-Strong efficiency level, the prices incorporate the information about the shares.

As it was said on a market with a strong level of Efficiency, current prices contain the information there is on the market about these shares. This meaning that the current prices are explained by the previous rates without chaotic changes in the price level.

With this being said, we propose to measure the efficiency of a Capital Market, through yields of previous rates compared to current rates. This can be done by using the regression analysis on these variables as to see the level of expression of former yields in the current ones. This fact explains the transparency of information on a Capital Market.

After we get the results from our regression analysis on these yields we are to make an average of those and take this index as an index of efficiency for further study.

## KEYWORDS

Capital Markets, Market Efficiency, The model of calculation of the efficiency level

# CENTRAL BANKS BETWEEN CLASSICISM AND MODERNITY

Felix-Constantin Burcea<sup>1</sup>, Victor Balau<sup>2</sup>, Cristina Baldan<sup>3</sup>, Tiberiu-Cristian Avramescu<sup>4</sup>,  
Emilia Ungureanu<sup>5</sup>

<sup>1</sup>*Universitatea din Pitesti, Romania, [felixburcea@yahoo.com](mailto:felixburcea@yahoo.com)*

<sup>2</sup>*Universitatea din Pitesti, Romania, [victorbalau\\_200x@yahoo.co.uk](mailto:victorbalau_200x@yahoo.co.uk)*

<sup>3</sup>*Universitatea din Pitesti, Romania, [baldan.cristina@gmail.com](mailto:baldan.cristina@gmail.com)*

<sup>4</sup>*Universitatea din Pitesti, Romania, [cristiavr@yahoo.com](mailto:cristiavr@yahoo.com)*

<sup>5</sup>*Universitatea din Pitesti, Romania, [emiliaungureanu@yahoo.com](mailto:emiliaungureanu@yahoo.com)*

## ABSTRACT

Since the establishment of the first Central Bank in the 17th century, they played an important role for the economies of countries in which they conducted their classic functions: the issuance of currency and the discount one.

With the passage of time and once with the extraordinary development of the global economy (especially in the 20th century), central banks have been in a position to support the economic environment more and more and to control the entire national banking system, so defending their modern functions which joined to the classical ones. Perhaps the most important modern function is the application of monetary policy which aims price stability, high employment rate, economic growth, stable financial markets, etc.

Definitely adding these modern functions to the classic ones brought positive influence to the national economies in most cases and their future role will be increasingly important given the current world economy context.

Classical functions of a central bank are the issuance of currency and the discount one.

National Bank provides printing banknotes and minting national coin and take measures to keep safe those who are not put into circulation, and also for the custody and their destruction when necessary, distribute the currency issued and manage the cash reserve.

Central Bank holds the monetary monopoly issue. In principle, the currency is issued in accordance with economic development: industrial production, agriculture, trade, services, etc.

With the modernization of national economies, central banks have been placed before the need to exercise, in addition to classical functions, also other modern functions. Further, in this paper the authors aim to describe some of them and will present the role of services adaptation to current economy conditions.

## KEYWORDS

Central Bank, modern functions, monetary policy, real exchange rate, Euro Zone, Emerging Economy

# DOES THE CROSS BORDER MERGERS AND ACQUISITIONS OF THE GREEK BANKS IN THE BALKAN AREA AFFECT ON THE COURSE OF PROFITABILITY EFFICIENCY AND LIQUIDITY INDEXES OF THEM?

George Kyriazopoulos<sup>1</sup>, Dimitrios Petropoulos<sup>2</sup>  
<sup>1</sup>*TEI of Western Macedonia, Greece, [kyriazopoulosg@yahoo.com](mailto:kyriazopoulosg@yahoo.com)*  
<sup>2</sup>*TEI of Kalamata, Peloponisos, Greece, [d.petro@teikal.gr](mailto:d.petro@teikal.gr)*

## ABSTRACT

In the past fifteen years, cross-border mergers and acquisitions have had an ever increasing role in the process of bank internationalization.

The Greek Banks with the accession of the Greek Economy to the Economic and Numismatic Union, but mainly with the introduction of the Euro into Greece, began to seek new sources of revenues in new markets, where costs were lower. In the present work a list is made of all the mergers and acquisitions made by the Greek banks in the Balkan countries during the decade 2000-2009.

In the first chapter of the present work the Balkan macroeconomic environment is described, as well as the favorable conditions and the opportunities that were created, so that the Greek and foreign banks to be pushed to expand in the particular environment.

In the second chapter of this work are described in detail the expansions of the Greek banks and other European banks in each Balkan country separately. Thus, for example until 31/12/2008 there are four banks in Bulgaria that are controlled by Greek banks and are classified in the ten largest banks of this country with respect their market share. This is also the case with three banks in Serbia, two in Romania and one in Turkey.

Moreover, particular emphasis is paid for bank mergers and acquisitions in Greece. Finally, the positive influence of the cross border mergers and acquisitions on deposits and loans and therefore on the ROAA and ROAE indexes of the Greek Banks are shown. The analysis of profitability, liquidity and efficiency with financial indexes takes place for the time period of 2003-2007 and is not expanding on the years 2008 and 2009 (period of the appearance of the financial crisis). The above distinction is made in order to show greater homogeneity and in order to obtain the estimation of the magnitudes under conditions of economic stability and progress. The behavior and the values of the financial indexes during the phase of the financial crisis it could become the object of further research in another paper.

The Greek banks since the year 2000 adopted aggressive policies of expansion with buyouts of local banks in the Balkan countries increasing the magnitudes of their balance sheets, especially with respect to the consumer and mortgage loans, in an effort to increase by any means the total profitability of their groups.

Finally, it is noted that the cited bibliography was read and processed for the purpose to write a consolidated survey, the result of which is the present work.

## KEYWORDS

Bank, cross-border mergers and acquisitions, index

# **GREEK BANKS IN THE BALKAN COUNTRIES: CONCLUSION DERIVED FROM THE ANALYSIS OF THEIR BALANCE SHEETS**

Vasilios Chouliaras<sup>1</sup>, Christos Bogas<sup>2</sup>

<sup>1</sup>*TEI of Serres, Greece, [vaschoul@teiser.gr](mailto:vaschoul@teiser.gr)*

<sup>2</sup>*TEI of Serres, Greece, [chbogas@yahoo.com](mailto:chbogas@yahoo.com)*

## **ABSTRACT**

During the 1990 decade, the Greek economy has flourished, with the help of the banking system, which, at the same period, has undergone considerable deregulation. The stock market “explosion” at the end of the decade has provided the necessary funds for the expansion of many Greek Banks in various countries and particularly those of the Balkan area. Some Greek companies had already expanded their business activities in these countries, which at the time were in the process of transition to the market economy, thus giving to the Greek Banks the incentive to follow their clientele. The expansion of Greek banks in the Balkans was such that they obtained significant market shares in some of the area’s countries.

In the current paper we make an effort to examine the feasibility of the expansion of Greek banks in these countries, focusing especially on their financial efficiency. To that end the Balance Sheets of the parent banks, as well as those of their Balkan subsidiaries and associate companies where they held an equity share were studied and analyzed.

Our main conclusion is that the activities of the Geek banks in the area were successful and had positive effects to their profitability and they reinforced their overall financial state.

## **KEYWORDS**

Banking System, balance sheets, financial analysis, profitability, efficiency, Balkan area

# INVESTIGATING THE DETERMINISTIC FACTORS OF NON-PERFORMING LOANS: EVIDENCE FROM THE ROMANIAN BANKING SYSTEM

Sofoklis Vogiazas<sup>1</sup>, Eftychia Nikolaidou<sup>2</sup>

<sup>1</sup>South East European Research Centre - Research Centre of the University of Sheffield and CITY College, Greece, [svoyazas@yahoo.co.uk](mailto:svoyazas@yahoo.co.uk)

<sup>2</sup>CITY College - International Faculty of Sheffield University, Greece, [enikolaidou@city.academic.gr](mailto:enikolaidou@city.academic.gr)

## ABSTRACT

Inevitably, the Greek fiscal crisis has a severe impact on the Greek banking system. Although the latter appears to be healthy in terms of capital adequacy, key risks need to be monitored regarding Greek banks' subsidiaries in the South East European (SEE) region, and more specifically in Romania, where Greek banks have a significant presence. Specifically, and based on the homeland of capital of credit institutions operating in Romania, Greek banks lead by holding 30.7% of aggregate foreign capital (NBR, 2009) while they account for the second largest market share in the Romanian banking system. The outlook for the Romanian banking system remains under pressure, driven mainly by challenging economic conditions in the country following a severe recession in 2009 as a result of the global financial crisis. Furthermore, the substantial dependence of the Romanian financial sector on foreign parents for funding poses a key source of risk. Greek banks have historically pursued a hybrid strategy of acquisitions and organic growth in the region, a strategy that has been criticised as opportunistic by some authors. It may also be the case that the crisis has made Greek banks' diversification look smart as their SEE subsidiaries may be the path that will lead the parent institution in the home country out of the liquidity distress.

Despite the harsh criticism on quantitative modelling in the aftermath of the financial turmoil in 2008, time series modelling remains a popular method of analysing the stability and resilience of banking systems. This paper aims to investigate the determinants of non-performing loans in the Romanian banking sector by means of time series modelling approach. The study is motivated by the hypothesis that macroeconomic-cyclical, monetary aggregates, interest rates, financial markets indicators and bank-specific variables have a role to play on the non-performing loans in the Romanian banking sector. The empirical results are based on an extensive dataset of 60 indicators. Using monthly data that span from December 2001 to November 2010, we provide evidence based on data that covers the booming period and the recent financial crisis. As key innovation, data that proxy the Greek debt crisis and the subsequent Greek banks' financial distress is introduced to examine potential transmission channel to the Romanian banking system. The findings, though preliminary, indicate that macroeconomic variables, specifically the construction and investment expenditure, the inflation and the unemployment rate, the country's external debt to GDP and M2 jointly with Greek-specific variables influence the credit risk of the Romanian banking system. These results have several implications for policymakers, bank regulators and managers given that the most recent published stress tests on the Romanian banking system are based on end-2008 data.

## KEYWORDS

Macroeconomic credit risk, Non-Performing Loans, Romanian banking system, Greek fiscal crisis, Greek banking system

# COMMERCIAL BANKS PERFORMANCE AND INTEREST RATES IN KOSOVO

Lajqi Hysen<sup>1</sup>, Ramaj Vehbi<sup>2</sup>

<sup>1</sup>*Raiffeisen Bank Kosovo, Albania, [hysenlajqi@yahoo.com](mailto:hysenlajqi@yahoo.com)*

<sup>2</sup>*AAB-RIINVEST University, Albania, [vehbiramaj@yahoo.com](mailto:vehbiramaj@yahoo.com)*

## ABSTRACT

Developments in the banking sector in Kosovo have been significant starting from the scratch in 1999 and undergone significant positive changes during those years of operation. The role of commercial banks in Kosovo has improved and now achieved comparable results with other areas in the region in the strengthening intermediation function and economy support overall. Those challenges are becoming apparent as to the availability and costs of external finance for firms which are partly related to the assessment of the credit risk level, the banking sector itself, and institutional factors especially legal ones.

## KEYWORDS

Interest rates, Banks, Performance, Kosovo

# CUSTOMER SATISFACTION AND LOYALTY OF THE BANKS ON THE ROMANIAN MARKET

Anca Maria Rosu<sup>1</sup>

<sup>1</sup>*Academy of Economic Studies of Bucharest, Romania, [anca.rosu@yahoo.com](mailto:anca.rosu@yahoo.com)*

## ABSTRACT

The environment within which banks operate has changed in recent years, forcing them to be productive and profitable. It is now one of: intensifying competition, proliferating customer contact channels, escalating attacks on customer information, rising customer expectations, capitalizing on new market opportunities, growing product commoditization, and diminishing margins.

Banking customers have also changed in recent years. Customers are more knowledgeable, sophisticated, and assertive. They demand higher levels of customer service, are less loyal, and more inclined to switch to a competitor. Modern customers require flexibility in hours of operation, greater convenience, customization, transparency, accessibility and control. Competition to attract new customers is fierce. Customer defection rates are higher than ever because of increased market competition. With so many different financial institutions to choose from customers can now demand better quality services and more customized products from their banks. In this customer economy, attracting and crucially keeping customers for the long term is a key challenge for all businesses.

In an era of unprecedented competition and proliferating choice within the banking industry, successful operators must remain in tune with customers' banking needs and their expectations of the sector. The era of social deference and a given assumption of trust has well passed; the consumer who once knew their place has evolved into an autonomous actor whose levels of distrust and cynicism have grown with the years.

The purpose of this paper is to analyze bank services customer satisfaction and loyalty and to present selective results from the banking sector. Image, customer expectations, perceived quality and perceived value are all drivers for explaining satisfaction, customer satisfaction and consequences of satisfaction (loyalty). The paper will explore consumers' bonds with their banks and reveal a somewhat dysfunctional relationship, with bank loyalty grounded primarily in practical and non-emotional reasons, which highlights the need for banks to remain competitive in the presence of a potentially migratory consumer base.

The study presents important implications for research and practice: the contribution of this study lies in its research into customer satisfaction and loyalty towards Romanian retail banking. The findings of this study have important implications for practitioners by providing strategic insights into achieving customer satisfaction with retail banking.

## KEYWORDS

Banking services, individuals, customer satisfaction, customer loyalty, Romania

# MUTUAL FUND PERFORMANCE IN EASTERN EUROPE

Christos Grose<sup>1</sup>, Georgios Geronikolaou<sup>2</sup>, Theodoros Kargidis<sup>3</sup>

<sup>1</sup>*International Hellenic University, Greece, [c.grose@ihu.edu.gr](mailto:c.grose@ihu.edu.gr)*

<sup>2</sup>*International Hellenic University, Greece, [g.geronikolaou@ihu.edu.gr](mailto:g.geronikolaou@ihu.edu.gr)*

<sup>3</sup>*Alexandrian Technological Institute of Thessaloniki, Greece, [kargidis@mkt.teithe.gr](mailto:kargidis@mkt.teithe.gr)*

## ABSTRACT

The ability to identify the best performers amongst mutual funds that invest in debt is an important area as evidenced by the large proportions of funds invested in government and corporate debt. Given the difficulties that individual investors face when attempting to invest in a balanced portfolio of debt of various maturities, mutual funds present the sole realistic alternative where investors and companies trust professionals to manage their own savings and money reserves respectively.

This paper therefore examines the performance characteristics of mutual funds that invest primarily in bonds, in a sample of Eastern Europe domiciled mutual funds. In an attempt to further investigate a relatively unexplored market we choose to analyze bond mutual funds in Hungary and the Czech Republic where the funds under management and the market characteristics resemble to a large extent other small developed or emerging markets. Also their EU membership state further facilitates their ever increasing importance role in portfolio diversification, while the gradual maturity of the local financial system as well as the falling interest rates are further reasons that attract inflows of funds.

Analyzing the return characteristics of this category of open end funds we attempt to identify viable alternatives for international investment portfolios that seek to further diversify risk by allocating continuously larger funds in stable and promising eastern European economies. For this reason debt investments were chosen as they represent an investment objective with uniform characteristics around the globe.

To analyze the performance of Eastern Europe bond mutual funds, we utilize daily data for the period 2006-2010, which incorporates the financial crisis period, thus measuring its impact on the performance of government debt in these countries. Our empirical analysis involves the use of Jensen's alpha as well as its extensions with the use of a quadratic term to test for market timing. We extend the traditional performance measures by use of conditional models that incorporate public information variables to control for the effect of the treasury bills, long term government bonds and the returns of local stock market indices, on the overall bond mutual funds returns. We also cater for the impact of fund flows on performance as well as for the commission and management fees role, while we also make direct references to the known survivorship bias issue.

This paper therefore attempts to fill the gap in the performance evaluation literature investigating relatively unexplored markets that are already gradually viewed as potential alternatives in diversified portfolios while they are also an integral part of fund of funds with an international perspective.

## KEYWORDS

Mutual funds, performance, fund flows

# THE EFFECTS OF BEHAVIORAL DISTORTIONS IN INVESTING OPTIONS

Anastasios Konstantinidis<sup>1</sup>, Androniki Katarachia<sup>2</sup>

<sup>1</sup>*Technological Educational Institute of Western Macedonia, Greece, [anastasioskonstantinidis@gmail.com](mailto:anastasioskonstantinidis@gmail.com)*

<sup>2</sup>*Technological Educational Institute of Western Macedonia, Greece, [akatarac@pme.duth.gr](mailto:akatarac@pme.duth.gr)*

## ABSTRACT

This paper analyzes the most infrequently occurring behavioral distortions (biases, heuristics and framing effects) in terms of Behavioral Finance. It discusses the manner in which this distortion, which is not in the forefront in the relevant bibliography, affects investors' options as well as the diversion of investment portfolios. It also demonstrates simple ways and procedures of identifying and managing such distortions with a view to enabling investors to avoid being victims of their own biases, emotions and framing effects, which may lead them to fallacies or wrong investing choices, and, therefore, to develop investing strategies which are bound to lead to potentially high-return portfolios.

## KEYWORDS

Behavioral finance, Behavioral distortions, Biases, Investment portfolio

# **A SHORT OVERVIEW OF THEORETICAL VALUES OF THE FINANCIAL STATEMENTS PREPARED AT FAIR VALUE**

Iva Moneva<sup>1</sup>

<sup>1</sup>*VFU "Chernorizetz Hrabar", Bulgaria, [ivamoneva@abv.bg](mailto:ivamoneva@abv.bg)*

## **ABSTRACT**

Theoreticians of the financial statements offer some other forms of report based on value for more than 40 years. The first big push in this direction was made in the late 70's of last century, when inflation exceeded 15%. The reporting of such high inflation for several years makes accounting useless, based exclusively on the principle of "historical cost". The experience of countries with stable high inflation in this direction shows that it is necessary to make adjustments so that the current accounting reflects reality. So, for better or worse, the accounting standards require progressively requirements that the information in the financial statements must be at fair value. In the article the author examines the fair value as a new paradigm and the issues associated with it - how appropriate is the fair value, its importance, how exactly can it be fixed and ect. The fair value is a rather new practice in Bulgaria and it is still unsubstantiated theoretical approach.

## **KEYWORDS**

Fair value, financial statements, IAS/IFRS, NFRS for SME, Bulgarian enterprises, Bulgaria

# **THE FINANCIAL INSTRUMENTS USED BY INTERNATIONAL FINANCIAL INSTITUTIONS REGARDING THE SOUTHEAST EUROPEAN COUNTRIES: A CRITICAL ASSESSMENT OF THEIR UNDERLYING PHILOSOPHY AND ORIENTATION**

Maria Eleni Voutsas<sup>1</sup>

<sup>1</sup>*University of Thessaly, Department of Economics, Greece, [marialena\\_voutsas@yahoo.gr](mailto:marialena_voutsas@yahoo.gr)*

## **ABSTRACT**

After the fall of the communist regimes in the Southeast European countries, what was attempted was a systemic transformation which was called transition. The economic transition aimed at transforming the nature of economic relations, since their coordination would be passed from the state to market mechanisms.

In order to enable this transformation, what was necessary was to finance the attempted changes. However, since the countries in the region lacked sufficient equity capital, they resorted to foreign borrowing and, thus, international finance has to date been the main source of capital.

The involvement of International Financial Institutions [IFIs] in the transition process was almost direct but after the cessation of hostilities in Kosovo in 1999 there has been a dramatic increase in financing throughout the area. The level of financing in conjunction with the immediate and increasing needs of countries were the main factors that configured the balance of powers among recipient countries and international financial institutions.

The implementation of financial policies by Institutions is being conducted by means of specific financial instruments. The present article aims at examining and evaluating the instruments used by institutions to finance the transition of Southeast European countries, as their suitability, orientation and philosophy have been repeatedly questioned.

In order to make this assessment feasible, an examination will take place with regard to the financial instruments of the major creditors of the region, namely, the IMF (International Monetary Fund) the World Bank Group and the European Union, who are also managers of the vast majority of financings.

## **KEYWORDS**

Transition, International Financial Institutions, Southeast Europe, financial instruments

# EXPLORING THE STYLIZED FACTS OF ASSET RETURNS ON THE ROMANIAN CAPITAL MARKET

Filip Iorgulescu<sup>1</sup>

<sup>1</sup>*Academy of Economic Studies, Bucharest, Romania, [fileos1984@yahoo.com](mailto:fileos1984@yahoo.com)*

## ABSTRACT

Previous research has shown that asset returns display certain statistical properties irrespective of the asset type, market or the chosen time interval. These statistical properties are generally referred to as stylized empirical facts, or just stylized facts, and they represent the starting point for modeling asset returns. As a result, when studying financial returns, one should use statistical approaches that take into account the stylized facts. However, although most of the stylized facts are qualitative, it is rather difficult to produce a model that accommodates all of them.

In this context, the first part of the paper makes a short presentation of the stylized facts of asset returns such as the absence of autocorrelations, heavy tails, volatility clustering and leverage effect. It is interesting to note that some of these properties were discovered more than a few decades ago but they are still relevant. On the other side, the paper also presents results from the more recent literature which indicate that certain stylized facts (such as the distributional properties of asset returns) should be reconsidered.

The second part of the paper consists of a case study for the period 2005-2010, developed on the daily returns series of three stocks traded at Bucharest Stock Exchange and, also, of the BET index. The general conclusion of the case study is that the stylized facts of asset returns are applicable in the context of the Romanian capital market and they continue to hold even during the global economical crisis. Consequently, there are formulated a series of recommendations concerning the statistical models used for asset returns.

## KEYWORDS

Stylized facts, Asset returns, Volatility clustering, Leverage effect, Heavy tails

# IMPACTS AND LOSSES CAUSED BY THE FRAUDULENT AND MANIPULATED FINANCIAL INFORMATION ON ECONOMIC DECISIONS

Isa Tak<sup>1</sup>

<sup>1</sup>*The Bucharest Academy of Economic Studies (ASE), Romania, [isatak23@gmail.com](mailto:isatak23@gmail.com)*

## ABSTRACT

Nowadays the effects of the fraudulent and manipulated financial information have been more controversial. Taken into consideration that the financial losses caused by fraudulent or manipulated financial information are remarkable. Preventing the fraud in the financial information has been an important issue by auditors all over the world. Every country has the same problem larger or smaller; fraud in the financial information. As the American economy is the dominant economy may cause and effect the capital market mostly all over the world. In the last decade we can see the financial losses caused by the fraudulent and manipulated financial information rather big. Today's world has been effected by frauds and manipulation of the financial information. An investment decision based on false financial information causes the investors to suffer losses as was experienced in Enron and Worldcom cases. So the financial information manipulation is as important as other types of manipulations and must be prevented so that the investors make a rational decision. Financial information has, certainly, an important positive or negative effects in economic decisions. Positive or negative effects of financial information on economic decisions depend on reliability of the financial information. Fraudulent or manipulated financial information leads the users of the financial information to make an unhealthy economic decision. So the financial information should provide to the users, specially current or potential investors, accurate, reliable and correct information in order to invest in necessary areas of the economy. Otherwise real economy, indisputably, will be effected by fraudulent and manipulated financial information. Financial information is an important issue when making rational decisions in economics and securities markets. To make rational economic decisions financial information must be reliable and accurate. Misleading financial information always has a negative impact on economic decisions taken by users. Fraudulent or manipulated financial information leads the users of that financial information to make unwise economic decisions. Manipulative actions may also send false signals to users of financial information, and cause them to take unhealthy decisions. This can cause the allocation of resources to the wrong areas and bankruptcy will be inevitable- consequently people suffer from fraudulent financial information all over the world. This paper aims to show the impacts of fraudulent on the financial information, effects on economic decision and what we should do for preventing the fraudulent or manipulation on the financial information. Also the purpose of this paper is to identify the causes of manipulated and fraudulent financial information, to find out what techniques are used to manipulate, to monitor the consequences of manipulative actions and to conclude with the impacts on financial information users. Also evidence will be presented to support the issue.

