

**Ss. Cyril and Methodius University in Skopje**  
**Institute for sociological, political and juridical research**



ИНСТИТУТ ЗА  
СОЦИОЛОШКИ И  
ПОЛИТИЧКО  
ПРАВНИ  
ИСТРАЖУВАЊА

**50 Years**  
**INSTITUTE FOR SOCIOLOGICAL,  
POLITICAL AND JURIDICAL RESEARCH**

**PROCEEDINGS FROM THE  
INTERNATIONAL CONFERENCE**



**CHALLENGES**  
**OF CONTEMPORARY**  
**SOCIETY**



**Proceedings from the International scientific conference  
CHALLENGES OF CONTEMPORARY SOCIETY  
12 November 2015  
Skopje, R. Macedonia**

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**Skopje, 2016**



**Welcome speech of prof. d-r Mirjana Borota- Popovska, Director,  
Institute for sociological, political and juridical research**

Dear colleagues, distinguished guests, friends of the Institute,

It is my great pleasure to open the International Conference *Challenges of Contemporary Society*. This Conference takes place in the year when the Institute for sociological, political and juridical research celebrates 50 years of existence. Over the years the Institute continuously encouraged and opened research questions and issues in the different fields of social sciences, and, as a result, large number of scientific and applied projects were conducted. Within this half century of existence around 500 applied and scientific research projects had been conducted and more than 200 different publications were published. As a result of this continuous work the Institute has been involved in the management, promotion and development of socio-economic conditions in the Republic of Macedonia.

With its extensive activity and the results achieved, the Institute has established fruitful cooperation with a number of institutions (public, private and civil society) in the country and abroad, as well as collaboration with prestigious higher education and scientific institutions. Undoubtedly the Institute is an active member of society, but also distinguished member of the wider academic community.

The research approach of the Institute is based on ethics, originality, innovation and interdisciplinary in choosing research methods and techniques, always in step with the latest scientific views, dilemmas, insights and achievements.

The Conference *Challenges of Contemporary Society* is in this spirit of anticipating societal changes and challenges. The aim of this Conference is to provide a forum for an interdisciplinary discussion for contemporary social issues.

Innovation, knowledge and technology are key priorities when we prepare ourselves to face modern existence and solve social challenges. This Conference is an opportunity to renew contacts and discuss problems of mutual interest with researchers from Macedonia and the countries of the region.

I will freely note that the agenda of the Conference covers a wide range of very interesting issues related to the modern society and challenges from important social phenomena such as:

- Challenges for democracy and democratization;
- New media, new communication, new identities;
- Social challenges for contemporary society;
- Management, business and workforce issues in the 21<sup>st</sup> Century.

Contributions from the fields of sociology, political science, communication science, law, management, psychology, and also contributions regarding methodological issues related to how to study these phenomena, make this Conference significant and inspiring.

The Conference brings together academics from 10 different countries. I hope you will contribute with your perspective and your rich experience towards developing a scientific based paradigm for the issues that you are addressing. I hope we will all demonstrate our creativity and show courage to develop innovative ideas!

I would also like to express my gratitude to the International program committee of the Conference which made an invaluable contribution with the preparation of this con-

ference and have made it possible for us all to be here today. Many thanks go also to the members of the organizational board of the Conference, who will help ensure that this Conference produces effective results.

I am sure that this Conference will make an important contribution towards bringing closer the ideas of contemporary phenomena to more people and lending it more weight!

I am grateful to all of you for attending the Conference.

Skopje, 12 November 2015

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## **THE RECENT ECONOMIC CRISIS AND YOUTH UNEMPLOYMENT IN MACEDONIA**

### **Abstract**

Macedonia as a less developed post-transition country during the past decade struggles with high and sustained unemployment, human capital depreciation and striking labour market segmentation. A general perception is that young population that enters the labour force faces higher risk of becoming or remaining unemployed. The main reason for high unemployment among young workers is a lack of skills and work experience which make them less competitive on the labour market compared to prime-age and more mature workers. Moreover, the formal education and training systems often have been ineffective at easing the transition from school to work or slow to adapt to the changing requirements arising from the rapidly changing industrial structure. Among other factors that might cause higher incidence of youth unemployment are some labour market institutions such as minimum wages and unemployment benefits. The problem of youth unemployment is often related to the role of the family at providing income support particularly in more traditional and collectivist societies. Finally, the unemployment among young population is highly cyclical sensitive, which means that youth are particularly hard hit in a recession which has been confirmed by the recent global economic crisis and its adverse effects on the demand for labour.

In this paper we will make an attempt to identify the impact of recent economic crisis on the youth unemployed in Macedonia. For this purpose we will use results from the survey carried out on a representative sample of registered unemployed workers. In this context, we will estimate econometric models that as a support in the process of identification of potentially relevant factors such as: personal perceptions, the role of alternative labour market adjustment mechanisms and the treatment of unemployed by the policy measures. As a result we will depict the profile of the youth unemployed workers in Macedonia and will assess to what extent they differentiate from more mature workers. Finally, we will formulate appropriate policy recommendations that target youth as disadvantaged labour market segment in order to improve their future employment prospects.

**Key words:** Labour market, segmentation, youth, unemployment, economic crisis.

## Introduction

Macedonia as a less developed post-transition country during the past decades struggles with high and sustained unemployment, human capital depreciation and striking labour market segmentation. The general trends in the Macedonian labour market in a number of aspects resemble those typical of the transitional world. However, the Macedonian labour market shares some features which are peculiar to Western Balkan countries (WBCs). This is particularly relevant regarding the evolution of unemployment rate that sharply rose at the beginning of transition and has thereafter remained stagnant, reflecting the depressed characteristics of Macedonian labour market. Long spells of unemployment often lead to the degradation and dehumanisation of individuals in society, causing social exclusion and increasing the burden for the government of providing the necessary safety net. Consequently, the problem of unemployment is not only a personal problem for the people who experience it, but it has become a problem for the economy as a whole.

A general perception is that young population that enters the labour force faces higher risk of becoming or remaining unemployed. The main reason for high unemployment among young workers is a lack of skills and work experience which make them less competitive on the labour market compared to prime-age and more mature workers. Moreover, the formal education and training systems often have been ineffective at easing the transition from school to work or slow to adapt to the changing requirements arising from the rapidly changing industrial structure. Among other factors that might cause higher incidence of youth unemployment are some labour market institutions such as minimum wages and unemployment benefits. The problem of youth unemployment is often related to the role of the family at providing income support, particularly in more traditional and collectivist societies. Finally, the unemployment among young population is highly cyclical sensitive, which means that youth are particularly hard hit in a recession which has been confirmed by the recent global economic crisis and its adverse effects on the demand for labour.

Hence, youth needs to be offered the right chances, which makes adequate opportunities for education all the more important, as they are vital for growth, employment and prosperity. Therefore, the issue of youth unemployment remains as one of the highest priorities of the governments all around the world including WBCs. In this context, on the last Western Balkans Summit it has been pointed out that “Improving the perspectives of young generations is of paramount importance in ensuring stability, sustainable development and progress of the region” (Final Declaration by the Chair of the Vienna Western Balkans Summit, 27 August 2015). Furthermore, the participating states have underlined the need to enhance youth mobility between the EU and the region and in the region itself. In addition, the participating States have agreed to continue with the work on the basis of the “Positive agenda for the Youth in the Western Balkans”, which was launched at the Foreign Ministers Meeting in Brdo in April 2015 and noted with satisfaction the progress that was already achieved in developing concrete proposals and ideas, welcoming the proposal of the European Commission to organise an Enlargement Conference in the first half of 2016 focusing on youth issues.

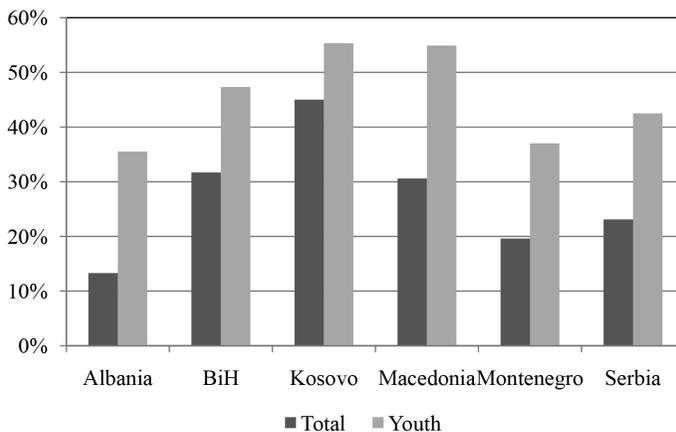
Having in mind the importance of the problem of youth unemployment, in this paper we make an attempt to identify the impact of recent economic crisis on the youth unemployed in Macedonia. For this purpose we use results from the survey carried out on a representative sample of registered unemployed workers. The paper is structured as

follows. After introductory note, in the second part we present the theoretical framework about the youth on the labour market. In the empirical part we estimate econometric models as a support in the process of identification of potentially relevant factors such as: personal perceptions, the role of alternative labour market adjustment mechanisms and the treatment of unemployed by the policy measures. As a result we depict the profile of the youth unemployed workers in Macedonia and analyse to what extent they differentiate from more mature workers. Finally, we formulate appropriate policy recommendations that target youth as disadvantaged labour market segment in order to improve their future employment prospects.

## Theoretical background

The justification for analysing youth unemployment is based upon the theoretical framework commonly known as labour market segmentation theory. In the labour market context, the segmentation means that we can distinguish different segments where demand and supply for labour in each segment adjust independently from the other segments. In other words, in the case of labour segmentation the established rules of behaviour of the labour market actors in each segment are different from those in other segments. According to this theory, the labour market segments to some extent can operate independently because jobs and workers in each segment match according to particular conditions on the demand and supply side (Cain, 1976). The transition has created increased preconditions for segmentation of the society that affected the functioning of the labour markets (Nikoloski, 2009). In these circumstances, as particularly concerned can be distinguished specific demographic segments such as: youth, some ethnic minorities (for example Roma), and less skilled workers. The increased risk of unemployment and/or non-participation among these segments than the rest of the labour force has enormous social implications such as rising poverty and income inequality.

**Figure 1.** Unemployment rates in Western Balkan countries



For employment and unemployment purposes, as “youth” are generally considered people from the age when mandatory schooling ends through age 24. For most coun-

tries, that means the time span from 15 years old through 24 years old. A general rule of thumb is that young population that enters the labour force face higher risk of becoming unemployed. The empirical evidence shows that even in most developed countries the youth unemployment rates are approximately twice the adult rates (OECD, 2011). High youth unemployment is a characteristic of almost all transition countries (Blanchflower, 2001; Cazes and Nesporova, 2003). The situation in less developed regions such as Western Balkans with respect to youth unemployment is even worse. For instance, the average youth unemployment rate in WBCs economies remains 2.5 times higher than the EU average and 3 times higher than the adult unemployment rate (La Cava et al., 2006). The situation of youth unemployment rates in WBCs compared to total unemployment rates in 2012 are presented in Figure 1.

Generally, the main reason for higher unemployment among young workers is a lack of skills and work experience which make them less competitive on the labour market compared to prime-age and more mature workers. Moreover, the formal education and training systems often have been ineffective at easing the transition from school to work or slow to adapt to the changing requirements arising from the rapidly changing industrial structure (O'Higgins, 2010). Among other factors that might cause higher incidence of youth unemployment are some labour market institutions such as: minimum wages and unemployment benefits. In this context, Rutkowski (2006) points out that high fraction of young labour market entrants among the unemployed in transition countries can be partly attributed to the legacies of the old system such as the high degree of job protection granted to incumbent workers. The problem of youth unemployment is often related to the role of the family at providing income support particularly in more traditional and collectivist societies. Finally, the unemployment among young population is highly cyclical sensitive, which means that youth are particularly hard hit in a recession. This has been confirmed by the recent global economic crisis and its adverse effects on the demand for labour (Bell and Blanchflower, 2010).

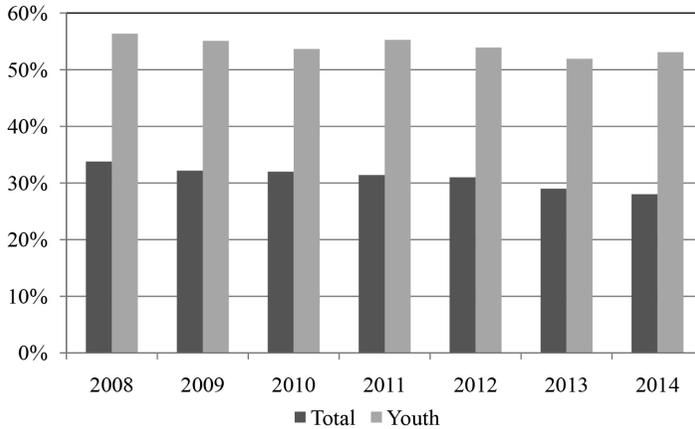
The persistence of high youth unemployment rates exerts long-term scarring effects on the adult workforce of the next generations (Blanchflower and Oswald, 2007). The youth unemployment and particularly long-term unemployment causes increased probability of engagement in risk-taking practices such as violent behaviour and excessive alcohol and drug use. Moreover, due to the low employment prospects, young workers are more likely resort to various alternative labour market adjustment mechanisms such as informal work and emigration. Namely, given high unemployment in WBCs, many youth have left their countries to look for jobs abroad, which has been considered as a source of brain drain and lost investment in education in the home country. In sum, high youth unemployment rates have negative impact on the economic growth prospects in developing countries.

## **Empirical analysis**

In the context of the previously elaborated theoretical framework we can argue that youth in Macedonia represent a marginalised labour market segment. The unfavourable labour market conditions that experience youth workforce can be illustrated by the high unemployment rates. For instance, the unemployment rate of the youth (age group from 15 to 24 years) in 2014 was 53.1%, which is considerably higher than the average unemployment rate (28%). The total and youth unemployment rates according to the data from

the Macedonian Labour Force Survey for the period from 2008 to 2014 are presented on Figure 2.

**Figure 2.** Unemployment rates in Macedonia (2008-2014)



From Figure 2 we can notice that unemployment rate in Macedonia during the period from 2008 to 2014 marks continuous decline from 34% to 28%. However, it is obvious that the youth unemployment rate during the same period does not show declining trend and hovers between 51% and 56%. Thus, the causes and the nature of considerably high youth unemployment rate in Macedonian during the economic crisis represent a challenging task for further investigation. Having in mind that there is a lack of consistent cross-section data regarding these issues, we have designed and carried out a survey based on a sample of registered unemployed workers. The survey was conducted during a reference period from mid October to mid November 2011, whereas the sample consisted of 2300 unemployed workers selected randomly in each of 30 branch offices of the Employment Service Agency (ESA) all over the country. Due to the lack of exhaustive lists of registered unemployed that are confidential, the interviewers had freedom to choose eligible respondents randomly. The survey was traditionally conducted in a pen and paper format by using self-administered questionnaires. Having in mind the special topic of the survey, its weakness is viewed in the fact that it cannot be used to monitor changes over time. The structure of the sample according to the basic demographic characteristics is given in Table 1.

**Table 1.** The structure of the sample according to various demographic characteristics

Gender		Place of living		Age	
Male	50.30%	Urban	77.89%	15-20	4.09%
Female	49.70%	Rural	22.11%	21-25	23.27%
Education		Ethnicity		26-30	19.23%
Primary or less	15.11%	Macedonian	81.80%	31-35	11.70%
Secondary	50.35%	Albanian	10.21%	36-40	10.61%
Higher	34.54%	Turk	2.26%	41-45	10.61%
Marital status		Roma	2.26%	46-50	8.96%
Single	40.43%	Serbian	1.95%	51-55	6.92%
Married	53.66%	Vlahos	1.00%	56-60	<b>3.61%</b>
Divorced	3.74%	Bosnian	0.35%	61-65	0.87%
Widowed	2.18%	Other	0.17%	65 and more	0.13%

**Source:** Authors' calculations

In order to assess the profile of the unemployed workers including the youth, we have designed a questionnaire which consists of 53 questions. Most of the questions are close-ended with multiple choices, i.e. they are accompanied by a range of answers from which the respondent is asked to indicate which answer best applies to him. Only two questions are open ended in order to get personal opinion from the respondent about the feeling of being unemployed and his intentions in order to get employed. Alongside the questions about the various economic activities or sources of income we attempted to assess the adjustment mechanisms indirectly by using the time allocation to various activities as well as personal values and perceptions.

When it comes to identify the differences between youth and mature workers with respect to their perceptions of the economic crisis, we further attempt to assess the major dividing lines among these two categories. For this purpose we divide the sample into two sub samples and estimate proportions of youth and mature workers who have affirmative attitudes regarding the impact of the crisis. At the first place we are interested in the impact on the subjective well-being of unemployed workers assessed through the levels of stress, living standard and perception of future labour market prospects, the role of the alternative labour market adjustment mechanisms such as emigration and employment in the informal sector and the treatment by the labour market policy measures. The major dividing lines between youth and mature unemployed workers are presented in Table 2.

**Table 2.** The major dividing lines between youth and mature unemployed workers

Dividing line	Youth	Mature
Unemployment causes stress and/or other health problems	68.9%	87.1%
The global economic crisis has negatively influenced the living standard of the household	54.2%	61.7%
Perceives himself as still unemployed after five years	3.1%	18.6%
Actively search for job	51.2%	51.2%
If has possibility would work abroad	71.1%	58.6%
Earn income from informal economic activities	26.6%	41.8%
Receive unemployment benefit	2.8%	10.2%
Participate in active labour market programmes	9.2%	10.1%

**Source:** Authors' calculations

From Table 2 we can notice that unemployment has caused more stress for mature than for youth workers. Similarly, the mature unemployed workers seem to be more concerned by the negative effects of the crisis on their living standard and are more discouraged about their future labour market prospects compared to youth unemployed. In contrast, youth unemployed manifest greater intention to emigrate in order to find work abroad while their involvement in the informal sector is lower compared to mature workers. Finally, the coverage of youth unemployed by the passive labour market policies is lower compared to mature workers, while this gap is closer with respect to the coverage by the active labour market policies.

In order to assess the impact of recent economic crisis upon the youth unemployed workers in Macedonia, furthermore we estimate several Logit models. The specification of the Logit model is as follows:

$$\text{logit}(E[Y_i | X_i]) = \text{logit}(p_i) = \ln\left(\frac{p_i}{1-p_i}\right) = \beta_0 + \beta_1 x_{1,i} + \dots + \beta_m x_{m,i}$$

where,  $Y_i$  is dependent variable which takes value 1 with probability  $p_i$ , and value 0 with probability  $1-p_i$ . In this context, we separately estimate three models aiming to assess the factors that influence: first, the probability that unemployment causes stress and/or other health problems; second, probability to perceive as unemployed after 5 years and third, probability that the economic crisis has influenced the living standard of the respondent's household.

On the other hand,  $X_i$  is a vector of independent variables whose effect on the dependent variable is assessed by the estimated coefficients. We divide the possible determinants in three groups: Personal traits, household characteristics and policy treatment variables. The results from the estimation of the first Logit model are presented in Table 3.

**Table 3.** Estimated Logit model for unemployment as a cause of stress and/or other health problems

Variables	Coefficient	Standard error	t-value	Diff. in odd ratio
Intercept	-1.1625	1.7331	-0.6707	
<b>Personal traits</b>				
Male	-0.3027	0.2253	-1.3434	
Married	-0.1796	0.4034	-0.4452	
Urban	-0.1489	0.2684	-0.5546	
Higher education	0.8600	0.2771	3.1027***	136.3%
Long-term unemployed	1.0251	0.2402	4.2673***	178.7%
Actively search for job	0.7073	0.3077	2.2985**	102.9%
Has intention to emigrate	0.4021	0.2366	1.6991	
Engaged in informal employment	0.2054	0.2528	0.8125	
<b>Household characteristics</b>				
Household size	-0.0645	0.1205	-0.5351	
Number of employed members	-0.2680	0.1414	-1.8953*	-23.5%
Has another unemployed member(s)	0.1211	0.2299	0.5269	
Has retired member(s)	0.5079	0.2591	1.9601**	66.2%
Has emigrated member(s)	-0.5885	0.3745	-1.5712	
<b>Policy treatment</b>				
Social assistance beneficiary	0.1812	0.6462	0.2804	
Health insurance beneficiary	-0.3301	0.2257	-1.4624	
Unemployment benefit recipient	0.3566	0.7067	0.5046	
Participation in active programmes	-0.0159	0.3666	-0.0435	

**Note:** \*, \*\* and \*\*\* represent statistical significance at the 10%, 5% and 1% levels respectively.

From Table 3 we can draw several conclusions with respect to the profile of youth unemployed who are the most psychologically affected by the unemployment problem. Regarding the personal traits, education appears to be statistically significant determinant since youth unemployed with higher education have increased probability for stress and other health problems by 136.3% compared to youth with lower levels of education. Furthermore, those who are long-term unemployed experience 178.7% higher probability of being stressed or to have other health problems caused by unemployment. Finally, the youth unemployed who actively search for job are 102.9% more affected by stress than those who do not actively search for job.

Among the household characteristics, having an additional employed member in the household will decrease the probability of being stressed or having other health problems by 23.5%. In contrast, having retired member(s) of the household increases the probability of having such psychological and health problems by 66.2%. With respect to the policy treatment variables, the health insurance benefits and participation in active labour

market programmes have negative signs, but none of these variables appears to be statistically significant.

In order to assess the factors that influence the discouragement of youth unemployed in Macedonia we further estimate a Logit model, where the dependent variable takes value one if the person perceives himself as unemployed after 5 years. In the opposite case, the dependent variable takes value zero. Similarly, as in the case of estimating the impact of unemployment as a stressor, we divide the possible determinants in three groups: Personal traits, household characteristics and policy treatment. The results from the estimated Logit model are presented in Table 4.

**Table 4.** Estimated Logit model for perceiving as unemployed after 5 years

Variables	Coefficient	Standard error	t-value	Diff. in odd ratio
Intercept	2.0212	4.6609	0.4336	
<b>Personal traits</b>				
Male	0.5856	0.6316	0.9272	
Married	-0.0827	1.1396	-0.0726	
Urban	-1.7288	0.6302	-2.7429***	-82.3%
Higher education	-0.0498	0.7749	-0.0642	
Long-term unemployed	1.1203	0.6827	1.6410*	206.6%
Actively search for job	-1.0817	0.6858	-1.5772	
Has intention to emigrate	-0.1845	0.6244	-0.2955	
Engaged in informal employment	-0.1766	0.6618	-0.2668	
<b>Household characteristics</b>				
Household size	-0.6607	0.3900	-1.6939*	-48.4%
Number of employed members	0.3073	0.4170	0.7370	
Has another unemployed member(s)	0.3630	0.6537	0.5553	
Has retired member(s)	-0.2747	0.6855	-0.4008	
Has emigrated member(s)	-4.5851	5.4765	-0.8372	
<b>Policy treatment</b>				
Social assistance beneficiary	1.8468	0.9818	1.8809*	534%
Health insurance beneficiary	0.0173	0.6172	0.0280	
Unemployment benefit recipient	0.9485	1.1998	0.7905	
Participation in active programmes	1.5195	0.8138	1.8671*	357%

**Note:** \*, \*\* and \*\*\* represent statistical significance at the 10%, 5% and 1% levels respectively.

From Table 4 we can notice that among personal traits there are two statistically significant characteristics that make the profile of 'discouraged worker'. For instance, living in urban area will decrease the probability that person perceive himself as unemployed after 5 years for 82.3%, while being long-term unemployed will increase this probability for 206.6%. With respect to household characteristics, an additional member in the household will decrease the probability of the respondent to perceive himself yet as unemployed after 5 years by 48.4%.

Regarding the policy treatment, being social assistance beneficiary will increase the probability for perceiving as still unemployed within the 5 years time horizon by more than 5 times. Having in mind that this category of unemployed is the most deprived it is somewhat expected that they face the poorest labour market prospects. In addition, the participation in active labour market programmes would increase the discouragement by 3.5 times which renders questionable the effectiveness of these programmes.

In order to assess the impact of global economic crisis on the living standard of youth unemployed in Macedonia we estimate a Logit model, where the dependent variable takes value one in the case where the person declared that the global economic crisis has influenced his/her living standard. In the opposite case, the dependent variable takes value zero. Similarly, as in the previous cases, we divide the possible determinants in three groups: Personal traits, household characteristics and policy treatment. The results from the estimated Logit model are presented in Table 5.

**Table 5.** Estimated Logit model for the impact of the global economic crisis on the living standard of unemployed

Variables	Coefficient	Standard error	t-value	Diff. in odd ratio
Intercept	-1.3556	1.6059	-0.8441	
<b>Personal traits</b>				
Male	0.0312	0.2048	0.1523	
Married	0.0935	0.3659	0.2556	
Urban	-0.3180	0.2438	-1.3042	
Higher education	0.4923	0.2476	1.9877**	63.6%
Long-term unemployed	0.2829	0.2139	1.3225	
Actively search for job	0.7179	0.2959	2.4258**	105%
Has intention to emigrate	0.5095	0.2195	2.3207**	66.4%
Engaged in informal employment	-0.0563	0.2236	-0.2520	
<b>Household characteristics</b>				
Household size	-0.0146	0.1084	-0.1348	
Number of employed members	-0.0847	0.1273	-0.6647	
Has another unemployed member(s)	0.2613	0.2073	1.2605	
Has retired member(s)	-0.0104	0.3576	-0.0290	
Has emigrated member(s)				
<b>Policy treatment</b>				
Social assistance beneficiary	-0.2836	0.5565	-0.5095	
Health insurance beneficiary	-0.3097	0.2025	-1.5296	
Unemployment benefit recipient	1.0115	0.6613	1.5297	
Participation in active programmes	-0.1503	0.3363	-0.4470	

**Note:** \*, \*\* and \*\*\* represent statistical significance at the 10%, 5% and 1% levels respectively.

From Table 5 we can notice that among personal traits having higher education will increase the probability that global economic crisis affect the workers living standard by

63.6%. In addition, the living standard has been particularly affected by the crisis among the long-term unemployed and those who actively search for job. Namely, these categories of workers have 105% and 66.4% respectively higher probabilities of perceiving the negative impact of the crisis on the living standard of their households.

## Conclusions and policy recommendations

In this paper we make an attempt to identify the profile of youth unemployed who are affected by the recent economic crisis. The general perception is that despite decreasing trend of unemployment in Macedonia, the youth are still disproportionately affected by unemployment. The unemployment is stressing situation and causes other health problems for youth who have higher education, actively search for job and are long-term unemployed. Particularly discouraged with respect to the future labour market prospects are youth unemployed who live in rural areas, have low income and are long-term unemployed. The recent economic crisis has particularly affected the incomes of youth unemployed with higher education who actively search for job and indicates the potential source of brain-drain.

The previous policy actions in WBCs aiming to reduce youth unemployment covered a range of activities such as: (i) non-formal education, which would provide a much needed complement to formal education; (ii) support of well-organised and sustainable youth organisations that can provide quality services to young people; (iii) youth participation and representation at different levels of governance; and, (iv) development and implementation of National Action Plans for youth (La Cava et al., 2006). However, taking into account that the standard policy measures have so far been insufficient in curing the problem of persistent high youth unemployment, there is a need for alternatives.

Recently, the WBCs committed to the launch of the Positive Agenda for Youth in the Western Balkans (Western Balkans Foreign Ministers Meeting, Brdo, April 23, 2015). The Agenda will include concrete initiatives and proposals, which will be implemented with the help of the European Commission. This is a precise study of mechanisms that the EU already has in place for young people in the Western Balkans. In this context, their effectiveness and accessibility need to be examined and adapted to the situation on the ground, while the programmes available for young people from the EU candidates need to be extended to include the countries in the region.