## KEYWORDS

Financial information, fraudulent, manipulation, decision, impact

# A LITERATURE REVIEW ON THE USE OF DATA MINING TECHNIQUES FOR FINANCIAL PERFORMANCE BENCHMARKING

Adrian Costea<sup>1</sup>

<sup>1</sup>*Academy of Economic Studies, Romania, [acostea74@yahoo.com](mailto:acostea74@yahoo.com)*

## ABSTRACT

In a previous paper we formalized the process of assessing comparatively the performance of non-banking financial institutions (NFIs) by considering this real-world application as a knowledge discovery problem and by following the formal steps of a well-known discovery process called Knowledge Discovery in Databases (KDD) process. We argued that the current system used to evaluate the performance of credit institutions (e.g.: the CAAMPL system) is suboptimal when applied to assessing NFIs' performance and that the Knowledge Discovery in Databases (KDD) process could offer specific methods that may be used to developing better systems.

In the KDD process data is transformed into knowledge following iteratively a number of steps: (a) definition and analysis of the business problem, (b) understanding and preparation of data, (c) the setup of the search for knowledge, (d) the data-mining (DM), (e) interpretation and evaluation of the mined patterns or knowledge refinement, and (f) application of knowledge to the business problems and the consolidation of the discovered knowledge. Data mining step is the core of KDD process, because is the outcome of this step that after evaluation and refinement gives the nuggets of knowledge. In order to fulfil its role DM could perform a number of tasks such as clustering, classification, regression, dependency modelling, summarisation, and change and deviation detection. The link between these tasks and the real-world applications is not straightforward, because the latter ones rarely have a simple single solution. Many different DM tasks may match a particular application, depending on how one approaches the problem. We match our business problem of NFIs' financial performance benchmarking with both DM clustering and classification tasks. We use clustering methods in order to find patterns (models) that describe the financial situation of NFIs and classification methods for financial (class) predictions.

The algorithms used to perform data-mining tasks are numerous and they come from different research fields (statistics, machine learning, artificial intelligence, fuzzy logic, etc.). Some authors group data-mining algorithms in three categories: mathematically-based, statistically-based and "mixed" algorithms. "Mixed" algorithms borrow heavily from both, the mathematically- and the stochastically-based ones. We include here: clustering methods, induction techniques such as decision trees, neural networks, and genetic algorithms. We call these techniques Computational-Intelligence (CI) methods and they would be those specific methods that KDD could offer in order to develop better performance evaluation systems.

In this paper we engage in a thorough literature review regarding the application of CI methods in assessing comparatively companies' financial performance. We include here companies' financial benchmarking, companies' failure prediction, companies' credit/bond rating, analysis of companies' financial statement, and analysis of companies' financial text data. Our goal is to present the state-of-art of using CI methods in addressing our type of research problem. We start by presenting the Data Mining tasks and algorithms. Then, we introduce the general process of benchmarking and, finally, we review the literature in applying the data-mining techniques on financial performance benchmarking.

## KEYWORDS

Data Mining, Financial Performance, Financial Institutions

# COMPARISON OF E-COMMERCE BEHAVIOUR AMONG WOMEN CONSUMERS OF BALKAN AND BALTIC COUNTRIES

Persefoni Polychronidou<sup>1</sup>, Stavros Valsamidis<sup>2</sup>, Giannoula Florou<sup>3</sup>, Anastasios Karasavoglou<sup>4</sup>

<sup>1</sup>*Kavala Institute of Technology, Department of Accountancy, Greece, [polychr@sdo.teikav.edu.gr](mailto:polychr@sdo.teikav.edu.gr)*

<sup>2</sup>*Kavala Institute of Technology, Department of Accountancy, Greece, [svalsam@teikav.edu.gr](mailto:svalsam@teikav.edu.gr)*

<sup>3</sup>*Kavala Institute of Technology, Department of Accountancy, Greece, [gflorou@teikav.edu.gr](mailto:gflorou@teikav.edu.gr)*

<sup>4</sup>*Kavala Institute of Technology, Department of Accountancy, Greece, [akarasa@teikav.edu.gr](mailto:akarasa@teikav.edu.gr)*

## ABSTRACT

Nowadays, more and more consumers prefer to make their shopping via Internet. Researches wish to study the e-commerce behaviour and the factors influencing consumer's attitude while they shop on line. This paper investigates the differences and similarities of women's behaviour toward e-commerce in two culturally different Europe regions; the Balkan and the Baltic countries. Some attributes such as trust in vendor, trust in transactions, language, culture, age or education and their possible impacts on e-commerce use are examined in this paper. A convenient random sample of 50 women from each country (Greece, Romania, Bulgaria, Lithuania, Estonia and Latvia) was used in order to answer a structured questionnaire including the aforementioned factors. The reply of the respondents was received through e-mail. We analyse the responses, using descriptives statistical methods and exploratory data analysis with SPSS software and Chic analysis software. The results show that there are some significant behaviour differences between the two regions. In particular, women in Baltic use e-commerce more than women in Balkans. Also, it is shown that much more factors such as use of Internet, marital status, education affect the intension to buy online in Baltic than in Balkans.

## KEYWORDS

e-commerce, women, Balkan countries, Baltic countries, data analysis

# THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY POLICIES ON PERCEPTIONS AND BEHAVIORAL INTENSION OF GREEK CONSUMERS

Dimitrios Papadopoulos<sup>1</sup>, Efstathios Dimitriadis<sup>2</sup>, Dimitrios Chatzouides<sup>3</sup> and Olga Andreadou<sup>4</sup>

<sup>1</sup>Assistant Professor, TEI of Kavala, Agios Loukas, 65 404, Kavala, Greece, [dimpap@teikav.edu.gr](mailto:dimpap@teikav.edu.gr)

<sup>2</sup>Assistant Professor, TEI of Kavala, Agios Loukas, 65 404, Kavala, Greece, [edimit@teikav.edu.gr](mailto:edimit@teikav.edu.gr)

<sup>3</sup>PhD Candidate, Democritus University of Thrace, Kimmeria Campus, 67100, Xanthi, Greece, [dchatzouides@yahoo.gr](mailto:dchatzouides@yahoo.gr)

<sup>4</sup>Administrative Personnel, TEI of Kavala, Agios Loukas, 65 404, Kavala, Greece

## ABSTRACT

During the last five years Greece has witnessed the exposure of an unprecedented number of corporate related events that had a significant impact on the public opinion (huge financial scandals, various corruption accusations, etc). These events dramatically increased the negative perception of consumers towards large companies operating in Greece. Corporate Social Responsibility (CSR) may be considered as an effective initiative that protects and strengthens the image and reputation of implementing companies, especially at a time that their status has been severely damaged by numerous distressing reports. The World Business Council for Sustainable Development defines CSR as a business commitment that supports sustainable economic development and, at the same time, contributes to the quality of life of employees, their families, the local community and society in general. Companies that implement CSR try to establish a positive business reputation and enhance the corporate brand name by taking actions that lead in the development of a competitive advantage, while at the same time contribute to the demands of various third parties. These companies shift from solely focusing on profits and tend to include financial, environmental and social goals in their core business strategies. Therefore, many researchers argue that the CSR policy is an activity mutually beneficial for both the business and society. However, several doubts about the effectiveness of these policies are being expressed. The purpose of the present study is to record the perceptions of consumers about Greek Large Companies (GLC) and examine the influence of the implementation of CSR policies on consumers' perception and consumers' behavioral intention. The results of the quantitative research (N=454) highlighted the negative perceptions of Greeks towards GLC but, at the same time, revealed the statistically significant positive effect of CSR policies on consumers' perceptions and behavioral intention.

## KEYWORDS:

Corporate Social Responsibility, CSR, consumer's perceptions, behavioral intention, Greece.

## JEL CLASSIFICATION CODES:

M14

# IMPROVEMENT AXONS FOR ARDAS FESTIVAL IN EVROS, GREECE, BASED ON ATTENDEES PERCEPTIONS

Irene Kamenidou<sup>1</sup>, Spyridon Mamalis<sup>2</sup>, George Kokkinis<sup>3</sup>, Christina Intze<sup>4</sup>

<sup>1</sup>*Technological Educational Institute of Kavala, Greece, [kamenidi@agro.auth.gr](mailto:kamenidi@agro.auth.gr)*

<sup>2</sup>*Technological Educational Institute of Kavala, Greece, [mamalis@econ.auth.gr](mailto:mamalis@econ.auth.gr)*

<sup>3</sup>*Technological Educational Institute of Thessaloniki, Greece, [kokkinis@mkt.teithe.gr](mailto:kokkinis@mkt.teithe.gr)*

<sup>4</sup>*Technological Educational Institute of Kavala, Greece*

## ABSTRACT

Festivals provide not only the hosting community but the wider destination area as well, with many benefits. In consequence they have gained increasing attention in the prism of tourism growth. The most popular festival in Evros prefecture in the Thrace region (Northern Greece) is Ardas festival which takes place annually near the banks of the Ardas River and is known as “Festival Arda: youth gathering”. In the highly competitive tourism market, festival organizers need to keep their customers satisfied in order to maintain and increase their market share. To accomplish this task, festival organizers must understand the visitors’ behaviour and intentions and formulate their strategy accordingly. In this context, this study aims to examine the current status of Ardas Festival based on attendees perceptions and, secondly to propose a segmentation of the attendees market, based on their overall visiting experience as well as the degree of their satisfaction.

A quantitative research study was conducted on the premises of Ardas festival. The questionnaire developed specifically for this purpose. It includes the following areas of improvement which were generated based on a prior qualitative study. Findings suggest that: a) Price should be kept at low levels; b) music programs should be enriched; c) events and activities should be enhanced; d) the area where the festival is conducted should be guarded, in order for people to feel secure; e) cleanness should be maintained by organizers; f) the number of bands from the Balkan countries should be increased, and g) facilities for visitors and campers should be improved. The quantitative research obtained a sample of 410 visitors attending the festival. Statistical analysis included classical descriptive analysis, cluster analysis, and cross-tabulation tests. Results showed that all statements were considered important for attendees of the festival ( $MS > 3.51$ ), with cleanness being the most important ( $MS = 4.53$ ) and the increase of the number of Balkan countries bands the least ( $MS = 3.62$ ). Three clusters ( $n_1 = 116$ ;  $n_2 = 146$ ;  $n_3 = 140$ ) were produced based on the points of development as well as visitors’ satisfaction and impression. Results also showed that clusters were statistically significantly different regarding gender, marital status, education, occupation, and net individual monthly income. Results of the research can be a valuable input for the Ardas festival organizers. The findings can contribute to the success of the festival by satisfying the visitors and consequently increasing retention rate and loyalty.

## KEYWORDS

Festival, tourism, destination marketing, improvement axons, consumer’s behaviour, Greece

## JEL CLASSIFICATION CODES

M31

# CONSUMERS' PURCHASING BEHAVIOUR PATTERNS REGARDING ORGANIC WINE IN A CONVERGENCE E.U. REGION: THE CASE OF THE REGION OF EAST MACEDONIA AND THRACE IN GREECE

Lambros Tsourgiannis<sup>1</sup>, Anastasios Karasavoglou<sup>2</sup>, Michael Nikolaidis<sup>3</sup>

<sup>1</sup>*Region of East Macedonia and Thrace, Greece, [tgiannis@otenet.gr](mailto:tgiannis@otenet.gr)*

<sup>2</sup>*Kavala Institute of Technology, Greece, [akarasa@teikav.edu.gr](mailto:akarasa@teikav.edu.gr)*

<sup>3</sup>*Kavala Institute of Technology, Greece, [mmikol@teikav.edu.gr](mailto:mmikol@teikav.edu.gr)*

## ABSTRACT

This paper aims to explore the consumers buying behaviour towards organic food and more particular towards organic wine a Convergence E.U. Region and more precisely in the Region of East Macedonia and Thrace (Emth) in Greece. More specifically this study aims to identify the factors that affect consumers' purchasing behaviour towards organic wine and to classify the consumers into groups with similar buying behaviour in Field interviews conducted in a random selected sample consisted of 511 consumers in April and May of 2010. Multivariate statistical analysis performed to identify consumers behaviour regarding organic wine. In particular, principal components analysis (PCA) was conducted in order to identify the factors that affect people in preferring consuming organic wine. These factors are (a): healthy products and (b) prestige and curiosity. In the next stage hierarchical and non hierarchical cluster techniques employed to classify consumers with similar buying behaviour and identified 3 groups of consumers (a) those who are influenced by prestige and curiosity, (b) the opportunists (those who are not influenced by any factor) and (c) those who are orientated to buy healthy products. Discriminant analysis was performed to assess how the identified factors derived from PCA could predict cluster membership. Non parametric statistical tests were performed to profile the identified group of consumers regarding their personal characteristics and some other factors affecting their consuming behaviour.

## KEYWORDS

Consumer behaviour, Organic wine, Consumer preferences

# **FACTORS AFFECTING CONSUMERS' PURCHASING BEHAVIOUR TOWARDS LOCAL FOODS IN GREECE: THE CASE OF THE PREFECTURE OF XANTHI**

Anna Koutroulou<sup>1</sup>, Lambros Tsourgiannis<sup>2</sup>

<sup>1</sup>*Kavala Institute of Technology, Greece, [annakoutroulou@gmail.com](mailto:annakoutroulou@gmail.com)*

<sup>2</sup>*Region of East Macedonia and Thrace, Greece, [sgiannis@otenet.gr](mailto:sgiannis@otenet.gr)*

## **ABSTRACT**

This paper aims to identify the factors that affect consumers purchasing behaviour towards locally produced food in Greece and European Region and more precisely in the Prefecture of Xanthi. Field interviews conducted in a random selected sample consisted of 100 consumers in February of 2011. Multivariate statistical analysis performed to identify consumers behaviour toward local products. In particular, principal components analysis (PCA) was conducted in order to identify the factors that affect people in preferring locally produced food. The factors that influence people in the Prefecture of Xanthi to buy local food products are: (a) the locality of the products, (b) quality and health issues, (c) appearance, (d) freshness and (e) curiosity and prestige. Furthermore, cluster analysis was employed to classify consumers with similar buying behaviour, and identified 2 groups of consumers: (a) those are influenced by curiosity, prestige and freshness of the product and (b) those are interested in the locality of the product. Discriminant analysis was performed to assess how the identified factors derived from PCA could predict cluster membership. Non parametric statistical bivariate techniques were performed to profile the identified group of consumers regarding their personal characteristics and some other factors affecting their consuming behaviour.

## **KEYWORDS**

Consumer behaviour, Local Food, Consumer preferences

# THE IMPACT OF M-COMMERCE IN NORTHERN GREECE

Irene Moschou<sup>1</sup>, Dimosthenis Pappas<sup>2</sup>, Theodosiou Theodosios<sup>3</sup>, Stavros Valsamidis<sup>4</sup>

<sup>1</sup>TEI of Kavala, Greece, [irini\\_m@otenet.gr](mailto:irini_m@otenet.gr)

<sup>2</sup>TEI of Kavala, Greece, [dpappas@teikav.edu.gr](mailto:dpappas@teikav.edu.gr)

<sup>3</sup>TEI of Kavala, Greece, [theodosios.theodosiou@gmail.com](mailto:theodosios.theodosiou@gmail.com)

<sup>4</sup>TEI of Kavala, Greece, [svalsam@ee.duth.gr](mailto:svalsam@ee.duth.gr)

## ABSTRACT

This paper presents a survey which was conducted in 2010 and studies the use of wireless technologies, particularly mobile phones in conjunction with the recognition and use of electronic commerce by consumers and the business society. The main purpose of the research presented in the paper is to gather detailed information regarding the use of mobile phones and especially their usefulness for buying products and making general financial transactions through them.

The survey was conducted on a random sample of 131 individuals who all used had a cell phone. They were asked to complete a questionnaire through the process of a personal interview. The questionnaire had 26 closed type questions divided in to three sections. The first section contained the personal information of the interviewee such as gender, age, education, income. The second part is referred to the technical characteristics of the mobile phone, such as whether the phone has expandable memory, touch screen, tracking system (gprs) and if it has access on the Internet. The last section of the questionnaire is referred to the attitude of users regarding the use of mobile technology to do all kinds of transactions via mobile phone. Special focus was given in this section regarding the kind of information the users want to learn from the Internet. The data were analyzed using descriptive statistics and the chi-square test using the statistical package SPSS Statistics v17.0.

The conclusion is that despite the cost of using mobile phones, the slow connection speeds, the potential safety problems and misuse of personal data, mobile commerce is in constant growth due to the critical mass, directness and practicality of using mobile phones.

## KEYWORDS

Mobile phone, M-commerce, Chi-square

# THE NECESSITY OF CHANGES IN THE LEGAL FRAMEWORK OF A EUROPEAN COMPANY

Kalliopi Kalampouka<sup>1</sup>, Ilektra Simitsi<sup>2</sup>

<sup>1</sup>*TEI of Kavala, Greece, [pkalab@teikav.edu.gr](mailto:pkalab@teikav.edu.gr)*

<sup>2</sup>*Democritus University of Thrace, Greece, [ilektrasimitsi@hotmail.com](mailto:ilektrasimitsi@hotmail.com)*

## ABSTRACT

The European Company Statute ("SE Regulation" 2157/2001) offered the possibility to create a new legal form called a European Company, also referred to as an SE (Societas Europaea). The main idea behind the SE Regulation was to make it easier for companies and groups with a "European" dimension to combine, plan and carry out the reorganisation of their business on an EU scale.

Council Regulation 2001/2157/EC on the Statute for a European Company (SE) contains not only provisions that are directly applicable in all Member States, but also cross-references to the national legislation applicable to public limited-liability companies as well as several Member State options. As a result the legislation applicable to SEs varies, sometimes considerably, from one Member State to the other.

The content of national company law rules applicable to SEs does not seem to be the actual driver for choosing the SE form, however, other rules such as fiscal law, labour law or the requirement on minimum capital could be important in assessing the attractiveness of national provisions applicable to SEs.

From the other side a division consists an obvious instrument for restructurings both within and across the borders of a Member State and that a cross-border division whereby an SE will be formed would be easier and less time-consuming than the alternatives that already exist. It is also argued that although there is no legislation at EU level on cross-border divisions, the jurisprudence of the European Court of Justice has already made it possible to carry out a cross-border division when the companies involved are governed by the laws of different Member States.

However, the fact that only public limited-liability companies can be transformed into an SE and participate in a merger to set up an SE and the high level of the minimum capital requirement (€120,000) makes the SE form more easily available only for larger entities, but makes it more difficult for smaller entities.

Finally, the requirement to conclude the negotiations on employee involvement before the registration of the SE is a practical problem, because it creates substantial delays and uncertainty in the registration of the SE. It is important to note that the SE Directive does not contain specific rules on the role of employees when an SE is activated or structural changes occur after its formation, such as changes to the structure of the SE, or the employment of employees or the acquisition of (part of) another company and its employees. Therefore, it is not clear in all cases how it should be dealt with in practice if a shelf SE is activated. If the law of a Member State is not clear, this law could be interpreted in conformity with the SE Directive. However, the interpretation of the national laws of the Member States in conformity with the SE Directive offers little legal certainty.

This study analyzes all the above mentioned issues as a clarification of the SE Regulation and 2001/86/EU Directive could resolve the current legal uncertainty and remove the potential risk of circumvention.

## KEYWORDS

European Company, legislation, jurisprudence, company law, cross-border division

# NATIONAL LEGISLATIVE INITIATIVES, BUSINESS ACTIVITIES AND THE ROLE OF JUSTICE IN THE NEW ECONOMIC ENVIRONMENT

Grigoris Michailidis<sup>1</sup>

<sup>1</sup>*TEI of Kavala, Greece, [michaigr@otenet.gr](mailto:michaigr@otenet.gr)*

## ABSTRACT

Against the background of the global and European economic and financial crisis, the fiscal legislative initiatives taken to deal with this crisis are shaping an adverse investment and business environment in Greece, which dissuades serious investment efforts and leads to the inability to find the way out of the crisis.

This inability creates a vicious circle that involves increasing the stringency fiscal regulations which touch and infringe on key rights of citizens, businessmen and their businesses.

In addition, because of Greece's current geopolitical and economic position, the unstable and adverse fiscal and, consequently, business environment in the country has a negative impact on all of the interdependent economies of the Balkan and East European countries.

A consequence of the condition that has been shaped, as described, is that, in addition to their other duties, the practitioners of the law, i.e. the judges, lawyers, professors and researchers engaged in the science of the law, are called upon to play a crucial role in shaping and controlling the national fiscal legislative initiatives.

Today, this role of Justice and, most notably, of case-law is at the forefront of current events and very much under development, thus worthy of scientific observation and analysis.

## KEYWORDS

Justice, national legislator, economic crisis, economic environment, Balkan countries, control of constitutionality

# ROLE AND IMPORTANCE OF MICRO ENTERPRISES IN EUROPEAN UNION

Ieva Nartisa<sup>1</sup>

<sup>1</sup>*SIA RHRT, Latvia, [ieva@rhrt.lv](mailto:ieva@rhrt.lv)*

## ABSTRACT

In year 2009 ninety percent of all enterprises in Latvia were micro enterprises and this is very typical for European Union member country. As majority of enterprises are exactly micro enterprises and also they are most common way how middle sized and large companies start their existence, they are the ones who will have to enliven European Union 2020 strategy priorities. In 3rd March 2010 Europe 2020 strategy came to replace strategy of Lisbon and to provide main goal for smart, sustainable and inclusive growth both in European Union and each of member states. Micro enterprises has to ensure orientation to knowledge and innovation, they has to promote green and competitive economics and develop high level of employment delivering social and territorial cohesion. To foster high-employment economy and cohesion, author suggests to adapt best practice in the world in this field, especially experience of United States of America where micro enterprises has been used as effective tool for fighting poverty and social exclusion for more than 25 years. In her paper author analyzes importance of micro enterprises not only in social sector but also in governmental level- if most taxes comes into state budget from those several big companies, does micro enterprises have greater meaning what state policy makers should be aware of?

## KEYWORDS

Micro enterprise, European Union, Latvia, EU 2020 strategy, knowledge, partnership

# FEMALE ENTREPRENEURSHIP AND ITS CONTRIBUTION TO REGIONAL ECONOMIC DEVELOPMENT

Evangelia Zikou<sup>1</sup>, Katerina Sarri<sup>2</sup>

<sup>1</sup>*Aristotle University of Thessaloniki, Greece, [zikoueva@econ.auth.gr](mailto:zikoueva@econ.auth.gr)*

<sup>2</sup>*University of Western Macedonia, Greece, [ksarri@uowm.gr](mailto:ksarri@uowm.gr)*

## ABSTRACT

There is a growing body of literature suggesting that entrepreneurship plays a significant part in the regional development. Therefore, it is crucial for policy makers to recognize the factors affecting entrepreneurial activity on a regional basis. The widening participation of women in the labor force and particularly in entrepreneurship is an increasing phenomenon. This paper is a study of the Greek entrepreneurial environment with emphasis placed on female entrepreneurship, its characteristics and motivation, in order to examine its contribution on a regional development basis. The assessment of the entrepreneurial environment and female entrepreneurship in the Greek regions is examined through the study of the existing bibliography and the analysis of related data. The data processed and analyzed covers a period of 15 years (1995-2009) for the 13 Regions in Greece.

Findings suggest that female entrepreneurs are a very important determinant for entrepreneurship and economic development in regional level in Greece in terms of job creation, networking, promoting local products, preservation of local characteristics and identity mainly.

Furthermore, it recommended that policies and programs aiming to support women entrepreneurs should start with the diagnosis of their personal characteristics and motives, the understanding of the regional economic environment and the future needs. In addition, emphasis should be placed on the strengthening of “pull motives” as opposed to “push motives” for entrepreneurship to consist the basis for more viable and innovative regional economic growth and development.

The paper’s originality lies in the review of the Greek regional female entrepreneurial and economic situation, adding more evidence on the existing literature on the characteristics of women entrepreneurs and its impacts on the development of the Greek regions.

## KEYWORDS

Female entrepreneurship, regional development, personal characteristics, motivation, Greece

## JEL CLASSIFICATION CODES

L26, R11, J16

# FISCAL POLICY UNDER THE EMU - FACTS AND PROSPECTS

Georgios Makris<sup>1</sup>, Konstantinos Filippidis<sup>2</sup>

<sup>1</sup>University of Western Macedonia, Greece, [gmakris@uowm.gr](mailto:gmakris@uowm.gr)

<sup>2</sup>University of Western Macedonia, Greece, [kost\\_philip@hotmail.com](mailto:kost_philip@hotmail.com)

## ABSTRACT

In December 1991 the Treaty on the European Community (EC) clearly states the monetary and financial principles underlying the Economic and Monetary Union (EMU). Maastricht Treaty centerpiece was the agreement on the Monetary Union, to begin on January 1, 1999.

Monetary union is not only the adoption of a common currency for the European citizens. It is a process with many different aspects. Today the orientation and the independence of the national fiscal policies depend a lot on the priorities and the rules that the “Stability and Growth Pact” (SGP) sets.

At the beginning of the 1990’s neo-liberal policy makers saw EMU as a way to set their convictions on the fiscal policy and also as a way to prevent national policy makers from pursuing “old” macroeconomic policies. The abandonment of the national currencies was a way to import price stability. Advocates of euro have also argued that it will help to insulate countries from speculative financial flows and will attract stable long term foreign investments.

Nowadays, the European Central Bank (ECB) still conducts the monetary policy and the fiscal policy is in the national governments authority. The Stability and Growth Pact sets the rules for the fiscal policy. The Stability and Growth Pact is the fiscal pillar of EMU. This rules-based framework is complemented by a series of institutional arrangements in order to achieve the medium-term fiscal targets (for the Member States having adopted the euro). This reflects the need for monetary policy to have a forward-looking, medium-term orientation. It also acknowledges the existence of short-term volatility in prices, which cannot be controlled by monetary policy.

Fiscal policies drawn, according to the criteria of the Stability and Growth Pact, by the ECB, ensure fiscal sustainability and a stable monetary union. The strictness of SGP, set up at the beginning of 1990’s, was probably prompted by short-term goals for dealing with unstable situation in the public finances in many Member States. In other words the argument exists on nominal and real convergence.

Another question which remains is how independent are the states to implement a fiscal policy under the rules of the Pact? The Stability and Growth Pact concerns the differences of every state in the level of the prospects and the potentials? Is there a need for reform and the proposed “Pact for Competitiveness” is exactly what we need?

There is a need to keep the rules of Stability and Growth Pact more coherent to the fiscal policies of the national governments in order to achieve the stable Monetary Union. It could be argued however, that the implementation of the SGP is better applied with some degree of flexibility in order to eliminate social imbalances. The economic crisis of 2008 was extraordinary, and so were the policy responses. The fact is that there is a widespread discussion of the need for an efficient program of fiscal expansion.

## KEYWORDS

Fiscal Policy, Monetary Policy, Stability & Growth Pact

# THE INTERPLAY OF INFRASTRUCTURE INVESTMENT AND FISCAL ADJUSTMENT: THE SRBIAN CASE

Ljubinka Joksimovic<sup>1</sup>

<sup>1</sup>*Faculty of Economics, Serbia, [joksimoviclj@gmail.com](mailto:joksimoviclj@gmail.com)*

## ABSTRACT

The aim of the article is to explore the main characteristics of the Serbian fiscal adjustment and reveals the factors that may influence successfulness and effectiveness of fiscal rules in obtaining their intended results in terms of actual reducing of debt to GDP ratio and budget deficit to GDP ratio.

The investment - driven response to crisis has revived a decades – old debate about the costs and benefits of injections of public resources into an economy as it enters recession. The Serbian economy also makes a turn to a new model of growth and development that is pro – investment and pro – export oriented. The first part of the article is demonstrated the Serbian need for dramatic increase in infrastructure to close existing gaps in service provision and the factors that appear to explain why impact of public infrastructure investment is positive in some countries and negative in others. Second part considers why good decision making in infrastructure appears particular difficult during fiscal adjustment and almost no existing fiscal space as in the Serbian economy. Providing infrastructure can cost the government money in many ways (direct and contingent, explicit and implicit liabilities) and Serbia belongs to the countries perhaps most prone to the accumulation of contingent liabilities and related fiscal risk. These liabilities tend to surface and require public resources in times of economic slowdown.

It is concluded that fiscal surveillance process in Serbia requires the strengthening the initiatives to disclose and manage explicit and implicit contingent liabilities. Their proportion has already been very high and some external shock, change in market sentiment or a business collapse would be quickly crystallizing these obligations with significant negative impact on budget balance, government indebtedness and fiscal sustainability.

## KEYWORDS

Public investment, fiscal adjustment, infrastructure, contingent liabilities

# ESTIMATING A FISCAL REACTION FUNCTION FOR THE GREEK ECONOMY

Alexandru Leonte<sup>1</sup>

<sup>1</sup>ASE Bucharest, Romania, [alexandruleonte@yahoo.com](mailto:alexandruleonte@yahoo.com)

## ABSTRACT

Fiscal policy has recently received much attention from policymakers and academia alike, due to the current international economic situation. The crisis has seriously impacted most of the world economies, causing economic slowdown and rising unemployment, thus increasing governments' reliance on debt issuing to finance their activities. In the aftermath of the financial and economic turmoil, a sovereign debt crisis has emerged, affecting emerging and developed economies as well, including countries in the euro area, such as Greece.

This paper estimates a fiscal reaction function for the Greek economy, and thus intends to shed light on the issue of fiscal sustainability. We examine the impact of public debt dynamics on the fiscal decision variable (government spending/deficit) and assess if the fiscal position of the economy has improved significantly or further consolidation measures are in order.

Fiscal sustainability is critical to restoring consumer and investor confidence, being a sine qua non condition for a successful exit from the difficult economic situation.

## KEYWORDS

Fiscal policy, fiscal sustainability, reaction function

# **BEHAVIOR ANALYSIS (MOTION) OF THE PRICES BEFORE AND AFTER APPLYING OF VALUE ADDED TAX IN KOSOVO**

Ramadani Kemajl<sup>1</sup>, Ramaj Vehbi<sup>2</sup>

<sup>1</sup>*Business University, Albania, [kemajl.ramadani@hotmail.com](mailto:kemajl.ramadani@hotmail.com)*

<sup>2</sup>*AAB-RIINVEST University, Albania, [vehbiramaj@yahoo.com](mailto:vehbiramaj@yahoo.com)*

## **ABSTRACT**

This paper will contain analysis of price movement for the year of 2000 until the introduction of value added tax in Kosovo (1 July 2001), and after applying of the VAT (Value-added tax), where will be included sec half of year 2001 and complete year of 2002.

Also the price movements will be analyzed for the year 2008 and 2009 since is known that scale of taxes of added value has been increased from 15% to 16%. 16% norm has been being applied from 01.01.2009. During the analyses of price movements will be given special importance issues that have substantial effects of bring specific conclusions. In this paper will be analyzed also the cause of price increasing and decreasing in Kosovo in the periods mentioned above.

## **KEYWORDS**

Behavior analysis, Value, Added, Tax, Kosovo

# **AN APPROACH TO THE INTERNATIONAL MONETARY SYSTEM'S REFORM IN THE CONTEXT OF THE ECONOMICAL CRISIS**

Maria Nicola Giatas<sup>1</sup>

<sup>1</sup>*Technological Educational Institute of Thessaloniki, Greece, [mngiatas@gmail.com](mailto:mngiatas@gmail.com)*

## **ABSTRACT**

This paper presents the problem of international monetary reform- objective system ,established at the G20 leaders' summit in Toronto (June 26th-27th 2010). The inherent risks of the current system are very important not to be overlooked. These risks concern the return to fragmented, vulnerable and protectionist economic system, as well as the return to the national or regional incompatible policies.The paper presents an analysis of the international monetary system, particularly regarding the currency exchange rates and the new emerging potential role of SDR's in the global market. Additionally presents proposals for the functioning improvement of the international monetary system, in order to ensure the discipline and stability needed for sustainable and wealth creating economic growth.

## **KEYWORDS**

Crisis, SDR, IMF, Liquidity, reform, international monetary system, Systemic crisis, liquidity support, monetary policy

## **JEL CLASSIFICATION CODES:**

A1, B2, E3, E4, E5, E6, F5

# PRUDENTIAL SUPERVISION AND MONETARY POLICY IN THE CONTEXT OF SYSTEMIC CRISIS. A CONFLICT OF INTERESTS?

Adriana Giba<sup>1</sup>

<sup>1</sup>*Academy of Economic Studies, Bucharest, Romania, [adrianagiba@yahoo.com](mailto:adrianagiba@yahoo.com)*

## ABSTRACT

Assigning the responsibility for prudential supervision of the financial system to the central bank is an issue that generated extensive discussion in the literature on its advantages and disadvantages.

Thus, it was emphasized the synergy of information between the duties of the central bank related to prudential supervision and those regarding monetary policy. In this respect, confidential information obtained during supervision of important institutions in the financial system allows the central bank to make more accurate estimations of macroeconomic indicators relevant to monetary policy.

On the other hand, it was highlighted the conflict of interest between the quality of central bank as lender of last resort - under which, in order to maintain financial stability, it must provide liquidity to financial institutions experiencing difficulties - and the goals of central bank as monetary policy authority, which can be affected by massive injections of liquidity.

This conflict of interest seems to be even more important in the context of a systemic crisis, when an important part of the institutions in the financial system may face a lack of liquidity, especially when crisis events cause bank panic and/or bank runs.

In this context, central banks should make decisions having in view the need to ensure confidence in the financial system, to limit moral hazard in providing liquidity to financial institutions, but also considering the effects that liquidity injections can have on monetary policy indicators.

Given these considerations, this paper undertakes an empirical analysis on central banks' involvement in the management of systemic crises through liquidity support.

Also, our analysis explores the impact that liquidity support (granted as lender of last resort) has on monetary policy.

In analyzing the results of this study, the paper also takes into consideration the effects that central bank involvement in crisis management has on interbank interest rate volatility and on the confidence in the financial system.

## KEYWORDS

Systemic crisis, liquidity support, monetary policy

# MODELING FINANCIAL INNOVATION IN THE DEMAND FOR MONEY USING STRUCTURAL TIME SERIES APPROACH: THE CASE OF THE US

Arqam Al-Rabbaie<sup>1</sup>, Atef Khalil Baniata<sup>2</sup>, Usama Al-Qalawi<sup>3</sup>

<sup>1</sup>Hashemite University, Jordan, [rabbaie@hu.edu.jo](mailto:rabbaie@hu.edu.jo)

<sup>2</sup>Hashemite University, Jordan, [atef@hu.edu.jo](mailto:atef@hu.edu.jo)

<sup>3</sup>Hashemite University, Jordan

## ABSTRACT

This paper argues the importance of adequately modeling the effect of innovation when estimating the money demand function for the US. The structural time series model is therefore employed to allow for stochastic trend as a flexible proxy for innovation. The results confirm that a stochastic formulation of the trend as a proxy for innovation to obtain plausible estimates of the long run income and interest rate elasticities. There is a vast literature for modeling the demand for money. The most empirical studies use cointegration approach to test the long run relationship among the determinants of the demand for money; this is a traditional approach, which is well documented in Hendry and Juselius, (2000 and 2001) . For empirical researches of the demand for money in US, which used this approach, see for example, Hoffman and Rashches (1991) and Baba et al (1992), Hafer and Jansen (1991) and Hafer and Hein (1984). However, Harvey (1997) argues that the cointegration approach being unnecessary or misleading or both, hence there is nothing to keep individual series moving together in the long run. In addition, Harvey (1997) asserts that this is a general shortcoming of pure time series methodologies and in general such models are possibly to have poor statistical properties. Furthermore, for the recent development of money demand, see for example, Duca and VanHoose (2004). However, most of empirical studies aim to estimate the key elasticities of the demand for money: income and interest rate. Therefore, it is crucial when estimating these elasticities to be reliable and lack of biases and hence, lead to a better understanding of the past and therefore improve the future projections. Therefore, it is essential when modeling the demand for money to include the economic variables and to account for the unobserved variables that might be hard to measure, such as financial innovations and deregulations. For more information about developments of financial market in the US (see, Glennon and Lane (1996). Moreover, they argue that, “ the pattern of financial innovation was neither smooth nor continuous. Financial innovations caused major adjustments in demand for monied assets” p 213. Therefore, it is important to modeling such innovations with adequate proxy that fit with the data and the developments in financial market. Therefore, we may argue that Structural Time Series Model (STSM) introduced by Harvey (1989), allows to model the developments in financial market, hence it permits for a non-linear stochastic trend, which may be a good proxy for such developments. Arrau et al (1995) declare, “Traditional specifications of money demand often yield parameter estimates that are not economically plausible, are subject to highly autocorrelated errors, and frequently result in persistent overprediction of money demand. (p.318)”. Moreover, they argue that some of these problems may be due to failure to accounting for the impact of financial innovation. In addition to that, Arrau et al (1995) find that in all countries irrespective of how it is modeled, financial innovations play a significant role in determining money demand and its fluctuations. And he concludes that the importance of financial innovations in explaining shocks to money demand as well as its variability increases with inflation being present in the case. Moreover, Lieberman (1977) points out that “ technological change could affect the demand for money and regression estimates might be biased if the structural changes due to technological innovations are not taken into. Even so, researchers have dismissed technological change from their studies, typically relegating their observations to footnotes. p. 307”. Furthermore, Judd and L. Scandding (1982), conclude “the most likely cause of the observed instability in the demand for money after 1973 is innovation in financial arrangements. These innovations, which allowed the public to economize on its holding of transactions balances, p. 1014”. Therefore, the aim of this paper is to model the demand for money in the US in away that leads to more reliable and plausible estimates of the economic variables. However, such estimates may rely on the specification of the demand for money function. And hence, it is crucial to include the effect of financial innovation in the money demand- in addition to other economic variables- using the most appropriate way to model it. Traditionally, the effects of financial innovation in the money demand function is modeled using a deterministic trend or dummy variables and even at most ignored it. This study models financial innovation in the demand for money using a STSM that allows the intercept and the slope to vary over time. For the best of our knowledge, there has been no study used this approach to modeling the impact of financial innovation for money demand function in the US.

## KEYWORDS

Money Demand, Innovation, Structural Time Series

# THE LIMITS OF EUROPEAN ECONOMIC CONVERGENCE

Ion Lucian Catrina<sup>1</sup>

<sup>1</sup>*Academy of Economic Studies, Bucharest, Romania, [cionlucian@gmail.com](mailto:cionlucian@gmail.com)*

## ABSTRACT

In the last three years, the Stability and Growth Pact (SGP) failure was strongly reflected in the high level of the budget deficit and consequently a fast growing stock of public debt for most European countries, members or willing to be member of European Monetary Union.

The nominal convergence criteria set at Maastricht, in 1992 and reinforced by SGP, in 1996, which established the thresholds of 3% of GDP for budget deficit and 60% of GDP for public debt, have been configured according to the development degree of EU 15 economies. But now, the EU has 27 members, and the twelve new members have a weaker level of development than the founders of EMU. Therefore, the initial parameters of nominal convergence, at least for the new members, should be reviewed.

The current international context has shown clearer that the less developed EU members have had more difficult restructured public expenditure and have not easy found financial support for their excessive budget deficits. A very good example is Romania, which despite many measures to reduce public sector wages and some social allowances, in the 2009 and 2010 has been recorded only a small contraction of governmental expenditure but a fast growing public debt.

This paper aims to analyze how much the policies restricting budget deficit and public debt in Romania delayed the resumption of economic growth. Even the euro adoption perspective impose a stricter management of Romanian budgetary policies and the other nominal convergence criteria, the hard core of economic policies must be the reinventing a new path to sustainable growth on long term and the achievement of real convergence objectives.

We also intend to test the tolerance degree of the Romanian economy, even of other emergent economies from South-Eastern Europe, to public debt expansion as reflected in the growth rate of real gross domestic product and not only. Some of the latest models which analyzed the sustainability of public debt, like Reinhart&Rogoff (2010), Iron&Bivens (2010), Checherita&Rother (2010), have failed to determine a threshold of tolerance for public debt, especially for those countries that are constrained to reach both nominal convergence and also to recover economic and social disparities.

In this context, we propose to develop a new scientific model for determining the threshold of public debt for emerging countries, like Romania, different to classical one which was based on strict correlation between debt and growth. Thus we want to include in addition other determinants of public debt sustainability, like: demographic factors, political and regional circumstances, natural resources, gains in productivity brought by the IT&C, economic cycles and others.

Finally, we hope that the results of this research will be really useful to all governments in South-Eastern Europe, in order to strengthen budgetary policies and reducing public debt, even if the Maastricht Treaty is expected to be changed, to create a European Mechanism for Financial Stabilization.

## ACKNOWLEDGMENT

This work was co-financed from the European Social Found through Sectorial Operational Program Human Resources Development 2007-2013; project number POSDRU/1.5/S/59184, Performance and excellence in postdoctoral research in Romanian economic science domain

## KEYWORDS

Convergence, budget deficit, public debt, GDP, monetary union

# IMPROVING THE COMPETITIVENESS OF THE GREEK ECONOMY IN COMBINATION WITH A WAGE POLICY STRENGTHENING THE DOMESTIC DEMAND IN THE EWU COUNTRIES WITH CURRENT ACCOUNT SURPLUSES - PARTICULARLY IN GERMANY

Vassilios Zoumpoulidis<sup>1</sup>, Raimund Schweighoffer<sup>2</sup>

<sup>1</sup>*Kavala Institute of Technology, Greece, [vzblid@sdo.teikav.edu.gr](mailto:vzblid@sdo.teikav.edu.gr)*

<sup>2</sup>*Hochschule Kempten / University of Applied Sciences, Germany, [raimund.schweighoffer@fh-kempten.de](mailto:raimund.schweighoffer@fh-kempten.de)*

## ABSTRACT

In this article we will focus on two factors that we believe could stop the current precarious state in the Greek economy and which should lead towards a better, sustainable and long-term growth impulse.

First, one of the main structural problems of the Greek economy is its relatively low national and international competitiveness which makes it difficult to export its products and services. Due to the fact that falling incomes will not increase domestic demand in Greece in the near future, exporting goods and services seems to be the only possibility to produce economic growth in order to strengthen the economy and to consolidate the public finances significantly. From a country-specific perspective export growth, however, requires a competitive improvement. If this takes place increasing demand for Greece's relevant products and services in its major importing countries will lead to an expanding export share. In our opinion, the benefits for the Greek economy should be optimal.

As a result in the first part of this article we will have a closer look on definitional basics of international competitiveness from a micro- and macroeconomic point of view. The trade and export structure of the Greece economy will also be highlighted. Then we will introduce theoretical approaches aiming to improve competitiveness and examine their suitability for the Greek economy.

In addition it has to be discussed a second factor in the following parts of this essay whether the competitive restoration of the deficit Mediterranean countries – specifically Greece – could be supported by situation-related wage policies in the surplus Euro-countries in these critical days, especially in Germany. Thus accompanying and supporting contributions could be made to stop the crisis in Euroland.

From a macroeconomic point of view it can be proven over the past 15 years that Germany, as the economically strongest and most dominating country in the Euro zone, pursued a policy based on wage restraint. In combination with the missing possibility of nominal exchange rate adjustments since the mid-nineties these circumstances led to significant competitive advantages which can be highlighted by regarding the unit labor costs' development. Furthermore it is out of question that the current account imbalances in the Euro area since the introduction of the euro in 1999 have increased.

In this context we will discuss the growth of some important macroeconomic indicators for the countries of the Euro area like the GDP, the domestic demand, the real wages, the unit labor costs', and the current account balance from 1996 onwards until the outbreak of the economic crisis in 2008. Attention is also drawn on the important relationship between national savings and the current account balance of a country. In this analysis we find out that stronger real wage increases in the surplus countries of Euroland, notably Germany, would lead to a reduction of one-sided savings through profit incomes towards a stabilized income distribution. This measure would simultaneously boost domestic demand in Germany. As a result we are deeply convinced that with these mechanisms German economy could develop as a motor for induced import demand in the Mediterranean-States.