Having in mind the results from this research we further formulate a set of policy recommendations that will aim to improve the position of youth unemployed on the Macedonian labour market. First, the reforms in the education system and particularly the higher education should take into account the required skills and competences by the employers. In other words, a careful analysis of the labour market needs has to be undertaken prior to any implementation of new or amendment of the existing curricula. Additionally, important guidelines might be learned from the strategic documents for the economic development that identify the core competitive industries in the country. Second, the policies on the supply side should be focused on appropriate reforms of the education system including both the vocational education and training and higher education. Given that the awareness among the social partners involved in the process of designing new curricula and modernisation of the existing ones is still on the relatively low level, incentives should be created among employers to participate in designing the study programmes for the formal vocational education and training as well as for the informal vocational

education of adults. Third, the active labour market policies have to be designed carefully in order to target the most vulnerable labour market segments, particularly with respect to increased employability of the youth. Finally, the policies on the demand side have to generate incentives for additional job creation predominantly in competitive industries where the skill requirements will roughly match the qualification structure of the youth workforce segment.

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# **THE STRESS MANAGEMENT AS A STRATEGY FOR INCREASING OF THE COMPETITIVE ADVANTAGE OF THE COMPANIES**

## **Abstract**

We all live in time of unpredictable and quick changes. The effective and efficient management with the changes also modifies the working facilities of the companies, management and employees. The traditional way of working is replaced by the modern and variable working conditions. The aim of this work is to show the importance of introducing the stress management strategies inside and outside the working environment, recognizing the reasons of the stress and stress protection for the employees inside and outside of the companies, as one of the risk factor that influences the working productivity and the efficiency. The building tools for the competitive advantage of the companies are as follows: the understanding and recognizing of the stress condition and individual characteristics helping to control the stress as well as the ability of self-esteeming for the stress level. In conclusions is emphasized the fact that the employees are development force of the company and the strategy for the stress management is to increase the competition advantage of the companies.

**Key words:** stress management, human resources, competitive advantage

## **Introduction**

**T**he stress is usual and normal appearance today as a result of the reactions of the threats and changes in our environment as well as from the demands expected to be fulfilled by one person. According to Hans Selye – founder of the modern theory of the stress, the stress is an uncommon respond of our body to the changes demands. (Selye, 1936).

The stress appears as a result of the reaction of the stressor. The stressor indicates the source of the stress, that could be normal event or many events that according to the estimation of one person appears as a danger for this person.

The stress is always a relationship between the person and the environment and not the characteristics of the environment itself nor is characteristic of the person (Lazarus and Folkman, 1986). The symptoms of the stress could be of physical or mental nature as a result of the physiological, emotional and cognitive reactions from the stress. Usually the biologically programmed forms of the stress are not dangerous for the organism. The real problem for the organism of one person is the condition of the increased, long-term stress where the person cannot deal with it and control it. The stress-sources are all around the people. The stress cannot be avoid but can be controlled or manage successfully. The negative stress is a condition that the person cannot control it.

## **Stress conditions at working place**

In the conditions of extreme unpredictable changes at the working environment every company and the employees are influenced on a daily basis to the stress and the stressors. There are number of factors that influence the accelerate changes of the working. The stress appears everywhere in our environment as an element that cannot be avoid but could be controlled. (Lazarus and Folkman, 1986). The condition of stress at work could be defined as an amount of undesired, harmful physiological, psychological and behaviouristic reactions to the conditions where the demands of the company are not in accordance with the capabilities, possibilities and needs of the employee. (Sauter and Murphy, 1995). The stress in the company could appear as follows: As a result of the incompetence between the demands of the environment from the one hand and the possibilities of the employee to fulfil the needs of the environment and the company from the other hand related with negative consequences and appearance of work stress conditions.

- Changes of great importance for the company and the employees are potentially stressed, conditions are forcing the need to adopt to the threats and challenges,
- Stressed professions with great responsibility towards the material values or responsibility for other people, working close with people or “working under pressure”.

Different professions are exposed to different intensity of risk. Usually as a stressed professional are marked the following: pilot, life-guard, miner, construction workers, flying controller, doctor, prison guarder etc. At the same time, the managers are rated as professions exposed to high-level of stress.

Very important fact for the employees in the company as well as all subjects influenced with the stress is the recognition of the stress reaction, the procedure and the means of acting in the stress condition. The stress at the employee is usually connected with the psychological overloading of the employees. The source of the psychological overloading of the employees can create condition of continuous stress with direct influence to the work responsibilities, good working atmosphere, possibilities for promotion and positive working environment.

The environment of the company and the work organization are of great importance for the psychological condition of the employees. The stressors create permanent tense to the employees, conflict situations and unpleasant working atmosphere. The long-term stress condition or condition of continuous stress influence the health of the employees, the security at work as well as to the efficiency and effectiveness of the company.

## **Reasons for stress in the company**

The stress could influence every employee regardless of job position in the company. Every employee in the company are equally exposed to the stress due to the fact that every person individually reacts to the stress but is related to the following factors: job position itself, personal characteristics of the employee, of education, sex, age, family status, qualifications and abilities for self-estimation, personal judgment of the situation and ability to control reactions to the changes and behaviour. (Sauter and Murphy, 1995). The stress of the employees in the company appears as a result of deferent factors: internal and external.

The internal factors from the employee himself and contents the underestimate or low estimate personal desires from the job its, high sensitivity for self-responsibility in every segment of the working in the company, identification of the personal with the company condition, inappropriate behaviour regarding the working time, high level of uncertainty, inability and no knowledge for the job duties.

In the outside factors for stress are the factors coming from the following segments: job organization, structure of the organization process, communication inside the company, working time-schedule, organizing in regular changes of the working time, extra working hours, the environment inside the company and the financial aspects of the working: low pay or no payment hours, inappropriate criteria for the bonus payment, irregular payment time, benefits etc. The challenges of the changes, could produce stress from losing the job posit, decreasing of the salary and the finance benefits, producing conflicts, unprecise job duties, decreasing of the number of the employees etc.

Employees of the company are infected from the stress inside the company but the same times are exposed to the stress coming from different stressors as family, the close relationships with the relatives, friends etc.

## **Stress management as a part the organization culture**

The employees in the company are exposed on stress every time when there is unbalance between their personal requirements and the demand expected to fulfil.

The basic goal for every company is to create conditions for growth and development through innovative strategies prediction of future moments that could be sources of stress. In this way the companies could implement different strategies aiming prediction, decreasing and controlling the stress for the employees in normal levels.

The persons-employees are the most important and unique factor that could change aiming to improve the competitive advantage and the respect of the rule: the real person for the real job-position is direction for implementation of the successful strategy for stress management.

Of great importance for the managers of the company and the employees as well is the ability of reducing the intensity of the stressors inside and outside the company. The companies and their managers could apply various measures to decrease the level of stress at the job. The harmony in the working environment usually is a result of good human relations inside the company and care for certain relations between the company and the family of the employee.

The strategies for the stress management are introduced as part of the organization culture. The organization culture of the company is balance of expectations, norms, values and working habits that infects the models of influence and cooperation of the persons,

groups and teams in order to fulfil the goals of the organization (Jones and George, 2008). Thus through the organizational culture employees are showing their different ways of behaviour and working manners as well as their interactive relations outside the company. The companies are different in their way of how weak or strong is their organizational culture. When the employees in the company shows strong connection for the common cultural values, believes and habits then the company has strong organizational culture. On the other hand, when the employees are not strong connected for the common issues the organizational culture is weak. If the organizational culture is strong than everyone is persuaded that inside the company could become a person, because of the influence of the behaviour of all members. (Schneider and Smith, 2004). Organizational culture could be created, maintenance and transfer to all employees in the company, through the values of the manager or the owner of the company. Depends of the type of the organizational culture it should be developed appropriate strategy for stress management because the organizations with strong organizational culture use number of measures to determine the working habits of the employees in their job duties.

The companies with strong organizational culture are resisting the influence of the stress producers different from the companies with weak organizational culture, where the influence of the stress producers is increased. The managers of the company have the biggest role in the process of creation of the organizational culture and the strategy of stress management. The instrumental values influence the work of the managers and their behaviour. The behaviour of the managers is reflected to the working pleasure and connection to the company. The good mood and the positive emotions of the managers is sense or state of mind directly connected with the sources of the concrete situation. The state of mind and the emotion of the manager for the company influence the behaviour of all employees of the company. Managers of different companies develop different strategies of the organizational culture and stress management. The strategies for the stress management are realized by the employees of the company through the values of their manager, owner or the employees and the processes of socialization, ceremonies, rituals, recreate activities and join parties, organized picnics, sport events etc. Manager or owner of the company demands their respect, understanding, tolerance, respect of the rules of working and behaviour, respect of the formal procedures. Many times the personal values of the manager and the employees influence the realization of the competitive advantage. The managers of the companies expect from their employees to work hard, precise and manage all stress situations inside and outside the company. The maximum loyal employees realizes the organizational goals, led by the managers with understanding for the emotions of the employees and control the emotions of their own and are always in front of their competitors.

## **Stress management strategies in the company**

The effective management with the company understands overcoming the different obstacles of the work and creating an appropriate strategy. The managers transfer their own vision of what they want to realize in the company through the strategy. If the employees agree with the vision and create their behaviour to the manager, they take responsibility to work hard, stress work necessary for the creative and risk development of the strategy (Jung and Avolio, 1990). In order to increase the competitive advantage of the company the manager could implement some of the following strategies for stress management:

- Preventive strategy or practicing a strategy to discover the sources of stress before the employees face the real problems,
- Strategy for decreasing the influence of stress after rising the real problems, and
- Management strategy or maintenance the stress to the place where appears.

Formulating each of the above mentioned strategies starts with systematic analyse of the factors inside the company and the outside environment that influence to the realization of the organizational goals of the company.

Of great importance for the company is the manager to foresee the real condition of the employees and analyse detail the factors sources of the stress condition. The contribution of the managers for maintenance and control of the stress in reasonable level contributes to development of the wellness of employees. Human resources are important factor that influence the organizational development. High-motivated human resources develop strong professional values and behaviour norms. In order to be motivated, human resources should be free and capable to control the stress at work and outside.

The preventive strategy or strategy of discovering the sources of stress before employees face the real problem is part of the concept of the organizational culture of the company. This strategy realizes through the principle of good human relations, trust, open cooperation and communication and introduction of the concept of time management. The communication is a condition for increasing of the competitive advantage of the company through which employees learn abilities for work with new processes, spread the own skills, contributing to discover the factors that are sources for stress of the employees. This strategy for stress management is less formal different from the strategy for decreasing the stress influence after real problems appear where managers have certain activities.

The strategy for decreasing the stress influence after real problems appear also present part of the concept of the organizational culture of the company and demands realization of certain activities for overcoming the rising problems. The open and real communication is pre-condition for overcoming the problem. The stress management realizes through programs for overcoming the negative emotions and problems. Organization of parties in the framework of the company, development and practicing the ceremonies and rituals are part of the program for overcoming the negative effects. The ceremonies and rituals are also formal events for the importance of the company as whole (Berger and Luckman, 1967). As part of the strategy managing the negative events is also the introduction of the sport programs. Practicing one physical activity and sport in appropriate equipped rooms in the frame of the company is one of the forms to manage the negative emotions coming from stress situations.

The managing strategy or maintenance of the stress to the place where appears is realized through programs for controlling the stress and stress factors at the place where it appears. It means that the process of open communication shows the source of the negative events, the company or the environment as family or home. Discovering the location is pre-condition to control the stress and maintenance the condition not to be transferred from one to the other location. The appearance of stress conditions in the company should be solved only in the frame of the company and not to be shared with the members of the family, friends and vice versa. The appearance of stress situation in the family should not be transferred and shared with the colleagues. The ability of self-control and management with negative events is of great importance for the realization of this strategy.

The stress control is base for effective working of the company bearing in mind that

controlling the negative emotions (not only the personal characteristics as ability of work, discipline) coming from the activities of the stressors, results with successful realizations.

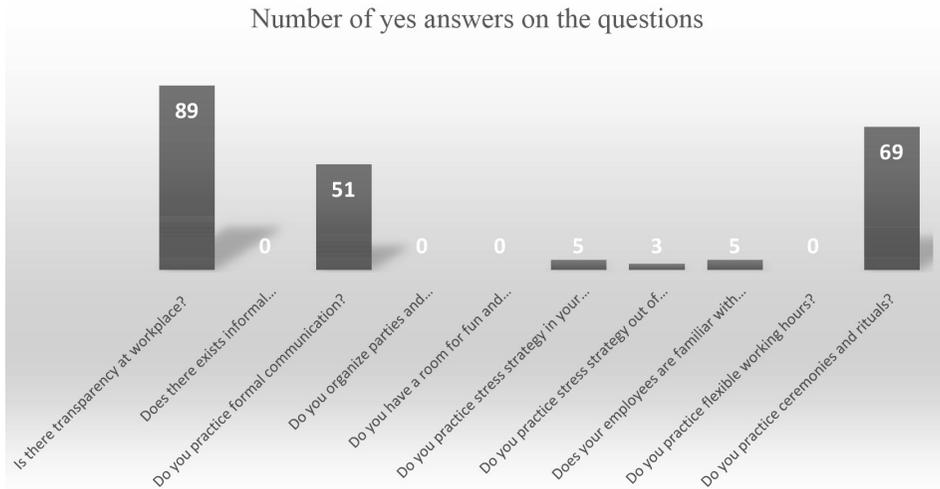
## Research methodology

In order to determine if the companies in the Republic of Macedonia apply certain activities or strategy for stress management for the employees, empirical research was conducted. The questionnaire for this purpose is composed of ten questions and was delivered to 120 companies from the private sector of the Republic of Macedonia. Most of the included companies or 89 of them, showed great interest and answered the questions, while the rest of the companies didn't show any interest and didn't answer the questions.

According to the results from the conducted research we could conclude that the first question: *Is transparency exists in the working of your company?* – All of the managers filled this question positive – 100% of them thinks that they work transparently. For the question No. 3: *If they realized formal ways of communication with employees?*, - 51 of managers or 57% from the total questioned answered positive and 38 of managers or 43% answered negative. The question No. 10: *Do the company has certain rituals and ceremonies?* – 69 of managers or 61% answered positive and 20 of managers or 39% answered negative. Only 5 of managers or 4,4% of questioned managers answered positive that they have strategy for stress management and 3 of managers or 2,6% from questioned managers answered positive to the question if they have strategy for stress management outside the company. The biggest part of questioned managers or total of 89 managers answered negative to the rest of the questions and confirmed the theory that they don't have informal communication with employees, does not organize parties in the frame of the company and they don't have flexible working hours. Also, in the frame of their company there is no adequate room for party or sport and only a small part of managers 5 of them or 4,4% from them confirmed that their employees are aware with the strategies of stress management. Received data are processed graphical and tabular.

**Table 1.** Obtained data from the conducted research

Question/answer	Is there transparency at workplace?	Does there exist informal communication at workplace?	Do you practice formal communication?	Do you organize parties and companionship?	Do you have a room for fun and relaxation?	Do you practice stress strategy in your firm?	Do you practice stress strategy out of your firm?	Does your employees are familiar with the stress strategies?	Do you practice flexible working hours?	Do you practice ceremonies and rituals?
Yes	89	0	51	0	0	4	3	5	0	69
No	0	89	38	89	89	84	83	84	89	20

**Chart 1.** Obtained data from the conducted research

According to the received data we could conclude that the companies in the Republic of Macedonia still have not implemented strategies for stress management inside and outside the working environment also don't have provided conditions for places for parties and recreation in the frame of the company. The stress management aims to decrease the stress of the employees especially the permanent stress. The results of the research show that the companies do not have implemented strategies for stress management inside and outside the working environment and their managers cannot recognize nor control the stress of the employees. The stress acts negatively to the employees and could be transferred to the company and its working.

## Conclusion

One of the most existing problems in the daily working is the stress in the company and the environment. The stress as daily-based appearance in the companies usually is connected to the employees, organizational culture of the company, communication inside and outside the working environment and the form of resolving the conflict situations. The effective and efficient management of the company changes the working conditions and demands introduction of new modern strategies for management of the company in order to improve the competitive advantage. The new forms of working basically express the importance of the employees as unique element that could change itself and adapt for increasing of the competitiveness of the companies. The stress management skills of the employees are abilities for discovering and controlling the stress. The recognition and controlling of the stress requires introduction of appropriate strategies for decreasing of the stress by the managers inside and outside the working environment. Managers have the possibility to implement strategy for recognition of the sources of stress before employees face the real problem, strategy for decreasing of the influence of the stress after real problem appears and strategy for management or maintenance the stress to the place where started. Managers have to know always that only the satisfied employees are "good employees" like the only way to realize the goals of the company.

Due to this fact, managers should know always that the stress management strategy is useful tool with positive influence to the working. But the researching results showed that many companies in the Republic of Macedonia does not have strategy for stress management or other tools, programs for recognition, controlling and managing the stress. The best organization efficiency is the one here the employees come to the work with pleasure and leave the work with satisfaction. The employees are satisfied when they are free of stress inside and outside the working environment. This confirms the fact that the employees are moving force of the company and the recognition and controlling of the stress presents the successful management strategy aiming to increase the competitive advantage of the companies.

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## Questionnaire

1. Does transparency exists in the working environment of your company?  
a) Yes      b) No
2. Do you practice informal communication with employees?  
a) Yes      b) No
3. Do you practice formal forms of communication with employees?  
a) Yes      b) No
4. Do you organize parties in the frame of the company?  
a) Yes      b) No
5. Do you have appropriate place for party or sport in the frame of your company?  
a) Yes      b) No
6. Do you practice strategies to control the stress at work?

a) Yes      b) No

7. Do you practice strategy to control the stress outside the work?

a) Yes      b) No

8. Are the employees are introduced with the strategy for stress management?

a) Yes                      b) No

9. Do you have flexible working hours in your company?

a) Yes      b) No

10. Do you practice certain ceremonies and rituals in your company?

a) Yes      b) No



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## **THE PERSONALITY AS A FACTOR FOR EFFECTIVE MANAGEMENT OF HUMAN RESOURCES IN MODERN CONDITIONS**

### **Abstract**

People are different according to different psychological variables such as: personal characteristics, attitudes, motivation, capabilities etc. which affect the social and work behavior of an individual and groups. The person's affect on work performances can be seen through the employee's level of motivation shown with determination and hard work. The theoretical base of this paper is the *Eysenck's* theory of personality in three dimensions, later widened by Goldberg's five dimensional theory of personality, known as The big five (Goldberg, 2003 ). These theories show that particular person's dimensions affect the work performances through the level of motivation and will (Goldberg, 2003). The aim of this paper is to examine the relationship between the person's dimensions: emotional stability, conscientiousness, and extroversion, work efficiency seen through human relations, responsibility and productive behavior (affective, normative and instrumental organizational loyalty). The research is conducted on 202 workers of a Macedonian company. The results showed that the person's characteristics highly predict the work performances and organizational behavior. Conscientiousness and emotional stability best predict the behavior connected to tasks and organizational loyalty. Emotional stability and extroversion show interpersonal behavior. This information can be beneficial in modern access to human resource management.

**Key words:** personality, motivation, work performances.

### **Introduction**

The person's influence on the efficiency of the work performance is an area that psychology provides a significant contribution to the management. Although some authors are skeptical about the predictive validity of the personality tests for job performances (G. Gottier, 1965), many scientists have offered theories and methods that are applicable, supporting documents confirming the validity of personality traits as predictors of job behavior. One of them is a five-dimensional model of personality, which analyzes the personality characteristics and behaviors that stem from them. Numerous findings have confirmed that personal qualities strongly influence the behavior of the individual in an organization. The main purpose of this paper is to update this psychological area and to indicate the need for its practical use.

In order to achieve the objective of this paper, firstly the importance of managing the human resources in modern conditions is explained, then the importance of human resources and their development of organizational performance is emphasized, and then the findings in the literature on the relationship person - job performance is reviewed. Finally, the present findings indicate that different levels of certain properties affect the expression of various qualities in one character, which reflect the quality of working performance.

## **Management of human resources in modern conditions**

Management of the human resources refers to the activities and tasks in the field of training, evaluation, compensation and conditions for safe atmosphere for the employees in the company. Tasks for the management on the human resources are : to take care of the employees, which would consist of finding the competent people and their inclusion in the organization, development and training of employees and the provision of high motivation and commitment, as well as undertaking of measures to keep the worker's productivity level.

In contemporary conditions, management of the human resources should enable us to improve the employees at the strategic, ethical and socially responsible manner. The efficient management of the human resources determines the success of every organization. The organizations are obliged to employ qualified candidates regardless of race, religion, gender, or nationality. They also must provide continuous development for each employee. Working and the organizational culture must be structured in a way that the employees will be satisfied and willing to remain in the organization, but at the same time to be attractive for new candidates. Professionals for management of human resources are responsible for all these activities. The main purpose of managing human resources in modern conditions is to improve the coordination and to increase the intensity of the synergy of energy facilities in order to accomplish the objectives of the organization. Managing human resources includes four functional areas or activities. These activities of the management of human resources are: providing human resources, development of human resources, activation of human resources and maintenance of human resources. All listed activities should provide support for the staff, the departments and for those directly involved in the production of goods and services. It is the task of any manager, regardless of whether it is formally involved in the human resources department or any other department.

## **Development of human resources and efficient management**

Human resources and all other resources are limited and unique. What makes them unique is that they can be developed, but they can also leave the company, abstain or become counterproductive. With other words, the performances of the human resources are not predictable or under full control. The management of human resources should be a combination of science and art. Modern management of human resources main focus is in addition to the development of key competencies of employees, and assesses the effectiveness of the investments in that development. While material resources have a value that is amortized with use and reduces their value, human resources mainly increase their value with constant use. This fact is the basis of the synergy that occurs by combining

tangible and intangible resources. In fact, the development of human resources on professional, social and personal level enables synergy in three ways:

- the first is the knowledge, skills, abilities and the level of personal development is not consumed with use
- the second is that the resulting knowledge, skills and abilities can be used on many places in the same time
- the third is that the combination of parts of the knowledge and skills will obtain new information, knowledge and abilities.

Unequivocally, the investment in personal growth and development of the human resources leads to creating and maintaining a competitive advantage. Hence, modern companies attribute great importance on this function.

## **Impact of personality on work performance**

Numerous findings argue that the impact of personality on job performance can not be seen by looking at the behavior motivation of employees. Motivation in the work behavior can be defined as the intensity of the determination of voluntary investment in the workplace. There are three motivational intentions that influence one's behavior in any organization: the motive for conviviality, which refers to the need to establish social relations, motivation for prestige, which refers to the need for more powerful status above everyone else, and the third is the motivation for success, which refers to the need to achieve goals and objectives. These mentioned motives affect what the employee chooses as the main goal and the effort that is willing to make to achieve this goal.

Schneider in 1987, introduced a model called - Model of Attraction -selection - attrition (ASA), which claims that people are likely to be attracted to groups and organizations consisting of people similar like them are greater (Schneider, 1987). The high conscientiousness is considered as a basic feature that allows you to choose hard targets to be self-disciplined, proactive and invest more (Harter, 2002). Emotional stability (neuroticism) is another factor that associated with investing great efforts to achieve the objectives. Employees with high emotional stability are concerned about completion and committed to finish any objectives given, and they are less affected by negative emotions such as depression and hopelessness.

Pleasantness is a feeling that is set in motion when there is a willingness to help or give support to colleagues and may be connected to the motive for unity. Openness to experience is an attribute of the person which is the least understood feature of the Five factor theory of personality, because there are no predict of its impact on the results. The impact of this feature is that new and unusual situations affecting the motivation to create innovative methods.

Extroversion dimension is associated with the desire and willingness to invest in a higher status. In fact, the concept by which the person causes effects in the working efficiency is motivation. Motivation is the reason why employees want to compete and try to mobilize to pursue the organizational goals. The goals set by top managers and strategists must be often redefined and refreshed, so to be in tune with the current requirements of the environment, which requires additional investment by employees.

## **Defining the criteria for working performances or operating efficiency**

Standard measures or criteria must represent the most important conditions necessary for the good execution of the given objective. The starting point in the preparation of valid measures of personality is to select those traits that show the behavior of employees at work.

If the volume of sales is the performance criteria, the results reflect the difference between vendors in terms of their skills and abilities. Similarly, if employees of one local branch are compared in terms of performance with their counterparts from the international branch, size and location of the territory are factors that are beyond the control of the employees. Conversely, differences in motivation and personality can be examined through the levels of development and maintaining a positive relationship with clients.

Nowadays work performance is measured considering three dimensions: performance of the task, contextual performance and counterproductive behavior. Performance of the task relates to the execution and completion of the necessary functions, but not more or less. The high competitiveness of modern business requires employees who go above operating requirements specified in their job descriptions, so this contextual performance can be valued as equally as task performance. All behaviors that intentionally or unintentionally go against organizational objectives are counterproductive to those resulting from the motivations and personality traits such as discipline for arrival and departure from work or negative impact on others.

Considered in its entirety, the five factor theory of personality helps to improve efficiency and has a predictive power with sufficient validity, especially when all five dimensions of personality are considered together.

## **Interaction of the characteristics of the person with the working performance**

The question of the effectiveness of HRM in modern conditions is indivisible with the psychological dimension through the concept of personality that integrates the structure, the dynamic and personality development. Daniel Goleman empirically validated and theoretically plotted the theory of the Five Dimensions of personality, which set a framework concerning the potential of every individual to use their competence in the working process (Goleman, 1997). The theory developed by Goldberg argues that the Big Five personality traits affect performance through the level of motivation and the provoked desires (Goldberg, 2003).

The term motivation can be defined as assets consisted of : time, effort and attention that an employee uses to achieve the objectives. Thus, the five characteristics of a person are associated with different organizational purposes. The interaction of emotional stability and conscientiousness with other properties can be explained that these two factors are most associated with the workplace (Hattrup, 2005). The low level of emotional stability impacts on reducing the level of enthusiasm and invested time and effort into the job, so the emotional stability can be considered as a determinant feature that strongly influences the other 4 dimensions of what employees do and how they behave. Therefore, the interactions of the dimensions are evaluated according to the variables of conscientiousness and emotional stability. Employees with a high score in conscientiousness use all the resources (time, energy and knowledge) and concentrate on completing the goal at the

workplace. When this feature is coupled with high emotional stability, the person has a profile of a personality which affects the improvement and the profit of the organization.

When conscientiousness is followed by a low emotional stability, the personal resources are reduced by the emotional care. Such personnel are not as successful as the group where the conscientiousness is followed with a high emotional stability, because their personal resources are often bogging by continuous sense of concern about their work or personal life. Extroversion and the emotional stability are factors affecting certain aspects of the operation. One surprising finding of the four possible combinations in this interaction is that people with high extroversion and low emotional stability have the power to positively influence the relations and the wellbeing. The logic of this is that the conviviality connected with extroversion serves as a resource that helps to easily and effectively deal with negative emotions.

## Research methodology

The phenomenon that is investigated in this paper is the efficiency of the working performance in the context of the personality of the staff. Problem of this research is defined by the question: Do certain personality dimensions affect the work performance improvement?

The object of the research is determining the relationship of the dimensions of personality: emotional stability, conscientiousness and extroversion among employees and managers to work performance. Aim of the study is to determine the impact of the dimensions of personality motivation and work performance and to highlight the importance of personality in the process of management.

The hypothesis of the study states: there is a connection between the dimensions of personality: emotional stability, conscientiousness, extroversion and the work performance of the employees.

Testing the relationship between dimensions of personality and performance is done by determining the multiple correlations and multiple regressions between the dimensions of emotional stability, conscientiousness and extroversion scores and performance.

This research uses a sample that has a total of 202 respondents, who are distinguished by educational and occupational differences. All respondents are aged 25 to 55 years, and 78% were male, because of the nature of jobs and the specificity of the organization.

## Results and interpretation

To examine the dimensions of influence of the personality on the work performance, it is necessary to examine the relationship between personality traits, conscientiousness, extroversion and emotional stability possessing workers employees of the participating workplaces successful execution of these jobs.

It is calculated multiple correlation between the dependent variable success in work (criteria) and three independent variables together (predictors): emotional stability, conscientiousness and extraversion. The coefficient of correlation between multiple criteria and the three predictors together is 0.56, which indicates that there is a statistically significant connection between the grade of the performance of the work and the results of tests EPQ and PIE together ( $F = 7.54, p < 0.01$ ). Table 1 shows the correlations between performances criteria in all three predictors work individually: emotional stability, con-

scientiousness and extraversion and intercorrelations between predictors.