## KEYWORDS

Greek Economy, Competitiveness, German Economy, Wage Policy, Surplus Euro-countries, Import Demand

# ANALYSIS OF SHOCKS SIMILARITIES BETWEEN NEW EU MEMBER STATES AND EURO AREA

Marius-Corneliu Marinaş<sup>1</sup>, Cristian Socol<sup>2</sup>, Aura-Gabriela Socol<sup>3</sup>

<sup>1</sup>*Academy of Economic Studies, Bucharest, Romania, [marinasmarius@yahoo.fr](mailto:marinasmarius@yahoo.fr)*

<sup>2</sup>*Academy of Economic Studies, Bucharest, Romania, [socol.cristian@gmail.com](mailto:socol.cristian@gmail.com)*

<sup>3</sup>*Academy of Economic Studies, Bucharest, Romania, [auragabriela.socol@gmail.com](mailto:auragabriela.socol@gmail.com)*

## ABSTRACT

The objective of this paper is to identify demand and supply shocks affecting the new member countries of the European Union (Central and Eastern Europe countries) and the euro area. This analysis offers a different perspective on the costs of adopting a common currency, avoiding technical examination of its. If there is a low correlation between shocks that affect the new member states and euro area, then the costs of single currency adoption will rise. This paper is structured in three parts. In the first part we explain the relationship of this study with macroeconomic theory and with related literature. According to it, the new EU member states tend to have less correlated shocks with the euro area ones, due to differences in economic and trade structures, in macroeconomic policies promoted, in different level of economic development. In the second part we make a brief presentation of the decomposition shocks methodologies, developed by Blanchard and Quah (1989), respectively by Bayoumi and Einchengreen (1992). The main assumption of these methodologies is that there are two kinds of shocks: aggregate demand shocks (due to monetary or fiscal policies) and aggregate supply shocks (for example, due to change of production costs). While the first shocks have temporary effects on level of output, the second shocks have permanent effects on it. In the third part we decompose using SVAR models, the aggregate demand and supply shocks for each of the economies included in the analysis with SVAR models. Realizing the correlation between demand and supply shocks of the of new member countries with those of the euro area, we identify which country is better prepared to euro adoption.

## KEYWORDS

SVAR model, Euro area, demand shocks, supply shocks, Central and East European countries

# THE ‘COHESION-COMPETITIVENESS’ DILEMMA: DETECTING AREAS OF INTERVENTION

Stilianos Alexiadis<sup>1</sup>, Christos Ladias<sup>2</sup>, Sotirios Milionis<sup>3</sup>

<sup>1</sup>University of Piraeus, Greece, [salexiadis7@aim.com](mailto:salexiadis7@aim.com)

<sup>2</sup>University of Central Greece, Greece, [caladias@otenet.gr](mailto:caladias@otenet.gr)

<sup>3</sup>National Technical University of Athens, Greece, [sotirismilionis@yahoo.gr](mailto:sotirismilionis@yahoo.gr)

## ABSTRACT

This paper investigates the extent of regional cohesion amongst European regions in the light of the current policy dilemma of ‘cohesion-competitiveness’. This paper aims to shed some further light on this issue by taking into account the notion of knowledge-based economy in a model of regional growth. Initially, the empirical results suggest a ‘development gap’ across the EU-27 regions. Furthermore, this model suggests possible ways to overcome this gap, indentifying certain areas of policy intervention. The timing of policy intervention, in conjunction with the ‘cohesion-competitiveness’ dilemma, is also taken into consideration.

## KEYWORDS

Regional Cohesion, Regional Policy, EU Regions

# CROATIA AT THE GATE OF THE EUROPEAN UNION

Marietta Fesselné Harsányi<sup>1</sup>

<sup>1</sup>*Modern Üzleti Tudományok Főiskolája, Hungary, [fesselne.harsanyi.marietta@muf.hu](mailto:fesselne.harsanyi.marietta@muf.hu)*

## ABSTRACT

The focus of this paper is the accession of Croatia to the European Union. This is the part of the trade integration of the Balkans to the EU. The European Community offered membership with full rights to the Western Balkan Countries, but only two countries, Croatia and F.Y.R. of Macedonia have got the recognition as EU candidate countries.

The first step to integrate the Western Balkans to the EU was that the European Union made free trade agreements with the Western Balkan Countries after the end of the Balkan wars. Then the EU and the Western Balkan Countries signed the Stabilization and Association Agreements (2001-2008). Except Bosnia and Herzegovina the other Western Balkan Countries submitted the official application for EU membership (2003-2009). The recognition as EU candidate country of Croatia was in 2004 and of F.Y.R. of Macedonia was in 2005, but the launching negotiations began only with Croatia.

The basic purposes of the EU were not only to integrate the Western Balkan Countries to the European Union, but also to induce these countries to strengthen the trade relations with each other. The Western Balkan Countries made bilateral free trade agreements among them (2002-2005). After it the extension of the CEFTA was accepted in Bucharest in April 2006. At first F.Y.R. of Macedonia joined the CEFTA (2006). With the accession of Bulgaria and Romania to the EU, two countries, Croatia and F.Y.R. of Macedonia remained in CEFTA, but till the end of that year (2007) all the other countries, Albania, Bosnia and Herzegovina, Kosovo (as the part of Serbia), Moldova, Montenegro and Serbia had already become the members of this cooperation. The main object to extend the agreements was to develop the regional free trade zone. It was considered by the EU to make free trade agreements with diagonal accumulation among the Western Balkan Countries instead of the bilateral one, similar to the identical free trade agreements among the Pan-European countries. These agreements have to be consistent to reach the aim of the trade integration, so have to be unified the rules of origin in order that these rules suit the Pan-European ones. Croatia hasn't signed the new agreement with diagonal accumulation.

Considering the Hungarian presidency of the EU in the first half of the year (2011), the support of the Croatian accession will grow, so hopefully Croatia will be the member of the EU and the Pan-Europe.

The aim of this research is to analyse how Croatia arrived at the gate of the EU and to examine the trade development between Croatia and the other Western Balkan Countries as compared to the export-import turnover with the EU and with the total foreign trade of Croatia.

## KEYWORDS

Western Balkan Countries, CEFTA, Free trade agreement, Diagonal accumulation, Trade development

# INTEGRATING WEB 2.0 IN THE E-LEARNING PROCESS

Logica Banica<sup>1</sup>, Viorel Paun<sup>2</sup>, Liviu Cristian Stefan<sup>3</sup>

<sup>1</sup>University of Pitesti, Romania, [olga.banica@upit.ro](mailto:olga.banica@upit.ro)

<sup>2</sup>University of Pitesti, Romania, [viorel.paun@upit.ro](mailto:viorel.paun@upit.ro)

<sup>3</sup>University of Pitesti, Romania, [crisi.stefan@upit.ro](mailto:crisi.stefan@upit.ro)

## ABSTRACT

In the last years we have witness a whole new orientation on teenagers' life which is also reflected in their education: a step-by-step isolation from the real world and a powerful socialization in the newly-created virtual worlds.

In this paper we present a range of arguments in favor of integrating social software tools within academic e-learning systems and to emphasize the advantages of socialization forms on student's education. Social software includes several technologies, such as: social networking sites, weblogs, wikis, RSS feeds (Really Simple Syndication) and social bookmarking. It's based on Web 2.0, a term associated with web applications that allows interactive information sharing, interoperability, user-centered design. The rigorous academic style of learning systems can greatly benefit from social software tools to have a better impact on the student. As educators, we would like to be less boring, much more flexible and open, and to have a better communication with our students. For this purpose, we tried to include the social software technologies in our classes, to achieve a deeper implication of the students in learning activities, to share knowledge, ideas and thoughts.

In respect of the truth, it would be very misleading to define the social software as the best practice for use in higher education, but we insist on the idea of including its tools in the learning systems in order to create a good relationship between educator and learner.

There are open-source web-based applications that include such technologies, like Claroline, MIT .LRN, Dokeos, ILIAS and, of course, Moodle. In our case study we will focus on IBM® Workplace Collaborative Learning™ (WCL), implemented at our university with the help of UE funds, it is a portal-based learning solution that allows fully localized course and classroom management, online and off-line course planning, it is SCORM compliant and integrates the power of Sametime collaboration suite (live chat, blogs and wikis) along with audio and video conferencing.

The pedagogical effectiveness is a research object for scientists, and a target for policy makers, but teachers have their primary concern: will work? This question does not only refer to the fact that the software is easy to install and to use, and that it is free, but also to questions such as: Will work with my students?

A quasi-experiment was conducted using WCL compared with social software to prepare lessons during a semester, to study the learning effect according to the achievement, motivation, and interaction. The results were positive in favor of WCL and also revealed some issues for future research.

In the final section of this paper and based on the foregoing, we propose to continue that learning method using WCL tools, by enlarging the interactivity teacher-learners, without affecting the quality of student education.

## KEYWORDS

E-learning, Collaborative software, Web 2.0

# TRAVEL 2.0 AND HUNGARIAN TOURISM

Gergely Ráthonyi<sup>1</sup>, László Várallyai<sup>2</sup>

<sup>1</sup>*University of Debrecen, Hungary, [rathonyigergely@freemail.hu](mailto:rathonyigergely@freemail.hu)*

<sup>2</sup>*University of Debrecen, Hungary, [varal@agr.unideb.hu](mailto:varal@agr.unideb.hu)*

## ABSTRACT

Despite the financial crisis, tourism is one of the most important and profitable sectors of the Hungarian economy. In rural areas it is often the only successful economic activity. Tourism has got an important role in employment (400 000 jobs indirectly) and contribution to the GDP (7% indirectly). The government of Hungary marks out an emphasized role for the development of the tourism in the economic increase. One of the major plan is to increase the places of work more than 300 000 jobs.

The development of Information and Communication Technologies (ICTs) and the expansion of the Internet penetration have changed dramatically in the past few decades. Platform of tourism increasingly get to the Internet nowadays. Internet has fundamentally altered the tourism related information search and destination selection process. In consequence of these changes new technologies have been adopted into the tourism industry (hotel information systems, Geographical Information Systems (GIS), Internet, web technology, mobile technology) and this trend is likely to continue into the future. In recent years social media websites and searching have become an increasingly dominant mode in travellers' use of Internet. Due to the role of information in tourism it is critical to understand changes in technologies and consumers behaviour that impact the distribution and accessibility of travel-related information.

The aim of our study is to show a brief summary of the significance of the Hungarian – especially of the North Plane Region – tourism with the help of the most important statistic indices. Next we also show data from the Internet penetration of the country. In addition to this in our study we summarize the most important technological adoptions - especially web.2.0 - which will be part of the future research of the Ph.D. research work. In this part of our study we try to show the importance and use of ICTs in tourism with some concrete examples.

## KEYWORDS

Hungarian tourism, ICT, Internet, web 2.0

# INFORMATION SOURCES AND SERVICES FOR FARMERS

András Cseh

*University of Debrecen, Faculty of Applied Economics and Rural Development.  
Institute of Economic Analytical Methodology and Applied Informatics  
Böszörményi út 138, Debrecen, Hungary  
csehandras83@freemail.hu*

## ABSTRACT

In the information society information became new factor of production in the economy. The efficiency of farming depends on whether we can possess the suitable information in the suitable time or can't. We can make better decision that what kind of product we should produce and when and where we have to buy the necessary materials. The agricultural producers are in a much weaker bargain position compared to the traders in addition the price of the products may change quickly within a few days. It is hard to decide that the product should be sold promptly after the harvest or later waiting for a favorable sales opportunity. It is important to select the suitable and authentic information channel, not only the information deficiency, but the excessive information dangerous, because this may cause indecisive situation. Nowadays we get information most quickly through the internet. This is true for the enterprises, who working in the agricultural sector. In my article I examine what main information sources are visited by farmers based on a questionnaire survey. I give a brief overview based on my study the what the farmers habit are in utilizing of internet services in foreign countries.

## KEYWORDS:

information sources, internet usage, e-government.

# **BUSINESS NETWORKING AS DIGITAL ECOSYSTEMS**

Maria-Cecilia Simion Ciocan<sup>1</sup>

<sup>1</sup>*University of Economics, Bucharest, Romania, [cecilia.simion@yahoo.com](mailto:cecilia.simion@yahoo.com)*

## **ABSTRACT**

The organization is a living organism that has to integrate and expose business intelligence to adapt and survive in a changing environment. To build such an organization is used modern information and communication technologies, and artificial intelligence, leading to a business environment more and more dynamic. Thus, to be dynamic a business network need of agility. Agile and interconnected business processes are needed to lead to a dynamic business ecosystem that allows a flow of collaborating and accessing information by people that need it.

## **KEYWORDS**

Network, digital ecosystem, artificial intelligence

# FORMATION OF INFORMATION SOCIETY IN UKRAINE

Kateryna Kononova<sup>1</sup>

<sup>1</sup>V. N. Karazin Kharkiv National University, Ukraine, [kateryna.kononova@gmail.com](mailto:kateryna.kononova@gmail.com)

## ABSTRACT

New technologies and scholarships have expanded access to the information worldwide. That has created new markets, new kinds of business, new logistics networks and new methods of business dealing. The base of such systems is Information-Communication Technologies (ICT) and the intellectual capital. "The Information Economy Report" published by the United Nations Conference on Trade and Development (UNCTAD) says that ICT is the general technology universally impacting the economy. It introduces new ideology in economic activities, essentially changing the approach towards technology usage for development. This stage of socioeconomic development was called the Information Society.

Standard statistical indicators were insufficient to evaluate its development, so it was proposed to calculate the composite ICT Development Index (IDI). It contains 46 indicators, divided into 3 groups, which are related to ICT access, use and skills. These indicators form the basis of Information Society's statistical profiles.

IDI ranges from 0 to 1. Top ten countries are headed by Sweden for the second year in a row. Its IDI is 7.85, with a minimum of 0.79 in Chad. Among CIS countries, Russia is leading. It takes 48th place (IDI=4,54), followed by Belarus (55, IDI=4,07), Ukraine (58, IDI=3,87), Kazakhstan (69, IDI=3,47) and Moldova (73, IDI=3,37).

A closer look at the IDI sub-indices shows that the growth of IDI is due to progress of ICT-use in developed countries, and of ICT-access in post-Soviet countries. On the one hand, this could be explained by the model of index constructing: firstly ICT infrastructure is created, then the intensity of its use increases, then there is the effect of ICT.

On the other hand, ICT-access and use are directly influenced by their value. People in developed countries spend only 1.5% of their income on ICT services, while residents of our region - nearly 10%. However, the relationship between ICT development and income in CIS countries is quite weak ( $R^2 = 0,66$ ) compared with European ( $R^2 = 0,88$ ), the Asian and Pacific ( $R^2 = 0,93$ ) or American ones ( $R^2 = 0,85$ ). This indicates that prices are a significant factor of the ICT development only if they fall below a certain level, making ICT services affordable for the majority of the population.

Nevertheless, the levels of IDI in Ukraine, Belarus and Moldova, is higher than expected, given the per capita income in these countries. This indicates that national strategies can facilitate the introduction of ICT in these countries and contribute to the intensification of their transition to Information Society.

Such strategies should be consistent with the current level of ICT implementation in the country, as well as with the priority aims and objectives of a particular phase of the Information Society. To formalize these goals, the author proposed a graph model.

According to the model, Ukraine is on the 3rd of six stage of the Information Society. So efforts should be directed at the E-Commerce Regulations, E-Payment Systems development, increasing security of transactions and services.

## KEYWORDS

Information-Communication Technologies, Information Society, graph model

# EDUCATIONAL NEEDS OF YOUNG FARMERS IN INFORMATION AND COMMUNICATION TECHNOLOGIES

Georgios Kountios<sup>1</sup>, Anastasios Michailidis<sup>2</sup>, Afroditi Papadaki-Klavdianou<sup>3</sup>

<sup>1</sup>*Aristotle University of Thessaloniki, Greece, agrog@agro.auth.gr*

<sup>2</sup>*Aristotle University of Thessaloniki, Greece, tassosm@auth.gr*

<sup>3</sup>*Aristotle University of Thessaloniki, Greece, papklavd@auth.gr*

## ABSTRACT

Agriculture has changed significantly in recent years worldwide. The liberalization of the world markets for agricultural products, the growing interdependence of agriculture with the rest of the economy, the overproduction of agricultural products, the changes in consumer preferences, the increasing problems of environmental protection, the daily bombardment of information, constitute the world in which they live, produce and operate today's young farmer. Consequently, a special role played by the agricultural education for understanding and applying the methods of Information and Communication Technologies always in accordance with the principles of good agricultural practices not only in domestic but also international markets. The present study investigates the training needs in matters related to ICTs for young farmers working on farms in the prefecture of Serres. For the purposes of research used both primary and secondary data. Of particular interest is the existence of an increased need of the target group for training on issues related to new technologies, in order to gain professional qualifications to improve the competitiveness of their agricultural holdings through specialized skills.

## KEYWORDS

Agricultural education, Educational needs, Information and Communication Technologies, Young farmers, Categorical Regression Model

# MONTE-CARLO SIMULATION IN SECURITY RISK ANALYSIS

Emil Burtescu, Claudia Burtescu  
University of Pitesti  
*emil.burtescu@upit.ro, claudia.burtescu@upit.ro*

## ABSTRACT

The ensurance of high security within an organization must be a permanent concern of its leadership. For this it's imperative that during a security risk management cycle a risk analysis to be done. Security Risk analysis, security risk management component mostly use estimative data during the extensive process. The results may not exactly reflect the further evolution of events. This is absolutely normal if we think about the fact that hazard must be modeled. Even though a way to model the events that affect the informational security of the company must be found. In this paper we will use the Monte-Carlo method to model a set of security parameters used in security risk analysis. Our focus will be made on estimating the frequency of unwanted events, damages and their impact and will be applied both to the qualitative and quantitative security risk analysis approach. The results will guide the experts to better allocation of resources for decreasing or eliminating the risk and will warn the leadership about some absolutely necessary investments.

## KEYWORDS

security, risk analysis, Monte-Carlo method, likelihood, impact, loss.

# DOMESTIC INSURERS IN POLAND AND THE GLOBAL CRISIS

Marietta Janowicz-Lomott<sup>1</sup>, Krzysztof Łyskawa<sup>2</sup>

<sup>1</sup>Gdansk University, Poland, [marietta@bg.univ.gda.pl](mailto:marietta@bg.univ.gda.pl)

<sup>2</sup>Poznan University of Economics, Poland, [k.lyskawa@ue.poznan.pl](mailto:k.lyskawa@ue.poznan.pl)

## ABSTRACT

The global financial crisis that began in mid-2007 in the USA affects the global economy in the scale compared to the Great Depression of the 30s. Since the source of this crisis was the collapse of the US real estate market and the liberal credit policy in the scope of mortgage loans the first institutional beneficiary of the financial crisis was the banking sector. However, other institutions including insurance companies have been affected by the consequences of the crisis. This article aims to analyze the impact of financial crisis on Polish insurance companies. The impact of crisis will be considered at three levels:

- the impact of changes in macroeconomic environment on the activities of insurance companies
- the impact on the financial situation of Polish insurance companies
- the potential consequences of affinity of domestic insurers to international capital groups.

The study relates to the years immediately preceding the financial crisis (2005-2006) and the period of 2007 – the first half of 2010.

The main area of impact of the crisis on the activity of Polish insurance companies has so far been the change in the assets value and the associated decline in the profitability of investment activity. As no insurance company had in its portfolio structured instruments based on mortgage loans therefore the decline in the value of assets was associated with the decline in the value of shares listed on the stock market, treasury securities with the interest rates dependent on market exchange rates and the participation certificates in the investment funds.

In light of the analysis carried out it seems that the situation on the Polish market has stabilized. At the same time, property insurers have had to face new difficulties – an exceptionally cold winter of 2010 and several flood waves. The year 2011 and those following shall still remain quite difficult years for the insurance market. The increased credit and market risk and the risk of macroeconomic environment and the resignation from insurance policies are the main areas of risk to which insurance companies will be exposed in this period.

The perspectives for global insurance are good (preliminary estimates for 2010 indicate an increase of 4.4% of life insurance written premiums and an increase of 1.3% in non-life insurance) and the forecast for Poland is very good.

The crisis situation could not have been left without the response from regulatory bodies. The EU proposes to accelerate works on the introduction of a new system to assess solvency of insurance companies (Solvency II), which is to include the assessment of the risks occurring in the insurers' activities and to motivate insurance companies to implement risk management systems. As a result of the crisis there was a need to review some previous works within the framework of Solvency II.

## KEYWORDS

Insurance companies, Polish insurance market, global crisis

# **MARKET ORIENTATION AND REGIONAL DEVELOPMENT: STRATEGIC AND STRUCTURAL ISSUES FOR THE AGRIBUSINESS SECTOR IN BALKANS.**

Katarachia Androniki<sup>1</sup> and Konstantinidis Anastasios<sup>2</sup>

*Department of Financial Applications, School of Business and Economy, Technological Educational Institute of Western Macedonia, Greece*

[akatarac@pme.duth.gr](mailto:akatarac@pme.duth.gr), [anastasioskonstantinidis@gmail.com](mailto:anastasioskonstantinidis@gmail.com)

## **ABSTRACT**

In the countries of South Eastern Europe, within the European Union, there are regions where the agri-food sector plays a vital role in socioeconomic terms. The aim of this paper is to examine the relationship between the market orientation concept and the Regional development. It explains the structure of the market from the perspective of small- and medium-sized agri-food producer organizations and discusses marketing strategy implications. Based on an extensive literature search the paper by focusing on key components of the market orientation concept such as, organizational culture, innovation, customer orientation, marketing co-ordination, coalitions and collaborations, explores their impact on regional development.

## **KEYWORDS**

Market orientation, innovation, collaboration, agri-food, regional development.

## **JEL CLASSIFICATION CODES**

Q13, R11

# LOCAL COOPERATION: A DYNAMIC FORCE FOR ENDOGENOUS RURAL DEVELOPMENT

Fotios Chatzitheodoridis<sup>1</sup>, Anastasios Michailidis<sup>2</sup>, Georgios Theodosiou<sup>3</sup> and Efstratios Loizou<sup>4</sup>

<sup>1</sup>*Technological Educational Institution of Western Macedonia, Dept. of Agricultural Products Marketing and Quality Control, Terma Kontopoulou, 53100, Florina, Greece*

[fchatzitheo@gmail.com](mailto:fchatzitheo@gmail.com)

<sup>2</sup>*Aristotle University of Thessaloniki, School of Agriculture, Dept. of Agricultural Economics, 54124, Thessaloniki, Greece*

[tassosm@auth.gr](mailto:tassosm@auth.gr)

<sup>3</sup>*Technological Educational Institution of Larissa, Dept. of Business Administration, 41110, Larissa, Greece*

[geortheo@yahoo.gr](mailto:geortheo@yahoo.gr)

<sup>4</sup>*Technological Educational Institution of Western Macedonia, Dept. of Agricultural Products Marketing and Quality Control, Terma Kontopoulou, 53100, Florina, Greece*

[lstratos@auth.gr](mailto:lstratos@auth.gr)

## ABSTRACT

The main objective of this study is to indicate that many times rural development is achievable endogenously, through local forces. It is believed that a direct relationship exists between local cooperation and local forces in rural communities, allowing them to become a mechanism for endogenous development. The study of local cooperation as a mechanism for endogenous development is important and thus after a review of theoretical works related to local cooperation and endogenous development the study presents an analysis derived from a case study, performed in a typical peripheral rural area in northwest Greece. Especially, after the recent spectacular shift of the global financial status, the existence of a local cooperation framework attracts the interest of the analyst as it can shed new light on endogenous development and on modeling and understanding better the long-term behavior of rural residents. Thus, this study examines the willingness of the local society to accept and support a local factor such as an investment proposal of the local union of agricultural cooperatives, by revealing the foremost reasons thereof. This is achieved by employing both descriptive statistics and multivariate analysis. Two-step cluster analysis is used to explore the different levels of local factor's adoption and a binomial logit model is estimated to determine the relation between social characteristics and willingness to adopt endogenous development.

## KEYWORDS

Agricultural cooperative, endogenous forces, local investment, logit, rural development, two-step clustering.

## JEL CLASSIFICATION CODES

C420, D190, R510, H540

# IMPLEMENT AGRICULTURAL EDUCATION SECTOR IN THE EUROPEAN QUALIFICATION FRAMEWORK

Miklós Herdon, Róbert Szilágyi, László Várallyai, Szilvia Botos,  
*University of Debrecen, Centre for Agricultural and Applied Economic Sciences, Faculty of Applied Economics and Rural Development, Institute of Economic Analytical Methodology and Applied Informatics*  
H-4032 Debrecen, Böszörményi út 138  
[herdon@agr.unideb.hu](mailto:herdon@agr.unideb.hu), [herdon@agr.unideb.hu](mailto:herdon@agr.unideb.hu), [varal@agr.unideb.hu](mailto:varal@agr.unideb.hu), [botos.szilvia@gmail.com](mailto:botos.szilvia@gmail.com)

## ABSTRACT

The Lisbon European Council in 2000 concluded that increased transparency of qualifications should be one of the main components necessary to adapt education and training systems in the Community to the demands of the knowledge society. Furthermore, the Barcelona European Council in 2002 called for closer cooperation in the university sector and improvement of transparency and recognition methods in the area of vocational education and training.

The goal of the Council to develop a framework for the recognition of qualifications for both education and training, building on the achievements of the Bologna process and promoting similar action in the area of vocational training. In the "Education and Training 2010" work program decided to develop a European Qualifications Framework.

This recommendation does not replace the national qualifications systems. The European Qualifications Framework does not describe specific qualifications or an individual's competences and particular qualifications should be referenced to the appropriate European Qualifications Framework level by way of the relevant national qualifications systems. This system should facilitate transnational mobility for workers and learners and contribute to meeting the requirements of supply and demand in the European labour market.

We are taking part a Lifelong Learning Transversal Program with 9 partners, which deals with definition of EQF for the Agricultural sector. The name of this project is: Implement Agriculture Qualification (ImpAQ). This is not easy task, because the agriculture includes several sectors.

ImpAQ aims to compare the Qualifications related to the Agricultural sector, by identifying and analyzing the main issues to be addressed with the purpose of connecting them to the EQF and focusing on the best resolving approaches following the "best fit" criterion. ImpAQ specific objectives are the following:

1. Make a comparative analysis of the use of the Learning Outcomes approach to describe the agriculture related Qualifications issued in the partner countries.
2. Develop guidelines to implement the referencing process by comparing the results of the envisaged comparison, in use in the respective countries and those reached by using only the Learning Outcome.
3. Establish guidelines to increase the coherence of the Qualifications Systems by using the best practices analyzed.
4. Establish guidelines to coherently achieve the referencing at different levels, in function of the present contextual characteristics, by involving the different target groups of the partner countries.
5. Produce a synthesis framework which collects precise indications regarding the characteristics of the created NQF and the related construction process.

The main project results can be the following:

1. A sample qualifications inventory concerning the agricultural sector, representative of the qualifications issued in the partner countries, related to the EQF levels through the analysis of their Learning Outcomes.
2. A range of issues and scenarios of possible solutions to develop comparability and portability of Qualifications in Agriculture; such issues, hypothetical solutions will be organized on different pillars of analysis (referencing process, quality assurance, recognition of non-formal and informal learning, recognition of credits).

## KEYWORDS

Agricultural sector, Education, European Qualification Framework, National Qualification Framework, Learning Outcome

## JEL CLASSIFICATION CODES

I23

# INFORMATION AND COMMUNICATION TECHNOLOGIES AS AGRICULTURAL EXTENSION TOOLS

Anatoli Marantidou<sup>1</sup>, Anastasios Michailidis<sup>2</sup> and Afroditi Papadaki-Klavdianou<sup>3</sup>

<sup>1</sup>*Department of Agricultural Economics, Aristotle University of Thessaloniki, Greece,  
[anatolim@agro.auth.gr](mailto:anatolim@agro.auth.gr)*

<sup>2</sup>*Department of Agricultural Economics, Aristotle University of Thessaloniki, Greece,  
[tassosm@auth.gr](mailto:tassosm@auth.gr)*

<sup>3</sup>*Department of Agricultural Economics, Aristotle University of Thessaloniki, Greece,  
[papklavd@agro.auth.gr](mailto:papklavd@agro.auth.gr)*

## ABSTRACT

Knowledge and innovation society are becoming priorities to the welfare and quality of life of the rural population. This is based substantially on scientific and technological progress. Information and Communication Technologies (ICTs) accelerate rural development by contributing to more efficient management and rapid knowledge dissemination. ICTs are defined as a different set of technological tools and resources used for communication and for the creation, processing, dissemination, storage and information management. The rapid revolution in modern agriculture has led to investigations in many regions. One of them is the rural region of the prefecture of Pella that exists many years in the agricultural sector. The objective of this research is to evaluate the adoption of ICTs among farmers and determine the importance of agricultural extension as an information source in the region of Central Macedonia. For this purpose, the approaches of summary statistics in combination with multivariate statistical analysis techniques have been used. In particular, through the statistical package SPSS (v.16.0), there were employed two correlation methods: (a) the categorical regression model and (b) the two-step clustering. The primary research data were collected using a specifically constructed questionnaire, supplemented by personal interviews with farmers of the prefecture of Pella. The sampling result was to collect a general sample of 303 valid questionnaires.

## KEYWORDS

Categorical Regression, Central Macedonia, Information and Communication Technologies, Rural development, Two-step clustering

## JEL CLASSIFICATION CODES

C420, D190, R580

# THE ANALYSIS OF THE ECO-TOURIST POTENTIAL FROM THE PERSPECTIVE OF ECO-LABELING OF AGRO-TOURIST PENSIONS IN ROMANIA

Virgil Nicula and Simona Spanu  
*Lucian Blaga University, Romania,*  
[niculavirgil@yahoo.com](mailto:niculavirgil@yahoo.com), [simona\\_spanu@yahoo.com](mailto:simona_spanu@yahoo.com)

## ABSTRACT

Developing a rural eco-economy depends on the global vision of the natural resources and on a broad understanding of the restructuring of economic notions and concepts needed to realize this vision.

What we suggest in this paper is to harmonize the existing Romanian system with international models in order to adapt the methods and techniques of implementing an eco-pension to the local ecotourism, by taking into account the character and traditions of the Romanian tourist village.

Evaluating the preliminary conditions for accrediting the pensions in Sibiel as eco-pensions is done by field investigation and surveys. The results obtained are formulating some proposals for issuing a series of methodological norms of classifying the reception structures with the function of tourist accommodation of the type of eco-pensions. What we monitor is the quantitative and qualitative analysis of the eco-tourist potential of the natural capital, clean technologies, ecological agriculture, the exploitation of non-polluting natural resources, the evaluation of the ecological impact and strategic eco-marketing, in order to identify those pensions that have an eco-tourist potential.

Promoting the concept of eco-pension among the administrators of the pensions which are selected as having eco-tourist potential and the highlighting of the profitability in time of this activity offers the advantages of experiencing a new model of tourist activity, the only one viable, and we are counting on the perceptiveness of the administrators of pensions in Sibiel, which will in this way be able to keep Sibiel on the top of rural tourist destinations. Evaluating and directing the activities from the field of tourism in relation to the ecotourism criteria will allow the exploitation of local natural and economic resources through the certification of eco-tourist products and that of destinations and accommodation structures, in order to guarantee the eco-tourist quality.

The eco-economical principles are essential elements when deciding to transform an agro-tourist pension into an eco-tourist pension.

## KEYWORDS

Ecotourism, rural eco-economy, eco-pension, sustainable development

# **EVALUATION OF NEW TECHNOLOGIES AND FARMING METHODS IN AGRICULTURE: A CASE STUDY OF AN INNOVATIVE GREENHOUSE IN GREECE**

Ioanna Apostolidou and Anastasios Michailidis

*Aristotle University of Thessaloniki, School of Agriculture, Dept. of Agricultural Economics, 54124, Thessaloniki, Greece,*

*ioanapost3@yahoo.gr, tassosm@auth.gr*

## **ABSTRACT**

Innovations contribute to rural development as well as in economic growth. It is worthy to mention that agriculture plays a major role in making the economy of Greece strong. However, farmers are to adopt a new cultivation method or technology only if the investment is profitable. Thus, constructing and operating a pilot production unit, operated only for educational purposes is a research topic of great interest. The main aim of this article is the evaluation of an innovative greenhouse that has been installed by the Public Power Corporation S.A. to the Lignitic Center of Western Macedonia, in Ptolemaida. By applying the theoretical framework of evaluating investments and scenarios analysis, alternative cultivations as well as innovative farming methods were investigated and are estimated to be competitive mixtures and viable enterprising practices. The risk and uncertainty of the investment, which are endogenous characteristics of agriculture, were examined by employing sensitivity analysis. Results indicate that the greenhouse unit, under certain conditions, can be a particularly attractive investment. The small size of the unit as well as the relatively long time required from the beginning of the unit until the «break-even point» of the investment appear to be major limiting factors. To sum up, the inquiring results can provide a significant guidance for agricultural policy and a handbook of greenhouses' competitiveness.

## **KEYWORDS**

District heating, Hydroponics systems, Investment evaluation, Rural development, Scenarios analysis, Sensitivity analysis.

## **JEL CLASSIFICATION CODES**

G11, O18, O32, Q16

# DATA MINING IN MEDICAL RECORDS FOR THE ENHANCEMENT OF STRATEGIC DECISIONS: A CASE STUDY

Yilmaz Goksen<sup>1</sup>, Mete Eminagaoglu<sup>2</sup> and Onur Dogan<sup>3</sup>

<sup>1</sup> Dokuz Eylul University, IIBF Dokuzcesmeler Buca Izmir-Turkey,

[yilmaz.goksen@deu.edu.tr](mailto:yilmaz.goksen@deu.edu.tr)

<sup>2</sup> Yasar University, Selcuk Yasar Kampusu Agacli Yol Bornova Izmir-Turkey,

[mete.eminagaoglu@yasar.edu.tr](mailto:mete.eminagaoglu@yasar.edu.tr)

<sup>3</sup> Dokuz Eylul University, IIBF Dokuzcesmeler Buca Izmir-Turkey,

[onur.dogan@deu.edu.tr](mailto:onur.dogan@deu.edu.tr)

## ABSTRACT

The impact and popularity of competition concept has been increasing in the last decades and this concept has escalated the importance of giving right decision for organizations. Decision makers have encountered the fact of using proper scientific methods instead of using intuitive and emotional choices in decision making process. In this context, many decision support models and relevant systems are still being developed in order to assist the strategic management mechanisms. There is also a critical need for automated approaches for effective and efficient utilization of massive amount of data to support corporate and individuals in strategic planning and decision-making. Data mining techniques have been used to uncover hidden patterns and relations, to summarize the data in novel ways that are both understandable and useful to the executives and also to predict future trends and behaviors in business. There has been a large body of research and practice focusing on different data mining techniques and methodologies.

In this study, a large volume of record set extracted from an outpatient clinic's medical database is used to apply data mining techniques. In the first phase of the study, the raw data in the record set are collected, preprocessed, cleaned up and eventually transformed into a suitable format for data mining. In the second phase, some of the association rule algorithms are applied to the data set in order to uncover rules for quantifying the relationship between some of the attributes in the medical records. The results are observed and comparative analysis of the observed results among different association algorithms is made. The results showed us that some critical and reasonable relations exist in the outpatient clinic operations of the hospital which could aid the hospital management to change and improve their managerial strategies regarding the quality of services given to outpatients.

## KEYWORDS

Decision Making, Medical Records, Data Mining, Association Rules, Outpatient Clinic.

## JEL CLASSIFICATION CODES

C80, I11, D83

# A MANAGERIAL PERSPECTIVE FOR THE ASSESSMENT OF THE EXPOSURE TO SOCIAL NETWORKS BUSINESS RISK

Pavlos Delias, Theodosios Theodosiou, Ioannis Kazanidis, Stamatios Asimidis

*Department of Accountancy, Faculty of Economics, University of Kavala Institute of Technology, 65404 Kavala, Greece*  
[pdelias@teikav.edu.gr](mailto:pdelias@teikav.edu.gr), [theodosios.theodosiou@gmail.com](mailto:theodosios.theodosiou@gmail.com), [kazanidis@teikav.edu.gr](mailto:kazanidis@teikav.edu.gr), [s.asimidis@gmail.com](mailto:s.asimidis@gmail.com)

## ABSTRACT

The business risk related with employees' exposure to social networks concern mainly two issues: The procrastination (since employees spend working time on social networks) and the information leakage (which can be triggered either by naïve and imprudent comments – posts, or by intentional description of business information).

For both cases, two principal factors guide the management policies that aim at tackling this business risk: The cost and the exposure's magnitude, i.e. the impact of the exposure. A quantification approach for both these factors is possible if measurable output criteria are used. Examples of criteria, which are popular in the related literature, are the amount of data leaked, the exploited data leakages (by attackers), the monetary investment etc. However, based on the particularities of each enterprise, the management group may consider different significance weights for every criterion, namely it may consider different tradeoffs among them.

In this paper, a multiple criteria, ordinal regression method is applied to support the management group to assess the significance weights of the decision criteria. This method follows the well-established aggregation-disaggregation approach and uses linear programming to outline the decision makers' preferences. Based on the result of the above multiple criteria technique, consistent cost and exposure's magnitude functions can be created as additive value functions. Claiming consistency of these functions is justified by the incorporation of the estimated significance weights into the additive formulas.

However, even after the introduction of the above functions, it is possible to evaluate a concrete management policy, but it is quite hard to find the optimal (or the near-optimal) one, i.e. the policy which can concurrently minimize cost and the exposure's magnitude. For this reason, a simple genetic algorithm methodology is implemented. The genetic algorithm optimization procedure is capable of balancing exposure over cost and of recommending a near optimal managerial policy, with respect to the consistency and the rationality of the optimization functions (the additive value functions described above).

Finally, the above-proposed methodology can be applied for different set of evaluation criteria, a fact that supports the generalization of our contribution.

## KEYWORDS

Business informatics, Social Networks, Multiple criteria analysis

## JEL CLASSIFICATION CODES

C3, C6, M1

# EXPLOITING ORGANISATIONAL KNOWLEDGE THROUGH VIRTUAL COMMUNITIES

Lazanas Alexis and Aggelopoulos Yiannis  
*Technological Institute of Patras, Koukouli, 26334, Patras, Greece*  
[alaz19@otenet.gr](mailto:alaz19@otenet.gr), [j\\_aggelo@sch.gr](mailto:j_aggelo@sch.gr)

## ABSTRACT

The wide recognition of Communities of Practice (CoP) and their contribution as knowledge construction mechanisms due to the fact that group work and collaboration - using online environments - has become an important research topic through the interconnectivity enabled by the World Wide Web. CoP are constantly applicable in alternative application domains such as: education, social life, Internet and mainly in the Organizational structure. The main objective of this paper is to investigate the role of Virtual Communities of Practice in the leadership domain and especially in decision making process within a company. In classifying a CoP as successful some critical factors play a key role such as: human resources, collaboration technology, and the practices used to solve the problems or make decisions. The objective of CoP is to accumulate different forms of knowledge through the interaction of its members and to exploit this knowledge in problem solving through Decision Support Systems (DSS). Therefore, we propose a new decision making model that is capable of using the knowledge generated by CoP, exploiting at the same time Collaboration Support Systems (CSS) proposed in the literature in order to provide the DSS's with both types of formal (explicit) and informal (tacit) knowledge.

## KEYWORDS

e-Communities of Practice, Collaboration Support Systems, Decision Making, Leadership, Knowledge Management

## JEL CLASSIFICATION CODES

D83

# **COST ANALYSIS – A COMPANY PERFORMANCE MANAGEMENT TOOL**

Marian Țaicu<sup>1</sup> and Maria-Daniela Bondoc<sup>2</sup>

<sup>1</sup>*University of Pitești, Faculty of Economic Sciences, Bld. Republicii, no. 71, Pitești, Argeș, Romania,*  
[marian.taicu@upit.ro](mailto:marian.taicu@upit.ro)

<sup>2</sup>*University of Pitești, Faculty of Economic Sciences, Bld. Republicii, no. 71, Pitești, Argeș, Romania,*  
[daniela.bondoc@upit.ro](mailto:daniela.bondoc@upit.ro)

## **ABSTRACT**

Performance, value and costs are three concepts holding a central place in the analysis of the activity of any company, and there are mutual determination relationships among them. The accurate determination of costs is essential for the correct assessment of the company performance, and the cost analysis allows for making decisions concerning the actions taken to decrease them.

Due to the depletion of resources, the economic growth must take place by taking into account the principles of sustainable development. In recent decades, the concern for achieving social and environmental performance has increased as a result of the increase in the social and environmental costs of the companies.

There is an interdependence relation among the three types of performance (economical and financial, social and environmental). Thus, obtaining economic performance enables companies to invest more to solve social and environmental issues, and obtaining performance in these two areas may lead to an increase in the economic performance.

An accurate cost analysis is required, on the one hand, by the fact that resources are limited, and on the other hand by the desire to increase the efficiency of the activity, with positive effects on the future performance.

## **KEYWORDS**

cost analysis, performance, value

## **JEL CLASSIFICATION CODES**

M41

# COMPANY PERFORMANCE MEASUREMENT: CONCEPTUAL AND METHODOLOGICAL APPROACHES

Victoria Firescu<sup>1</sup> and Marian Țaicu<sup>2</sup>

<sup>1</sup>*University of Pitești, Faculty of Economic Sciences, Bld. Republicii, no. 71, Pitești, Argeș, Romania,*  
[firescuvictoria@yahoo.com](mailto:firescuvictoria@yahoo.com)

<sup>2</sup>*University of Pitești, Faculty of Economic Sciences, Bld. Republicii, no. 71, Pitești, Argeș, Romania,*  
[marian.taicu@upit.ro](mailto:marian.taicu@upit.ro)

## ABSTRACT

The issue of the conceptualization and especially of the company performance measurement under the impact of the international accounting standards is far from receiving a satisfactory answer in the context of information asymmetry, and of countless and various objectives of the business entities. In the approached research, we use the literature review method, studying previous research in the literature, as well as the activity of various standardization bodies related to the company performance definition and measurement. We aim at expanding all this research effort based especially on documentation in the literature and on the analysis of the requirements of the financial reporting standards issued by professional or regulating bodies beyond the customization of the opinions, assumptions or financial reporting standards and at testing the reflection of the concepts outlined at the theoretical level on the company reporting practice.

## KEYWORDS

performance, measurement, performance indicators.

## JEL CLASSIFICATION CODES

M41

# LMS CONTRIBUTION TO A BETTER BUSINESS EDUCATION

Ioannis Kazanidis<sup>1</sup>, Ioannis Petasakis<sup>2</sup>, Stavros Valsamidis<sup>3</sup>, Alexandros Karakos<sup>4</sup>

<sup>1</sup>*Accounting Department, Kavala Institute of Technology, Agios Loukas, 65 404, Kavala, Greece,*  
[kazanidis@teikav.edu.gr](mailto:kazanidis@teikav.edu.gr),

<sup>2</sup>*Accounting Department, Kavala Institute of Technology, Agios Loukas, 65 404, Kavala, Greece,*  
[svalsam@teikav.edu.gr](mailto:svalsam@teikav.edu.gr)

<sup>3</sup>*Accounting Department, Kavala Institute of Technology, Agios Loukas, 65 404, Kavala, Greece,*  
[jpetasakis@hotmail.com](mailto:jpetasakis@hotmail.com)

<sup>4</sup>*Department of Electrical and Computer Engineering, Democritus University of Thrace, Xanthi, Greece,*  
[skontog@ee.duth.gr](mailto:skontog@ee.duth.gr)

## ABSTRACT

Further education and training of the employees are very important factors for the enterprise success. Unfortunately, the lack of time and space has lead to their limited appliance in an enterprise. Limited financial support is another suspending factor. On the other hand, rapid technological progress in the sector of information technology and communications has lead to the implementation of the Internet applications such as Learning Management Systems (LMSs). None could deny that LMSs supplement existing traditional educational systems or they fully substitute the latter.

So, it has been laid weight to the evaluation of their usage in an enterprise. Some metrics, which are firstly introduced by the authors, are used for this evaluation. Structured questionnaires exposed both to the educators and the learners are the second means for evaluation. It is worth to mention that a full evidence of the evaluation consists of the pre- and post-test phases. Namely, a statistical comparison of the metrics of the courses before and after an educator's exposure to/and utilization of the metrics, offers valuable insights and helps systematically to evaluate the LMS usage. The educators and the learners were asked to express their attitude; how useful the aforementioned metrics are in practice and how the courses were assessed before and after the utilization of the metrics.

The two-fold evaluation will end up to a better LMS offering optimal educational material to the learners.

## KEYWORDS

LMS, evaluation, metrics.

# CHALLENGES AND UNCERTAINTIES OF MANAGERS AS PREDICTORS OF THE DEGREE OF FORMALIZATION APPLIED BY ORGANIZATION IN IT: WHAT THEY THINK TO DO VERSUS WHAT THEY THINK THEY SHOULD DO IN A GREEK REALITY

Ekaterini Galanou<sup>1</sup>, Ioannis Sotiropoulos<sup>2</sup>, Georgios Georgakopoulos<sup>3</sup> and Stella Stiliadi<sup>4</sup>

<sup>1</sup> *Department of Business Administration, Technological Educational Institute of Patras,*  
[ketygalapatra@yahoo.gr](mailto:ketygalapatra@yahoo.gr)

<sup>2</sup> *Department of Finance and Auditing, Technological Educational Institute of Epirus,*  
[sotiropoulosioan@yahoo.gr](mailto:sotiropoulosioan@yahoo.gr)

<sup>3</sup> *Amsterdam Business School - Accounting Group, University of Amsterdam,*  
[g.georgakopoulos@uva.nl](mailto:g.georgakopoulos@uva.nl)

<sup>4</sup> *Department of Business Administration, Technological Educational Institute of Patras,*  
[stiliadi\\_stella@yahoo.gr](mailto:stiliadi_stella@yahoo.gr)

## ABSTRACT

The purpose of this article is to study how two different managerial dimensions (or poles) of the free-market-based economy in Greece – “privately owned enterprises (POEs)” and “state-owned enterprises (SOEs)” – affect managers’ effective practices in their perceptions when they act in an uncertainty environment. The study analyzes two kinds of factors which focus on concepts related to: “should” option or presented data, and “would” (or could) option or managers’ preferred in reality option of activity.