The following table presents the correlation between work performances i.e. successful work performance (column 1) and the three dimensions of the person: emotional stability (column 2), conscientiousness (column 3) extraversion (column 4) and intercorrelations between predictors.

**Table 1.** Correlation between 3 dimensions: emotional stability, conscientiousness extraversion with work performance and intercorrelations between them.

	successful work performance	emotional stability	conscientiousness	Extraversion
successful work performance	1			
emotional stability	0,47	1		
conscientiousness	0,41	0,693	1	
extraversion	0,123	0,228	0,216	1

The results of the analysis showed a statistically significant association of each of the dimensions: emotional stability, conscientiousness and extraversion with the work performance.

**Table 2.** Multiple correlations between structure and personal work performance.

Number of respondents	Multiple correlation coefficient	Multiple determination coefficient	Variance	Efficiency coefficient
N	R	d	%	E
202	0,58	0,336	33,6%	18,54%

The correlation between grades of performance and results of the dimension conscientiousness, from PIE test was 0.467. There is a statistically significant connection between the grade of the performance of work and conscientiousness measured by the test PIE ( $p < 0.01$ ). The correlation between scores on the performance and the quality of emotional stability as measured by EPQ test was  $r = 0,419$ , which means that there is a significant statistical link between the grade of job performance and emotional stability as measured by EPQ test.

The correlation between scores on the performance and quality of the EPQ extraversion test was  $r = 0,123$ , according to which it can be concluded that there is no significant statistical connection between the grade of performance of work and extraversion, measured by EPQ test. The calculated multiple correlation between scores for both performance and personality traits, emotional stability and conscientiousness, and the correlation was  $R = 0,53$ , and when the extraversion is added the multiple correlation was  $R = 0,56$ . It was found that successful work significantly correlates with dimensions: conscientiousness, emotional stability and extraversion when considered together.

How to explain the relationship of these predictors with the success in the workplace? Conscientiousness is a feature of the person who expresses emotional state planning. Person with obvious diligence is organized and meaningful, adequate and well balanced and has a solid self, it is a person who experiments, plans and is capable of a long effort. Others perceive it as precise, meticulous and ambitious, with increased self-criticism and combined with increased exploration gives increased diligence at work. So, conscientious,

emotionally stable and self-critical workers are the most motivated for investment and they should be given a priority when selecting the new staff.

## Conclusion

The findings of this study are consistent with similar findings, according to which it can be concluded that further analysis of the personality traits of employees are needed. This paper examined three out of the five dimensions of personality five factor model. According to the knowledge of the level of representation of the two dimensions of personality: conscientiousness and the emotional stability in a person can predict its job performances. Levels of participation are classified into categories: low, moderate and high degree of each attribute, so that would be discussed all five dimensions of the five factor model of personality, there are 243 possible mathematical combinations.

The assumption is that current methods of measuring and predicting job performances will be significantly more predictable if you know the level of development of the personality traits of employees. More comprehensive research studies should be conducted to assess the interaction of all possible combinations of features of the five personality traits important for working efficiency.

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## **NEW TRENDS IN IMPLEMENTING ORGANIZATIONAL CHANGES IN THE PUBLIC ADMINISTRATION IN THE REPUBLIC OF MACEDONIA - THE PARTICIPATIVE CONCEPT**

### **Abstract**

Successful implementation of organizational changes in public administration is key to increasing the effectiveness and accountability, as well as the performance, of public administration in the Republic of Macedonia. It is the modernizing agenda for change which reflects the civic and social aspirations of Macedonian public administration to equal the quality and competitiveness of the best performing EU administrations.

New methods are needed to manage the organization of public administration. The application of an appropriate participatory concept for successful implementation of organizational change in public administration as a prerequisite for greater efficiency and accountability, encourages the public sector employees to participate in organizational change. It is argued that this can lead to a welcome reduction in the impact and influence of the state on these activities by developing the professionalism, expert knowledge and accountability of public administration in the Republic of Macedonia.

This requires political will as well as specific legal amendments, to ensure successful implementation of a participatory style of management in public administration. In applying an appropriate participatory concept of participation, decision making is not separated from the process of organizational change, but is an integral part of the employees' activities. This transfer and devolution of the decision-making power will leave senior managers free from the burden of making controversial decisions while retaining strategic direction. Sharing responsibility for organizational change with employees directly involved in its implementation will reduce overall costs, increase the efficiency of the planning process, make it more rational and responsive to all parts of the organization, and reward and incentivize staff with opportunities for advancement in a better functioning organization which they have helped create.

**Keywords:** participation, employee perception of the style of management, public administration in the Republic of Macedonia

### **Introduction**

Nowadays, there is virtually no segment of citizens' lives that is not brought into some kind of correlation with a certain government authority, state organ, or body of the public administration. To understand the aspect of organizational changes in terms of public administration, it is necessary to review the basic considerations of the meaning of the term 'administration'.

Starting out from the contemporary understanding of the term ‘legal state’, public administration carries out its social function as a regulator of the processes in society. In the complex and dynamic conditions of modern living, public administration is actually the organizational infrastructure that disposes of extensive expert knowledge, human potential and material resources for an efficient social regulation. At the same time, the growth and development of the role of public administration as an instrument of social regulation diminishes its role as an executor of the political power and coercion, which directly affects its overall activities, i.e. the work of public administration in general. Hence the conclusion that, in order to be able to answer the needs of time, public administration as a complex system of human cooperation and regulator of the social processes needs substantial transformation in terms of three significant changes: organizational, process-related, i.e. procedural, and ethical. (Milenkovic, 2009). As regards the models of administration, Dimitrijevic identifies, in general, two models of administration: the model of administration as a state administration and the model of administration as a public service. In his view, today one can perceive a third model, what is called the “new public administration” (Dimitrijevic, 2008).

## **Reasons for the need to implement organizational changes in public administration**

The fact that the citizens as tax-payers provide the funds for the work of the public administration bodies was the reason for public administration to change its attitude both towards the citizens and towards all those affected by its work. In this sense, the following obligations arose for the public administration: achieving greater efficiency, transparency and openness in its work (above all, through accessibility of information regarding its work, etc.); strengthening legal security; more efficient implementation of the laws, as well as efficient sanctioning of the oversights made and shortcomings found in the work of public administration.

In addition to the trends mentioned above, another new tendency in the public sector is also the implementation of new trends and methods in the management of the public administration bodies by way of modifying the way in which their work is organized, the manner in which decisions are made within these bodies, the way of motivating the public servants, so that this is not only about the implementation of certain methods and knowledge into the work, but also about the aspect of legal regulation of their status. Hence, the manner in which the public servants’ system is functioning is of special importance for the purpose of implementing and abiding by the numerous EU standards introduced in the sphere of public administration.

In the past three decades, in the most developed countries in the world one can notice a reform in the management of the public sector. Namely, the need for modifying the manner in which public entities function occurred due to several reasons – above all, the fact that the public sector’s share in the gross national product reached great proportions. There were also major inefficiencies that occurred in the functioning of the public sector, while the responsibility for the actions taken on its part did not reach a satisfactory level. Considered as one of its major shortcomings was the centralized manner of providing public services and goods, so as to satisfy the entire population with public goods, in a way where the basic initiatives were dictated by the centre itself, i.e. the top of the public government, not taking into account the diverse needs and interests of the different social

groups. As a result, there was no opportunity to choose and production was inefficient.

In this sense, the goal of the public sector reform is to promote its accountability (more precisely, of its managerial structures), for the purpose of using public resources efficiently and effectively. The measures undertaken throughout the reform processes and the implementation of numerous organizational changes “contribute to the development of a new manner of managing the public sector – the so-called new public management – characterized by adopting styles and concepts of market operation and private sector management (Djurđev, 2003: 26-28).

The excessive growth of the public sector from the aspect of its participation in the national income, on one hand, and its growing inefficiency and low level of responsibility to meet its obligations, on the other, were the main reasons for taking the measures towards transforming the public sector. The attempts to reduce the growth rate of the public sector and motivate the employees to achieve greater efficiency have their roots in the management techniques and practices used within the frameworks of the private sector. In this regard, the overall reform measures applied via the implementation of various organizational changes, contributed to the affirmation of the so-called new public management, i.e. the “new manner of managing the public sector, characterized by adopting concepts and styles of management of the private sector and implementation of explicit standards and measuring of the performances” (Bjelica, 2012).

The implementation of the practice of managing the private sector into the public sector is linked with numerous conceptual problems that primarily arise from the many differences between these two business environments. An especially important difference is precisely the presence of political interest in the public sector. The private sector is largely run by market forces and specific regulatory processes, while the activities of the public sector are determined by the structures and processes established by bureaucratic agencies and the state legislation (Djurđev, 2003: 26-28).

In conditions where there are no dilemmas that the reformation of the public sector is a crucial process, the only considerations that of relevance are those about the necessary measures that these reforms should incorporate and the possible directions along which the public sector reforms should evolve.

## **Current state of affairs in the public administration in the Republic of Macedonia from the aspect of selecting an appropriate concept for implementing organizational changes**

The organizations employing the public administration in the Republic of Macedonia, practice an autocratic style of management, i.e. the traditional, control-oriented approach, which involves centralized decision-making in the highest hierarchical levels of the organization. The employees are virtually not involved at all in the decisions about the changes – not even in the decisions concerning issues that are most directly related to their work. The top-level managers are the ones who make the decisions, while the middle managers take part in making some of the decisions to a certain extent, whereas the employees only implement the decisions. It is important to determine where the power to make decisions in the public administration is concentrated, considering the fact that this is one of the four key features (information, rewards, knowledge and power) used to assess the style of management, according to Edward E. Lawler III (1988, 1992). Namely, when these are concentrated at the top, then there is a traditional control-oriented management,

and when they are moved downward, then some forms of participatory management are practiced. The claim that the traditional control-oriented approach is practiced in public administration is also supported by the results obtained from the research conducted back in 2008, for the needs of the magisterial thesis of the author of this text. The research was conducted in the independent regulatory bodies in the Republic of Macedonia, which are part of the public administration in the Republic of Macedonia (Skerlev-Chakar, 2009). This research showed that even 75 % of the staff had declared that the employees were little involved in the creation of the organizational structure, while 13.9 % of the staff had stated that the employees were partly involved in these processes. However, this certainly does not mean that the employees have no desire to be involved in the decision-making.

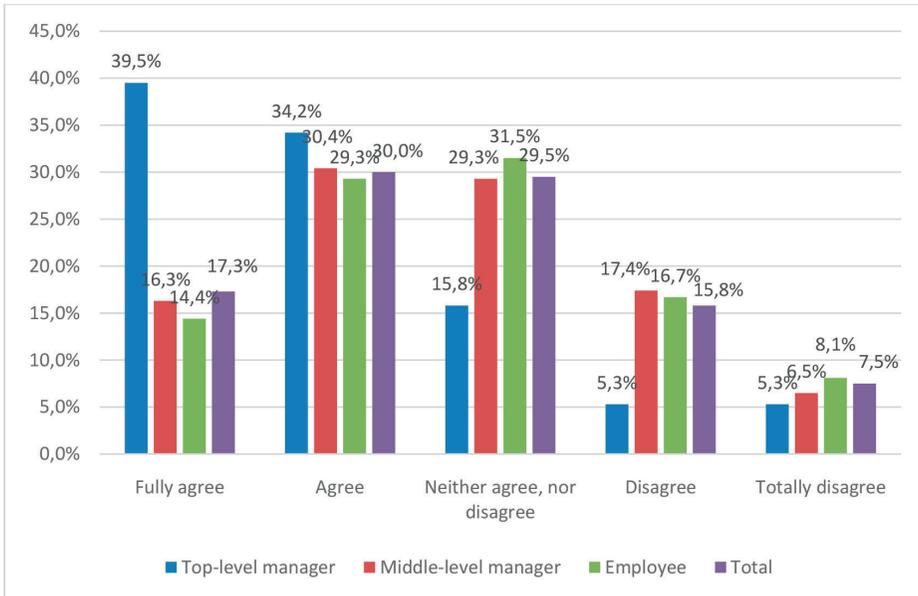
Among the other aspects that were the object of analysis, also analyzed in the research conducted in June-September 2013, for the needs of the doctoral dissertation of the author of this text (Skerlev-Chakar, 2014), was the presence of the four key features (information, rewards, knowledge and power) mentioned by Edward E. Lawler III in his work *Choosing an Involvement Strategy* (1987), which define the style of management. This was with the aim of selecting – on the basis of this and the other features – an appropriate concept for employees' involvement in the public administration of the Republic of Macedonia, in the organizational activities when implementing organizational changes. Namely, in order to confirm or deny the above-stated conclusion regarding the style of management in the public administration in the Republic of Macedonia, the degree to which these four key features – information, rewards, knowledge and power – are moved down to the lowest level in the organization was analyzed, as the verification of the conclusion depended on this.

Namely, the results of this research confirm the fact that, in the public administration in the Republic of Macedonia, the power is located in the highest hierarchical levels where the management does not announce the organizational changes transparently and the employees in the public administration do not have an opportunity to participate in the decisions concerning the organizational changes, as well as the fact that the employees do want to be involved both in the decision-making and in the implementation of organizational changes because they do have the required knowledge, but that the rewarding within the public administration is not adequate to the achievements.

With the aim of designing a concept that would contribute to a successful implementation of the organizational changes in public administration as a prerequisite for greater efficiency and accountability of the public administration – which would in turn produce the desired decrease in the influence and presence of the state in the ongoing activities on the account of increasing professionalism, expertise and accountability of the employees in the public administration in the Republic of Macedonia – the author of the text conducted a survey in the period from June to September 2013, involving a total of 400 respondents in the public administration in the Republic of Macedonia. Presented in this text will be only a small portion of the survey results.

The pictures below present some of the results of this survey, where the stances of the top-level managers, middle managers and employees are given separately, in percentages.

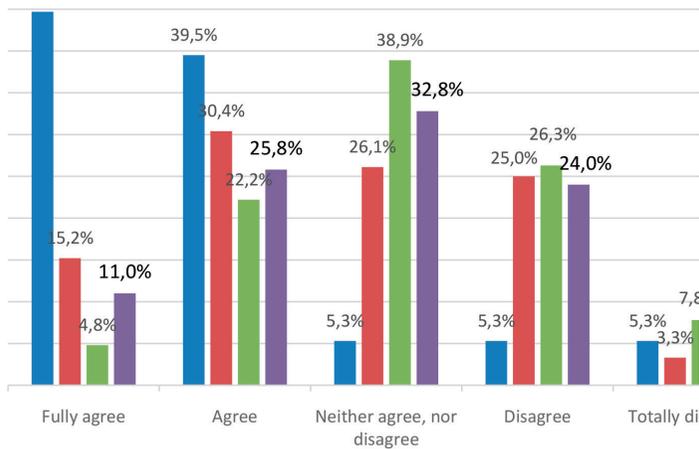
**Picture 1.** The top-level management in this organization transparently states the need for organizational changes and the goal it wants to achieve



Picture 1 presents the opinions of the employees regarding transparency when it comes to announcing the forthcoming organizational changes and the goals that these should achieve in the organization. The majority of employees – 31.5 % - do not have a stance concerning this issue and, along with those employees who do not agree with the stance that the organizational changes are announced transparently in the organization (16.7 %), and the employees who totally disagree with this stance (8.1 %), comprise a significant percentage of employees who think that the processes of change in the organization are not transparent. The management’s stance, however, is totally different – they think that these processes in the organization are announced transparently (39.5 % of the top-level managers fully agree and 34.2 % agree, while, at the level of middle managers, 16.3 % fully agree and 30.4 % agree with this claim).

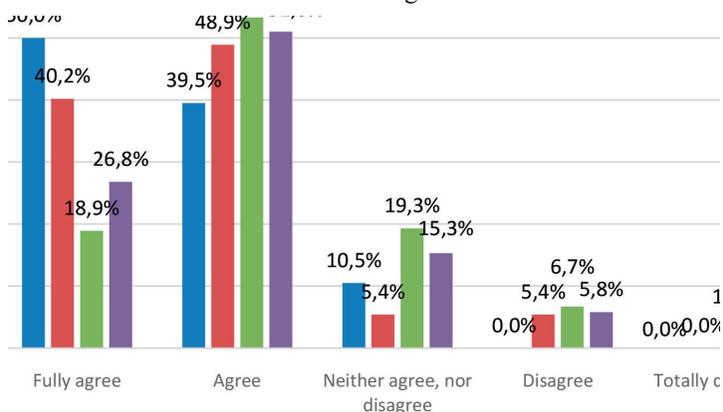
Picture 2 presents the answers of the top-level managers, middle managers and employees concerning the stance: “I have an opportunity to participate in the implementation of the organizational changes”, where the majority of employees (38.9 %) did not have a stance of their own regarding this claim, while 22.2 % agreed with it; 4.8 % fully agreed; the majority of employees (26.3 %) did not agree, and 7.8 % totally disagreed. The situation among the top-level managers and the middle managers was totally different, as they agreed with this stance. Namely, 44.7 % of the top-level managers fully agreed and 39.5 % agreed, while 15.2 % of the middle managers fully agreed and 30.4 % agreed.

**Picture 2.** I have an opportunity to participate in the implementation of organizational changes



However, public administration staff would like to be involved in the implementation of organizational changes and the findings obtained through this survey showed that this desire for involvement involved the employees as well, since, by the nature of its hierarchical position, the management will understandably be fully involved in the implementation of organizational changes. The positions of the employees regarding the opportunity to be involved in the implementation of organizational changes are given below in Picture 3, where it is visible that even 53.3 % of the employees agree with this claim, while 18.9 % fully agree, which constitutes a high percentage of employees who want to be involved in the change implementation processes in the organization.

**Picture 3.** If given the opportunity, I would take part in the implementation of organizational changes

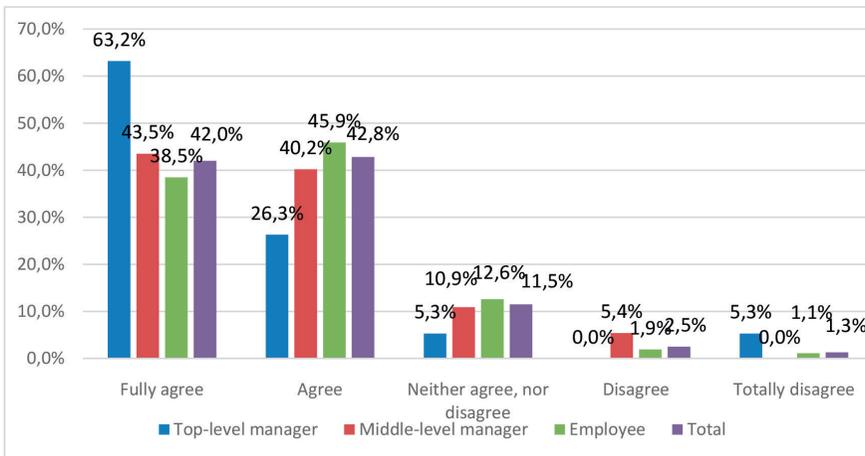


The findings obtained in this survey are along the lines of what Lawler (1988) wrote, i.e. “that there is no doubt that the employees enjoy the opportunity to participate in the problem solving”.

The survey showed that the employees would also like to be involved and receive

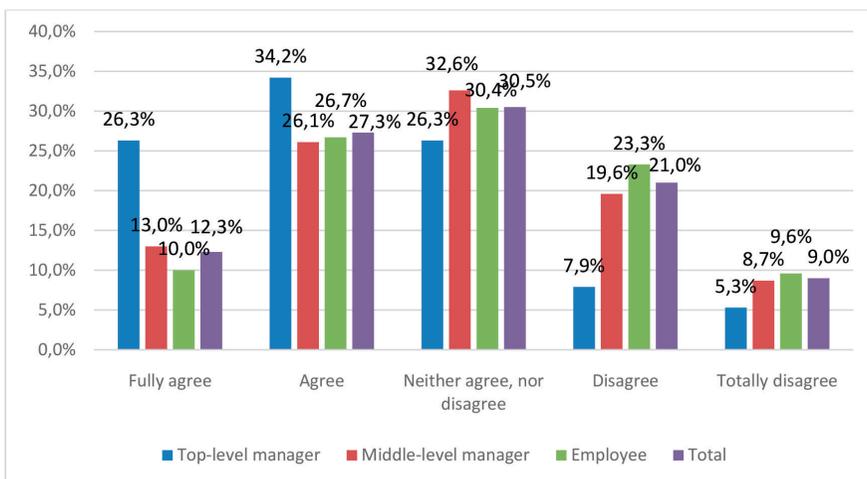
information about the forthcoming organizational changes. A total of 45.9 % of the employees agreed with this stance, while 38.5 % fully agreed (Picture 4). As for the managers, there is again an understandably high percentage of consent with this stance, i.e. 63.2 % fully agree and 26.3 % agree with this stance, considering the fact that they possess all relevant information concerning organizational changes.

**Picture 4.** I wish to be involved and receive information about the future challenges the organization will be facing and about how they will affect me



However, the results obtained from the survey showed that the managers do not provide sufficient support to the employees to participate in the decision-making about the organizational changes (Picture 5).

**Picture 5.** The top-level management in this organization supports employee involvement in decision making



The data presented in Picture 5 support the claim that the majority of employees agree with the stance that the top-level managers do not support their participation in the decision-making (26.7 % agree, 10 % fully agree). The percentage of employees who do not have a stance on this issue is high, which leads to the conclusion that there is no developed participatory climate when making decisions in the organization. The managers' standpoint is contrary to the stance of the employees. i.e. the managers consider that they do support the employees in taking part in the decision-making (top-level managers: 34.2 % agree and 26.3 % fully agree; middle managers: 26.1 % agree and 13 % fully agree). However, according to Conner (1998), the managers are the ones who should involve the employees and "lead them through the emotional and sequential framework of organizational changes". Also, they should constantly listen to the stands and opinions of the employees so as to obtain a realistic picture of the developments in the organization, on one hand, and bring the process of making decisions about the organizational activities closer to those who perform these activities directly, on the other. The research titled *Decentralization and Accountability as a Focus of Public Administration Modernization* (Christoph, Demmke, Hammerschmid, et al., 2006) confirmed the need for creating strategies, on the part of public administration, for training the managers to acquire the essential skills that would enable them to carry the responsibilities themselves, considering that there is a strong link between decentralization and the participation of a number of actors in the decision-making processes. This also confirmed the importance of additional trainings for the managers in this regard and led to the conclusion that the respondents had faith in the efficiency of their training systems.

The research was based on the premise that there is possible correlation between the *independent variables*, defined as organizational climate, organizational politics and the employee perception of the management style, on one hand, and the *independent variable*, defined as acceptance of the implementation of organizational changes in public administration. In tune with the set goals of the research, thirteen hypotheses were examined.

With regard to the style of management, considering that the author of the text advocates introduction of a participatory style of management in the public administration in the Republic of Macedonia, it was important to examine if there was a link between the *employee perception of the style of management in the organization* and the *organizational changes*. For this purpose, three hypotheses, which represented the dimension of *employee perception of the management style in the organization* at the level of middle managers and top-level managers, were tested, as it was assumed that the managers, through their style of managing the organization, would contribute to creating situations where the employees would react positively to the implementation of organizational changes and to their dedication to the implementation of organizational changes, *in this practicing the participatory management style*.

These three hypotheses referred to the research into the link between the *practicing of participatory management style* and the *acceptance of the implementation of organizational changes*; the *support from the middle managers (supervisors)* and the *acceptance of the implementation of organizational changes*, and between the *involvement of top-level managers* and the *acceptance of the implementation of organizational changes* in the public administration in the Republic of Macedonia. For the needs of the research, the term 'top-level manager' also referred to the top managing officers in public administration (director, head of professional service, secretary general, state counselor, and their

deputies/assistants), and the elected and appointed persons (member of an agency, commission or council, or any other elected or appointed person). The term ‘middle manager’ meant and included the heads of sectors and heads of departments (and their deputies/assistants). The term ‘employee’ meant and included the non-managing officers in the public administration.

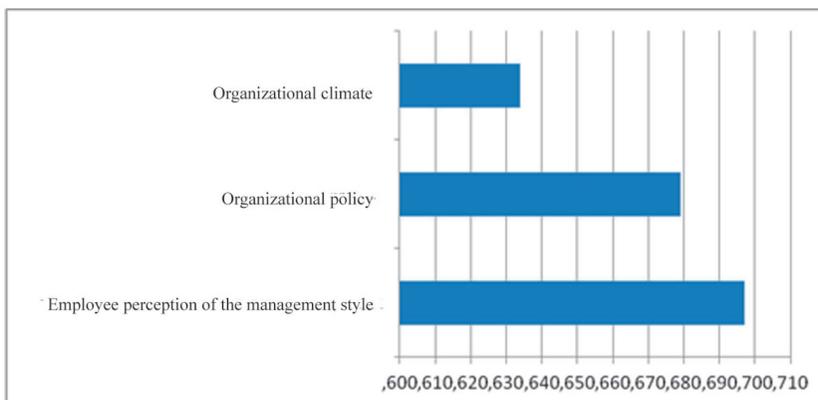
The results showed that **there is a positive link between the employee perception of the style of management** (*support from the middle managers, involvement of the top-level managers and consistency of the top-level managers*) **and the acceptance of organizational changes in public administration.**

Consequently, after the hypotheses were tested and the factors of lesser influence were separated with the help of factor analysis, the factors that had major influence on accepting the organizational changes were grouped, after which, by correlating the independent and dependent variables, those factors that could be considered as the reason for movement from resistance towards acceptance of the initiative for changes were singled out, and the data obtained were used only in an additional analysis for the purpose of confirming the data already obtained from the processed questionnaires with scales and stances, and only certain additional conclusions were drawn.

On the basis of the results obtained through testing of the hypotheses, also taking into account the additional results obtained from the factor analysis and the performed correlations, the participatory concept was finally designed and proposed as an inclusive framework for implementing organizational changes in the public administration in the Republic of Macedonia.

The sublimated results of the testing of the hypotheses, using Pearson’s  $\chi^2$  test, are summarized and presented in Picture 6. Namely, after the testing of the hypotheses, all thirteen set-up hypotheses were confirmed, i.e. the results confirmed that there is a positive link between **organizational dedication, organizational policy and employee perception of the management style** and the **acceptance of organizational changes in public administration.**

**Picture 6.** Middle values (Mean) of the independent variables (incorporating the factors), which produce movement from resistance towards acceptance of the initiative for changes in public administration



The picture makes it obvious that *employee perception of the management style has the greatest impact on the acceptance of the implementation of organizational changes in public administration*, followed by organizational policy and organizational climate. Considering that *participatory management style was singled out as an important factor that produces movement from resistance towards acceptance of the initiative for change, within the framework of the proposed concept, participation was an important link that connected all of its components*.

## **Participatory concept for implementing organizational changes in the public administration in the Republic of Macedonia**

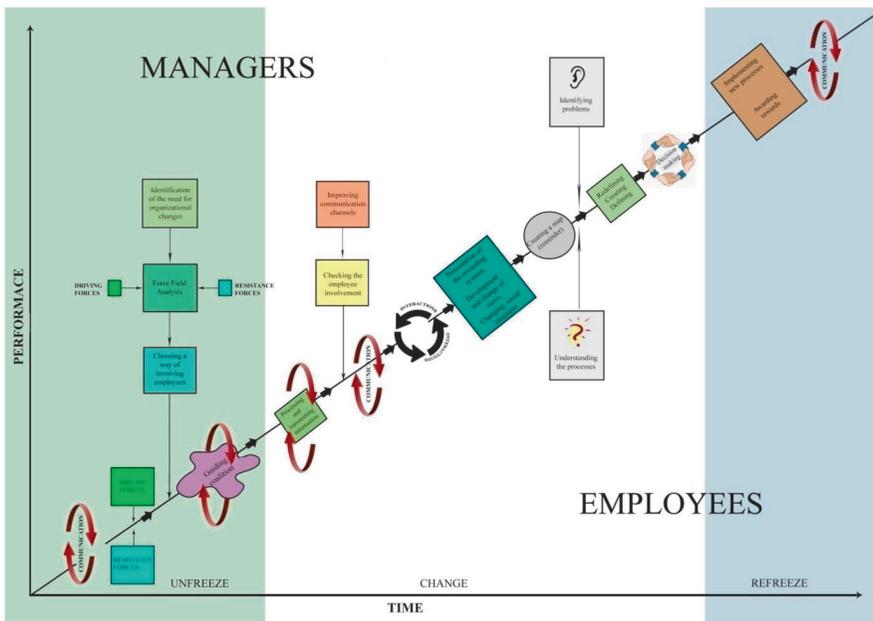
The literature reviewed and the research results pointed out to the fact that *managers need to find an appropriate way to involve the employees in the organizational activities*. This involvement should be conducted in line with Kurt Lewin's model of the change process from the existing state into a new, desired state (Robbins and Coulter, 2007; Robbins, 2005), i.e. through the three steps of change: *unfreezing, movement and refreezing* (Lewin, 1991, 1997).

Based on the findings of the author of this text regarding the presence of the three factors according to Lawler, which are relevant to the choice of the way in which the employees will be involved, it was concluded that, for public administration it was the most suitable to implement certain aspects of Lawler's concepts, and not a specific one – and this, depending on the goals one wishes to achieve. This means implementing those aspects of a certain concept that are the most appropriate in a specific situation, such as the quality circles or teams, where a group of employees recommend proposals and, depending on the improvement of the performance of the organization achieved through the implementation of the proposals, upgrade themselves. Further on, when it comes to adopting concrete decisions, the managers may use certain aspects of the approach to employee involvement, through individual enhancement of the work or by way of forming work teams. If the organizations are already using the benefits of the previous two concepts, then, at a certain stage, they can also implement the concept of high involvement, which differs from the previously mentioned concepts by the fact that, within it, the employees are not required to make decisions only about their work, but are required to also take part in the adoption of organizational decisions that are related to the strategy, investments and other big organizational decisions, while the rewards depend on the accomplishments of the organization. For the managers it is important to know which tools of these concepts they have at their disposal, in order to be able to implement the same at a certain stage of the organization's development, as well as the goals they want to achieve with the organizational changes.

Consequently, the author of this text considers that it is appropriate to combine practices from the three concepts of Lawler, placed within Lewin's stages of the change process, adjusted to the characteristics and needs of public administration in the Republic of Macedonia, bearing in mind the results obtained from the analyzed factors. In this, it is very important to implement the *participatory management style* in the organizations, while information about the organizational accomplishments and forthcoming changes in the organization, as well as the goals that are to be achieved, should move in two ways, i.e. there should be *two-way communication*. *Rewards should be distributed on the basis of the accomplishments, the employees should receive the needed knowledge*

that will make it possible for them to understand and contribute to the organizational achievements, which will in turn increase their *job satisfaction*, and they should be given the adequate power and *freedom to participate, i.e. be involved in the process of making decisions* that influence the direction in which the organization will move with its accomplishments. In all of these processes, *managers play a very important role* – both the middle managers, who represent the link between the employees and the top-level managers and should, on one hand, support the employees in their involvement in all organizational activities, and, implement the instructions of the top-level managers, on the other, and the top-level managers who are key to what organizational policy will be implemented in the organization. Considering the fact that *management style* has been singled out as the most important component, i.e. a determining factor that influences the employees in terms of their movement from resistance towards accepting the organizational changes, it is especially important what kind of *organizational policy* the top-level managers will implement and what *organizational climate* the latter will produce. Hence, also important is the *continuous training of the managers*, so that they could acquire the capacity to practice the participatory management style. Picture 7 presents a map of the *draft-participatory concept for implementing organizational changes in the public administration in the Republic of Macedonia*, which consists of eight stages, integrated into the three steps: defreezing, moving and refreezing.

**Picture 7.** Participatory concept for implementing organizational changes in the public administration in the Republic of Macedonia



Throughout all these stages of the concept, which was designed by the author of this text and which she recommends to be applied as a new trend in implementing organizational changes in the public administration in the Republic of Macedonia, permeates participativeness, i.e. the participatory management style, which the author advocates in particular and which requires participatory environment and freedom for the employees to be involved in the implementation of organizational changes.

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## **KNOWLEDGE MANAGEMENT FOR HUMAN AND ORGANIZATIONAL DEVELOPMENT NEEDS**

### **Abstract**

Everyday changes and competition necessitate continual application of knowledge management by contemporary organizations. The benefits from this are successful accomplishment of the knowledge-related processes and their easy adjustment to the requirements set by businesses. These targets can be achieved by well-trained staff armed with the theoretical knowledge needed, i.e. the targets are unachievable without organizational knowledge storages. Challenges related to this issue refer to the culture of gathering knowledge and later analyzing it. In order to achieve this, successful sharing of knowledge and application of organizational learning is a must. It can be done by using knowledge maps. This will ensure the desired dynamics of the organization that will match the anticipated organization strategy. That is why knowledge is considered to be an asset which is of crucial significance for the organizations' survival and sustainability. It provides conditions for the company to successfully face the challenges, something that would be impossible without making use of the people's capacities and without their successful integration.

**Key words:** Knowledge management, sharing knowledge, organizational knowledge, human capital, organizational achievements.

### **Introduction**

Research done in the course of the past years was aimed at studying knowledge and its management for the needs of an organization, as well as ways of managing knowledge-related processes. This was particularly important, because the developments and improvements in the field of Information communication technologies (ICT) and mobile telecommunication offered some different ways of reaching the competitive goals of current organizations. Accordingly, priority number one was studying knowledge-based organizations, which, in turn, raised questions such as, what kind of management they need and which are the research areas of knowledge management which stem from the requirements set by knowledge-based performance. When doing the research, it was our economy and its needs, as well as competition coming from both the neighboring countries and those on larger scale, that were taken into consideration.

With the purpose of achieving these goals, and in particular in those organizations that properly value knowledge, task number one is to identify the role of knowledge as an asset, resource and a means of the respective organization, which ensures achievement of the organization's preset goals. In a broader sense, it must be emphasized that knowledge bears great significance when managing intellectual capital on a state level or when doing it on a larger scale. Therefore today's contemporary and competitive organizations

which are striving to reach domestic and international markets and to stay there, need to map their knowledge (Hislop, 2013), to create their own organizational memory and to develop the necessary organizational structure.

Significance is also given to the regular activities of the organization, wanting thus to accentuate the knowledge protocol (Leistner, 2010) that exists between the organizational processes, on the one hand, and acquisition of the knowledge relevant for the respective purpose, on the other hand. An outcome of these endeavors is creation of new pieces of knowledge which is indispensable for resolving the previously identified problems. Organizing these activities is possible, providing such cooperative culture is created, by which it is possible to successfully share knowledge within the organization. This will allow the organization to actually be able to carry out its business dealings, on condition that special procedures for knowledge coordination and later its processing are established. This is supposed to be executed by appropriate management who will be able to control, measure and adapt all these processes to the ever-changing environment.

These changes, in turn, should be based on the organization's capacities to monitor its needs for better performance. These capacities are largely dependable on the processes underlying successful knowledge management, one of which being sharing knowledge, affecting thus directly the learning process in the organization. Organizations apply all these previously mentioned activities thus directing the organization towards accomplishment of the desired efficiency (Ganguly, Mostashari and Mansouri, 2013), stability and commitment to organizational learning. The ultimate goal is the organization to acquire the strategic advantage that will rely on the cognitive capacities of the organization's personnel.

This will contribute to reaching the desired dynamics of development of the organization. That is why the organizations necessitate well trained management who will properly identify and later apply the skills and responsibilities needed for managing the initiatives that demand knowledge. As a matter of fact, this managerial staff arise from those people who are gifted enough to easily achieve such goals, at the same time being able to identify, extract and make use of the knowledge already existing in the networks they participate in, or apply the knowledge on the spot, where it already is. What we are talking about is in fact the networking of today's knowledge management which is supposed ultimately to lead to enhancement of the intellectual capital (Choo and Bontis, 2002) both within the organization itself and on a wider scale, which could result into increment into the relevant country's GDP.

## **Knowledge and management**

The need of competitiveness and development (Cumming and Warley, 2015) has placed knowledge on the pedestal, a position it actually deserves. Nowadays the field of services provision assumes hiring professionally trained staff, people (Baron and Armstrong, 2007) with excellent command of data and information on the respective areas. Such type of knowledge is commonly associated with information-related contents, adaptability to the working conditions and issues requiring solution, implementation of the previously already gained knowledge, and working in already networked environment. Basically, it is something that can create knowledge (Ikujiro and Nishiguchi, 2001) which later can be applied in relevant fields.

It is exactly the previously mentioned reasons that make issues related to knowledge to be normally related to occupations which can generate particular kind of knowledge,

referred to as unique, optimal, one-of-its-kind knowledge. This type of knowledge is quite unlikely to be easily copied or transformed, primarily owing to its complexity. Consequently, organizations possessing this sort of knowledge can be looked at and considered from perspective of the knowledge they possess, which is now regarded as a valuable asset for gaining a strategic advantage.

Actually, this type of knowledge, i.e. the work that generates such knowledge, is associated with possession of appropriate and applicable theoretical knowledge (Krogh, Roos and Kline, 2000) about the respective area. Individuals working on such tasks are supposed to possess a certain degree of creativity, to be ready to cooperate, and to be ready accurately and in due time to perform the tasks assigned. That is the reason why in the organizations there is a continuous need of acquisition of that particular type of knowledge that is expected to fill in the gaps caused by the previously gained but now insufficient knowledge. With that purpose, a number of diverse activities are employed to properly train the staff, by insourcing or outsourcing highly skilled and experienced trainers for that purpose. In case the goals expected are still not achieved, another option is getting to knowledge by means of consultation or by provision of personnel that does not work in the concerned organization but they are indispensable, i.e. by outsourcing such staff. Another common approach is using workshops, where by participation of renowned experts on knowledge implementation, conditions are created for knowledge processing (McInerney and Koenig, 2011). The ultimate outcome is supposed to be improvement in the quality of the products, services and processes, applying appropriate equipment for their realization, activities that will all together lead and take the organization to the preset goals.

The business world quite frequently sees knowledge as a resource, and therefore it is very important to apply knowledge management. Namely, reaching a competitive advantage means having products or services which are extraordinary and outstanding, both with respect to their quality and their performances and properties, something that customers value a lot. Therefore, knowledge has to be fully understood in order to be properly managed. Successful execution of all the processes related to knowledge management is priority number one, some of the processes being knowledge identification, done primarily by means of application of the ICT developments and their accessories, then generation of knowledge based on previous, already gained knowledge, sharing and transferring the newly acquired knowledge, performance of a variety of analyses, and last but not least, good managerial staff who will support, monitor and guide all these activities.

All this can create good grounds for further usage of knowledge in researches, for studying its values and the prerequisites under which it can be shared, and for finding the most successful way of its application. Such activities are supposed to yield certain benefits for the organization and to be advantageous for the organization's competitiveness. The very accomplishment of these efforts and intentions can be managed by applying the information-communication technologies available nowadays. That is why it is very important for the management to succeed in including knowledge management in their organizational visions.

Accomplishment of these goals is impossible without an appropriate organizational culture which can readily and adequately respond to the challenges present in the environment and to offer support when gaining sustainable competitive advantage. Commonly, an organization culture (Schein, 2010) comprises the already existent ways of behavior acquired within the organization, all kinds of written documents that have certain value for the

organization, the manner in which things are being done and realized in the organization, as well as diverse standards. Organizational culture can be looked at as an organized group of people who have already gained some specific and distinctive forms of knowledge by which they actually distinguish themselves from the other groups. This specific knowledge, with relevance to the organization culture, can also be acquired by all kinds of narrations and lectures, then by the organization's design, or through management systems (King 2009).

Therefore development of this type of organization culture is a must, culture that with the staff's adaptability and commitment to work will lead to stable development of the organization, applying the changes that are bound to happen in the system of values of the organization as a result of the threat of competition. This can be done by including the necessary knowledge of the organization, by taking into consideration the mission, as well as by full commitment and continuity in the endeavors to be successful in what is produced or created.

For the process of knowledge application, we can use the organizational memory. This process is normally associated with activities done for creation of new knowledge or for solving a problem. It is aimed at saving the information and knowledge valuable for the organization's performance, in order to allow proper knowledge processing. This is done so as to take the organization to the way of better integration of information and enhancement of the organization's performance efficiency.

In the books related to this issue we can encounter a number of activities related to organizational memory (Walsh and Ungson, 1991). Some of these activities are knowledge processing and monitoring its dynamics, acquisition of knowledge, storage and recording of knowledge, storing of documents coming from diverse media and being in various formats, provision of ways of gaining knowledge, and knowledge retrieval when needed. All these activities shall be accompanied by well thought-of conditions and requirements to fulfill if wanting to apply them, as well as possibilities to interpret knowledge, storage of the informative comments concerning its significance, and ways of knowledge transfer.

Successful application of the organizational memory is in fact existence or construction of a relevant organizational form. Its role is to ensure sharing of knowledge and prompt the learning processes, thus preparing the organization for more energized activity that will lead to improved organizational achievements. This seems to be of particular significance when the organizations faces challenges not encountered before. Therefrom arise expressions like strategic projects or directed groups, whose objectives are drawing up pertinent strategies, developing ideas, ensuring active learning (Argote, 2013) and disambiguating certain issues.

All this is achievable provided that the organization's management and owners have full understanding of the necessity of this type of joint activities. If you want it to happen, it is a must to continuously apply and explain the expressions *knowledge management* and *organizational knowledge*. For these reasons, social integration within the company itself, as well between the company and the other people in its surroundings, shall be encouraged. Thus the organization will be treated as a comprehensive dynamic system.

## **Challenges of knowledge management concerning development of the organizations**

One of the problems commonly encountered by organizations is drawing up a design that will match the organization's business processes. In this case knowledge man-

agement can be implemented for designing or redesigning business processes which are actually leading and taking the company to successful realization of its process, which, in turn, can be ensured on condition that relevant knowledge has been mastered and later used for the business processes. To be able to achieve this, the company must be prepared and ready for self-analysis, to have capacity and ability to analyze its own knowledge. It would be particularly useful if the results of the analysis were later used for synthesization of knowledge, which is an achievable goal providing that previously the results had been shared by the organization's personnel in charge of it. These activities are to be taken quite seriously, as they have very much in common with organizational design.

For the above mentioned reasons, knowledge management shall be implemented as a way of successful redesigning of the business processes. The initial activity is to comprehend the real-time operation of the business processes. This can be supplemented by active usage of ICT for this purpose and timing of the business processes, activities that are made possible by successful mutual cooperation among the organization's staff, as well as between the organization and its clients, the management, the suppliers, cooperators and in general, the organizational learning.

A question to be answered is: how to accomplish it all? The answer is, there are approaches and manners that coordinate and link the activities related to knowledge management, and which can be successfully supported by ICT infrastructure. Such knowledge management processes (Ikujiro and Nishiguchi, 2001) are: gaining knowledge, synthesizing and using organizational knowledge, knowledge transfer, and networking that makes learning within an organization possible.

This contributes to improved or even impeccable accomplishment of the business processes, which can take the organization to new values and to realization of the desired competitive advantages grounded on a union between the organizational design, business processes, human resources, ICT infrastructure and knowledge management. This is a way to provide the prerequisites necessary for smooth and seamless flow of information, which indirectly means support for the creative processes within the organization, creation of new knowledge, renewable exploitation of the organization knowledge and of the learning processes applied in the organization.

Organizations that are willing to respond to their clients' and owners' needs have to work on and be committed to creating such an environment for their employees which will enable them to make decisions based on previously gathered and well-grounded information. This is supposed to be preceded by successful battling the problems encountered by the organization. Therefore management in charge of knowledge in the organization must be very well familiar with the decision making process, and especially the organizational database for business processes. These processes ordinarily include identification, creation, modeling and sharing knowledge and its application wherever needed.

Nowadays all the activities associated with settling an organization's problems can be aided and accomplished by the contemporary ICT advancements. However, already existing knowledge and experiences must not be neglected by anyone applying these intellectual technologies. This creates grounds for implementation of knowledge management in activities such as perceiving the latest developments, their implementation for further studies and research, which can contribute to creation of more advanced and distinctive products which do matter a lot for survival of the organization and achievement of its visions in today's exceptionally competitive environment.

It is a regular procedure when settling an organization's problems, to compare the present state with the desired achievements. In order to realize this, the weaknesses that occur in data, the organization dynamics and databases need to be coordinated with the knowledge of those people that deal with the processes of decision making. This necessitates precise defining of these sorts of knowledge, thus ensuring commitment and organizational creativity in conditions of social insecurity which is invariably a result of insufficient knowledge.

For that reason knowledge management should be particularly interested in acquisition, creation and adjustment of the knowledge needed. Additionally, access to the systems of management science (Bagad, 2005; Anderson (eds), 2014) is crucial, too, as well as data gathering and their retrieval (Thierauf and Hoctor, 2003) and tracing knowledge that must further be accordingly distributed and used where needed. The very noticeability and distinction of knowledge might be of particular interest for the management

## **Knowledge management in today's contemporary organizations**

One of the sophisticated informative ways of applying knowledge management is usage of knowledge maps. This way of knowledge management is designed to enable knowledge analysis in the organization. It is preferred in team work, especially when having to share knowledge for finding solution to organizational problems. As for its individual use, it is favored when studying previously acquired knowledge, but also as basis for further research, which is necessary when pursuing goals.

Knowledge map application is within tools that are applied in knowledge management. It allows graphical representation of knowledge, all with the purpose of reaching an intelligent way of improving the organizational processes. This can be done by approaches which consider the processes and problems in an organization from a number of perspectives, thus visually presenting the shape of knowledge. Knowledge mapping allows synergy of knowledge contained in people, processes, experiences, documents and various applications and databases. It is craved by organizations that strive to successfully present their products and services.

Another aspect that needs attention is simplification of the complexity of processes in an organization, regardless whether we have in mind human dimension or computer-supported processes. The point is how working processes are interwoven and interlinked, at the same time being supported by knowledge-related processes (Rubenstein and Geisler). This is very important for the sake of coordinating the ways of communication within an organization, when it comes to knowledge application. This will allow well-structured approach to the problems and processes in the respective area and better application of the relevant knowledge. Basically, we are talking about different organizational concepts and relations.

An important issue to be addressed too is why it matters a lot to have good cooperation within an organization, which obligatorily is based on mutual trust. The answer lies in the fact that those are organizations where knowledge is considered something processable by people, of course, assisted by ICT. These scientists need to be previously appropriately trained so as to be able to better manage knowledge. The topics addressed in the training process can be associated with comprehension of the dynamics-related problems in the organizations, decision making related to these problems, designing complex organizational programs, experimenting with and carrying out a variety of scenarios, or direct participation in organizational processes.

Realization of this organizational dynamics and knowledge of working processes assumes incurrence of certain costs for implementation of knowledge management. Accordingly, we need approaches defining the manner of proper knowledge shaping and its development, knowledge adjustment to its specific usage, including individual usage. In other words, it is necessary to overcome the barrier existing between simulations and their concrete application aimed at achieving the organization goals.

Realization of knowledge flow is for the sake of successful organizational behavior (Nelson and Quick, 2013), and it originates from business processes that are continually fed with knowledge which, in turn, help the processes to be accomplished. This is notably significant in conditions of international competition where dominant business processes can be successfully carried out and completed. This objective is achievable providing there are conditions in the organization that allow knowledge flow for such needs. Hence it is of crucial importance for these processes to be coordinated with policies in the organization and the intentions of the management.

There from there is a need for full usage of the organization's potentials in order to boost its performance. This is attainable as long as there are processes capable of assessing how individual knowledge can contribute to reaching organizational achievements, and still more important, whether these achievements are sustainable in the future. One of the approaches to this issue is comparison among the organizations present at the market on a range or parameters. That is a way how to identify the others' mistakes and learn from them. The second option is to study their organizational design, thus identifying that organization's knowledge values.

Knowledge is considered as a principle means that ensures sustainability of the organization and to envisage its future relying on knowledge-based processes. They are the source of origin of the targets that knowledge management is supposed to achieve for the organization. Therefore these knowledge-based means have to be adequately protected and controlled. This covers both already acquired knowledge for the respective system of knowledge, as well as the instructions regarding its management.

All this primarily refers to knowledge bases where generally various types of documents are stored. What is important is the way they will be stored and indexed, but also the way they can be retrieved. This predominantly applies to the way they can be accessed and the responsibility borne by those guarding and using these knowledge bases. Nowadays there is an array of protection and control systems which aid in proper usage of knowledge management.

## **Networking of knowledge for the needs of development of human capital and sustainability of the organizations**

The very fact that knowledge is regarded as basis for gaining competitive advantage indicates that knowledge should be guarded. It is an asset essential for sustainability and survival of modern organizations. In order to achieve that, special consideration should be given to types of knowledge and its features. This especially applies to knowledge which is either additionally acquired or already present in the individuals and thus can be used individually or by using ICT. Hence are the differences between data, information and knowledge.

For instance, knowledge can take descriptive form, can be processed or can arise from causality-based relationships. They can arise from personal contacts, from the pro-

cess of communication, through internet communication (e.g. using e-mails); it is already possible to do it by smart phones and by usage of state-of-the art ICT technologies which allow communication both among people and among the working processes. Storing the entries/records arising from these activities is important for the organization, as they can be stored both in classical or digital form. In future new pieces of knowledge significant for the organization in question can be generated from them. In this process leading is the role of the latest advanced ICT.

Realization of these goals and values for the organization is possible by sharing knowledge and development of organizational culture which the organizations should apply and cherish. Organizational culture can be realized by people or applying ICT. This is normally done so that documents with instructions significant for the organization's performances are accessed applying ICT, or this information is possessed by highly experienced people. So, based on where knowledge can be stored, the documents can be in paper form, electronic form or memorized by people.

This can be good grounds for facing the market challenges, particularly using management of intellectual capital, where we have the case of specific knowledge-based capital of the organization. This knowledge is increasingly rising, in future it will be upgraded, and their successful application will allow more dynamic and more complex development of the society. This is particularly important in conditions of open domestic markets where good quality products can be found.

These are the very reasons why higher efficiency and effectiveness of the markets where products and services are marketed, is a necessity. This is attainable by creating new pieces of knowledge regarding the working process and by selecting the previously gained knowledge needed for the organizations.

Identifying and tracing these types of knowledge is important for determining individual and shared knowledge. One specific feature of knowledge is its having a meaning and being applicable. Actually, its value lies in perceiving its applicability in cases of organizational behavior. Hence the multifold approach to knowledge management, seeing it as something which contains the complexity of the organization and at the same time uniting processes such as acquisition, creation, sharing and application of knowledge.

All these items can be managed if they can be measured previously. Namely, each successful organization needs to create results that will place it at an appropriate position on the market and in the society. This is feasible providing a strategic basis, as well as a learning system in the organization regarding the competition on the market is created and additional organizational capital.

As yet a number of researches had been carried out (Tatachari, Manikandar and Gunta, 2014) concerning how the knowledge gained from the subject knowledge management is used to benefit the organizations. The results obtained indicate that knowledge management in organizations is used mainly when developing the organizational strategy (Harrington and Voehl, 2007), preceded by creating a culture of trust, sharing knowledge and openness of the organization when talking about its development. This actually ensures success in implementation of knowledge management which is based on cooperation and on initiatives related to realization of the systems of knowledge management. The objectives to be reached are associated with improvements in the organization's performance, easier making organization-related decisions, and all that to be available from knowledge bases and by management of previously gained knowledge.

In that way organizations can successfully shape their organizational culture which

encourages knowledge sharing and allows organizational learning by diverse forms of training supported by ICT. Additionally, organizational culture enables making close bonds with clients and accomplishes the needed competitiveness which is based on organizational intelligence. We must also mention that these endeavors put in searching for competitive advantage date as early as at the time of introduction of scientific approaches to work organization, and later the results were upgraded with the introduction of digital computer networks. Their purpose is to enrich individual knowledge which is used for the needs of organizational efficiency.

All the above mentioned information point out that in order to be successful in conditions of high competition and abundance of project ideas, we need organizations that will value performance based on knowledge. This is particularly true nowadays, in conditions of expansion of ICT and its everyday application in day-to-day activities of the competitive organizations. Therefore knowledge is regarded as a means that can ensure continuity in sustainability of the organizations. It is based on mobility and adaptability, on continuous self-upgrading and realization of our own research activities, on team work, ICT and theoretical knowledge that are expected to generate creativity at the places where knowledge is needed.

## Conclusion

The above clarified tasks of knowledge management can be achieved if the organization succeeds in using and integrating its personnel (Wiig, 2012), processes, technological means and knowledge it possesses, and the organization can do it on a daily basis. In that way, it will manage to enhance its products and services, to encourage people to create ideas that will later be realized within the organization, and if possible, to reduce the expenses, at the same time reaching the desired price for the products and services in question. In addition to that, the organization will be able to manage its investments as it is capable of handling its capital and assets applying knowledge, practices sharing knowledge and in particular, is able to face and fight its weaknesses.

These efforts can drastically reduce the feelings of insecurity, in particular the feelings stemming from the tensions in the organization's environment. Therefore in future the organizations will more frequently need to take activities that are supposed to picture their intelligence for networking and accessing its data, procedures and rules that will tend to generate organizational creativity. All this will contribute to realize more easily the necessary changes in behavior and in the organization's integration, as well as the business activities aided by its organizational structure.

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## **BULGARIA, CUBA, UZBEKISTAN: THREE VERY DIFFERENT EXPERIENCES WITH COMMUNISM THAT TURNED UP TO AN IMPASSE**

### **Abstract**

Bulgaria, Cuba and Uzbekistan seem quite different and distant one from another. It appears futile to juxtapose Southeast European Bulgaria, Central American island of Cuba, and Central Asian landlocked Uzbekistan. Cuba is almost completely Catholic, though with relatively strong impact of the pagan Santeria; Uzbekistan is predominantly moderate Moslem country; in Bulgaria, Eastern Orthodox Christianity prevails, with some 10-15% of mainly Moslem population and small presence of predominantly Christian denominations. Ethnically, Cuba is presumably most diverse, with white and Black people, and descendants of many mixed marriages. Ethnic picture in Bulgaria matches that of confessions presented, with prevalence of Christian Bulgarians, but also Bulgarian Turks, Roma, Bulgarian Moslems (Pomaks), and negligible other groups of Armenians, Jews and other – with all typical for the Balkans disparity between official data, self identification controversy, and claims of adjacent countries to share separated by the borders ethnicities often with other names. Uzbeks constitute 81% of their country's population, followed by Russians, Tajiks, Kazakhs, and others more than 100 Nations and nationalities. Despite their remoteness and attachment to diverse types of cultural traditions, national specificity, and historical background, deeper knowing of these countries reveal some significant similarities. It is the communist legacy that brings them together. Article is focused on the analysis of their experience with the post-communist realities.

**Key words:** Bulgaria, Cuba, Uzbekistan, post-communist realities, political regimes, ethnic relations.

**B**ulgaria, Cuba and Uzbekistan may seem quite different and distant one from another. To juxtapose Southeast European Bulgaria, Central American island of Cuba, and Central Asian landlocked Uzbekistan appears futile. Cuba is almost completely Catholic, though with relatively strong impact of the pagan Santeria; Uzbekistan is predominantly moderate Moslem country; in Bulgaria, Eastern Orthodox Christianity prevails, with some 10-15% of mainly Moslem population and small presence of mainly Christian denominations. Ethnically, Cuba is presumably most diverse, with white and Black people, and descendants of many mixed marriages. In Bulgaria ethnic picture matches that of confessions presented, with prevalence of Christian Bulgarians, but also Bulgarian Turks, Roma, Bulgarian Moslems (Pomaks), and negligible groups of Armenians, Jews and other – with all typical for the Balkans disparity between official data, self identification controversy, and claims of adjacent countries to share separated by the borders ethnicities often with other names. Uzbeks constitute 81% of their country's population, followed by Russians, Tajiks, Kazakhs, and others more than 100 Nations and nationalities.