The research was completed in two stages: survey research based on open-ended questions and face-to-face structured interviews based on a total data of 200 manager’s decisions.

Analysis revealed that at the managers of large and national-owned enterprises should present a sense of dynamic initiatives, whereas in reality they would prefer roles of delay or inoperative. Managers of private business sector should present all kinds of initiatives except from a policy of inaction. In other words, they would adopt to manage directly, or less often, to wait or not act at all.

Discussing the influence of other organizational factors than the size and the form of ownership should be subjects of future research. Also, the assessment of decision implementation initiatives of managers in organizations, in nation-owned and private companies in countries with different economies should also be studied.

This study gives managerial implications for companies willing to open subsidiaries or establish partnership with companies from countries with a free state-controlled economy.

The paper is original research that proves the influence of the changing business environment and characteristics of a company on a manager’s attitude.

## KEYWORDS

Managers’ skills, uncertainty management, organizational change, decision making, Greece.

# **CAREER-FERTILITY COMBINATIONS AMONG WOMEN AND THEIR EFFECT ON LIFE SATISFACTION**

Tatiana Karabchuk

*Laboratory for Comparative Social Studies,  
tkarabchuk@hse.ru*

## **ABSTRACT**

The paper deals with life satisfaction among women depending on their status on the labour market and number of children they have. Are women satisfied with their life in case they have good careers but no children? Are women with children but no jobs the happiest ones? What are the countries differences? These are the question the paper is going to tackle.

## **KEY WORDS**

life satisfaction, happiness, job satisfaction, employment, childbirth, women

# **TEMPORARY EMPLOYMENT IN RUSSIA: WHY MOSTLY MEN?**

Tatiana Karabchuk

*Laboratory for Comparative Social Studies,  
tkarabchuk@hse.ru*

## **ABSTRACT**

The paper deals with temporary employment on the Russian labour market. The main focus is the gender differences of determinants for being temporary employed in Russia. The puzzle here is that Russia is completely different from European countries where women are most likely to have temporary work. The general question for the paper is why? The household survey of NOBUS (held in 2003 by State statistical centre with World Bank participation) is used to answer the question. The results of the survey prove that gender differences for the probability of temporary employment do exist and the main factors that explain these differences are education and marital status.

## **KEYWORDS**

temporary employment, gender, determinants of the probability, decomposition for gender differences

## **JEL CLASSIFICATION**

J21, J41

# FACTORS AFFECTING THE EVALUATION OF MARKET VALUE IN RIGA

Oksana Ruzha

*Daugavpils, Parades 1-331, ksjuha2@tvnet.lv*

## ABSTRACT

Factors affecting the evaluation of market value. In accordance with definition of market value of the property depends on the factors that determine the average or most probable sale price in the market by normal conditions of the deal. The price of each purchase - sale deal of the real estate is determined by many such factors as in other pricing mechanism.

At the first level of classification they can be divided into objective and subjective factors. At a certain conventionality of division it groups the factors, which are dependent and independent of the will of the individual participant of the deal.

There are considered the objective factors in determining the market value. The subjective factors are related with the behaviour of a concrete buyer, seller or broker settling the transaction, which is not defined directly by the economic conditions (temperament, knowledge, honesty, patience, trust, personal likes and dislikes, etc.). Analysis of these factors, which are related to the field of individual psychology, not economics, goes beyond the market value of real estate.

Objective factors, mainly, are economic, determining the average price of concrete transactions. But the price of each particular transaction forms under the influence by other factors and is a kind of a random measurement that fluctuates around this average level.

Economic factors can be divided into macro and micro. The first group includes factors related to overall market conditions: initial security requirements in real estate objects in the region; the amount and structure of new construction and reconstruction; factors of migration; legal and economic terms of transactions (taxes, fees, etc.); level and the dynamics of inflation; rate of currency and its dynamics.

In Latvian conditions in a group of macro-economic factors may also be specified following long-term factors:

- differences in the dynamics of prices for goods and services, also conditions of remuneration of labour, affecting the extent of accumulation of money and the value of pent-up demand;
- development of a mortgage system;
- the pace and scale of the formation of a new social stratum "rich people", and their opportunities to invest in real estate;
- development of foreign representation in the region (Riga).

Macroeconomic factors are inertial, significantly affecting the long-term dynamics of the general level of prices for apartments and determination of their structure (ie, the ratio of prices between different groups of similar apartments). But in the short term (approximately within a few months) they can be roughly assumed to be constant, while the overall market conditions - fixed.

Microeconomic factors characterize the objective parameters of concrete transactions. Important factors of them are those that describe the object of the transaction (apartment). Also relevant factors are, which are related with nature of the transaction and the terms of payment. But so far the nature of transactions with apartments in Latvia became standard and stable. There are worked out the basic procedures for processing transactions and their payment.

## KEYWORDS

Housing, property evaluation, factors affecting the real estate appraisal.

## JEL CLASSIFICATION CODES

L85

# MODERN CHALLENGES IN GOVERNMENTAL REGULATION OF LABOR FORCE MIGRATION IN UKRAINE

Oleksandr Chernyak<sup>1</sup> and Yevgen Chernyak<sup>2</sup>

<sup>1</sup> *Department of Economic Cybernetics, Taras Shevchenko National University of Kyiv, 90a, Vasilkivska str. Kyiv, 030022, Ukraine, [chernyak@univ.kiev.ua](mailto:chernyak@univ.kiev.ua)*

<sup>2</sup> *Department of International Economics, Taras Shevchenko National University of Kyiv, 90a, Vasilkivska str. Kyiv, 030022, Ukraine, [evgenius206@maile.ru](mailto:evgenius206@maile.ru)*

## ABSTRACT

The work includes an analysis of the main modern challenges in a sphere of the labor force migration in Ukraine. The development of governmental regulations of labor force migration will give Ukraine a chance to improve quality of the workforce, that come from abroad and to avoid quitting of scientists, making them able to be employed in Ukraine. Also changes in migration policy will help to decrease an unemployment rate in a country. The influence of the labor force migration on the country's economical development is also measured. Necessity of changes in governmental regulation of labor force migration in Ukraine is described in the work. The government should make several steps to stimulate the usage of local labor force instead of cheap and unqualified foreigners by national enterprises. First step is to provide the "quality rate" of the foreigner to be employed. The second step is a governmental support of enterprises that will act according to mentioned rules and will carefully regard the professionalism of employees. Such enterprises should receive subsidies.

## KEYWORDS

Labor force migration, governmental regulation, unemployment, Ukraine.

## JEL CLASSIFICATION CODES

F22, J61

# **ECONOMIC CULTURES AND THEIR INTERCULTURAL COMMUNICATION IMPACT ON MIGRATION SOCIETIES. THE GREEK CASE**

Byron Pissalidis

*A.S.P.E.T.E School of Pedagogical and Technological Education of Thessaloniki, Greece,*  
[pissal@edlit.auth.gr](mailto:pissal@edlit.auth.gr)

## **ABSTRACT**

Intercultural communication is directly perceived through contacts in the workplace, the economy, the science, the education, through the media, the entertainment and tourism, but also in the area of the immigration, of individuals, populations, that are moving massively as economic immigrants, refugees or as asylum-seekers.

In Greece we meet “a mosaic of immigrants” that comes from countries with a different cultural, social, economic, historical and political background. It is a fact that such a cultural “attack” led to problems of their coexistence with the native population, that were related to their diversity in areas of daily life such as, for example, what’s their position in the evolution of the country, in the Greek labor market and in the distribution of the national economy as well as their social and financial presence in the developing process of regional/ local communities. The cultural decentralization of a nation is not equivalent to a denial of its cultural autonomy but, on the contrary, with self-determination and self-evaluation, it recognizes that its autonomous cultural identity needs to be strengthened and to be expanded by others. Culture defines the language and the way of life, the human relations and the technical means such as the tools, food and clothes as well as the ways of thinking, feeling and perception, the religions, the taboos, the duties, the sexual practices, the ways of entertainment, the traditions, marginalization – racism or even the economy.

The economic activities are performed in order for the economy to work. The economy works in order to meet the needs, the aspirations that are determined and demanded by the society, on the basis of its own viewpoint about everyday life. It includes many other activities that are not taken into consideration by the dominant, economic system, because they don’t produce considerable recorded economic gain. Someone could say that the meta-globalized economic culture is mainly a monetary culture that excludes everything that is non-measurable since the traditional economies are equal to what is the etymology of the word: oikos (house, home) and nomia/ (management), in other words, the management of the household.

The intercultural identity of the cities in Greece is also reinforced in the 21st century with the integration of the economic immigrants as well as of their intercultural load in the social, economic and political fabric of each modern city. In a cultural approach, we have to bear in mind that the universality of a city doesn’t depend only upon the small or the large flow of the people and of their cultural products, but it also depends on the interpretation of the concept of the multicultural management as well as of the intercultural communication, by the people who live in the so-called ‘global cities’. Greece has changed, within twenty years, from a country with a tradition in the phenomenon of immigration and also of a historical influx of refugees in one of uncontrolled influx of immigrants and refugees and especially of the illegal immigrants with no way out and no specific strategic plan..

## **KEYWORDS**

Migration, Interculturality, Multicultural Management, Economic Cultures, Local/Regional Government.

## **JEL CLASSIFICATION CODES**

Z1, Z10, F22

# **THE ECONOMIC IMPACT OF IMMIGRATION ON THE DESTINATION COUNTRIES: A CASE STUDY OF GREECE**

Alexiadis Stilianos<sup>1</sup>, Ladias Christos<sup>2</sup> and Milionis Sotirios<sup>3</sup>

<sup>1</sup>*University of Piraeus, Department of Economics,  
salexiadis7@aim.com*

<sup>2</sup>*University of Central Greece, Department of Regional Economic Development,  
caladias@otenet.gr*

<sup>3</sup>*Hellenic Public Real Estate Corporation,  
sotirismilionis@yahoo.gr*

## **ABSTRACT**

This paper aims to discuss some implications of the contemporary trends in migration on the Greek economy. The ‘push and pull’ factors for contemporary immigration, at the international level are considered, followed by an analysis of the underlying reasons behind the influx of immigrants in Greece. The three basic statuses of immigration are highlighted in order to pinpoint the differential influences on the economy of Greece. A brief historical overview of contemporary migration in Greece is also provided, together with an analysis of the immigrants’ employment. Possible positive and negative effects, on the host country, are identified using a variety of economic indices. The analysis is extended further by considering the effects of immigration on the process of regional growth and convergence in Greece, using spatial econometric techniques.

## **KEYWORDS**

Immigration, Greek Economy, Regional Growth.

## **JEL CLASSIFICATION**

R23

# THE SOCIAL PROTECTION OF CHILDREN WHOSE FAMILIES ARE IN TEMPORARY LABOR MIGRATION

Rus Mihaela

*Ovidius University, Constanta, Romania,*  
[psiholog\\_m@yahoo.com](mailto:psiholog_m@yahoo.com)

## ABSTRACT

The leaving of one or both parents is closely related to finding and filling a job on the external labour market, with financial and material rebalance within the family environment, with rising living standards, manifested as a social phenomenon. The effects are felt both within the family, in which changes in structure, dynamics and functionality take place, and by the child, who faces a variety of issues. We see these around us, in our families or at those near us, within the work environment or in the neighbourhood and these are presented mostly as a very easy alternative for solving financial problems and the good initial intention to change the economic situation of the family has, in time, an effect on the family and children.

The paper is designed to analyze temporary foreign labour migration, its causes, its consequences, the institutions and legislation in this area at national and European level, but mainly on how children are affected by the departure of parents and which are the institutions and legislation that protect these children.

The research part consisted of a questionnaire-based sociological survey, on a sample consisting of 180 students (90 from the urban environment and 90 from the rural environment), with the aim of sketching the image of the family affected by the phenomenon of external migration, of identifying the reasons which led to the decision of going abroad to work, of how children are affected by the departure of one or both parents, of the quality of the relationship child-care person, of the problems that may or may not improve if one or both parents would return to the family environment. The manner of presenting the results combines quantitative statistical data with excerpts from interviews of child protection professionals in communities.

## KEYWORDS

Labor, children, family, social policies.

# MACEDONIAN ECONOMIC MEASURES: A WAY TO DEAL WITH THE INFLUENCE OF GLOBAL ECONOMIC CRISIS

Aleksandar Cuculeski<sup>1</sup> and Nikola Cuculeski<sup>2</sup>

<sup>1</sup>*Ohrid Ekspres, The Former Yugoslav Republic of Macedonia,*

[cuculeski@gmail.com](mailto:cuculeski@gmail.com)

<sup>2</sup>*University American college, The Former Yugoslav Republic of Macedonia,*

[djcuci@gmail.com](mailto:djcuci@gmail.com)

## ABSTRACT

Republic of Macedonia, as a small and open economy, the effects of the global economic crisis were felt with a certain delay. The impact was primarily in the real sector, through the foreign--trade exchange, as a consequence of which we noticed a drop in industrial production, an increased trade deficit and reduced FDI's. This in turn reflected itself in reduced budget income, reduced financial liquidity and increased interest rates.

Certainly, an economy open at all and with a high degree of direct dependence on European and global economies in general should not be saved by the crisis in financial top and then the global economic.

Having in mind the effects the global economic crisis is having on the domestic economy, the primary challenges facing economic policy decision makers are: how to alleviate the effects of the crisis without disrupting market principles, while at the same time helping with long term measures that will improve the competitiveness of the domestic economy, and how to finance the domestic economy, in circumstances of reduced domestic demand and reduced economic activity as a result of reduced external consumption. In its strategic commitment to developing an open market based economy, the Republic of Macedonia implemented economic reforms, policies and activities aimed at liberalizing the market and foreign trade. In that sense, with the signing and implementation of numerous free trade agreements and membership in the WTO the Republic of Macedonia had an institutional basis to function as a small and open economy within the frame of the global economy.

## KEYWORDS

Crisis, Economy, Reforms

# GLOBAL CRISIS AND THE SAVING RATE IN THE EU

Ionescu Romeo

*Dunarea de Jos University, Romania,*

[ionescu\\_v\\_romeo@yahoo.com](mailto:ionescu_v_romeo@yahoo.com)

## **ABSTRACT**

The paper deals with the analysis of the impact of the present global crisis on the households' welfare. In order to realise it, the first step of the analysis is the final consumption evolution in the EU and Romania. The analysis continues with the investment rate and the saving account as effects of the GDP trend. A distinct part of the paper covers the IMF's idea of a world economy with three speeds. The last part of the paper realises a comparative analysis of the saving rate of the households across the EU during 2007-2012.

All conclusions of the paper are supported by neutral statistic bases, pertinent diagrams and tables. The main conclusions of the paper are those the present crisis grew the disparities between the member states connected to the saving rate of the households and the situation in Romania is worst.

## **KEYWORDS**

saving rate of the households, final consumption, investment rate, saving account, purchasing power parity.

# INNOVATIVE DIMENSIONS OF CONTEMPORARY FINANCIAL CRISES

Maria Vasilescu

*"Constantin Brancusi" University, Romania,*  
[maria\\_vasilescu1983@yahoo.com](mailto:maria_vasilescu1983@yahoo.com)

## **ABSTRACT**

Without denying the common features of the contemporary crises with similar turmoil episodes from the long history of economic and financial crises, one must note that these crises have brought, undoubtedly, elements of originality. A sustained process of financial deregulation, the combination of financial and technological innovation in banking and credit markets or the underestimation of risks turned out to be sources of what became a general state of vulnerability and fragility.

## **KEYWORDS**

financial deregulation, innovation, international financial integration, crisis.

# DOMESTIC INSURERS IN POLAND AND THE GLOBAL CRISIS

Marietta Janowicz-Lomott<sup>1</sup> and Krzysztof Łyskawa<sup>2</sup>

<sup>1</sup> *Gdansk University, Al. Armii Krajowej 101, 81-824 Sopot, Poland*  
*marietta@bg.univ.gda.pl*

<sup>2</sup> *Poznan University of Economics, Al. Niepodleglosci 10, 61-875 Poznan, Poland*  
*k.lyskawa@ue.poznan.pl*

## ABSTRACT

The article contains the analysis of the impact of global crisis on Polish insurance sector. The main areas of the crisis impact on the activity of Polish insurance companies has so far been the change in the assets value and the associated decline in the profitability of investment activity. The danger arising from the economic downturn has not been realized so far in the Polish insurance sector. Although the premium written is high, the structure of the portfolio in life insurances is changing. In 2008, however, a significant retreat from saving insurance policies with capital funds in the direction of structured products is observed. A significant increase in premiums written resulted in a good financial situation of Polish insurance companies. Despite the turmoil in financial markets it also seems that solvency of Polish insurance sector is unthreatened as measured by statutory ratios.

## KEYWORDS

insurance companies, Polish insurance market, global crisis

## JEL CLASSIFICATION CODES

G22, G01

# **BALKAN TOURISM FORECASTS IN THE CONTEXT OF GLOBAL ECONOMIC CRISIS**

Diaconu Mihaela<sup>1</sup> and Micu Ionela Cristina<sup>2</sup>

<sup>1</sup>*University of Pitesti, Pitesti, bd. Republicii, no. 71, diaconu\_m2005@yahoo.com*

<sup>2</sup>*University of Pitesti, Pitesti, bd. Republicii, no. 71, micucristyna@yahoo.com*

## **ABSTRACT**

Through this work we want to talk about the Balkan tourism evolution in the context of the global economic crisis, insisting on the effects generated by the tourism over the economy, quantified effects with the help of the Satellite Account of Tourism and Travelers Industry, an instrument that approaches from a new perspective the expenses that generate the travel cash flow. Global economic crisis has determined a contraction of all economic activities and it obviously has reflected in tourism too. This work emphasizes the impact of tourism over the economy at a global and European level and at the level of tow Balkan tourist destinations, Romania and Bulgaria. We chose these countries because Bulgaria is one of the Balkan tourist destinations which together with Turkey, Greece and Croatia has been noticed and the arrivals index and it can be an important competitor for Romanian tourism. We are also trying to talk about the economic recovery program developed by the Global Tourism Organization, and it includes an assembler of guidelines for the travel industry to get out of crisis.

## **KEYWORDS**

Balkan tourism, Satellite Account of Tourism and Travelers Industry, economic crisis, Romania, Bulgaria

## **JEL CLASSIFICATION CODES**

L83, Q56

# THE GREEK CRISIS THAT SHOULD HAVE BEEN AVOIDED

Nikitas-Spiros Koutsoukis

*Dept. of Political Science & International Relations, University of Peloponnese, Corinth, Greece  
nkoutsou@uop.gr*

Spyros Roukanas\*

*Dept. of International and European Studies, University of Piraeus, Piraeus, Greece  
sroukana@webmail.unipi.gr*

## ABSTRACT

The ongoing economic crisis of Europe has realigned the notion of nation branding in a prominent way. In the pre-crisis era, nation brand was used as a holistic, forward looking, marketing device for pursuing economic development that relied heavily on the economic interactions that are prominent in the globalised economy. Being in the crisis era and looking closely towards the post-crisis era, it appears that nation brand is less of a proactive marketing device and more of a fragile intangible asset.

Using the case of Greece as an example, we interpret the recent Greek crisis from a fresh perspective. Although the widely held view is that, the Greek crisis was evident in the dim macroeconomic outlook and thus imminent and unavoidable, we suggest that the crisis was also unavoidable but for an entirely different set of reasons; namely the lack of consistent and coherent political development.

A comprehensive reading of the Greek situation is more likely to unveil and subsequently debunk a number of myths including the following:

- The Greek crisis has been the sole outcome of failed economic policies;
- Greece has been characterized by political stability;
- Political leadership maintains policy continuity and sustainability;
- A strategic vision for the country's development is being shared among ruling parties.
- The Greek people have a shared vision, values and principles regarding competent economic and political development.

These myths are, in essence, related to political development attributes that are frequently taken for granted in developed economies, including the US, Japan, most EU and the Euro zone. In this case however, these same attributes differentiate Greece from its counterparts despite any similarities in deficits, debts or other dim macroeconomic figures.

Using Greece as an example, we draw upon empirical data to show that the political development attainment level is a critical component of nation branding and a root cause in the Greek crisis. We also support the view that, the lack of brand risk management techniques at the governance level was a key catalyst for the rapid escalation of what at first instance appears to be bad public financial practices and policy making, but is in essence lack of real political development. Thus, the Greek crisis should have been avoided.

## KEYWORDS

Nation branding, Greek crisis, European Economic Crisis

## JEL CLASSIFICATION CODES

F55, F59

# ECONOMIC AND INSTITUTIONAL REFLECTIONS ON THE GREEK CRISIS

Petia Tanova<sup>1</sup> and John Violaris<sup>2</sup>

<sup>1</sup>*Frederick University of Cyprus, 18, Mriou Agathangelou St., Agios Georgios Havouzas, 3080 Limassol, Cyprus.  
ptanova@gmail.com*

<sup>2</sup>*Frederick University of Cyprus, 7, Y. Frederickou St., Pallouriotissa, 1036 Nicosia, Cyprus.  
bus.vj@fit.ac.cy*

## ABSTRACT

The crisis in Greek public finance has turned into a central issue of economic and political debates in the European Union and beyond. The tangling of the crisis has questioned various macroeconomic approaches and has revealed their constraints and drawbacks. We raise the hypothesis that the Greek crisis exemplifies the ongoing crisis of the guided market economy. On the basis of comparative analysis within the EU member countries we conclude that the social market economy offers more adequate institutions to the current trends of economic development and to the social values prevailing in the EU.

## KEYWORDS

Greek crisis, guided market economy, social market economy, business system, social welfare function

## JEL CLASSIFICATION CODES

P52, P17, B52

# ROMANIA POST- CRISIS. CLOSER OR FARTHER AWAY FROM THE EUROPEAN MODEL?

Socol Cristian, Socol Aura and Marinas Marius

*Academy of Economic Studies, Bucharest, Piazza Romana, 6,  
{socol.cristian; socol.aura; marinas.marius} @economie.ase.ro*

## ABSTRACT

Global economic crisis has seriously affected the Romanian economy. With one of the toughest austerity programs in the European Union, the Romanian economy have advanced the development prudent macroeconomics policies and implement structural reforms in the market for goods, labour and financial products. In this paper, we identify the stage of compliance the principal conditionalities on admission in Eurozone. The nominal and real convergence must be touched faster because this processus suppose stability prices, the financial soundness indicators, the need to stabilize exchange rate. In addition, the real convergence with European Union is very important. There is potential conflict between real and nominal convergence ? Can Romanian economy obtain a grow faster convergence ? Fiscal adjustment leads Romania closer or farther away from the European model?