Communist legacy (and for Cuba present-day, since the sole and ruling Communist Party) brings together all three countries. Cuba, with the sugar cane (reaching one time about 80% of the value of Cuban exports), and Uzbekistan with cotton, were typical monoculture agrarian economies, and Bulgaria was also dependent on agriculture. All three, however, endured serious industrialization efforts, not always rational and consistent with local conditions and resources: Cuba with nickel, Bulgaria with heavy industry, warehouse hauling equipment and electronics, and Uzbekistan with ore processing and aircraft manufacturing. With the exception of Cuba with its enormous stocks of nickel, Bulgaria and Uzbekistan were heavily dependent on import of raw materials, and Cuba and Uzbekistan (to a lesser degree Bulgaria) also for qualified working force.

Despite their remoteness and affiliation to different types of cultural traditions, national specificity, and historical background, deeper knowing of these countries reveal some significant similarities. Being on the crossroads of the greatest human movements in history, Bulgaria and Uzbekistan has experienced various influences, not always positive and delightful, that has left traces in the overall cultural shape, language, folklore, and even cuisine. We could mention, for example, that one of the central figures of the Balkan fairy tales, Nastradin Hodja, is appreciated as a national character in Uzbekistan. Influence of the prominent Islamic thinkers, Baha-ud-Din Naqshb and Bukhari (1318–1389), founder of one of the largest and most persuasive Sufi Muslim orders, has had reached as far as on the Balkans. Both Bulgaria and Uzbekistan offer various dairy products, incl. one with same name – katuk.

Likewise, we can find a number of historical resemblances between Bulgaria and Cuba. Poets and revolutionaries Jose Marti and Khristo Botev contributed greatly for the national liberation struggle, and lost their lives in the combat. Familiarity of national mood created outstanding relations between Cuba and Bulgaria at least during 1959-1989, which far outstripped common ideology and the routine of economic cooperation.

Political regimes distinguish all three countries. While Bulgaria exercises most of the at least formal traits of the representative democracy, with regular national elections, multiple political parties, none of this exist both in Cuba and Uzbekistan. In Cuba, strict grip over society by the ruling Communist Party and omnipresent secret services is far of easing. As for Uzbekistan, it represents a classical example of an authoritarian regime, where President Karimov and his closest circle keep control over the total socio-political and economic life!

## **Uzbekistan: Legacy of the Soviet system**

Endeavor to achieve social justice according to Marxist-Leninist ideology was not limited to Russian culture and society itself, but it tried to reach almost every cultural, ethnic and religious subgroup of the diverse republics of the USSR, including Uzbekistan (Shahrani, 1995). Thus, as John Pottenger wrote, while the Soviet Union disappeared, the Soviet system remained (Pottenger, 2004: 59). End of 20<sup>th</sup> century in Uzbekistan saw a rebirth and reassertion of the significance of the medieval Islamic texts for personal ethical elevation (See Allworth, 1990: 277-8; cf. Akbarzadeh, 1996; and Djumaev, 2001). Thus, Uzbekistan appreciated the necessity of both invigorating civil society, and habitual religious values. Nearly a year before the dissolution of the Soviet Union, President I. Karimov publicly expressed his concern over the former Soviet régime's hostility toward the institutions and principles of traditional Islam: "The consequences of the destruction

of age-old moral principles for ideological reasons will be far more difficult to overcome than the chaos in the economy” (quoted in Berger, 1991: 30).

Karimov’s extensive personal political experience with Soviet totalitarianism, his career in the Uzbek economy’s industrial sector, and familiarity with the historic role of Islam in the history of Uzbekistan provide the incentive and basis for his political thinking and leadership of contemporary Uzbekistan<sup>2</sup>. Calls for the democratic participation of Uzbek citizens in the governance sound completely futile (for example, Karimov, 1998: 108-109). With the collapse of the Soviet Union, and departure of the false, artificially imposed Marxist-Leninist values, this vacuum had to be filled by an alternative ideology or public philosophy. In Uzbekistan, where more than 80% of the population is at least nominally Sunni Muslim, the only such alternative that commands extensive appeal is that of Islam (see Tazmini, 2001; and Allworth, op. cit., Ref. 18). Many observers argue that presence of Islam in Uzbekistan is crucial for the shaping of the national identity as required by civil society (see, for example, Hanks, 1999: 159-163, and Abduvakhitov, 1995). In their resistance to Soviet ideology, many Uzbek political and religious leaders often appealed to the upright moral traditions and values incorporated in the historic literature. This fosters a civil society on the basis of Islamic traditionalism principles and dogmas, an attempt for a synthesis between modern liberal values of religious tolerance and the traditional Islamic values of social welfare. However, in order to reduce political risks to the regime, authorities banned most opposition political parties, both secular and Islamic – the Army of Islam, followers of Wahhabism, the Islamic Movement of Uzbekistan (IMU), and Hizbut-Tahrir (Liberation Party), the autonomous Islamic mosques and NGOs, incl. the Erk (Freedom) Democratic Party, the Birlik (Unity) Party, the Adolat (Justice) Party, and the Islamic Renaissance Party. These and many other non-state approved, independent Islamic organizations are often characterized as conservative movements advocating fundamentalist teachings at odds with the ethos of toleration and pluralism typically espoused in both liberal and decent societies<sup>3</sup>. To curb the threat of Islamic militancy, in 1998 the Oliy Majlis enacted the Law on Freedom of Conscience and Religious Organizations to restrict the activities of virtually all religious denominations<sup>4</sup>.

I. Karimov’s attempt to achieve a transition from Soviet totalitarianism to liberal society has resulted in, as Gerald M. Easter wrote, ‘a nontraditional form of authoritarianism in which power resides as much in the person of the president as in the office’ (Easter, 1997: 209)<sup>5</sup>. It might be more correctly be perceived as a non-competitive, authoritarian regime than with the constitutional democratic governments of liberal societies (see Levitsky and Way, 2002: 54–55). A disastrous consequence of such political system based on de facto concentration of powers and operated by elites from the Soviet era is the continual use of brutal methods and intimidation typical for that epoch. It appears that the Uzbek state has in effect nationalized one version of Islam, thus marginalizing all other interpretations to the point of persecution and, finally, has undermined own promise and prospect of civil society itself.

## **Cuba: Long Agony of an Escapade<sup>6</sup>**

In theory, in a communist country such as Cuba, all are equal and provided with the basics of life, including housing, education and health. Once these primary living costs are covered by public funds (is it necessary to explain that they are accumulated by solid deductions from the income of enterprises and all employed), then for all other needs

wages is not necessarily to be high. So the average Cuban official, from engineers, doctors (in ordinary, non-hard currency paid medical facilities) and teachers to drivers get an equivalent of about 10-20 dollars monthly. Prices of locally manufactured products are generally low, and food – with coupons, while choice of goods is more than scarce and consists of poor quality products and services. A two currency system was established: one for average mortals, the other one supposedly only for foreign tourists. But as a matter of fact, it covers the privileged class too, including both working in the sector of tourist services and the higher nomenclature. Thus, in a society that allegedly is moving towards a classless one, in fact social disparities become more compelling. “Convertible” pesos, (“CUCs”), are approximately equal to the US dollar, while the “normal” ones – 25 times less. For some things, such as entrance to museums, foreigners pay 25 times more than the Cuban citizens; for another (e.g. intercity bus, taxi, restaurant) the price is the same, making them inaccessible to all but the most wealthy Cubans<sup>7</sup>. The contrast between the haves and have-nots is often quite drastic.

Cancellation of the many years subsidies to Cuba<sup>8</sup> forced communist apparatchiks to seek how to survive. From 1968 on there has been several waves of introduction and rejection of limited economic freedoms and after the economy stabilized, prohibitive taxes were imposed, and tolerated activities were curtailed (see, for more details, Pérez-López, 1995; Peters and Scarpaci, 1998; Ritter, 1998, 2006). Individuals were arrested for a bag of cement or even a cake (i. e., more than the permitted through rationing amount of eggs, milk and flour, and therefore, a crime, which led to detaining).

Cuban private sector includes also informal, grey part, as well as illegal workers after the official working hours in enterprises and possibly even a larger segment of the population, referred to as the GESPI (*civil servants who receive a substantial private income*, least equal to the meager State salaries), engaged in various activities. We see them delivering bread, soft drinks, fruits, etc. in the homes, accommodating tourists. In total, at the beginning of 2013, the private sector in Cuba was estimated at nearly 2 million enterprising Cubans (40% of total employment), and probably even more (Feinberg, 2013: 8-9; Oficina Nacional Estadística; Piñeiro Harnecker, 2013; Espina Prieto and Togores González, 2012)<sup>9</sup>. “Now in Havana practically no one works for the state; and those who still do that also have a private business on the side.” – writes Marc Frank, journalist and longtime observer of processes in Cuba (Frank, 2013).

Non-state sector in the near future will likely continue to expand to include numerous chronically inefficient small- and medium-sized units into cooperatives for producing and selling goods and services<sup>10</sup>. No data exist also for the private property of citizens, in particular about the ownership of homes and cars<sup>11</sup>. By 2010, only 19% of Cubans possessed either stationary or then only introduced in the country mobile phones, compared, for example, with 97% in Costa Rica (Peters, op. cit.: 8)<sup>12</sup>.

Cuba’s achievements in the fields of health care and education are prominent, but latest quality of medical services’ data show nearly critical condition: lack of the most needed drugs, poor equipment, inadequate emergencies. Malnutrition and the use of low quality products, absence of sanitation aggravate situation, creating outbreaks of nearly uprooted earlier serious diseases – beriberi, plague, tuberculosis and leptospirosis. Life expectancy, once approaching US indicators, sharply dropped (quoted according to Esperanza Hernandez Truyol, 1994: 28). Investing significant funds in hard currency clinics, where cured are paying customers from abroad – at the expense of the general health – is cynical...

Almost same in education, which is entirely part of the all-embracing propaganda and indoctrination effort (see, for more details, Horowrrz, 1993: esp. 68-70<sup>13</sup>).

Currently, the definitely historical changes that came with the spectacular reconciliation between the Presidents Obama and Raul Castro in early December of 2014 serve limited political purposes and benefit only a thin layer of already privileged in Cuba. They got what they dreamed about – status of the capitalist middle and upper class, keeping their party membership. As for the at least two generations who suffered woes of an absurd revolution, they remain once again deceived. The real changes are still ahead, and it seems that will be very painful. Let us hope that it will not be bloody...

## **Bulgaria: lost in a never ending transition?**

Many of the problems in Bulgaria today stem from the corrupt and undemocratic way in which the 1989 transition was carried out. According to Jürgen Habermas (Habermas 1990), while E. European countries experienced very different revolutionary changes, under the mixture of appearances all these events of change followed a general pattern shaping a process of a singular revolution. What is distinguishing all these countries, for Habermas, is that the totalitarian regimes were not instituted by a successful and independent revolution, but as a direct consequence of the WWII and the occupation of the Soviet Army. As such, “the abolition of the people’s republic has occurred under the sign of a return to old, national symbols, and, where this was possible, has understood itself to be the continuation of the political traditions and party organizations of the interwar years” (Ibidem).

An EU member since 2007, Bulgaria is still struggling with corruption and democratic consolidation. Accession to the EU was presented largely as a milestone in enhancing socio-economic development, fostering prosperity and democracy, and overcoming poverty. Some analysts even stated that the transition to democracy and a market economy is over. However, years later, the country seems to be failing to provide basic rights and freedoms, and is stressed with unfinished reforms.

Since the beginning of the transition in 1989, Bulgaria has been in a spiral of deep political, social and economic disorder – demographic predicament, brain drain, poverty, lack of basic subsistence means, and of opportunities for the youth. Most of the values, principles and procedures of democracy exist only on paper, while the political elites and administrative institutions persistently undermine them, creating favorable conditions for nepotism and corruption generally yielding chances for improvement.

The case of the Bulgarian transition has a reality of its own, other than in most E. European counterparts. As wrote Richard Crampton, one of the best Western connoisseurs of Bulgarian history, “[Bulgarian authoritarian leader from 1954 to 1989] Zhivkov’s fall was the work of the party hierarchy; it was a palace coup rather than a revolution, and ‘people power’ in Bulgaria was to be more the consequence than the cause of the change of leadership’ (Crampton, 2005: 212). Thus, the democracy, freedom are in fact *not* genuine, but granted by those who perpetuated the totalitarian regime. Bulgaria has turned into an arena where the rule of law was virtually replaced by corruption; instead of sustainable civil society – clientelist interdependence, undercover political deals instead of transparent debates prevail. Apathy and distrust has been the long-term explanation of lack of engagement and participation.

A six-year investigation conducted by the Commission of Inquiry into the dossiers

of the former communist state security services, announced on 26<sup>th</sup> November 2013 that about 8,000 former agents have been in high level positions during the researched period (some of them are still in power). According to the investigative journalist Khristo Khristov, members of the former communist state security have infiltrated all parliaments since the 1990 and virtually all governments (Khristov, 2013).

According to the Constitution, Bulgaria is a parliamentary republic, but most of the policy-making depends rather on the personal over-centralized will of the government and the prime minister. This leaves the political elite practically invulnerable to any measures of accountability and civilian control. Problematic and difficult transition in the country was strongly accompanied by the dormant annoyance and disappointment. Levels of interpersonal trust and trust in the institutions of the representative democracy, according to Alpha Research data in June 2015) are among the lowest in Europe<sup>14</sup>. Low levels of participation (81.5% would not take part in any action or initiative, Bulgarian Sociological Association, 2008), civic activity and citizens' engagement have plagued societal relations, leaving society fragmented.

The 'Bay Ganyo'<sup>15</sup> style in politics further alienates people from joining political parties and fosters disgust toward policy making as a deceitful, dirty dealing and bargain, and this when challenges facing Bulgaria are bigger than ever.

Given the vulnerability of civil society together with defying conditions for public discourse, institutional discrepancies are leaving too little room for greater participation in policy making, which additionally deepens frustration, apparent or alleged lack of transparency and accountability. With this unpredictability of the public dialogue and overall political process grows, which makes civic organizations and individuals to refrain from exercising pressure and influence (see Nikolov, 1996, 2000; Kabakchieva, 2011). Methods that the political elites employs recall those of the former communist regime. Freedom of the media continued to gradually deteriorate, where Bulgaria dramatically declined from 80th to 87th in 2013 and to 106 rank in 2015 of the Reporters without Borders. Delyan Peevski, who became symbolic by word for the darkest side of politic, openly or allegedly controls a large share of the press. They are also using a libel campaign against the protesters and for political propaganda, which ultimately leaves the fourth pillar of democracy in the hands of the ruling elite.

Social movement that burst out in Bulgaria further divided society and exposed the deceitful nature of the fundamental institutions of democracy, justice, and freedom. Hopes were high since it was the prospect that are at stake. Expectations that protests would give birth the civil society in Bulgaria faded again. And it is only experience of the neighbor Romania with its decisive actions against corruption (a dozen of former ministers, incl. a prime minister, were jailed) gives some hope that not everything is so hopeless on the Balkans.

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Currently, these three countries are copying very differently with the post-communist realities. Bulgaria joined one of the most affluent international alliances, European Union, and after being a loyal member of the USSR-led military-political treaty, the Warsaw Pact, is now part of its main rival, NATO. This amazing shift in its formal political and economic status, however, changed almost nothing in Bulgaria's welfare standing – this country is undyingly lagging behind most of Europe. Freedom of travel, earlier only dreamed as in every communist country, appeared to be an extreme painful experience

that sent off about 2 Mln Bulgarians, mainly young and skilled people, to seek better lives in W. Europe, Greece, and as far as in the USA, Canada, and South Africa. Dire situation of the Uzbek economy causes similar exodus – after most of Russians, Ukrainians, and other former Soviet nationals, even after second or third generation local residents, quitted, now a great number of Uzbeks supply cheap, often illegal, working force for Russia, Kazakhstan and beyond. Cuba, where travel restrictions still exist, is not yet part of this flow to more affluent countries, but this most probably won't last for long anymore – with expected returning to the island of former exiles to claim their nationalized once property, new wave of deprived Cubans will seek their chance far of the calamitous fatherland.

## Notes

<sup>1</sup> Recent re-election, with 90.39% of votes, of Islam Karimov, former First Secretary of the Uzbekistan branch of the Communist Party of the Soviet Union, confirmed that blatantly. He is on the top since declaration of independence in 1991, even though the Constitution allows only two-term limit on the presidency. And this even though some observers vowed more real contest after the family feud with placing of President's capricious daughter Gulnara under house arrest.

<sup>2</sup> As P. Blackmon wrote, it should have come as a surprise to no one that Karimov, trained as a Sovietstyle economist, would have continued the state controlled economy. He had stated very early in the reform process that his country would follow limited political and economic reform. However, she concludes that 'It would be a mistake for future research to continue to focus solely on the political categorization of a leader (former-communistor authoritarian) because that is a narrow and unpredictable indicator in determining reform (Blackmon, 2005).

<sup>3</sup> For instance, Hizbut-Tahrir ('Party of Liberation', an international pan-Islamic political organisation), asserts on replacing all corrupt societies where Muslims live, with an Islamic society, which should proceed in accordance with the laws and solutions of Islam. Party performs acts in accordance with the Shari'ah rules and solutions (See Grabowski, n.d.). It was namely Hizbut-Tahrir that first demanded creation of an Islamic Khaliphate and Islamic state. With regard to Uzbekistan, Hizbut-Tahrir criticizes the secular nature of the constitution, esp. 'the separation of religion from state' and contradicting 'the doctrine and ideology of the Qur'an'. See, for more details, Pottenger, 2004: 69; Karagiannis, 2006). Inquisitively enough, Hizbut-Tahrir adherents in Central Asia are almost exclusively ethnic Uzbeks.

<sup>4</sup> Under this law, in addition to outlawing proselytism, all religious organizations must be registered with and approved by the Uzbek government before they may conduct worship activities and religious rituals as well as conduct other social programs. With regard to registered Islamic organizations, the primary target of the legislation, only those imams, mosques, liturgy and publications are permitted that have been approved by the Spiritual Directorate for Muslims (the Muftiate), a government agency with members appointed by the president.

<sup>5</sup> The Constitution of Uzbekistan with its subsequent amendments and respective laws had in effect shifted the state's separated powers (as it formally exists in constitutional democratic regimes) to the executive branch, through the president's control over the personnel composition of the ruling People's Democratic Party that provides most of the candidates for the Oliy Majlis, the judiciary, the hokims (local governors), and both administrators and councils of the mahallas.

<sup>6</sup> For my own long years approaching Cuba, literally and plausible, see Nikolov, 2015.

<sup>7</sup> Cubans who work with tourists – waiters, bartenders, guides, hotel staff, musicians and doctors in foreigners servicing hospitals, and some other categories, receive income in convertible pesos, in addition to their normal salary. Another group of favored – are Cubans with relatives living abroad, mostly in the US and Spain that send hundreds of dollars to their families in Cuba. Authorities' attitude toward them abruptly changed in recent years – instead of being prosecuted, humiliated and harassed, they are now labeled with the euphemism "supporting the Socialist Government" (which recalls the one-time

“understands and supports the activities of the people’s power”, used in communist Bulgaria – i. e., the distinction between “bad” and “good” capitalists). Just because they dispose with the despised by the Communists resource, money (real money, not the paper ones, “provided with all the resources of the Central Bank”), they buy the favor of the authorities on the official and unofficial tariffs as well as a relatively decent standard of living.

<sup>8</sup> By some estimates, about 1 bln dollars a year, mainly in the form of military supplies, construction of industrial objects, and basic necessities. Shelving of the Soviet subsidies led to a nearly 40% decline in income per capita in 1989-1994. That forced Cuba to reorganize its economy, de-criminalizing the US dollar use, legalizing farmers’ markets, liberalizing self employment and encouraging new economic activities, incl. exports, etc. See Ritter, 2010.

<sup>9</sup> An important place in the Cuban Government’s plans for development occupies tourism, termed officially as “the heart of the economy”. And this against the apparently desperate state supply network in Cuba, where scarce food products, mainly potatoes, are offered together with pieces of meat covered with flies far from any refrigerators. That means that provision is obviously a case of landlords’ resourcefulness and connections. It is virtually not necessary to mention, that such trade apparently means black market, impossible to be carried out without the knowledge and quiet approval of the local activists of the so-called “Committees for defense of the revolution”, the official authorities’ eyes and ears.

<sup>10</sup> As disclosed Cristina Mendiondo, subdirector of economy and planning, Villa Clara province, in her presentation in Jibacoa, Mayabeque, September 16, 2013 ‘Retos y Perspectivas del Desarrollo Territorial Local en Villa Clara’ (Challenges and perspectives of local territorial development in Villa Clara), quoted in Feinberg, op.cit.: 11. During the first three quarters of 2013, the Council of Ministers of Cuba approved 271 cooperatives (created by the former State enterprises, commercial sites, as well as in construction, hospitality and transport – “Continúa avanzando...”, 2013). According to optimistic expectations cooperatives would overcome the negative outcomes of state-owned enterprises, to implement initiatives of municipalities for the provision of services – e.g., care for children, collection and recycling of waste. There are the increasingly overt trend TPC (*trabajadores cuentapropistas* – petty urban enterprises) to officially merge in a larger enterprise (see Piñeiro Harnecker, op. cit, 2013, esp. the foreword, 1-45.). As senior functionaries say, in 2015, such enterprises will cover over 35% of employees, and by 2017 will produce 40-45% of GDP (quot. in Peters, 2012: 8).

<sup>11</sup> According to the recent changes in legislation, the citizens shall be allowed to have an urban apartment house/villa in the countryside, but in addition to that few can afford even one house, there are a number of restrictions – de jure property is available only for use and may be taken away by the state, it is forbidden to sell real estate, though even for a visitor it is very easy to spot the impromptu “residential exchanges” in the Havana down where handwritten classifieds offer housing.

<sup>12</sup> And here the most disturbing illustration of this economic condition is the purchasing power of Cubans compared with that of other countries. A study of the Institute for Cuban and Cuban-American studies at the University of Miami shows, for example, that for a purchase of less than 500 g milk powder, the average Cuban worker should work 57.5 hours, while for the same purchase the average worker in Costa Rica – only 1.7 hours. Comparable differences are contained in other analyzed positions from the basket of the study (Azé, 2013). More and more Cubans, in particular in Havana and Santiago de Cuba, display a quest for consumer behavior – something that apparently departure from the design of ideologues of the reforms. As an young man ironically noted, quoted in one of the recent books about the changes in Cuba, “we’re not Communists, we’re consumists” (Quoted in Caistor, 2013: 140). On the author’s question of his goals in life, another young Cuban blithely replied: “Of course, we all want the same thing: a car that can start immediately, smart phone, PC with an access to internet, and a decent home”. Even if they can’t afford that, surprisingly many Cubans recognize global brands ranging from Nike shoes to ice cream Nestlé (Morales and Scarpaci, 2012). Contrary to the former pursuit of freedom, currently the common motivation for emigrating is associated mainly with the desire to experience a typical middle class way of life associated with consumerism.

<sup>13</sup> Even before the revolution Cuba’s performance in these areas were better compared with the average for Latin America. For example, as for the indicators of life expectancy at birth in 1960, Cuba was the

4<sup>th</sup> in Latin America (63,8 years), and in 1990s for short time was on the first place (75,3 years), the infant mortality rate up to 5 years of age – 3rd and 2nd, respectively, and so on., see UNDP, Human Development Report, 1990: 133; 1992: 135-36.

<sup>14</sup> Parliament is still the institution with the lowest rating (10% confidence against 52% confidence). President Rosen Plevneliev retains its position of two months ago: 24% approval against 37% disapproval. Invariably, a strong negative attitude is preserved towards the institutions of the judiciary: court (60% negative), investigation (57% negative), prosecution (60% negative), Attorney General (40% negative). Police, which in recent years was among the least trusted by people, now also collect more critical assessment than positive: 18% trust against 44% distrust (quoted from Dnevnik daily, June 18 2015). More than 80% of the citizens in the European Values Study (EVS) 2008 claim that they do not trust others.

<sup>15</sup> A fictional character created by Bulgarian author Aleko Konstantinov (1863-97). Sometimes perceived as a stereotype of the uneducated, ignorant, egoistic, ruthless, profit-driven Bulgarian, he is often seen just as a social stereotype, member of the late 19<sup>th</sup> century's newly formed lower middle-class. In his political feuilletons, author depicts the extreme forms of electoral fraud and scam, which remind some present day way methods in the politics.

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## **STATE CAPTURE AND POLITICAL CLIENTELISM IN CENTRAL AND EASTERN EUROPE**

### **Abstract**

This paper reviews theory, research literature and data with respect to state capture phenomena in the Central, Eastern European democracies. Specific aspects of state capture in the Eastern European post-communist polities are described and analyzed based on data provided by international and European organizations and joint survey projects.

**Key words:** state capture, political clientelism, political corruption, post-communist polity, Eastern European democracy

*Motto:*

“As we approach the fourth decade of the Third Wave of global democratization, global democratic progress remains at something of an impasse. [...] Since 2005, the rest of the world has witnessed not a springtime of democracy but a democratic recession, in which levels of freedom have fallen for several consecutive years and democratic reversal has become more common”.

*(Preface, by Larry Diamond, in:*  
Brun, D.A., Diamond, L. (2014) *Clientelism, Social Policy and the Quality of Democracy*, John Hopkins University Press)

### **The Issue of “State-Capture” in Eastern European Post-Communist Polities**

**A**fter the fall of the iron curtain at the end of the 1980s, the Eastern European former communist countries have enrolled in complex processes of transition to democracy. Later on, the countries which have joined EU and N.A.T.O. have further enrolled in processes of democratic consolidation. All of them have followed the same EU integration map and, in spite of similarities in the type of democracy and democratic institutional architecture, the quality of democracy differs from one Eastern European country to another.

Beyond history and political culture differences, there are characteristic aspects of these democracies which address their very democratic institutional architecture and functioning, quality of governance and quality of democracy. One such characteristic is political corruption.

In this paper we approach the state capture phenomena in Eastern Europe. The Eastern European polities are typically undergoing simultaneous processes of democracy-building and state-building. In this context, state capture phenomena become most interesting: the

role these phenomena play in the Eastern European democracy-building and state-building has not been completely understood. We aim at extending the “state-business” approach to a “state-business-media” approach in which state capture is tempted (and, eventually, achieved) by combined actions of complex groups including state officials, high administrative officeholders, politicians, private business, and media actors at the national and transnational (regional) levels. To this aim we make extensive use of both perception-based indexes and real data reported by national and international institutions and organizations involved in the control and/or monitoring of democratic state-building in the eastern half of Europe.

## **On the Rationale, Goal and Method of Approach**

The Third Democratization Wave has often been evaluated by political analysts as proving early “reverse” tendencies. One possible source of failure is often identified in the particularities of the state capture phenomena in the Eastern European post-communist polities. We further investigate the state capture phenomena by extending its reach over the relationship between business, governance, legislative, judiciary system, press and democratic institutions. We aim at aggregating a cross-country comparative perspective on the Eastern European democracies of the “third wave” and explain the roots of a potential democracy failure in these states. State capture is a special type of systemic political corruption which has a particularly negative impact on the Eastern European young democracies: these democracies are involved in complex simultaneous state-building and democracy-building processes. Characterized as weak democratic polities, they might provide the proper context for the emergence of political corruption phenomena which may weaken them even more, and eventually induce their failure.

The main goal of this research is to identify the so-called “grey areas” in the construction of the Eastern European polities, that is, the key structural, functioning and coordination pointers between the parts of a polity and between polities themselves in a particular geopolitical area.

In this paper we aim to develop a necessary preliminary research on the basic modeling elements: the type(s) of political phenomena which might best reveal the polity evolution dynamics, and the means to put in a quantifiable relationship the individual perceptions on the political phenomenon, on the one hand, and the real functioning of the polity, on the other hand. To this goal, we first need to achieve a description of the polity (macro level) in terms of its perceived functioning at the micro level. We make intensive use of various perception indexes on corruption, democracy quality, support for democracy, democratic institutions, governance, and the media as these indexes have been defined and constructed by various international organizations. We expect to identify the indicators which could describe, either directly or indirectly, how the parts of a polity are designed in the Eastern European young democracies, and how do they interact and coordinate with each other. One research question approached in this paper is therefore which indicators could be used in order to achieve a (partial or global) perspective over the dimensions of the state capture impact on the (sectorial or global) functioning of an Eastern European polity. Another research question addresses the issue of whether a lack of-, or a bad coordination between the parts of a polity might result in the emergence of polity failure.

From a political economy perspective, both the theoretical and the empirical research addressing the state capture issue combine so far two fundamental dimensions: democratic governance and its relationship to the firms and business area. In this paper we further develop the analysis of state capture phenomena by taking into consideration empirical

evidence on the relationship between political leadership, governance, firms and business, and other democratic institutions: the parliamentary and the justice systems, and also the civil society and the media.

## **Historical and Political Culture Issues**

Some authors identify the roots of the differences between the Eastern European democratic polities in the historical differences which impacted the formation of nation-states in the Eastern Europe, in the political culture and regional sub-cultures of the east, central, northeastern or southeastern Europe, or in the different communist heritage of these societies. (Markowski, 2015; Klingemann et al., 2006).

State capture temptations in Eastern Europe have deep roots in the authoritarian past (Markowski, 2015; Bernhard, 1993). Civil society seems to get more aware of its own status, while collectivistic tendencies are characterized by Markowski as diminishing the quality of democratic understanding (2015).

Our approach takes into consideration the historical differences emphasized by the research literature and standard measurement projects between the democracies in the eastern half of Europe. The research literature and the measurement international and European projects are often based on typical groups of countries. In this paper we adopt this organization of countries in groups of comparative democratic performances and corruption evidence.

## **State Capture: Definitional and Measurement Approaches**

State capture is a systemic form of political corruption which distorts the functioning of a polity. It is considered as the strongest form of political corruption and the most dangerous for a democratic state.

As Robert Harris approaches its definition, political corruption is made possible by the political system itself: it “captures” its functioning and operations by making it working not for the public welfare, as it should, but for the private welfare and private interests.

Political corruption emerges and grows fast in the so-called “grey areas” shaped by the incompletely or wrongly specified relationships between the different functions of a government and the different components of a polity, flourishing when facilitated by the ambiguity in laws, lack of institutional coordination, and manipulation of governance, legislative and/or judiciary structures and functioning by private interests (Harris, 2003: pp. x). Though usually approached as associated to the private economic interests of firms and private business, political corruption covers a much wider area, which goes from fraud to state capture, from national to transnational issues (Heywood, 1994, 1997).

While scholars emphasize the relationship between the notion of state capture and the concepts of governance, democracy and institutions, international organizations define it in operational terms which allow measurement. Such definitions point explicitly to the capacity of the private firms and business to distort the functioning of the fundamental democratic institutions - governmental, legislative and juridical - in favor of their goals and benefits by providing gifts and direct or indirect payments to the politicians or to the public officials holding key positions in such institutions. In these definitions, the European and international organizations emphasize the essential aspect of state capture in transitional democracies: its destructive power is associated with incomplete consolidation of democracy, low level of development of the civil society, and insecure property rights (PREM-World Bank, 2010).

State capture could play a major role in weakening a democratic state and finally induce a state failure. The Ukraine case provided a threatening example of political and private business leadership tempting to capture the state with the goal of extracting individual and group benefits. However, it was not the Ukraine case to introduce and define this type of political corruption, but it was actually the case which confirmed the analysis and predictions concerning the potential causes of democracy failure in transition countries in the Eastern Europe.

The World Bank approach has defined the “state capture” as the final result of the illegal actions of individuals and/or collective agents to provide private benefits to political officeholders or high governmental and/or public administrative officials in exchange of influencing and controlling law formation and/or policy design and implementation in their own favor. Using this definition, the “corruptor” and the “corruptee” are characterized as follows:

This type of “capture” phenomena addresses first and foremost the institutions which are fundamental for a state: executive, legislative, judiciary and any other type of regulatory institution which is designed to control state’s functioning.

The “corruptor” agent is defined as any individual and/or collective agents (interest groups, firms) interested in escaping control of regulatory institutions with the explicit scope of maximizing private and/or group interests against state’s interests and against the public good. Moreover, such individuals or groups actually “buy” policy making, laws, decrees and any other form of regulatory acts/processes by providing private benefits to the officeholders in charge with policy or law formation. The typical situation is usually associated or appears in close connection and/or in particular state-building, democracy-building or state development contexts characterized by weak control institutions and legislation, weak channels of political intermediation to governmental, presidential, and public administration institution, and weak or underdeveloped public structures which are supposed to provide support and protection to the societal interest at large (World Bank, 2000: pp. xv-xvi).

The typical situation for the Eastern European post-communist countries appeared as soon as they have involved in complex transition-to-democracy processes at the beginning of the 1990s and continued later as well. At that time, as the World Bank observers noted (World Bank, 2000: p. vii), the economic and political context in Eastern and Central Europe as well as in the North-Eastern Europe or in the Central Asia covered simultaneous processes of political (democratic) institutions and market economy emergence and development, and processes of privatization which have provided for the emergence and growth of corruption phenomena. This context has stimulated the international organizations, like World Bank, and European structures, like the European Union and its associated institutions, to enact and develop corruption studies and anticorruption strategies aimed at eradicating these phenomena and assist the democracy-building and state-building processes in these regions. State capture has been systematically investigated by the World Bank which transformed it into an institutional priority due to its potentially fundamental impact on the quality of democracy in Eastern European transition and developing countries, and also due to its potentially particularly dangerous role in state failure.

The first systematic survey research on this issue (BEEPS) has been initiated by the World Bank and the European Bank for Reconstruction and Development, which have jointly initiated and developed starting with the 1990s the first project on finding empirical evidence on state capture type of corruption, defining the state capture phenomena, and provide the solution for avoiding and/or eliminating it.

By the end of 1990s when the first stages of the transition-to-democracy processes in the Eastern European countries have provided consistent data collections and stimulated the survey research, the World Bank has initiated a project concerned with the measurement of particular actions by business actors which have been considered as directed to state capture goals: EBRD-World Bank Business Environment and Enterprise Performance Survey (BEEPS).

### ***Definitions based on abuse and illegal use of office able to distort democratic state functioning***

In BEEPS, state capture may be identified by examining a number of indicators revealed by survey research. There is a class of illegal activities which have been identified and included in the definition of state capture (World Bank, 2000; p.vii): exchange of Parliamentary votes and/or presidential decrees for private benefits and interests; exchange of courts decisions for private benefits/interests; abuse and/or misuse of central bank funds; illegal funding of political parties, illegal funding of electoral campaigns by private actors (i.e., persons, business companies, small firms).

In the BEEPS project, state capture has been investigated by means of the unofficial payments required/received by the state officials and politicians from the private business companies/firms in exchange of modifications to governmental regulations, court decrees and legislative outcomes (i.e., laws). Such unofficial payments appear as the corruption level perceived by the firms from their experience of interaction with key economic, political and juridical officeholders.

Modeling the state capture phenomena, the BEEPS approach has been initially based on the state-business relationship investigation and on economic principles and indicators. Firms' perceptions on Governance are confronted with perceptions over corruption and/or difficulties in doing business. The survey research investigates several state capture activities, like: "*problems doing business*", with a special focus on the "*unofficial payments in sectors*", and in particular on the unofficial payments aimed "*to influence the content of new legislation, rules, decrees, etc.*" In **Table 1** such data are extracted from the BEEPS database for several countries from each grouping specified in our approach. The data in **Table 1** are but a brief example of how this research defines and employs (composite) indexes of firms' perceptions on the political corruption situations which they have encountered.

A major advantage of this approach relies in the way in which state capture phenomena are measured by means of the firms' perceptions and direct experience: instead of employing the number of firms engaged in these activities, the approach quantifies the share of firms which are directly affected by the outcomes and/or the impact of these activities (World Bank, 2000; p.vii). On this basis, the approach constructs several aggregate indexes (BEEPS) and composite indexes (Enterprise Survey) which measure the impact of state capture phenomena across several transition countries (2002-2005) and consolidating democracies (2008-2013) in the eastern half of Europe (see **Table 1**). One major disadvantage is that it considers exclusively the relationship between state and firms and the economic background of this relationship. Moreover, this model takes into consideration the illegal activities which fall under the incidence of state capture phenomena leaving apart other types of relationships between the state, government, Parliament and juridical system of a democratic regime which might become the target and the vector of state capture phenomena.

**Table1.State capture** activities describing state-firms relationship and composite indexes of corruption.

country	2002-2005		2013	
	<b>problems doing business</b> (corruption, functioning of the judiciary, macro-economic instability, uncertainty about regulatory policies)*	<b>unofficial payments and corruption/unofficial payments in sectors:</b> to influence the content of new legislation, rules, decrees, etc.	Graft Index	Bribe Tax Index**
Central Europe				
Czech Republic <sup>i</sup>	25%-75%	<5%	3%-4% (2009) 4%-5%(2013)	approx.30%(2009) 10%-12%(2013)
Hungary <sup>ii</sup>	0%-75%	<5%	6%-7%	50%-60%
Poland <sup>iii</sup>	25%-100%	5%-10%	<2%	15%-20%
Slovenia <sup>iv</sup>	0%-50%	2%-3%	<1%	30%-35%
Western Balkans				
Albania <sup>v</sup>	50%-75%		<10%	< 35%
Macedonia <sup>vi</sup>	25%-75%	5%-10% (2002); <5% (2005)	8%-10%	< 5%
Croatia <sup>vii</sup>	25%-75%	5% (2002); <5% (2005)	4%-6%	approx. 15%
Eastern Europe				
Bulgaria <sup>viii</sup>	25%-100%	5%-10%	approx. 14%	approx. 5%
Romania <sup>ix</sup>	25%-100%	<5% (2002); 5%-10% (2005)	8%(2009) 6%(2013)	30%-40%(2009) 5%-10%(2013)
ex-USSR countries				
Ukraine <sup>x</sup>	25%-100%	5%-10% (2002);<5% (2005)	15%-20% (2008) 40%-50% (2013)	40%-50%(2008) approx.100% (2013)

Sources: **EBRD-World Bank Business Environment and Enterprise Performance Survey (BEEPS)**, (World Bank, IFC, Enterprise Survey)

\*The figures in **Table1** show the largest interval simultaneously covering the values for all four selected indicators;

\*\*For the Bribe Tax Index, **Table1** has selected only the set of indicators which identify "the extent to which specific regulatory and administrative officials require bribe payments in order to secure a government contract" (BEEPS-at-a-Glance).

### ***Definitions based on legal use of office aimed at distorting state functioning***

Initial approach has targeted illegal actions and illicit benefits. Further theoretical and empirical studies developed in scholarly approaches on state capture have advanced the definition of state capture so as to include a broader class of political corruption phenomena based on resource extraction from the state / officeholders to private benefits of individuals and groups/firms, and eventually redistribution in exchange of votes, influence and control over law and policy makers and over the fundamental state institutions. This class of political corruption phenomena includes several forms and combinations of corruption phenomena based on rent extraction, resource redistribution and competition: (i) political clientelism, (ii) institutions and resource predation, (iii) fusion, (iv) exploitation of resources, institutions and people, and (v) formation of specific state institutions and capacities aimed at making state capture procedures operational and effective (Grzymala-Busse, 2008).

Moreover, later approaches have introduced a new class of state capture activities which have a legal character notwithstanding their negative effects on the public good. In this respect, Daniel Kaufmann and Pedro Vicente introduced the notion of legal corruption (Kaufmann and Vicente, 2005). Their definition of corruption covers a more general perspective over this class of phenomena by including both illegal and legal actions. The authors replace the classical perspectives over corruption as “abuse of public office for private gain” and as “influence of the public policy in exchange for votes” (Stokes 2009, 2011; Bardan, 1997; Rose-Ackerman, 1978) with the idea of “appropriation of public office/policy for private purposes” (Kaufmann and Vicente, 2005: p.2) which covers the state capture phenomena as well (Kaufmann and Vicente, 2005: p.3).

Based on their definition, they develop a political economy model of political corruption which is able to explain the state capture phenomena as a consequence of the relationship between politician and private sector actor(s) which is exploited by both parts for their personal benefit. This relationship consists in the two parties exchanging favors which may include procurement / acquisition contracts, formation of law, allocation of legislation, electoral campaign funding, an explicit change of power from one elite actor to another following previously established (hidden/unofficial/private) agreements, etc. Basically employing an allocation mechanism as a means to explain the various processes of “capture”, the model succeeds to explain the state capture by the legal corruption as the mutual agreement between some of the economy actors to the disadvantage of the population (Kaufmann and Vicente, 2005: p.4).

In our comparative analysis of this type of state capture phenomena in the Eastern European countries we have included political clientelism approaches.

## **State Capture Modeling**

### ***Governance-Based Models***

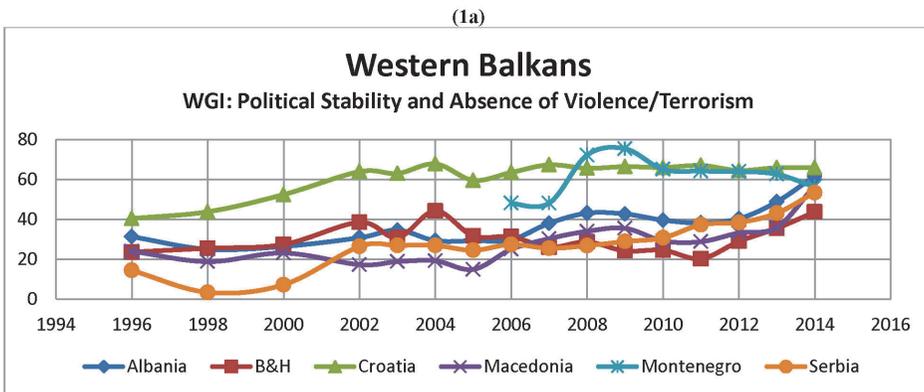
In the World Bank measurement model, governance is modeled as a set of rules, mechanisms and institutions which provide for the exercise of authority in a country. Governance is achieved from the convergence of the appointing, controlling and replacing processes, the policy making capacity, and the institutional resources and norms. The model associates them with six standard variables in the survey research. Government formation and control processes are described by two variables, that is, (a) voice and ac-

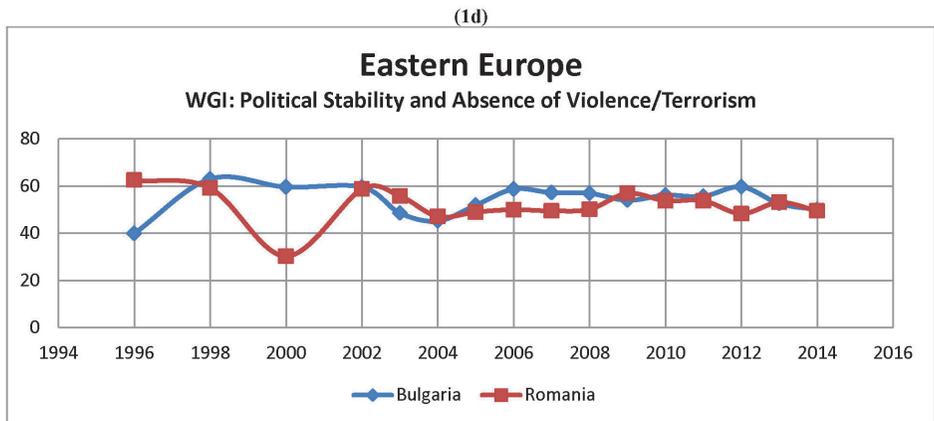
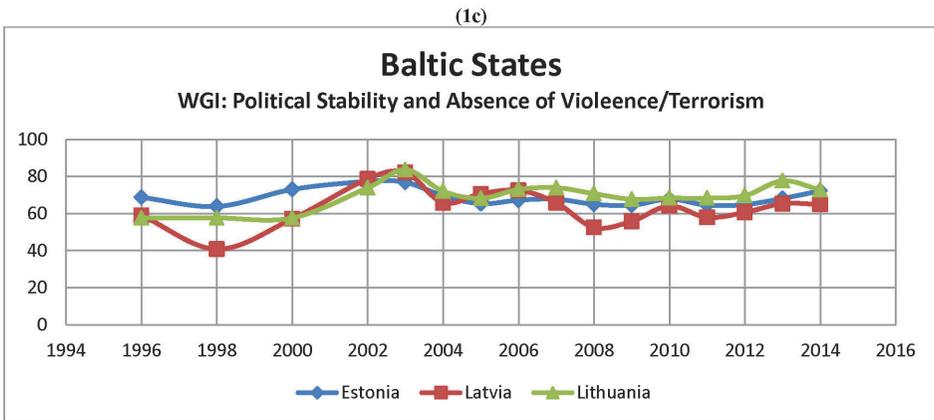
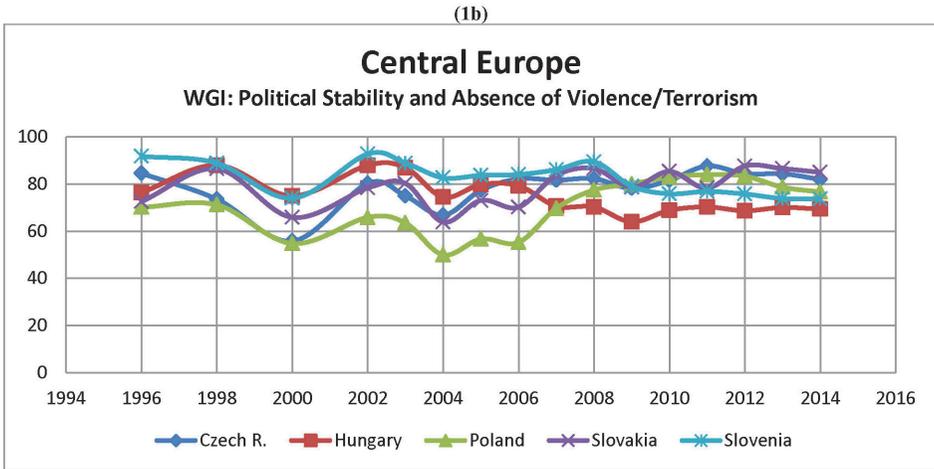
countability, and (b) political stability and absence of violence/terrorism. Government's policy making capacity is described by other two variables, namely (c) government effectiveness, and (d) regulatory quality. The rules with regard to the interaction between the citizens and the state, and between the citizen and the government are described by two more variables: (e) rule of law, and (f) control of corruption (Kaufmann, Kraay and Mastruzzi, 2010; pp.4-5).

Our approach aims at an extended modeling approach on the state capture which could include both legal and illegal forms of corruption. Moreover, we try to extend the state-capture-by-business model by further investigating other relevant relationships beside the classic state-business one. We further extend some conceptual relationships described by various authors in the state capture and political influence research literature.

One possible extension is to associate the relevant variables in the governance-based modeling of state capture (Hellman, Jones, Kaufmann and Schankerman, 2000) so as to emphasize the context(s) which might facilitate, stimulate or actually produce state capture phenomena. To this aim we have identified the political instability data in the World Bank governance-based model and have associated it with the variables of governance and rule of law. The data provide support to the association between state capture and political instability induced by low quality of governance and weak rule of law for the countries in the eastern half of Europe (see **Figure 1 a, b, c, de and e,**).

**Figure 1 (a), (b), (c), (d), (e). Political Stability (WGI, World Bank).WGI (WB):** Governance Indicators in Central, Northern, Eastern, and South Eastern Europe and in former USSR states.





Source: **EBRD-World Bank Business Environment and Enterprise Performance Survey (BEEPS)** <http://data.worldbank.org/data-catalog/BEEPS>.

One such context is the political instability induced by activities which could be classified as state capture intended. In order to associate a facilitating context with the state capture situation, we have investigated its potential relationships to vote buying (in Parliament) and policy buying (in Govern) by mixed interests groups consisting of politicians, business actors, juridical actors and media partners in situations in which all actors involved (or, at least, some of them) hold key positions in the Parliament, Government, administrative, judiciary and control institutions. As a matter of fact, this is a classical scenario of state capture by state officeholders with the particular aspect of the joint actions between state officeholders/ state high officials and political leadership, business, and media actors. It is associated to contexts in which political instability is facilitated by (low quality of) governance and by the specific dynamics of rule of law.

Though this type of situation is often approached in a transnational (geopolitical) perspective, the data provides support to the idea that indicators of state capture could be defined and constructed from the association of variables describing the dynamics of the coordination between parts of a transitional polity.

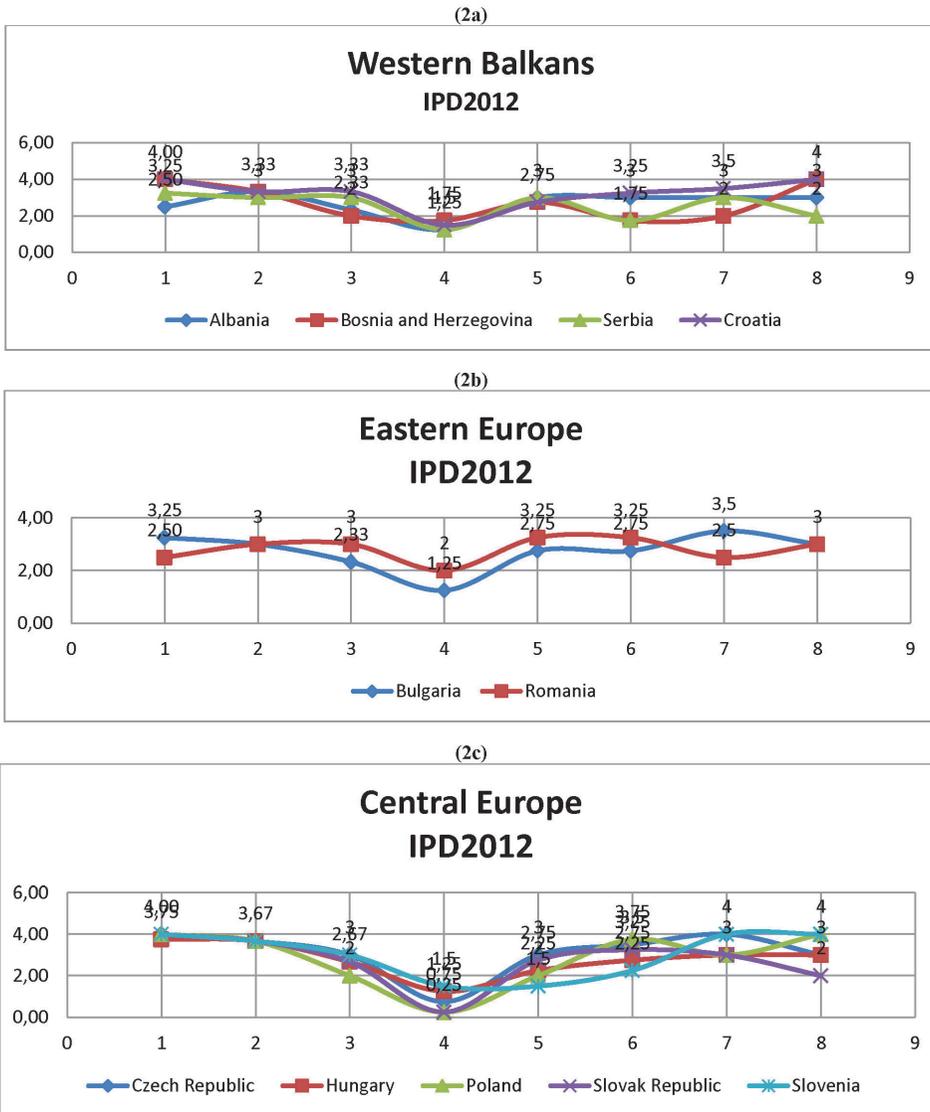
### *Institution-Based Models*

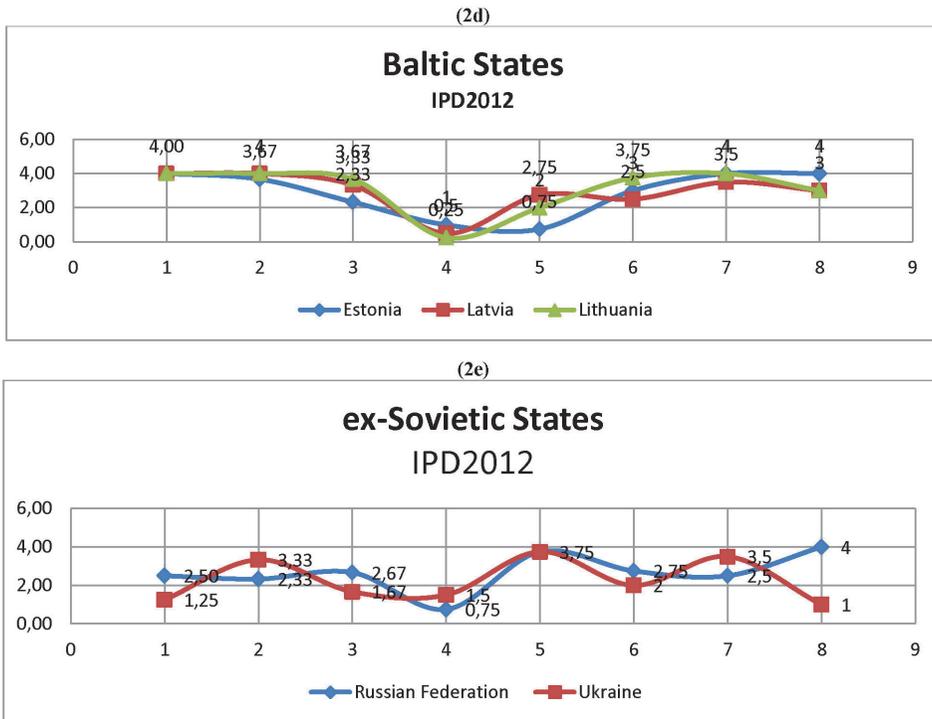
Political clientelism is one of the possible ways in which state capture may occur and operate. While there is not a general consensus with regard to its definition, different authors have emphasized some aspects which are relevant: dyadic relations, contingency, hierarchy, and iteration (Hicken, 2011). Other authors construct a quantifiable relationship between political clientelism and the ways in which institutions in a democratic regime are affected by its impact (Volintiru, 2012a, 2012b).

Our approach models the facilitating context for state capture phenomena by selecting the indicators which describe the institutional architecture, its quality and flexibility as well as its performance in terms of democratic function. We have selected a number of 8 variables from the IPD database (Institutional Profiles Database, 2012): A100 = Functioning of political institutions; A104 = Freedom of information; A107 = Legitimacy of the political authorities; A203 = Internal conflicts; A302 = Level of corruption; A311 = Capacity for state reform; A505 = Priority of the elite in relation to development and growth; A506v = Political authorities' decision-making autonomy. These variables are taken into consideration as describing structural elements of contextual facilitation of state capture phenomena. Their values are congruent with the situations of political instability and weak rule of law in the young democracies in the Central and Eastern Europe and prove that they act as quality of democracy conditionals in these countries.

The values of these variables and their dynamical relationship have provided for a quantitative comparative analysis in the countries of the eastern half of Europe as reported by IPD 2012 (see **Figure 2 a, b, c, d** and **e**).

**Figure 2 (a), (b), (c), (d), (e).** The values of the selected (eight) IPD variables for the countries in the eastern half of Europe (2012).