## KEYWORDS

convergence, Maastricht criteria, real convergence, fiscal adjustment

## JEL CLASSIFICATION CODES

E61, F15

# **PRINCIPLES AND SUGGESTIONS WE NEED TO TAKE INTO ACCOUNT WHILE DEVELOPING THE EXPORT STRATEGY OF WINE WITHIN THE CURRENT INTERNATIONAL CONTEXT**

Cristina Sandu

*Spiru Haret University - Faculty of Finance Accountancy Management Constanta  
B-dul Alexandru Lapusneanu nr.195, Bl.LAV1, ap.8, Constanta  
criss\_sandu@hotmail.com*

## **ABSTRACT**

The development of the export strategy in the wine growing and making is made within the globalization of the international wine market, phenomenon which has led to the increase of competition among the producers in different places of the world, to the adjustment of costs at competitive levels and exchange of technologies in the wine growing and making area. At the same time, the borders regarding the traditions of vine growing and wine making and consumption have been erased and in this way a leveling of product has immediately occurred.

## **KEYWORDS**

export strategy, border - out issues, development issues, border-in issues, competitiveness analysis

## **JEL CLASSIFICATION CODES**

M31

# FDI AND IMPACTS OF COUNTRY RISK –FACTORS AFFECTING THE INFLUX OF FDI IN EMERGING ECONOMIES

Anagnostis Kipouros and George-Fokion Kipouros

*Technological Institution of Kavala, Greece,*  
[akipouros@teikav.edu.gr](mailto:akipouros@teikav.edu.gr), [epenktim@otenet.gr](mailto:epenktim@otenet.gr)

## ABSTRACT

The role of “foreign direct investments “-(FDI) for all the countries of the world is very important , but more specifically for the emerging Markets of Balkans and Black sea countries.

FDI, became a essential and critical factor for the overall economic growth for the countries of this region, already from the decade the '90 and later.

It is generally acceptable that, the foreign flows of capital and the involving enterprises actions in foreign countries , today, play essential and accelerative role in the industrial and economic growth of these states, called the « transition economies».

For all countries of south-eastern Europe and Black sea, we underlining thus vital importance of contribution of foreign investors , in the subjects of finance , innovation and innovative action, that are seriously decisive, for the transformation of their economies, to a "viable" market. Economy.

”oOn these transition economies countries., the road of development , its appearing to have negative impacts , from a number factors from political and economic environment like state bureaucracy and corruption as phenomena of structural weaknesses of the economy , confronting the innovation and competitiveness. Process.

As on the other side there is very important and decisive the influx of foreign capital flows for the implantation and diffusion of the spirit and the factors of growth and competitiveness.

So, is very important in the configuration of those conditions, that contributes to the developmental dynamics, to withdraw the negative factors in order to reinforce, via the transregional collaborations the development of transition countries.

In order to advances however this transregional collaboration in the wider region of Balkans and TO HAVE A continuing surge of Foreign Investments ,IT MAY exist and maintained the political and economic "conditions of stability and growth".

So the proper conditions that will shape the political and economic frame, for the rational operation of the factors of the " market economy ", in the countries with economy under « transition

Our objectives is therefore to analyze and record a series of negative factors and conditions, institutional, structural and systemic characteristics , that are obstacles .

characteristics , affects the delay the to establish the positive conditions for the growth of competitiveness and innovative action.

The impacts of the political / country risk that is reported in the applied policies by the governments of any country are very important, and concerns the way of event of total economic policy is expressed in the various fields.

Such fields are for example, the existence of “exchange controls” and restrictions in imports and the application of such restrictions on money and generally capital inflows and outflows

Firstly we have to deal with the basic decisive factors that determine positive /negative impacts for foreign investments - FDI, that are:

1. the size and Quality of local market,
2. the existence important and constant consuming expenses
3. the repercussions from the bureaucracy, the corruptness and the structural weaknesses in the innovation and competitiveness

It should be examined also the impacts , from a line of other also important and decisive factors for the attractiveness of foreign investments as:

1. the internal and exterior macroeconomic imbalances,
2. the degree of restructuring of old economic structures and activities
3. the activities of various "interests" incorporated in the process of privatisation, that can cause damage in a foreign enterprise. etc.

## KEYWORDS

FDI, political risk, emerging markets

# COMPETING THROUGH INTEGRATION OR INTEGRATING THROUGH COMPETITION

Constantinos Styliaras

*Federation of Industries of Northern Greece, Dpt. of Documentation and Research  
5-7 Dioskouron Str., Thessaloniki, 54642, GREECE  
styl\_cs@otenet.gr*

Kyrkilis Dimitrios

*University of Macedonia, Dpt. of Balkan, Slavic and Oriental Studies  
156 Egnatia Str., Thessaloniki, GREECE  
kyrkilis@uom.gr*

## ABSTRACT

The shares of the exports of each country in Southeast Europe to the rest of the region tend to be relatively small, given the geographical proximity of those countries. These shares are typically in the range of between 15% and 30%. On the other hand, since the turn of the millennium up to the 2008/09 financial and economic crisis, rising current account deficits of many countries in Southeast Europe have been taken as an indication of declining competitiveness. In order to sustain high growth rates and exit from the crisis, greater integration or accession to the EU has become obsession for SEE countries; in this respect, countries tend to neglect their neighbours and focus on their relations with the forefront of the EU economy, i.e. Germany, Italy and even Austria, hoping to enjoy spillovers of the development of Western European countries. However greater integration within the South East European region could - and should - serve as a significant driver of a sustained economic recovery.

Given this background, one of the main aims of this research is to explore in detail trade relations between SEE countries and their determinants. In fulfilling this aim, this study examines the revealed comparative advantage (RCA) index for the respective economies. Based on the findings, it can be said that trade relations among the SEE countries are still insignificant in comparison to their potential. Moreover, trade patterns indicate that countries do not utilize intra-industry trade in promoting both sides (exporter and importer) interests, thus do not enforce regional integration.

## KEYWORDS

International trade, RCA, export competitiveness

## JEL CLASSIFICATION CODES

F10; F14; O52

# **ORIGINS OF FOREIGN DIRECT INVESTMENT IN CROATIA: APPLICATION OF AN EXPANDED GRAVITY MODEL**

Joel I. Deichmann

*Global Studies Department, Bentley University, 175 Forest Street, Waltham, MA 02452 USA  
jdeichmann@bentley.edu*

## **ABSTRACT**

This paper examines the origins of FDI into the Republic of Croatia following the dissolution of Yugoslavia and on the eve of Croatia's EU accession, paying special attention to gravity effects. Pioneered by Jan Tinbergen (1962), the gravity model posits that interaction between two countries is positively associated with their mass and negatively associated with the distance between them. Six augmented gravity models are set forth to analyze FDI, with dependent variables defined as monetary value from 2000-2009, global recession (2008-09), and measured by the number of transactions. Results show that Croatia fits the typical transition economy scenario favoring follow-the-leader firms from nearby (especially EU) origins. Another key finding is the role of history, favoring firms from the successor states of the Austro-Hungarian Empire and Yugoslavia. Policy implications include the need for government action to enhance FDI facilitation and overcome remaining barriers for foreign firms. Given that this is among the first analyses of FDI into Croatia, suggestions for further research are set forth.

## **KEYWORDS**

FDI, Origin Effects, Gravity Model, Croatia

## **JEL CLASSIFICATION CODES**

C50, E01, F15, F49, 052

# WOULD SOCIAL AND CULTURAL FACTORS BECOME THE STRENGTHS OF INTERNATIONAL COMPETITIVENESS OF UKRAINIAN ECONOMY?

Taras V. Sakalosh\*

*National Technical University of Ukraine "Kyiv Polytechnic Institute"  
International Economy Department, room 244-1, building 37, Prospect Peremohy, Kyiv, 03056, Ukraine*

## ABSTRACT

1. The question of social and cultural factors needs to be mentioned during the periods of crises to avoid repeat or to minimize influence of crisis processes. The main displays devaluation processes of traditional social and cultural values in Ukraine are: a profit and consumption; social contrasts; morals decline; social differentiation; decrease in level of culture, erudition, intelligence. When will substitution social and cultural values take place and cultural level of the population decreases as in that case there can be high a culture level in a chain: culture of management - organizational culture - culture of manufacture? And, accordingly, as, is effective manufacture can be there with low culture of manufacture? Inefficient manufacture – manufacture, industry, economy are noncompetitive.

2. Social and cultural values depend on the purpose which is put in a society, from what we aspire to reach. In turn, each purpose of certain activity will be answered with certain efficiency of results of the given activity. Depending on dominating efficiency the society pursues the different aims. At social efficiency of economy the prime purpose is the maximum maintenance of the population with workplaces, and, accordingly, incomes; minimization of a rate of unemployment. At economic efficiency - cost-effective business; maximization profits of owners enterprises that provides attraction of only competitive workers to manufacture. At the same time it is difficult to separate social efficiency from the economic. There is a problem of a finding of parity between the first and second efficiency. On the other hand, it isn't possible to measure all by efficiency. In particular, is it possible to measure by efficiency a category of moral?

3. Preconditions which determine the social and cultural factors are (behind extreme measures): traditions and customs which have developed within centuries (the west and east people); paternity institute; family patrimonial traditions (by consanguinity and without it); religion; the relation to school and the teacher, authority of the teacher (the Asian traditions of honoring of teachers (Sensei) and European); the relation to efficiency at economic activities conducting (the people of the West with a big orientation to efficiency and the people of the East with a big orientation to spirituality) and etc.

4. Problem solving has a lot of recipes of changes. All of them can be used. It is necessary to notice only that any changes demand from their sources of financial resources and political will. In Ukraine lacks both the first, and the second. Concerning resources that attraction of external resources adequately isn't possible in the absence of internal capital investments. That the multiply effect with foreign investments has started to work it is necessary to achieve growth of volume of internal investment. Similarly with leaders. Where can we find the head with political will? It should be "Messiah" who can rally, organize a society to changes and realize them. Who is ready to offer himself for the sake of a society? Who is the Messiah on the place? Social and cultural changes should be begun with ourselves.

## KEYWORDS

Sociocultural values, sociocultural public shifts, gain, consumerism, corporate culture, production competitiveness

## JEL CLASSIFICATION CODES

P46, O15, M14

---

\* [sakalosh@ukr.net](mailto:sakalosh@ukr.net), [stv@kpi.ua](mailto:stv@kpi.ua)

# ROLE AND DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN TRANSITION ECONOMIES: WITH SPECIAL LOOK IN MACEDONIA

Merale Fetahi-Vehapi<sup>1</sup> and Irena Spasenovska<sup>2</sup>

<sup>1</sup>*State University of Tetovo, The Former Yugoslav Republic of Macedonia, Faculty of Economics,  
merale\_fetahu@yahoo.com*

<sup>2</sup>*Pravet company, The Former Yugoslav Republic of Macedonia  
spasenoskairena@yahoo.com*

## ABSTRACT

The aim of this paper is to provide clear insight about the role and determinants of FDI in transition country with particular reference in FYR Macedonia. Following the theoretical approach of FDI and empirical evidence identified by literature review of FDI determinants and role, we tried to identify the role and some of the determinants of FDI in transitions country of East European Countries (SEECs) where Macedonia is part also. We are using a panel dataset for twenty seven - 27 transition countries over the period 1997 to 2008. Applying static and dynamic modeling, econometrics findings have driven as to dynamic models. In the same empirical investigations following variables have been tested: GDP of the host and source country, unit labour cost, trade inflation, legal environment, distance, dummy variables capturing the language, common border and colonizing effect. Empirical result confirms expectation of the chosen variables as well as the positive feedback effect of past FDI onto current FDI. While the negative and significant coefficient of distance indicates that FDI is determined by gravity factors, the positive relationship between FDI stock and unit labour cost is explained through the effect of the service sector on wages. In addition, countries having higher trading shares attract more FDI. Low inflation rate as well as efficient legal system should be taken as a good sign for attracting more FDI flows since it has a positive impact on foreign investors. Dummy for English language, which indicates countries where English language is official or widely spoken in that country, have less language difficulties and more FDI flows with Macedonia. At the same time, income level of the host country is found to be important determinant for foreign investors. Moreover, FDI role in Macedonia has been found as crucial in many aspects of country's economic development and sustainability. Apart from accelerated growth, technical innovation and enterprise restructuring, FDI in this transition country gave considerable contribution to the financial potential improvement.

## KEYWORDS

FDI in Macedonia, Determinants and role of FDI, Transition Country, Dynamic Panel Data Estimation

# THE COMPETITIVENESS OF THE ROMANIAN CAR INDUSTRY ON THE EUROPEAN UNION MARKET

Hagiu Alina<sup>1</sup> and Suciu Marta Christina<sup>2</sup>

<sup>1</sup>*University of Pitesti, Republicii Avenue, No.71, Pitesti, Romania,*

[alinahagiu@yahoo.com](mailto:alinahagiu@yahoo.com)

<sup>2</sup>*The Bucharest Academy of Economic Studies, Romana Square, No. 1-6, Bucharest,*

[suciuchristina@yahoo.com](mailto:suciuchristina@yahoo.com)

## ABSTRACT

Automotive industry is one of the most important industries in the world, which leaves its mark not only on the world economy but also on the world culture; it occupies millions of people and generates millions of dollars as overall profits. This industry has revolutionized the twentieth century, irreversibly changing the way people live, work, travel and leisure spending. Automobile construction has become the largest industrial activity, with over 50 million units manufactured annually.

Development of automobile industry is desirable to be examined in terms of concepts of environmental protection, economic growth and social equity. The car is a very complex system, through the chain of economic activities involved in creating, producing, delivering, operating, supporting services, but also get rid of him.

Automobile industry influences the world economy, generating in a year nearly 17% of shipments of durable goods, designed to operate at least three years; automobile production implies as inputs large amounts of iron, steel, aluminum, natural rubber, copper, zinc, glass, leather, plastic, lead and platinum, more than any other industry.

Romania's EU accession, involves major environmental responsibilities, namely economic, political, demographic and socio-cultural environment. Romanian automotive industry is highly internationalized, being probably the only national competitive sector able to be integrated in the current conjuncture of internationalization and globalization of world economy. Creating a single impressive market, by dissipation of trade barriers will mean for the Romanian automotive manufacturers a new challenge, that of creating a highly competitive sector.

The paper aims to present the evolution of car industry in Romania and the main directions in which the author considers to be done to increase the international competitiveness of Romanian companies. The paper will conclude with a relevant case study on the most appropriate ways and means to exploit the competitive advantages in relation to the actual situation existing in the automotive industry in Romania.

## KEYWORDS

Car industry, internationalization, competitiveness, strategy, investments;

## JEL CLASSIFICATION CODES

L62, O14

# **ECONOMIC STRUCTURE AND DEVELOPMENT DYNAMICS OF ECONOMIC EFFICIENCY**

Mariana Claudia Mungiu-Pupazan  
*Constantin Brancusi University of Targu Jiu, Romania,*  
*claudia.mungiu@gmail.com*

## **ABSTRACT**

Level of development of South-West Oltenia region is still one of the lowest compared with other developing regions of Romania, but also in comparison with the development of EU regions, despite economic growth in the years preceding the financial and economic crisis that affect us in this present period.

Structure and distribution of economic activities in the region was influenced by the variety of natural resources, geographical position and tradition of processing resources.

After 1990, in a process of restructuring the economy relatively slow and late, majority state-owned enterprises have become competitive. Sizing their employees as numpăr hindered the restructuring process, no capacity to absorb the redundant labor absorption, especially in areas which have become almost entirely dependent on one industry.

Physical and moral wear of machinery and equipment, outdated technologies, lack of initiative made the products obtained are not competitive on the market after 2004, which created financial problems for the majority of companies stat. In this respect, one of the directions pursued by Regional development activities aimed at reducing the negative impact due to conversion enterprises by creating jobs.

## **KEYWORDS**

regional structure, competitiveness, economic efficiency, productivity

# EDUCATION FOR SUSTAINABLE DEVELOPMENT

Stoika Radu<sup>1</sup>

<sup>1</sup> *Academy of Economic Studies, Bucharest*  
*,rstoika@gmail.com*

## ABSTRACT

The European Union faces now an important number of interlinked priorities in the early 21st century, including the economic and social consequences of the global financial crisis, climate change, declining water and energy resources, shrinking biodiversity, threats to food security and health risks. In a continuously changing world, all European citizens should be equipped with the knowledge, skills and attitudes needed to understand and deal with the challenges and complexities of modern day life, whilst taking due account of the environmental, social, cultural and economic implications, as well as to assume their global responsibilities. Education for sustainable development in a lifelong learning perspective is essential for the achievement of a sustainable society and is therefore desirable at all levels of formal education and training, as well as in non-formal and informal learning. Education and training are indispensable to achieving a more sustainable Europe and world should be regarded as crucial in the process of lifelong learning and should, where appropriate, be mainstreamed into all levels and aspects of education and training, in order to strengthen the capacity of citizens to cope with imminent unpredictable problems and to find long-term solutions for these in many different situations throughout life. Through this article we intended to make a critical overview of the implementation of financed programmes from European Commission focused on mobility for students. After collecting all data necessary, in the final part, we made some recommendations for a better implementation of this action in order to increase the results achieved for sustainable development.

## KEYWORDS

Education, Training, Human Resources, Development

## JEL CLASSIFICATION CODES

J00, M53, M54

# STRATEGIC PLAN FOR THE EXPANSION OF THE NATIONAL BANK OF GREECE (NBG) IN THE COUNTRIES OF THE SOUTH EASTERN EUROPE

Dimitrios Maditinos<sup>3</sup>, Nerantzis Vraxionis<sup>2</sup>, Athanasios Mandilas<sup>3</sup>, Dimitrios Chatzouides<sup>4</sup>

*<sup>1</sup>Assistant Professor, TEI of Kavala, Agios Loukas, 65 404, Kavala, Greece, dmadi@teikav.edu.*

*<sup>2</sup>Adjoined Lecurer, TEI of Kavala, Agios Loukas, 65 404, Kavala, Greece, vraxionis@yahoo.gr*

*<sup>3</sup>Assistant Professor, TEI of Kavala, Agios Loukas, 65 404, Kavala, Greece, smand@teikav.edu.gr*

*<sup>4</sup>PhD Candidate, Democritus University of Thrace, Kimmeria Campus, 67100, Xanthi, Greece, dchatzouides@yahoo.gr*

## ABSTRACT

The purpose of this study is to investigate whether the National Bank of Greece (e.g products, activities areas, branches network, subsidiaries etc.) meet its international activities, objectives and strategies to implement the business plan 2007-2009. It has investigated the trends in global banking strategies, and tried to diagnose what is the future of the Greek National Bank in the international economic environment.

We analyse the international economic environment, changes of the growth rate of world economic activity over time, growth rates of the countries of SE-Europe and Turkey, inflation, changes in the balance of current transactions in the countries of Southeast Europe and Turkey as well. We examine the developments and prospects of the Greek economy and the state of the Greek banking sector.

SWOT analysis method is applied to evaluate the operational readiness of the National Bank of Greece. Moreover we analyse the internal and external environment; identify the strengths and weaknesses, and record the opportunities and threats in the bank and then present the suggestions for alternative strategies and strategic analysis. The model of financial statements is used, for the years 2002-2006.

Finally, we present our basic conclusions, for the strategic expansion plan of the National Bank of Greece in the countries of S.E Europe.

## KEYWORDS:

National Bank of Greece (NBG), South Eastern Europe, Strategic Plan, Expansion.

## JEL CLASSIFICATION CODES:

F21, F23, M16

# THE IMPACT OF INFLATION TARGETING POLICY ON THE INFLATION UNCERTAINTY IN TURKEY

Özcan Karahan<sup>1</sup> and Olcay Çolak<sup>2</sup>

<sup>1</sup> *Balikesir University Bandirma Faculty of Economics and Administrative Sciences, Department of Economics,  
Bandirma/TURKEY,  
karahan@dr.com*

<sup>2</sup> *Rize University Faculty of Economics and Administrative Sciences, Department of Economics, Bandirma/TURKEY,  
olcaycolak10@yahoo.com*

## ABSTRACT

Turkey represents a potential laboratory experiment in which the performance of an adoption of inflation targeting regime can be studied. Under this perspective, this article tries to evaluate the effect of Inflation Targeting Policy on inflation uncertainty in Turkey after 2001. An empirical analysis based on ARCH-GARCH method is made in order to create inflation uncertainty series. The findings denote that the Inflation Targeting Policy is a powerful strategy in eliminating the inflation uncertainty.

## KEYWORDS

Inflation Uncertainty, Inflation Targeting Policy, ARCH-GARCH Model

## JEL CLASSIFICATION CODES

E31, E32, E52

# REMODELING OF THE MACEDONIAN ECONOMY

Tome Nenovski<sup>1</sup>, Smilkovski Ivica<sup>2</sup> and Poposki Klime<sup>3</sup>

<sup>1</sup>*University American College, Kej Marшал Tumo, 95, Oхpuд,  
nenovski@uacs.edu.mk*

<sup>2</sup>*Faculty of Tourism And Hospitality, Kej Marшал Tumo, 95, Oхpuд, i  
smilkovski@yahoo.com*

<sup>3</sup>*Faculty of Tourism And Hospitality, Kej Marшал Tumo, 95, Oхpuд,  
klime.poposki@aso.mk*

## ABSTRACT

In the period following political and economic independence of the Republic of Macedonia, the Macedonian economy went through a period which is followed by numerous internal and external shocks from economic and political nature. Current world economic crisis is the last shock for the Macedonian economy because of its almost complete openness. The crisis was especially present in the economic sector and activity that are export oriented, such as metal and textile industries, a significant part of agriculture, petroleum derivatives, etc.

Experiences from the economic crisis should serve as a basis for changing the current one whit new model for the country's economy in order to catch a connection to the intense changes that are expected to occur in the next period in the global economy. Creating new economic models in Republic of Macedonia has multidimensional direction. Among them are dominant: a. Completion of initiated and undertaken new activities to improving business climate in the country, b. Economic restructuring, c. Increasing of domestic production, d. Harmonizing effects of macroeconomic instruments.

Newly established economic model is expected to result in multiple positive effects that primarily manifested in the increasing number of newly small and medium enterprise, domestic investments, industrial production, GDP, number of new employees and total exports as well as reduction of the trade deficit in maintaining macroeconomic stability in the country.

Achievements of the Republic of Macedonia with the new development model largely will depend on the realization of risks and threats to which it is or will be exposed to on short and medium term, and related to developments in the global economy and irrational dispute with Greece over Macedonia's recognition of its constitutional name.

## KEYWORDS

Shocks, Economic crisis, Economic model, Harmonization, Risks.