Source: Institutional Profiles Database 2012

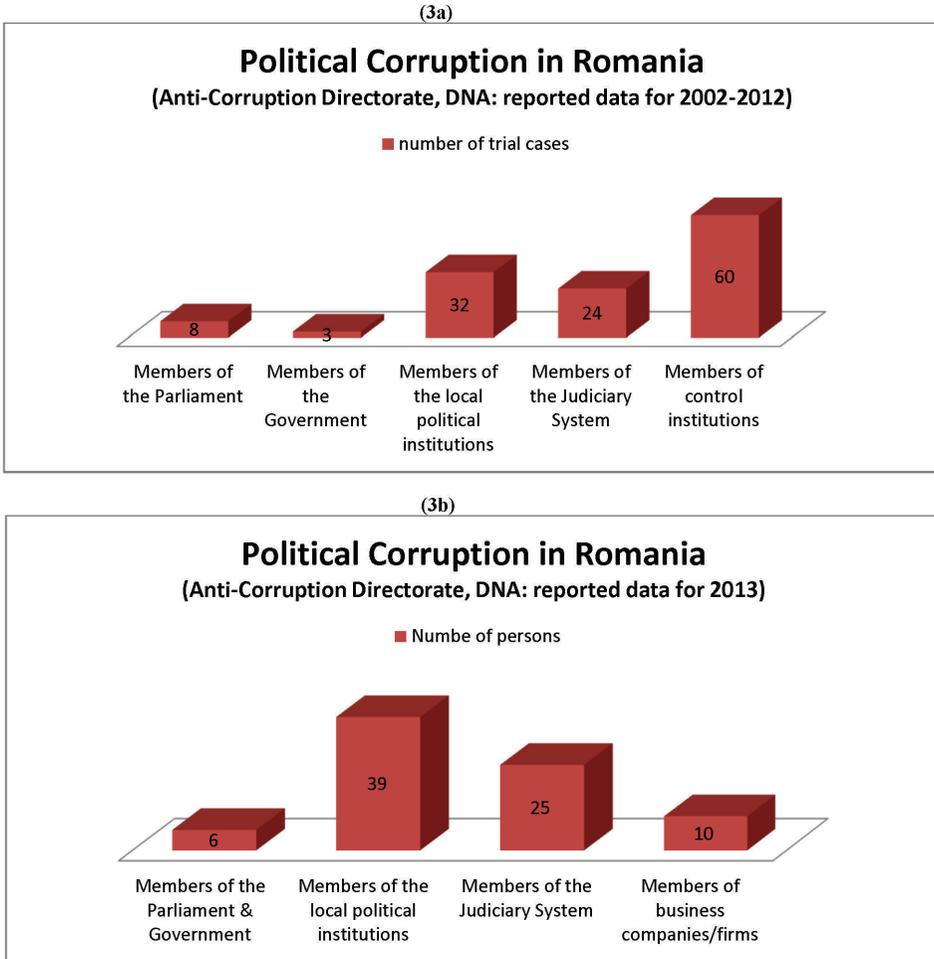
### *State Capture and the Judiciary System*

As a difference from the indexes based on perceptions of corruption, data available in Romania on the individual cases of political corruption provides for a different perspective on this phenomenon, though data is not sufficient as to draw general conclusions.

Romanian Anti-Corruption Directorate (DNA) has succeeded to prove independent from the political influence and political clientelism phenomena and report most relevant cases of political corruption starting with prime-ministers and members of the Romanian parliament. Many of these cases fall under the state capture specification and prove to have appeared as early as 2002-2005 when the judiciary system was rather weak and subjected itself to corruption attempts from both political and business leadership.

Romanian DNA data have been included in this paper as a feedback to the perception-based evaluations performed by the European and international measurement projects. For a transitional country, Romania was characterized in 2002-2005 by a warning level of state capture activities. This level has ever increased until 2009 (see **Table 1**). The judiciary cases reveal that the level identified in 2002-2005 by means of perception-based firms' experience reporting data was real, though much lower than it really proved to have been (see **Figure 3 a, b**). It is only nowadays that we realize that the reliability of this survey research is being confirmed after almost twenty years. This only means that the state capture data should be intensively employed in correlating actual processes with their context and initial conditions of 2002.

**Figure 3 a, b.** Romanian DNA reported data in judiciary cases from 2002-2013. DNA has lately completed the trials of judiciary cases of grand political corruption activities which often fall under the specification of state capture phenomena.



Source: **Romanian** Anti-Corruption Directorate (DNA). Available at: <<http://www.pna.ro/faces/results.xhtml>>. Accessed: 6 January, 2016.

As reported by several judiciary institutions, the politicians and private business actors sentenced in Romania (after 2012 only) have been trialed and convicted for abuse in office, for buying Parliamentary votes concerning legislation and other decisions, bribing high officials in the judiciary systems for obtaining favoring courts decrees, and bribing high officials in the Government for private business groups benefits against the public good and societal interests<sup>xi</sup>. Looking at the data, one conclusion which can be nevertheless drawn is that in Romania, for example, the persons convicted in the current judiciary cases of grand corruption have been active in the political realm as early as 2002-2005, the period of time for which BEEPS project has provided the first clues on state capture activities. This makes a relevant point for the critics of the perception-based indexes of

corruption or democracy: the BEEPS indexes succeeded to reveal that the state capture activities have certain characteristics and are identifiable in various degrees in almost all transitional democratic regimes in Central and Eastern Europe.

### ***Political Clientelism and State Capture Temptations as Mirrored by the Eastern and Central European Media***

Based on various measurement projects and data collections developed during the past years by international organizations, we further extend this class of activities so as to include other types of actions and actors, like (i) mass communication and media companies, press media (newspapers, radio, television), and internet media (socializing networks), as well as (ii) actions by foreign state actors in the realm of international relations. The corruption and state capture in the Yanukovych case in Ukraine (Katchanovski, 2015; Baldwin, 2015), and the latest political developments in Moldova show that this latter factor could be relevant in state capture phenomena (Katchanovski, 2006).

In several Eastern European countries, the danger of state capture is almost always associated with another type of phenomena which could be aggregated under the label of “media capture” by business and political leadership. State capture has been defined as a particular type of relationship between business and state officeholders which mutually exploit it in order to “capture” (i.e., to control it for personal benefit) law or policy formation, legislation, judiciary decrees and resource allocation. However, media proved to play a pivotal role: it has often been used in transitional countries of Eastern Europe for inducing resistance to democratic reforms (Hegedűs, 2006), and lower the trust in state, governance and social justice (Podumljak, 2014; Örnebring, 2012). The occult relationship between high officials and officeholders in private business, political leadership and judiciary system is often magnified by the capacity of the elites to use media in order to hide corruption from the population. Against this type of political clientelism an Eastern European media project has been initiated (Civil Response to Clientelism in Media) and is currently implemented in Croatia, Romania, Bosnia and Herzegovina, Serbia, Macedonia, and Montenegro (see also [Expert Forum](#) and [Macedonian Institute for Media](#)).

### **Conclusions and Further Modeling Research Work**

We aim at further extending the definition of media capture by politicians and business.

While some polity models are aimed at explaining uprisings and insurgence (Cederman, 1997), they cannot explain the democratization phenomena. Following Tilly’s theory about the mechanisms and processes explaining the revolution, our approach aims to identify a different design of a polity model.

The final result of this preliminary research is that the study of all these variables presented above might enhance a new look at the problem: a polity model could be designed by taking into account the structural, functional and complex dimensions of the consequences produced by political clientelism and its associated processes which diminish the quality of democracy in the studied countries.

## Notes

- <sup>1</sup> Czech Republic BEEPS-at-a-Glance 69243, Czech Republic (Enterprise Survey - Czech Republic Country Profile 2013)
- <sup>2</sup> Hungary BEEPS-at-a-Glance 69266, Hungary (Enterprise Survey – Hungary Country Profile 2013)
- <sup>3</sup> Poland BEEPS-at-a-Glance 69288, Poland (Enterprise Survey – Poland Country Profile 2013)
- <sup>4</sup> Slovenia BEEPS-at-a-Glance 69336, Slovenia (Enterprise Survey – Slovenia Country Profile 2013)
- <sup>5</sup> Albania BEEPS-at-a-Glance 69212, Albania (Enterprise Survey – Albania Country Profile 2013)
- <sup>6</sup> Macedonia BEEPS-at-a-Glance 69285, Macedonia (Enterprise Survey – Macedonia Country Profile 2013)
- <sup>7</sup> Croatia BEEPS-at-a-Glance 69242, Croatia (Enterprise Survey-Croatia Country Profile 2013)
- <sup>8</sup> Bulgaria BEEPS-at-a-Glance 69241, Bulgaria (Enterprise Survey-Bulgaria Country Profile 2013)
- <sup>9</sup> Romania BEEPS-at-a-Glance 69323, Romania (Enterprise Survey-Romania Country Profile 2009, 2013)
- <sup>10</sup> Ukraine BEEPS-at-a-Glance 69343, Ukraine (Enterprise Survey-Ukraine Country Profile 2008, 2013)
- <sup>11</sup> See full list of convicts on:  
[https://en.wikipedia.org/wiki/List\\_of\\_corruption\\_scandals\\_in\\_Romania](https://en.wikipedia.org/wiki/List_of_corruption_scandals_in_Romania).  
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## **DEPLETED DEMOCRACY AND LIBERAL DOWNFALL- THE STATE OF CURRENT TURKISH AFFAIRS**

### **Abstract**

Turkey has traditionally nurtured the idea of strong state (Barkey, 2000; Heper, 1985; 1992) with a unique political culture whose *raison d'être* is protection of the key features of Turkish national identity and Turkish territorial integrity. The venture is conscious and cyclically elitist (Abadan-Unat, 1982; Rabasa and Larrabee, 2008) by essence because it involves the rise and continuous existence of elite that dictates the political discourse and reform and modernization processes throughout the imperial era but also in modern times.

Turkey is significant since it is the only secular democracy in the Islamic dominion. Furthermore, it is a capitalist country with developed and functional market economy and it is the foremost liaison between the East and the West. Lastly, Turkey is a candidate country for EU membership.

Turkish democracy, commonly described as fragile, is in need of democratization or to be exact in need of completing the process of democratic consolidation (Lowell 2009). The quest for democratization according to Lowell has become a continuous and repetitive endeavor and bespoken standpoint of all Turkish political elites since the establishment of the Republic, although not with the same degree of a dedication and same amount of popular consent. Therefore, it can be argued that the consolidation of democracy in Turkey is an ongoing process.

Conversely, articulation on democratic Turkey in terms of free and competitive elections, political pluralism and democratic practices and institutions is promising, but the discourse on liberal values and performance is questionable. The main argument put forward by this paper is that Turkey is suffering from the depleted democracy syndrome and that the current state of affairs is related to the Turkish liberal downfall. The research offers an outlook of preceding practices and maturity of Turkish democracy whilst current developments and turmoil regarding the Justice and development party (JDP) rule and its policies.

**Key words:** Turkey, democracy, liberalism, Islamism, Secularism

### **Introductory notes**

Turkey has traditionally nurtured the idea of strong state (Barkey, 2000; Heper, 1985; 1992) with a unique political culture whose *raison d'être* is protection of the key features of Turkish national identity and Turkish territorial integrity. The venture is conscious and cyclically elitist (Abadan-Unat, 1982; Rabasa and Larrabee, 2008) by essence because it involves the rise and continuous existence of elite that dictates the political discourse and reform and modernization processes throughout the imperial era but also in modern times.

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## **Democracy “alla Turca”**

The Turkish political history has been extremely turbulent. If one studies the first years of pluralism, which was induced just after the WWII, one might notice that it is equally turbulent today. Although definite progress has been made, the controversies that firstly sparked the debate, on the compatibility of Islam and democracy and/or its supremacy, remain strong as ever.

Over the past six decades, Turkey has managed to establish and develop formal institutions of democracy (including some that ought to be questioned, such as the Diyanet). These institutions have become part of the state system and despite frequent hindrance from various actors and reasons (military interventions, reforms aimed at modernization, europeanization reforms and European integration process, and so forth) they are strong and reasonably healthy. The democratization is an ongoing process and some elements of the system are still underdeveloped or not matured enough. Such is the mediascape of Turkey which was in reality recognized after the state monopoly of radio and television broadcasts was abolished with the 1993 constitutional amendment.

The Turkish model of democracy is marked by four major and complementing processes: a) pluralism - established after the WWII and abandoned in several occasions, but remaining as a characteristic element of Turkish society in which the pro-Islamic option is successfully competing in the political arena; b) parliamentarism - originally practiced since 1876 and though its reign has been interrupted by military coups it is still strongly rooted in Turkish political culture; c) modernization - part of the imperial heritage, one of the basic principles of Kemalism-republican state doctrine, and principal component of europeanization process in modern times and d) laicism/secularism - largely valued and greatly disputed institute of republican Turkey and the ontological denominator of modern Turkish identity.

The most prominent feature of the model is laicism/secularism. Laicism was initially developed in Ottoman era under the influence of ideas such as liberalism and nationalism that were imported from the West. The intriguing part of the debate on Turkish secularism

is related to the non-existing neutrality and independence from the state interference in religious issues, but rather strict control and state assistance and even state intervention in the content of religion (Netherlands Scientific Council, 2004). The intrusion from the state in executive and financial matters is exercised by the Diyanet (Directorate of religious affairs - Diyanet İşleri Başkanlığı) that has wide-ranging powers including the management of mosques, appointment of preachers, religious education in the spirit of Sunni Islam and so forth. Formally established in 1961, the Diyanet has replaced the *seyhülislam* – the highest religious legal advisor in Ottoman empire and in 1981 it was constitutionally entrusted, by an amendment of the Constitution, to protect the Turkish national identity (Netherlands Scientific Council 2004). Turkish secularism is aimed at preserving the Sunni Islam as dominant religion and is continuously and strongly supported by subsequent governments ever since 1924. As a result of the fear from revival of Islamism in Turkey, its secularism has gone deeper than what usually is seen in secular societies. Some even claim that the idea is almost inverse of a theocratic state and that Islam appears to be subordinated to the state, because Turkey is exercising too strict control over religious matters (Netherlands Scientific Council, 2004).

The Turkish political system has been fashioned despite ethnic and religious cleavages that reflect political struggles and antagonisms. Moreover, the diversification runs deep and the level of social polarization has become sharpened to the extent that Turkey can without doubt be labeled as divided society with low degree of trust and cooperation and under enduring risk of social and religious segregation mainly by the Kurdish and Alevi population.

The model is customarily named as “*alla turca*” democracy. It is a *sui generis* model in political theory and its features attract much deliberation in academia and in popular debates as well.

## Limits of Turkish democracy

One of the probably most persistent features of Turkish political culture is the notion that incumbents have the prerogative and capability to shape the society as they consider suitable. It is in fact a particular state tradition (Heper, 1985) that overwhelms Turkish society ever since the Ottoman times. The heritage incorporates massive and strong bureaucratic structure and subjective and obedient political culture of the citizens that are most likely to abide then to question decision-making thus producing weak, fearful and politically passive citizenry. During the first years of the Republic, this notion was put into force so the elite of the time could push for sweeping reforms and modernization of the society or state-building process along with the nation-building project that was to unite various groups and their diverse interests towards the singular ideal of Turkishness (Armstrong, 2015). In recent times the notion was used by JDP to cultivate a tremendously devout population. Yet, the success of the state engineering project has been questioned in many occasions and it is connected to the differentiation between omnipotent and monolithic state or bureaucracy and an equally undifferentiated and potentially hostile society against which the state operated (Lamprou, 2015). Lamprou deduces that the result of this rendering is an overestimation of the role, power and domination of an omniscient and omnipotent state over a passive society.

The limits of Turkish democracy are also related to two outstanding practices: military intervention in civil matters and persecution of the opposition. Both of them have tested Turkey's democratic capacity to extremes.

The civil – military relations in Turkey have dominated much of its Republican era. The military intervened in civil matters when Turkish politics was threatened by fragmentation, polarization and economic instability. There were three military coups (1960, 1971, 1980) and one “post modern” coup (1997) over Turkey’s multiparty period. The military officers conducted the interventions in the framework of their vow to protect Turkey from the enemies within and without with a clear doctrine of modernization and a secularizing mission (Yavuz, 2009) or to put it simply it was seen as their professional obligation to intervene whenever the civilian politicians had made too great a mess of things (Szarejko, 2014; Findley, 2010). Since 2002, the military’s influence on civilian matters has decreased due to the reforms undertaken by JDP. The relationship is still troubled (the Sledgehammer plot of 2010) and although the military is able to show discontent with the state of affairs, the policy making is in the hand of civilians (Szarejko, 2014).

The persistent policy on restrictions of political parties was practiced towards a vast ideological parcel that included the leftist, the pro-Islamic and the pro-Kurdish political parties. The instrument that utilized this control is the nationwide 10 % election threshold and it proved as no easy task for a political party to survive under that condition (Carkoglu and Kalaycioglu, 2007). It is still in force and it is the highest representation threshold in the world.

## **Liberalism “alla Turca”**

Fukuyama claimed that a country can be democratic without being liberal (Fukuyama, 1994). Zakaria furthered this argument by noting that liberal democracy is a relatively new phenomenon (only several decades old) of the West where democracy and liberty have merged (Zakaria, 2004). Fukuyama proclaimed the end of history with the triumph of the liberal idea over all other. Zakaria asserted that although the world is becoming increasingly democratic, illiberal democracy can be found all over the world, even in the most developed countries in the world. The reason, according to him, is linked to the bundle of freedoms termed as constitutional liberalism (the rule of law, separation of powers, and protection of basic liberties of speech, assembly, religion and property) that has nothing intrinsically to do with democracy and the two have not always gone together, even in the West. Basically, Zakaria described democracy as procedures for selecting government and constitutional liberalism as government’s goals.

Liberal democracy has two dimensions: horizontal – which corresponds to participation and vertical – which is defined by the limits of what can be included in the public sphere (Heper and Landau, 1991). In relation to issues that seem to dominate the Turkish political discourse hence derive the arguments about Turkey’s depleted democracy. In reality, though some may challenge this argument, democracy in Turkey in all probability is not in danger of contest by other concepts and ideas. What can be disputed is its account. An analysis of Turkey’s modern political rhetoric would inevitably show that the issue at hand is not the spiritual induction in political affairs but the nuance offered by sharply diverse political elites and their vision of Turkey’s prospects.

The current state of affairs in Turkey is commonly seen as a clash of the secular and pro-Islamic political option. This oversimplification is typically present at home and abroad, but the issue is more daring since it involves power struggle of the new and emerging elite and the old secularized elite or struggle between the center and the periphery which has deep roots back in Ottoman political history (Rabasa and Larrabee, 2008).

Furthermore, this is not a novelty for Turkish politics. The democratization of Turkey especially after the 1980s has conveyed the forgotten and banned ideology of political Islam back to the plural political arena.

Turkey under Erdogan managed to move closer to the EU like never before. Despite the fact that many (the military, but also part of the civilian mainly secular establishment in Turkey) perceived the victory of JDP in 2002 as a shift towards the Islamization of Turkey and return of the political Islam at the Turkish political arena, Erdogan moved towards securing a firm date for the beginning of negotiations on accession to the EU which some label as a shrewd move (Mango, 2004). It was in fact an immensely twisted game – he was hunting the support of the military and the secular class which saw the move as a logical continuance of the republican imagery and secular principles foreseen in 1923 on one hand. He was aiming for EU approval and backing to deal with the military and to further democratization of Turkey in his vision, on the other hand. At first the military seemed soundless. The majority of people were agreeably supportive whereas the secularists remained reluctant. Soon the dominance of JDP overwhelmed the public sphere and the military was stripped from power, able only to occasionally show discontent with the state of affairs since the days when it could easily dispose civilian government were over (Szarejko, 2014).

The arguments proposed by the supporters of JDP often describe Turkey under Erdogan as society with expanded freedom and prosperity and consider the Turkish experiment as a real path towards Muslim liberty and JDP's reign as retrieval of Islamic liberalism (Akyol, 2011).

## **Liberal downfall**

The main attribute of the Turkish model of democracy is the poor or more precisely depleted account in respect of the core principles of liberalism. Turkey's domestic political context is complicated by the internal confrontation between political options, the civil war and the issue of Kurdish minority rights despite the "Kurdish opening" from 2009, the secularism and related affairs, the problems with media freedoms and freedom of expression in general, and so forth.

Turkey's liberal downfall is a complex episode incorporating a multitude of problems, government policies, civilian responses and issues, including: JDP's attempt to criminalize adultery, the headgear debate, the "KCK" trials in Kurdish regions, the investigation into the activities of the extremely marginal leftist armed group "Revolutionary Headquarters", the Constitutional referendums in 2007 and 2010 on electoral reform and other issues, the attempt to Putinize Turkey's presidential office by amending the constitution to introduce presidential/semi presidential system, the Ergenekon investigations and trials, operation Sledgehammer from 2010, state control over the media and internet in particular, the clash between JDP/Erdogan and Fethullah Gulen, several corruption scandals (2013 corruption scandal involving high rank members of JDP and the 2014 National Intelligence Organization scandal named MIT Lorries), reaching the top of the charts of leading nations in terms of the number of journalists in jail in 2012 and 2013, and second place in 2014, the Gezi park protests – as the one of most important events in modern Turkish history.

The critics of JDP's rule often state that the promise and program of the party, during the election campaign prior 2002 elections were quite liberal and progressive compared to its opponents and incumbents, but turned out as narrative with cynical ending. In fact,

Erdogan even spoke of LGBT rights but once in power he promoted soft and permissive attitude towards Islamism which stands firmly against it.

Rabasa and Larrabee elaborate that the growing strength of political Islam in Turkey (or rather of politics informed by Islam) is largely related to internal factors such as democratization and socio-economic transformation of Turkey in the past decades (Rabasa and Larrabee, 2008).

Armstrong claims that the term liberal if often used as a term of abuse in Turkey and that liberalism is tragically little understood in Turkey, both by its self-declared proponents and opponents (Armstrong, 2015). Aside countless arguments that confirm this assertion there is also the issue of advocating authoritarian ideas and pursuing authoritarian goals while using democratic tools and liberal like rhetoric by the incumbents. One striking example is the endorsement of the veiling of women in institutions of the public sphere which is presented as the liberalization of the veil. According to Gole, wearing of headscarves is related not the display of traditionalism or as an expression of fundamentalism but to the issue of recognition of their Muslim identity through this symbol, in particular in the public domain (Netherlands Scientific Council, 2004). Zurcher and Van der Linden underline that this recognition is not founded in theology but in an appeal to human rights and in this case the individual right to show one's religious conviction (Netherlands Scientific Council, 2004).

Turkey's mediascape is convincingly diverse yet its realm is still under the influence of duality of political ideologies: pro-secular or pro-Islamic. In addition, the freedom of expression is being constantly suppressed by the use of repressive legislation and employment of measures that tend to eradicate difference in opinion or criticism, such as the arrests and civil pursuits of journalists, media representatives and media distributors, closure or take-over of media companies, prosecution on the grounds of tax evasion and even censorship and blockage of social media, news portals, websites, twitter accounts.

Erdogan's vision of Turkey is closely related to the project Turkey 2023 – the marking of 100 years anniversary since the establishment of the Republic of Turkey. The project involves increased economic and social development and securing political stability. The latter incorporates exercise in hard power in internal and external affairs. On the domestic front he intends to put forward constitutional changes for the introduction of semi-presidential system. The attempt to settle the Kurdish problem has failed so yet again Turkey experiences civil war. The campaign to resolve the issues with his political opponents has reached a new scale after implementing numerous and vicious police actions and judicial measures against the supporters of his once close ally – Fethullah Gulen. Albeit tangible political deeds, some of the symbols and rhetoric used by this political elite include construction of the biggest airport in the world in Istanbul, construction of the biggest mosque in the world in Istanbul, the project Canal Istanbul (connecting the Black sea with the Mediterranean) and the construction of Ak Saray – probably the biggest presidential palace in the world. On the external front Erdogan changed the tune of Turkish foreign policy foremost on regional level after the Arab Spring revolts. The neo-ottomanism anticipated that Turkey will promote regional supremacy by using soft power. Instead, the recent actions on Erdogan's part attest that Turkey can't be restrained from using traditional hard power especially in the case of Syria, near-war hostility with Russia, engagement in Iraq etc. His sharp rhetoric and imprudent foreign policy actions will probably lead to grave mistakes. Accordingly his actions at home and abroad are disproving the initial optimistic views that he has learned the lessons from the past and

matured on the experience of previous pro-Islamic parties, that he will restrain from imposing “majoritarian democracy” or abolish the headscarf ban in public institutions (Ahmad, 2004), that new Turkey will be erected through democratic processes and liberal practice or at least that this is a transitional period that promises to be momentous for the country as was the period between the demise of the Ottoman Empire and the rise of the Kemalist Republic (Yavuz, 2009).

## **Democratically elected authoritarianism?**

It has been argued that “democratic politics is the bridge between the citizen and the state and that the links out of which the bridge is built are: civil liberties and political rights attributed to the individual citizen, the majority principle, political parties, elections, parliament and the state executive” (Offe, 1980). Further on, Offe asserts that the liberal democratic theory foresees that the traffic that moves over this bridge determines the uses of which state power is put. In relation to our analysis, it is important to underline that Turkey has been portrayed as a bridge in quite a few interconnected manners- bridge between the east and the West, bridge between the two great civilizations of the Christianity and Islam and certainly as a bridge between the democratic and religious canons (specifically Islamic canons). The latter is certainly the most important for this discourse as it implies that Turkey is the model that successfully reconciled the democratic principles and religious dogma and should continue to be considered as end goal of societies with an Islamic majority on their way of becoming modern and developed polities. And without a doubt it was part of the initial inspiration to many of the peoples that revolted in the surrounding region and became part of what became known as the Arab spring. Still, the success of the model has been reevaluated in light of the far-reaching evidence that Turkey is becoming more of a showcase for elected authoritarianism (Herzog, 2015), country ruled under Erdoganocracy (Zeynalov, 2014) or failed liberal-democratic experiment in society where pro-Islamism is inherent feature. The last argument is related to the impression that Erdogan’s aim is to refashion Turkey as Islamic society along lines of JDP religiously conservative ideology. Thought this reasoning may be disputed and confirmed by both camps one particularly essential argument for the endorsement of JDP’s rule can be found in Orientalists interpretation on the relationship between democracy and Islam. Namely, they state that since Islam has a totalist character (a total way of life rather than just a religion) only an absolutist government could put its percepts into practice (Hale and Ozbudun, 2010).

The outcome of latest cycle of elections (November 2015) in Turkey was described as a crossroad of Turkish politics where the dilemma between democracy and elected authoritarianism exists (Tüzün, 2015) but also as a strong confirmation on people’s approval of JDP’s policies. Needless to say, that this is not the end of the story on Turkey’s future and it is far from exhausting the debate on Turkey’s current state of affairs and its immediate challenges. A large body of analysts and commentators assert that Erdogan’s rule could be labeled as authoritarian but conclude that this is due to the manner in which he practices the political power rather than to its relation with Muslim religion as such.

## **Concluding remarks**

Over the past decades Turkey has suffered much transformation, change and uncertainty. The recurrent turmoil and deepening polarization have been often pronounced as

residues of the past or result of JDP's authoritarian rule, which is why it's imperative to underscore that Turkey's democratic and authoritarian legacies have been intertwined from the outset (Danforth, 2015) and should not be rendered as novelty. Regrettably, at the end of 2015 we must conclude that the securing of functional democracy and political liberalism in Turkey is a pending process.

Aside the debate on Turkish democratic deficit, arguments on poorly developed (even non-existing) liberalism are becoming more pronounced. They are traditionally nourished by the rule of authoritarian elites and in recent times by the pro-Islamic ideology of chief political parties and groups.

The efforts to build up a healthy democracy despite the continuing influence of authoritarian elements have dominated much of the JDP's rule since 2002 (Amani, 2015). However JDP's politics revived the discourse on Turkey's most lasting challenge – secularism or political Islam that can without difficulty be interpreted as confrontation of liberal democracy or authoritarianism. The 2015 general elections represent the latest example of this argument.

Hale and Ozbudun are correct when stating that the persistence of authoritarian regimes in the region is due to several reasons: the weakness of civil society, the co-optation of the bourgeoisie by state elites and the ruler's capacity to develop successful strategies (Hale and Ozbudun, 2010). And Turkey is not exempt from this trend.