## JEL CLASSIFICATION CODES

E6

# **REPORTING THE INVESTMENTS OF INTANGIBLE ASSETS IN THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANIES**

Nikolina Grozeva

*VFU Chernorizets Hrabar, Varna, Slavianska 16 str., Republic of Bulgaria,  
nnevinova@abv.bg*

## **ABSTRACT**

The rapid development of knowledge economy requires adequate presentation of investments in intangible assets in the annual financial statements of companies that develop and/or produce them. The purpose of this article is to investigate current accounting regulation and practice according to the financial treatment of investments in internally generated intangible assets in order to summarize the consequence for financial reporting of the companies.

## **KEYWORDS**

R&D, intangible assets, IAS/IFRS, NFRS for SME, financial statements

## **JEL CLASSIFICATION CODES**

M41

# **COST ACCOUNTING ROLE IN AN ENVIRONMENT WITHOUT BORDERS**

Radmila Jablan Stefanović

*University of Belgrade, Faculty of Economics, 6 Kamenicka Str., Belgrade, Serbia,  
[rasty@ekof.bg.ac.rs](mailto:rasty@ekof.bg.ac.rs)*

## **ABSTRACT**

Last decades business environment has changed and will changing more than ever in the years that have to come. Companies operate in an extremely dynamic world of interdependent and nonlinear events. The management is expected to lead the company towards the achievement of set objectives, which in the contemporary settings of marked external and internal complexity requires sophisticated expert knowledge and skills, as well as quality information support. New environment brings new challenges and problems which inevitably impose the need for serious reconsideration of past business philosophies of companies based on stable and foreseeable business conditions.

The accounting of company has, basically, the objective to create a quality information basis which, ultimately, has to be in the function of efficient company management. Constant and dramatic changes in contemporary competitive environment, as well as the need of integrating into European and world market flows, require the knowledge of a wide focus of cost and performance management of companies. Cost accounting, as a basic information source useful for business decision-making, has the fundamental role within the entire accounting information system of a company. It generates cost and performance information with the goal of qualitatively meeting information needs of, above all, internal users. The contemporary business environment inevitably requires the restructuring of cost accounting and new approaches to costing and cost management, in the attempt to improve the quality of cost information that has always been the object of particular interest. Only by integrating the internal and external aspects it is possible to provide quality information for strategic management of a modern company. Moreover, only a flexibly designed cost accounting information system can qualitatively respond to the increasingly numerous and various information requirements.

In this paper we discuss the role cost accounting has in offering support to managers at all managerial levels. Some of the new tools, techniques, approaches and concepts to costing and cost management have been emphasized (ABC/ABM, TQC/TQM, LCPC/LCPCM, VSA/VSM).

## **KEYWORDS**

Management, strategy, process, competitive advantages, cost accounting, cost management.

## **JEL CLASSIFICATION CODES**

M21, M41

# TRANSITION ECONOMIES AND IAS

Marina Domdouzi

*Kavala Institute of Technology, Agios Loukas, 65 404, Kavala, Greece,  
domdouzi@yahoo.gr*

## ABSTRACT

Much has been written about accounting reform in transition economies in general and about Central and East European countries in particular. Articles and book chapters have focused on accounting reform in particular East European countries and former Soviet republics, including Armenia, Belarus, the Czech and Slovak Republics, Hungary, Lithuania, Poland, Romania, Slovenia and Uzbekistan.

Most studies have discussed the transformation process in transition economies or the adoption and implementation of market based financial reporting rules. Yet, not many authors have written specifically about accounting education in transition economies. This paper examines two transition economies, Russia and China and how this has affected the accounting education of these two countries.

China's transition from a planned economy to a market economy began at the end of 1978. When China started the process, the government did not have a well-designed blueprint. Some economists regard this approach as self-defeating. China's average annual rate of GDP growth has been miraculous since the beginning of the transition and is the most successful of the transition economies. Nevertheless, the Chinese economy has been troubled by an increasingly serious "boom and bust" cycle. Smirnova et al. [1995] published a more comprehensive study of Russian accounting education and provide a good summary of the state of accounting education shortly after the transition process began. Kobrak [1991] discussed the rapid increase in the demand for Western accounting textbooks after the Russian Ministry of Finance decided to adopt International Accounting Standards (IAS) in the early 1990s. Other articles discuss some of the weaknesses in Russian accounting education [Anon. 1994], the benefits to be gained by educational exchange programs. Whether China's and Russia's experience provides useful lessons for other transition economies is hotly debated. Some economists argue that China's success demonstrates the superiority of an evolutionary, experimental, and bottom-up approach over the comprehensive and top-down "shock therapy" approach that characterizes the transition in Eastern Europe.

## KEYWORDS

Russia, China, transition economies.

# **“RED FLAGS” CONCERNING FRAUD IN FINANCIAL STATEMENTS – AN EMPIRICAL STUDY IN ROMANIA**

Iulia – Ana Marculescu, Daniela Nicoleta Medintu

*Faculty of Accounting and Management Information Systems, Academy of Economic Studies, Bucharest, Romania,*  
[iuliastroe@gmail.com](mailto:iuliastroe@gmail.com), [dmedintu@yahoo.com](mailto:dmedintu@yahoo.com)

## **ABSTRACT**

This study goal is to empirically identify the relevant “red flags” factors in detecting the fraud in financial statements from auditor’s experience. Auditor’s ability to detect “red flags” factors of fraud is the key in detecting the fraud itself. The fraud factors are discussed from the perspective of fraud triangle: incentive and pressure, opportunity, rationalization and attitude. The research is divided in two parts. In the first part, we summarize the academic research findings in this field. In the second part, we present the questionnaire given to a group of auditors, members of Chamber of Financial Auditors of Romania. They were asked to rank the importance of factors based on their experience. The results obtained will contribute to develop a model for risk assessment of fraud.

## **KEYWORDS**

audit, red flag factors, risk assessment, fraud triangle

## **JEL CLASSIFICATION CODES**

M41, M42

# **THE POLITICAL ECONOMY OF REGIONAL COOPERATION IN WESTERN BALKAN ECONOMIES: A NON ACCOMPLISHED TASK**

Pantelis Sklias

*Dept. of Political Science & International Relations, University of Peloponnese, Corinth, Greece,  
psklias@hotmail.com*

## **ABSTRACT**

During the last 20 years Western Balkans have witnessed enormous social, political and economic changes. Thousands of pages have been written and excellent scientific work has been done in order to assess and evaluate the progress of the newly born states. A lot have been happening at national level, namely in terms of both socio-political and economic development. New states have emerged, new born democracies have been established, and market economy structures are now in function. In other words, a new world now exists in the region, consisting of a series of traditional nation states with western oriented patterns of development. It is also evident that FDIs have been increasing the same period with Greece and Greek private firms being the pioneer in the field. In the mean time Romania and Bulgaria have entered the EU.

In the paper I argue that although the above mentioned critical and astonishing developments have taken place, nevertheless, regional cooperation and development are still under question and pending, far from being accomplished, nonetheless to talk about regional integration schemes. Neoclassical economic theories set a series of prerequisites and variables to be fulfilled in order to presume a successful path and accomplishment of regional cooperation and development. Among those a series of political and economic criteria are set. I will prove that although economic development and FDIs have considerably contributed towards the well being of the people of the new born states, nevertheless, political development has now followed in the same path, resulting to a series of inadequacies and gaps to what concerns the democracy model in the region. Even in terms of economic development, wealth is unequally distributed with large portions of the populations, especially national and religious minorities staying out of the scope. Regional economic projects have not neither visualized neither accomplished. An additional element to be evaluated to what concerns the prospects of regional cooperation and development is the fact that Greece has been severely affected by the latest financial crisis.

The aim of the paper is to prove that regional cooperation is still of a very limited scope in the region of the Western Balkans, while conditions are not so promising. Although a series of economic steps have been realized, the political conditions for such an achievement have not been met, while the minimum impact of economic results are also now under threat due to the latest financial crisis and the limited capacity of Greece to play a key role towards this direction. As a result a stronger political will is now required, which seems to be out of the hands of the political leaders of the region.

## **KEYWORDS**

Political economy, Regional Cooperation, Western Balkans

## **JEL CLASSIFICATION CODES**

F59, G01

# THE EU V. BALKAN AND EASTERN EUROPEAN COUNTRIES: UNWELCOME NEIGHBOURS OR POTENTIAL MEMBERS?

Vassilios Grammatikas  
*Democritus University of Thrace, Greece,*  
*bgramm@bscc.duth.gr*

## ABSTRACT

Since the dissolution of the Soviet Union and Yugoslavia, as well as the collapse of the communist regimes in the wider Eastern European and former USSR area, almost all of the respective states, looked upon the European Union as the only way of survival of their economies and their fragile democratic systems.

The EU responded in different ways which can be categorized as follows:

(a) It incorporated the majority of the Eastern European States, through the enlargement process (Poland, Czech Republic, Slovakia, Hungary, Slovenia, Bulgaria, Romania) and has entered into accession negotiations with others (Croatia, Turkey).

(b) It initiated bilateral relations with the Russian Federation as an important partner.

(c) It developed the European Neighbourhood Policy (ENP) to institutionalize a process of enhanced economic and political cooperation with the respective states aiming at bringing them closer to the EU, while preparing some of them for future membership, but also offering an alternative solution to certain states that the EU is not willing to offer full membership (Belarus, Moldova, Ukraine, Armenia, Georgia, Azerbaijan).

(d) It formulated the Stabilization and Association Process (SAP) specifically designed to meet the needs of the Western Balkan states.

However, after the 2004 / 2007 enlargement and due to internal institutional problems, as well as the current financial crisis, the future of the ENP appears to be vague, as the EU does not wish to start a new enlargement process, especially when this involves states with significant secessionist issues, internal problems and moreover, a financial burden that the EU is unable or unwilling to take.

Additionally, the western Balkans are left outside this process, and could be successfully described as “a black hole” in the heart of Europe, however, consisting a source of instability and organized crime the EU cannot afford to allow. Thus the EU is obliged to gradually incorporate the western Balkan states or find an effective alternative that will safeguard its own security, economic and geopolitical interests.

The paper explores the institutional and political framework of the abovementioned developments, the potential outcome for the Balkan and eastern European states and the problematic aspects for the EU and the other parties involved.

## KEYWORDS

Political European Union, enlargement, ENP, SAP, Western Balkans

# **BALKAN AREA & EU-15: AN EMPIRICAL INVESTIGATION OF GROWTH CONVERGENCE**

Eftychia Tsanana, Constantinos Katrakilidis, Panagiotis Pantelidis  
*Department of Economics, Aristotle University of Thessaloniki, Greece,*  
[etsanana@econ.auth.gr](mailto:etsanana@econ.auth.gr), [katrak@econ.auth.gr](mailto:katrak@econ.auth.gr)

## **ABSTRACT**

The aim of this research paper is to analyze the issue of growth convergence of the Balkan Peninsula in relation to the European Union's-15 average (EU-15). The empirical analysis uses Gross Domestic Product (GDP) per capita in Purchasing Power Parity (PPP) in constant prices of 2005 and covers the period 1989-2009. The methodology applied has been suggested by Nahar and Inder (2002) and is considered more efficient to detect possible  $\beta$ -convergence and  $\sigma$ -convergence compared to the conventional methods. Our findings provide evidence in favour of both types of convergence for all the examined countries except Montenegro and Serbia.

## **KEYWORDS**

$\beta$ -convergence,  $\sigma$ -convergence, Balkan countries

# **THE ECONOMIC RELATIONS OF BOSNIA - HERZEGOVINA AND FYROM WITH THE OTHER STATES THAT EMERGED FROM THE BREAKUP OF YUGOSLAVIA CONSIDERING THE OHRID AND DAYTON AGREEMENTS: THE PHENOMENON OF YUGONOSTALGIA IN TRADE AND ECONOMIC RELATIONS OF THOSE COUNTRIES?**

George D. Borovas

*University of Western Macedonia, Department of Balkan Studies, 3rd klm Florinas - Nikis 53100 Florina Greece,  
gborovas@uowm.gr*

## **ABSTRACT**

In mid-1980 in the former Yugoslavia presented the phenomenon of the rise of nationalism among ethnic groups which make up the country. This process of revival of nationalist passions, led in the early 1990's to the dissolution of the country in a particularly bloody ethnic conflict. This process contributed greatly to the emergence of leadership positions in government structures Yugoslavia persons who used ethnic passions of the people of the country to reap personal benefits. The main passions are rooted in events that took place in Yugoslavia during the Second World War and the interwar period and the formation of the Kingdom of Serbs - Croats and Slovenes which was later renamed the Kingdom of Yugoslavia.

To resolve the ethnic conflict in the former Yugoslavia the international community had to intervene militarily as in both cases, of the conflicts in Bosnia and Herzegovina and Kosovo and political in conflicts in Bosnia and in FYROM in effort to achieve the Dayton and Ohrid agreements.

In the years that followed the dismantling of Yugoslavia in the countries that were created by, a phenomenon appeared between people of different social groups that nostalgia of life in the years of Yugoslavia, this phenomenon has been termed in the literature as "Yugonostalgia".

This study is an attempt to analyze the economic and trade relations between Bosnia-Herzegovina and FYROM with the other states which were parts of former Yugoslavia, in light of the spirit of the Dayton and Ohrid agreements, but also the phenomenon of "Yugonostalgia". Since a large volume of trade of both countries associated with the states that emerged from the breakup of Yugoslavia will consider if this is linked to the political-social climate that shaped by the two agreements. So to what extent the phenomenon of strengthened "Yugonostalgia" if it had obvious effects on the trade or if instead the constant and growing trade and economic relations are linked with socioeconomic structures that were developed in Yugoslavia and the economic conditions of the period degradation of Yugoslavia and the transition of newcomers to the market economy.

## **KEYWORDS**

Dayton, Ohrid, Trade, Yugonostalgia, Bosnia, FYROM

## **JEL CLASSIFICATION CODES**

F59

# THE SOCIAL CAPITAL AS BASIS FOR DEVELOPMENT OF THE HUMAN CAPITAL

Mladen Dimitrov Tonev<sup>1</sup>, Jordanka Angelova Stojanova<sup>2</sup>

<sup>1</sup>*Faculty of International Economy and Administration, Varna Free University, Varna, Bulgaria,*  
[mladen\\_tonev@abv.bg](mailto:mladen_tonev@abv.bg)

<sup>2</sup>*Faculty of Law, Varna Free University, Varna, Bulgaria,*  
[voan123@abv.bg](mailto:voan123@abv.bg)

## ABSTRACT

The strong side of the “theory about the human capital” is that it redefines the labour of hired workers in the developed countries. The workers become capitalists in the sense that they acquire a lot of knowledge and skills which have an economic preciousness. As an outcome from the “capitalisation” of acquired knowledge and skills, one will not meet on the labour market “hired workers and capitalist undertakers, but two autonomous groups of “capitalists”, each of them realising an undertaking behaviour in the market relations.

We are witnesses of crash in ideas and paradigms about the world, the world’s development, and the tendencies which determine this development. Is there a relation between the economic growth and social development today? Do the three generators of development work – the technologies, institutions and values? Where is the place of people in the process as individuals, as groups, as teams, as society in general?

Here are some questions we will be looking an answer for, in our study.

## KEYWORDS

social capital, structure of the integral capital, content of the social capital, human capital, essence of the human capital, economic growth

## JEL CLASSIFICATION CODES

A12, D83, J24, P16, Z13

# **INSURANCE MARKET IN POLAND - THE ROAD FROM SOCIALIST ECONOMY TO THE EUROPEAN UNION MEMBERSHIP**

Jerzy R. Handschke

*Poznan University of Economics, Al. Niepodleglosci 10, 61-875 Poznan, Poland,*  
[kug@ue.poznan.pl](mailto:kug@ue.poznan.pl)

## **ABSTRACT**

The economic transformation which started in Poland in the late 1980s almost immediately triggered changes in the financial sector, particularly in insurance. The first step towards the new order on the insurance market was to break up the ties with the state monopoly and the substantiation of legal forms within which insurance companies could operate. The failures of co-operatives led to instant establishment of the only legal forms of insurance companies in force at present: joint-stock companies and mutual insurance companies. The possibility of founding new insurance companies brought about the necessity to involve capital - frequently of foreign origin - and to create appropriate supervisory tools for those entities at the same time. A variety of other problems is also subject to the author's analysis, such as issues relating to the phenomenon of market concentration, importance of life insurance and agricultural insurance for development of the market and procedures of constituting insurance law in Poland.

In general terms, it has to be asserted that the Polish insurance market has been developing properly since the beginning of its transformation and thanks to this it is an integral part of the European Union and insurance market.

## **KEYWORDS**

Insurance market, insurance companies, transformation, market concentration, life insurance, agricultural insurance

## **JEL CLASSIFICATION CODES**

G22, G01

# THE DEFINITION OF THE OPTIMAL PARAMETERS OF CATION EXCHANGERS WORK FOR FURTHER ECONOMIC CALCULATIONS

Zurab Megrelishvili, Imbraim Didmanidze, Grigol Kakhiani  
*Shota Rustaveli State University, Batumi, Georgia.*  
*ibraimd@mail.ru*

## ABSTRACT

The article presents the optimization equation for cation exchangers where the specific discharge of the reagent and the filtration speed of the softened water are taken as optimization parameters. The three-dimensional graphs and the combined graphs for the effectiveness functions are given for different concentrations of regenerant solutions. The article proposes the calculation data got from each layer calculation for the process of regeneration of cation exchangers. The received operation conditions give the possibility to make further economic calculations.

## KEYWORDS

cation, graphs, optimal

# **BROADBAND RANKING OF REGIONS AND ITS METHODOLOGICAL BASIS**

Szilvia Botos

*University of Debrecen, Faculty of Applied Economics and Rural Development, Institute of Economic Analytical  
Methodology and Applied Informatics, Debrecen, Böszörményi street 138., Hungary,  
botos.szilvia@gmail.com*

## **ABSTRACT**

Access networks plays an essential role in some sectors of the economy. Its speed basically defines the utility of the system. In Hungary, in 2009 the average guaranteed download speed was just 1 Mbit/s, and a little more than the tenth part of subscribers had 4 Mbit/s or more data rate. For satisfaction the claims of today and immediate future needs broadband – capacity of at least 50 Mbit/s – infrastructure. To build of such infrastructure in those regions, which less attractive commercially for service providers, state intervention is necessary. The country and EU provide financial sources but is not enough to the necessary developments. Many ICT infrastructure development has happened on many settlements in Hungary, but not always on the most suitable places. My aim is to rank regions based on the ICT development of them, because it is worthy to focus time and resources, where these will be return as quickly as possible. In my opinion the target of the developments would be worthy to select on the basis of usefulness. Complex regional indicator is necessary to this objective which can be applied on settlements level and on the basis of it these can be ranked. It is important to have regard to such social-economic factors which really correlate with existence of broadband networks. In this article I present the Hungarian regions situation in broadband network respect, and the methodological basis of to construction of a regional network indicator. I sketch scope of possible earmarkable elements – which are accessible statistical indicators in connection with broadband networks – and applicable model for it.

## **KEYWORDS**

broadband network, regions, rank, investment decision support, efficiency

## **JEL CLASSIFICATION CODES**

O39, R11, M15

# THE ROLE OF SOCIAL NETWORKS IN ROMANIAN TV SHOWS COMMUNICATION

Nicolae Damu<sup>1</sup>, Adrian Ionescu<sup>2</sup>, Mihai Niculae Sabin<sup>3</sup>

<sup>1</sup> *Academy of Economic Studies, Bucharest, [nicud@protv.ro](mailto:nicud@protv.ro)*

<sup>2</sup> *West University of Timisoara*

<sup>3</sup> *Academy of Economic Studies, Bucharest*

## ABSTRACT

The last years revealed an unprecedented development of online social networks. This evolution emerged despite the crisis and forced the so-called conventional media such as television and radio to accept this tendency of change among the viewers or listeners' habits.

Integrating the social networks within the communication mix becomes a serious challenge for all media organizations. One of the main reasons is that a company simply cannot afford to neglect an environment in which Facebook only has almost 630 million users worldwide (according to [www.checkfacebook.com](http://www.checkfacebook.com), on March, 23, 2011). Romania is one of the countries with a skyrocketing evolution in terms of both social media usage and increasing presence of online within the advertising expenditure allocation.

The article aims to capture the most important aspects of this trend with a focus on the manner in which Romanian TV stations use social media in order to enhance the efficiency of their programs' communication mix, mainly for their entertainment shows. One of this shows benefiting of such exposure is "Românii au Talent", the most important entertainment program aired on ProTV, the leader of the Romanian TV market in terms of audience, market share and brand power. The synergy between conventional and unconventional communication (with a focus on social media) for this show enabled it to break audience and web-traffic records.

## KEYWORDS

Media, Social networks, TV stations, advertising expenditure, marketing mix, promotion

## JEL CLASSIFICATION CODES

M31, O33

# **REDUCING THE CARBON FOOTPRINT IN THE CONTEXT OF CLIMATE CHANGE – RESPONSIBILITY FOR PRESERVING THE BIODIVERSITY**

Simona Spanu and Virgil Nicula  
*Lucian Blaga University, Romania*  
*simona\_spanu@yahoo.com, niculavirgil@yahoo.com*

## **ABSTRACT**

Increasing the awareness among the inhabitants of the tourist villages from Mărginimea Sibiului regarding the reduction of the carbon imprint, in the context of climate change, encourages the preservation of biodiversity in the “Frumoasa” site and the development of a sustainable bio-economic concept.

Knowing, understanding, and interpreting the concepts and techniques of analyzing theoretical models regarding the carbon imprint and climate change allow the elaboration of a set of measures that aim to reduce the carbon imprint in the tourist villages from Mărginimea Sibiului, by raising the awareness and responsibility of the population, through the means of promoting unpolluting sources of energy, as well as an environmentally friendly demeanour, with the purpose of having a sustainable development of the area.

The European Commission launched in 2008 the project “Play to Stop – Europe for Climate”. The difference in attitude, when it comes to ecology, has a lot to do with the income, the people with higher wages being more responsible with regard to the environment. We wish to prove that also the rural population, once it is correctly informed and coherently made aware of the situation, can become more responsible in protecting the environment.

Climate change is no longer an environment-related problem, but one of sustainable human development. One of the main challenges of the 21st century, climate change has three distinct characteristics: a cumulative character, irreversible effects, and global manifestation. In order to avoid dangerous climate changes we have a common, but differentiated responsibility: the carbon imprint.

The exposure to the risks associated to climate disasters is not equal. In the developing countries 1 person in 19 is affected, while in the developed countries the proportion is of 1 to 1500 persons.

The impact of climate change regards five key elements: diminished agricultural productivity, increased insecurity of the water supply, increased exposure to extreme weather phenomena, collapse of ecosystems, increased health risks.

In limiting the effects of climate change, public policies intervene through regulation, research, and sustainable development.

## **KEYWORDS**

climate change, sustainable development, environment, the carbon footprint, tourist villages