Recent happenings in Turkey have been marked at a historic crossroad (Amani, 2015). Zeynalov makes the argument more viable in saying that Turkey will be full-fledged constitutional democracy when both secular people and Islamists finally understand that a limited lawful state is a final target and democracy is a goal not a tool (Zeynalov, 2014).

The current state of affairs in Turkey is also related to the halt in EU integration process and its influence on Turkish people's extended disappointment and even fatigue. On the other hand, Europeanization (as external incentive) can and should assist the process however most of the work needs to be conducted because of internal needs and incentives. Herzog states that Turkish politics has gradually left the asphalted path of a struggling and flawed democracy painfully attempting to consolidate itself and overcome the illiberal and military patronage legacies of the past and instead it appears to have driven off-piste into a dark and crisis-ridden future of civil authoritarian regime building and rule by domination (Herzog 2015).

Let us hope that the prospects will produce advanced/developed Turkish democracy with high respect for liberal values and stand as the model so needed in the region where most of the peoples still struggle with authoritarian rule and suppressed freedoms.

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## **THE STUDENTS' ETHNIC IDENTITIES VERSUS SOCIAL INTEGRATION**

### **Abstract**

It seems that in the modern European societies some of the collective identities start to transform themselves. One of the basic cultural collective identity, the ethnicity, as an action oriented identity, looks like as it is not very important in the presence of European people. In the Macedonian society, also, there are some modern processes concerning the development of stronger personal identities of the youth, that try to change the way of living. Nevertheless, past research showed that in Macedonia the ethnic identities matter a lot as part of the cultural, political and social living. Namely, the ethnic identities interfere with the quality of life, depending on the fact whether you are part of the majority ethnic group, the Macedonians, or member of the smaller communities that are not in majority, the Albanians, the Turks, the Roma, the Vlachs, the Serbs and the Bosnians. This paper will research the intensity of the ethnic identities among the university students from different national groups through their ethnic distance towards other groups. **We will argue that the strong presence of ethnic thinking might be obstacle for bigger social integration.** Additional research question will add to the analysis documenting 'hostile' stereotypes, the presence of the clear ethnic world view among students (especially Albanians), as general trend in society, as well as the small prospect of overcoming the ethnic divide.

**Key words:** ethnic identity, ethnic distance, negative stereotypes, social integration, civic values

### **Introduction**

**H**ow the ethnic paradigm made a comeback in the independent and modern Macedonian state? In the post-1989 period, the class as a category in the Macedonian society was in a big part replaced with ethnicity, while the ethnic and cultural differences became main factors of mobilization. The politics of recognition of identities in the new 1991

Constitution did not contribute for development of integrated society. Some elements of socio-cultural variant of multiculturalism, practiced until 2000s, with the Ohrid Agreement were more and more transformed in the model of division of power among different ethnic groups, through balancing of the individual and the group rights as consequence of ethnicization of all spheres in the society (Atanasov, 2003) People need to belong to some 'extended family', even though it is an imagined one – the nation, the ethnic group. If the state does not provide the glue, some groups are able to provide it themselves, to efficiently mobilize and fight for it. The ethnicity proved as the most powerful glue due to the recent 'historical' evidences (Atanasov, 2004a). Ethnicization of the social system in Macedonia was being promoted at large. Ethnic media, businesses, non-governmental organizations, 'ethnic' historical rights and isolated social systems with the two biggest ethnic groups - Macedonians and Albanians, were being promoted. In Macedonia since 1991 the prejudice were developing from social and cultural (inherited from socialist time) into rigid politically (and ethnically) colored intolerance. The citizenship as identity was losing importance compared to religious belonging. (Simoska, 2001) That is how the ethnically divided society was missing the point, concerning the bare necessity of social integration as a way for better quality of life and social cohesion. Additionally, the values that are important to interethnic tolerance are almost missing from the educational process. From the research done by Institute for Sociological Political and Juridical Research from Skopje, in Macedonian society, among younger population, dominates the political mythology that directly leads to ethnocentrism. (Simoska, 2001a)

This paper will try to research the current intensity of the ethnic identities among the university students from different national groups, after the two decades of living in the ethnically divided society. The main research question is that the strong presence of the ethnic identities might be the obstacle for bigger social integration. The main research topic is the student's ethnic distance towards other groups. Additional research question will add to the wider picture revealing strong prejudice and 'ethnic' stereotypes, the presence of the clear ethnic thinking among students (especially Albanians), as general trend in society, as well as the small prospect of overcoming the ethnic divide characteristic of the state. This research was conducted among student population in their last year of studies. The total number of respondents was 707, including 256 male and 451 female, 442 Macedonian and 239 Albanian respondents. Furthermore, this paper focuses on the existence of the ethnic distance and stereotypes of student population towards other ethnic groups. The ethnic distance was measured with classical Bogardus scaling technique. The scale attempts to measure respondents' degree of warmth, intimacy, indifference, or hostility to particular social relationships, by having them indicate agreement or disagreement with a series of statements about ethnic groups in this particular case. In our research we had 7 levels scale of distance. The research included the matrix of positive and negative stereotypes and the answers of the students concerning its own and the stereotypes of other ethnic groups. So, there will be plenty of data that were used to prove the stated thesis and other research questions.

## **The theoretical background**

Gilbert says that some, like Anthony Smith, have taken many nations to have originated in pre-existing ethnic groups. 'The appeal of the national identity they involve is, then, derived in large part from that of those ethnic identities' (Gilbert, 2000). Smith 'offered

fresh and illuminating insights into pre-modern forms of collective cultural identity such as those embodied in *ethnies*' (Guibernau, 2004). Guibernau points out that Smith explores the origin of nations and national identity and finds them in ethnic identity as a pre-modern form of collective cultural identity. 'Collective cultural identity refers not to a uniformity of elements over generations but to a sense of continuity on the part of successive generations of a given cultural unit of population...' (Smith, 1991). Smith's research on the role of myths, memories, values, traditions and symbols, as powerful differentiators and reminders of the unique culture and fate of the ethnic community, is fundamental to his analysis of national identity. The ethno-symbolist approach puts emphasis on the subjective components of national identity, while simultaneously underlining the sociological bases of collective cultural identities, like *ethnies* and nations (Smith, 2002). In his *Ethnic Origins of Nations*, Smith usefully presents an overview of six constituent elements or 'dimensions' of the *ethnie* as he sees it: a collective name, a common myth of descent, a shared history, a distinctive shared culture, an association with a specific territory and a sense of solidarity. The most important criterion of ethnic identity, according to Smith, is the sense of solidarity, but the common myth of descent also plays an important role (Smith, 1999). And finally, Eriksen, following Smith, points that 'seeing oneself as culturally distinctive, collectively and individually, from other groups, and acting accordingly, is crucial for ethnic identification to endure' (Eriksen, 2004). Ethnicity is elaborated in wider context in many analyses and textbooks that dates in late 1990s. (Atanasov, 2004)

Other scholars have different accounts. Joireman shows that the formation of ethnic identity consists of ascribed traits plus social inputs. The ascribed traits are appearance, place of birth, language, and the social inputs are ancestral myths, subjective beliefs, political power of the group, economics, religion and language. 'Our ethnic identities can shift over time as the context we are in changes. They can also change in relation to varying economic and political incentives and as the context an individual is in alters' (Joireman, 2003). In ethnic nationalisms, 'national identity is often perceived as a reflection or awareness of possession of "primordial" or inherited characteristics, components of "ethnicity", such as language, customs, territorial affiliation, and physical type' (Greenfeld, 1992). All told, 'when people think about "identity" they have in mind things like language, ethnicity, religion, symbols (e.g., myths, historical monuments, and anthems)' (Constantin, Rautz, 2003). Identifiers of ethnicity, some argue, do not automatically generate an 'identity', because the key will be how an individual chooses to identify with these characteristics. But culture, like everything that is historical, undergoes constant transformation. Identities are 'far from being eternally fixed in some essentialised past, they are subject to the continuous "play" of history, culture and power' (Hall, 1990).

Concerning the social integration models, basically there are two types of models. It seems to originate from the two opposing social philosophies, expressed in the differences between the social models of equilibrium and the conflicting models of a society (Kuper, 1997). The model of equilibrium ties democracy to pluralism. Political structure of a society in the model of equilibrium is plural itself. The designing of the system of constitutional balance was ment to acheive a division of power between legislative and executive, administrative and judicial. This guarantees pluralism in the structure of power and provides a basis for a system of balance, while the dispersion of power contributes to political pluralism. Integration in its part is influenced by a system of transmitted loyalties and multiple affiliations. The multiple affiliations are not enough by themselves for a plural society. Ethnic associations can be highly inclusive, or can inspire social divisions,

divided loyalties and obedience towards authoritarian control. That is why it insists on the multiple affiliations as an additional condition for pluralism. The attachment to common values is certainly a basis for integration and the consensual form is the model of equilibrium. Shils points at some of those common values: connection between elites, respect for the rule of law, moderation of the political engagement, acceptance of gradual changes and recognition of the dignity of the „others”. Kornhauser finds the basis for integration in the competitive balance of independent groups and the multiple affiliations of its members. The conflict model of the plural society originates from Furnival. The social basis is a mixture of people who live side by side, but separated, within the same political unit. They mix but do not connect. Each group clings to its religion, culture and language, its ideals and customs. They only meet on the market, for buying and selling. The economic symbiosis and the cultural differences, as well as the social divisions are characteristics of the social basis of the plural society. Furnival claims that the plural society appears when the economic forces are excluded from the control of the social will. It is a modern invention because it is only in the modern time that the economic forces are liberated from the remodelling of the social order. They act as determinants, creating and maintaining the plural society in conditions of cultural and social diversity under colonial domination. Integration is not voluntary, but imposed by the colonial power and the economy. Furnival stresses the domination of disagreement and the absence of common will for a better integration (Kuper, 1997).

This analysis can provide us with few conclusions. An integrated society or a society of equilibrium is the one in which integration happens through social pluralism and transmitted loyalties. It is the one in which communication is determined by economy, in which there are consensual and common values. Contrary to that, the society is on conflict if the integration is hardly achieved, because of the domination of the cultural pluralism and ethnic loyalties. The communication in this case is mainly through cultural differences as main determinant. There is no disagreement and no common values, while the society sustains through rules. Those are the main elements of the social model of equilibrium and the conflict social model, where individual identification prevails in the first one, and group identity (ethnic) in the second one.

The data which follow will be used to position Macedonian society with regards to the above definitions of ethnic identity and models of social integration. As it was postulated, this paper focuses on the existence of the ethnic distance and the stereotypes among student population towards other ethnic groups. The ethnic distance was measured with Bogardus scaling technique. The scale attempts to measure respondents' degree of warmth, intimacy, indifference, or hostility to particular social relationships, by having them indicate agreement or disagreement with a series of statements about ethnic groups in this particular case. In the research there was a 7 level scale of distance (the first level was “to get married” and the last one “I don't want any kind of contact”). Also, the ethnic distance was measured from the aspects of Macedonians and Albanians towards other ethnic groups. The data regard four groups: Macedonians (as the majority), Albanians (as biggest minority group), and Turks and Serbs as control groups.

## The research data

Table 1 shows the percent of the given answers from the perspective of the Macedonian students. As can be seen from the data presented in the first level (“to get married”),

there are only 3.2% of Macedonians who do not exhibit any ethnic distance towards Albanians and Turks, while this percent is 11.6% towards the Serbs. A very low level of ethnic distance was measured with relation to the response “to be a close friend”, so, this percent towards Albanian is 19.2%. It is higher towards Turks - 27.5% and almost half of the Macedonians students chose this level of distance towards Serbs. Regarding the option “to live in the same neighborhood”, percentages are higher towards Turks and Serbs than towards Albanians. As can be seen from the level “I don’t want any kind of contact” from the perspective of Macedonians students, the ethnic distance is highest towards Albanians and is 37%.

**Table 1.** Ethnic distance – Macedonian students

	Mac.	Alb.	Turks	Serbs
1.To get married	89,3%	3,2%	3,2%	11,6%
2.To be a close friend	7,4%	19,2%	27,5%	51,2%
3.To live in the same neighborhood	0,7%	5,8%	18,7%	15,2%
4.To work/learn in the same organization	0,7%	10,2%	13,4%	7%
5.To be an acquaintance	1,2%	18%	19,7%	7%
6.To live in the same town	0,7%	6,6%	8,3%	5,6%
7.I don’t want any kind of contact	0%	37,1%	9,2%	2,4%

Graph 1 shows the average values for the same data. The graph indicates that the ethnic distance from the perspective of Macedonian students is highest towards Albanians (with average value 4.89) and lowest towards Serbs (2.73). The average value towards Turks is 3.81.

**Graph 1.** Average values (Macedonian students)

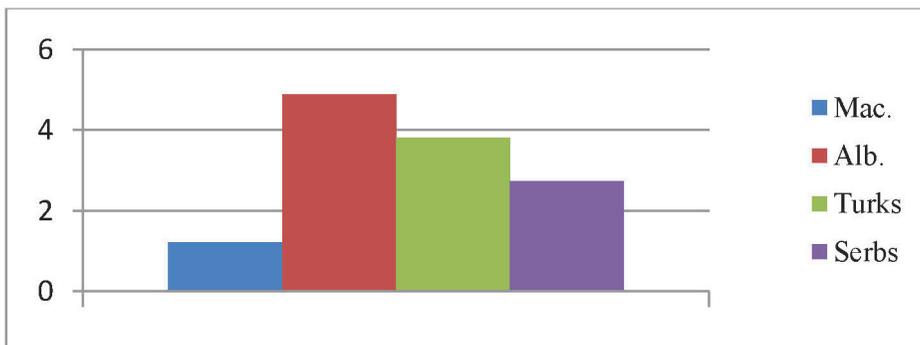


Table 2 presents the Albanian student’s perspective to the same question. As can be seen from the data presented in the first level “to get married” only 2% of Albanians don’t file any ethnic distance towards Macedonians, and this percent is 0.5 towards Serbs, and 7.8% towards Turks. A very low level of ethnic distance was measured with relation to the response “to be a close friend”, so, this percent towards Macedonians is 15.7%, it is higher towards Turks - 39.2% and only 3.1% towards Serbs. Regarding the option “to live

in the same neighborhood” percentages are higher towards Turks and Macedonians than towards Serbs. As can be seen from the level “I don’t want any kind of contact”, from the perspective of Albanians students, the ethnic distance is highest towards Serbs and is 33.6%.

**Table 2.** Ethnic distance – Albanian students

	Mac.	Alb.	Turks	Serbs
1.To get married	2%	78%	7,8%	0,5%
2.To be a close friend	15,7%	12,4%	39,2%	3,1%
3.To live in the same neighborhood	21,6%	1,4%	17,6%	3,6%
4.To work/learn in the same organization	20,6%	2,4%	11,3%	6,6%
5.To be an acquaintance	10,3%	4,3%	7,8%	13,8%
6.To live in the same town	15,2%	1%	10,8%	5,6%
7.I don’t want any kind of contact	14,7%	0,5%	5,4%	66,8%

From the graph 2 with average values can be seen that the ethnic distance is highest towards Serbs (with average value 6.14) and lowest towards Turks (3.26). The average value towards Macedonians is 4.26.

**Graph 2.** Average values (Albanian students)

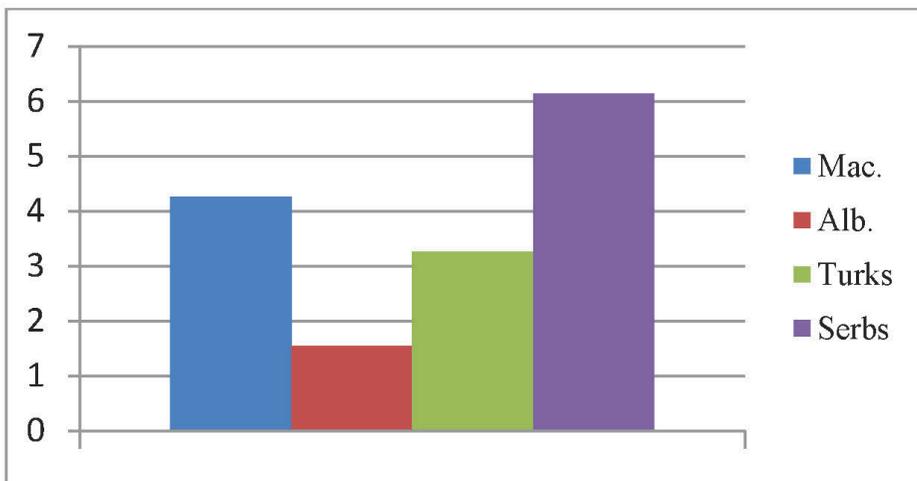
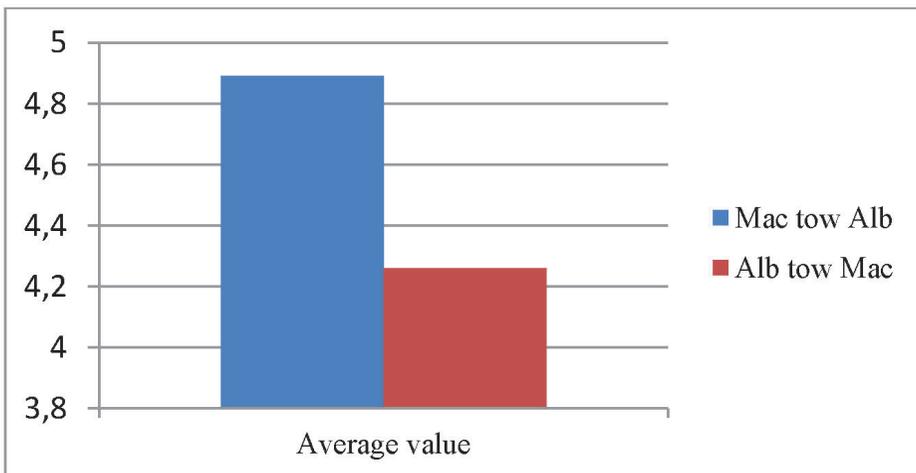


Table 3 shows the attitudes of the Macedonians and Albanians towards each other. There is statistically significant difference between the two represented groups of responses, so, as can be seen from the table, difference exists in the levels of ethnic distance which are more related to the space (space of living, space of working). There is not a big difference in the first two levels of distance. The data from the last row shows the highest level of existence of the ethnic distance among Macedonians towards Albanians (this was chosen level for 37% of them).

**Table 3.** Ethnic distance

	Mac. towards Alb.	Alb. towards Mac.
1.To get married	3.2%	2%
2.To be a close friend	19.2%	15.7%
3.To live in the same neighborhood	5.8%	21.6%
4.To work/learn in the same organization	10.2%	20.6%
5.To be an acquaintance	18%	10.3%
6.To live in the same town	6.6%	15.2%
7.I don't want any kind of contact	37.1%	14.7%

The presented average value (graph 3) indicates that the number is higher in the first case, which shows existence of higher ethnic distance among Macedonians toward Albanians (the average value is 4.89), than among Albanians towards Macedonians (the average value in this case is 4.26).

**Graph 3.** Average values

From the t-test between these values, we have observed the existence of a statistically significant difference, but also the existence of a greater difference within the same group than between the two groups. **Thus, from the results of the t-test, we cannot say that the ethnicity per se is a key factor that has influence over the ethnic distance.** To get a clearer picture we analyzed the stereotypes.

There are 16 characteristics which were presented to the students (8 positive and 8 negative) asking them to choose two of them which mostly describe each of the ethnic groups. Table 4 shows the cumulative answers of the Macedonian students, while the next table presents the responses of the Albanians students.

**Table 4.** Stereotypes – Macedonian students

	Macedonians	Albanians	Turks	Serbs
Diligent	139	65	86	42
Quiet	113	8	72	49
Brave	59	37	42	90
Kind	95	14	89	108
Modest	46	10	80	32
Good friends	41	32	109	131
Sociable	86	16	81	146
Resourceful	43	82	67	44
Lazy	48	10	9	15
Aggressive	3	209	20	17
Fearful	39	6	7	10
Bad	2	89	18	15
Greedy	32	28	20	12
Enemies	3	108	5	4
Liars	15	8	14	10
Cunning	21	56	23	17

From the perspective of Macedonian students they most frequently see themselves as “diligent, quiet and kind”. They describe Albanians as aggressive, bad and enemies. They find Turks diligent, kind and good friends, and Serbs - sociable, good friends and kind. **As can be seen from the table 4 Macedonian students mostly chose negative characteristics to describe Albanians.**

From the perspective of Albanians students (Table 5), they mostly think of themselves as brave, diligent and kind. **They describe Macedonians as fearful, bad and cunning.** They find Turks good friends, kind and modest, and describe Serbs as enemies, bad and aggressive. Albanian students chose negative characteristics for both: the Macedonians and Serbs.

**Table 5.** Stereotypes – Albanian students

	Macedonians	Albanians	Tusks	Serbs
Diligent	9	80	27	2
Quiet	19	9	48	
Brave		136	17	5
Kind	20	43	60	4
Modest	9	27	57	5
Good friends	12	31	69	2
Sociable	23	28	49	5

Resourceful	23	25	39	12
Lazy	13	6	6	14
Aggressive	34	10	8	67
Fearful	55		6	15
Bad	<b>48</b>	1	3	<b>98</b>
Greedy	17	6	5	6
Enemies	38			99
Liars	41	5	2	41
Cunning	<b>47</b>	5	5	26

The statement about the importance of elements of identity was measured on a three degree scale (completely agree, partly agree, disagree). In order to have better overview of the students' answers about the importance of those identities, we show only the percentages of responses "completely agree", separately for every ethnic group.

**Table 6.** Identities ranks

	Macedonians		Albanians
1	Personal Identity 90%	1	Personal Identity 82%
2	<b>Civic Identity 42%</b>	2	<b>Religious Identity 66%</b>
3	<b>State Identity 37%</b>	3	<b>Ethnic Identity 56%</b>
4	Ethnic Identity 33%	4	Civic Identity 33%
5	Religious Identity 31%	5	State Identity 25%

As can be seen from the results, personal identity is most important among the students from both ethnic groups. But when we look at the rank of the collective identities we can see the differences. Civic and state are the most important secondary identities among Macedonian students, while among the Albanians, it is the religious and the ethnic identity.

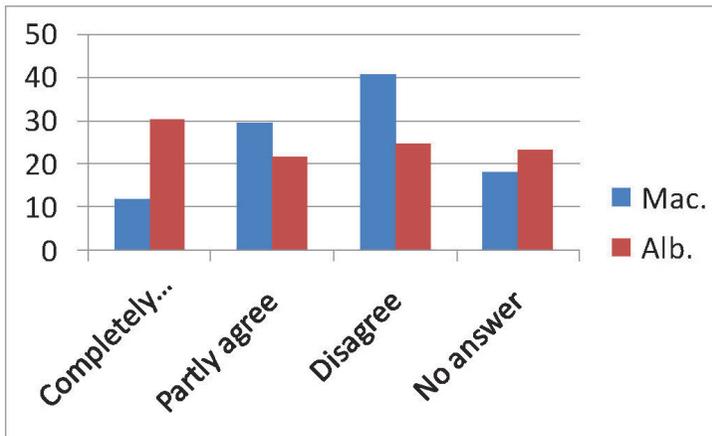
The frequencies of the question "What kind of society would you like ours to be?" with the ethnic variable showed statistically significant differences. Table 6 shows that "multicultural" were response of 61.2% among Albanians and 27.4% among Macedonians. For "civic society" the percentages are 54.5% among Macedonians and 30.4% among Albanians.

**Table 7.** What kind of society would you like ours to be?

	Total	Macedonians	Albanians
Multicultural	39%	27.4%	61.2%
Bi ethnic	2.4%	1.8%	3%
Civic	45.1%	54.5%	30.4%
I don't know	12.2%	16.3%	5.5%

With regards to the attitude “I will always stay and live here” we have statistically significant difference according to the ethnic variable, too. As can be seen from the graph, the percent of complete agreement is considerably higher among Albanians students. Unlike them, Macedonians students more often disagree with this attitude.

**Graph 4.** “I will always stay and live here”



This data shows different attitude towards society depending from which ethnic campus you are coming. It cannot be directly connected with the action, but it detects how satisfied are the students with their space and living.

## Conclusions

The ethnic division is still very present among members of different communities in the country, within all populations including students. Most pronounced is the ethnic divide between Macedonians and Albanians, but there are also negative attitudes towards other smaller groups by members of larger communities. Macedonian society is perceived mainly as a civic one, but still interference is done by the cultural differences that have their own political influence. These “ethnic nodes” can be identified through the social (ethnic) distance and the presence of negative stereotypes about the other group. Here divisions and relationships are pronounced. The highest ethnic distance exhibited by Macedonians regards the Albanians and is described as “do not want any contact”. The same answer, however, is given by both groups with regards to Roma. Ethnic distance of young Macedonians is lowest towards Serbs. The highest ethnic distance by Albanian students is towards the Serbs but also towards the Vlachs and Roma. The lowest is the distance in relation to the Turks.

The young Macedonians have a very negative perception of the Albanians. They describe them as “aggressive” “enemies” and “bad”. There are negative stereotypes about Roma. Positive stereotypes of Macedonian students can be found towards the Serbs, Turks and Bosniaks. Young Albanians have negative stereotypes of Macedonians, Serbs and Roma. Macedonians are perceived as timid, bad and subversive. Albanian students perceive Serbs as aggressive and enemies. Positive stereotypes of Albanian students can be observed towards the Turks and Bosniaks. Evidently, it is a very complex “net” of prejudices and stereotypes, including feelings concerning ethnicity, religion and social distance.

It is a perfectly legitimate question, how much of ethnicity can actually be pronounced and articulated without disturbing the cohesion of the society. Data display big gaps and bad feelings between some ethnic communities. Negative context and present elements of strong ethnic distance speaks more towards model of ethnic confrontation than model of equilibrium. Civic elements like identities and values can contribute to the reduction of prejudices and negative stereotypes, but also to build new values that will bred signs of social integration. We proved existence of strong ethnic identification, high social distance among ethnic communities and weak cross ethnic elements that would enable social integration. Ethnicity is not solely responsible for the ethnic divisions. There are deeper seated reasons interconnected with ethnicity that interfere in current social fabric. Overcoming the situation where ethnic gaps hinder the social integration is a condition without which the Republic of Macedonia will not be able to produce a more civic society, greater development and progress, both as a country and as a society. In order to achieve this aim, the citizens of the Macedonian society will have to find more common civic goals and values. Current situation is not promising. As long as we are hiding behind ethnic identity we cannot build society together.

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## **NEO-LIBERAL RESTRUCTURING AND THE EU INTEGRATION OF THE WESTERN BALKANS**

### **Abstract**

The main rhetoric of the European Union for the Western Balkans developed around the idea that if the Western Balkans implement the reforms recommended by the EU, they will develop economically, build a healthy democracy based on a functional rule of law system. In case of the failure of the reforms to achieve these objectives, which indeed is often the case, the answer is founded in the (liberal) modernization theory which argues that the reasons for the failure must be found on the domestic problems and the wrong implementation of the reforms whose beneficiary properties are taken for granted. This paper argues that despite the fact that the Western Balkans faces many domestic socio-economic problems, structural causes and mechanisms/processes, which emerge from the operation of global economic system rest at the center of this failure. Based on the insights of the neo-Gramscian perspective, it analyzes the EU integration strategies towards the Western Balkans as part of the neo-liberal restructuring project. The complex and dynamic relations based on consent and coercion during this process and the role of the European Commission as the main instrument of this strategy will constitute the focus of this paper.

**Key words:** Neo-liberal restructuring; Western Balkans; Albania; European Union integration policies.

### **Introduction**

The focus of academic studies on the Western Balkans has been on the violent ethnic conflicts, economic and political instability, the lack of the rule of law, troubled transition to democracy, and authoritarian statehood. The Western Balkans are defined as a “troubled region” which despite the international community’s and particularly the EU support for its development couldn’t yet complete its transition process. The researchers often compare it with the Central and Eastern European Countries because of their common communist past and in the context of the European integration policies, and achieve to common conclusion by defining the region’s domestic factors as “guilty” for the situation of the region.

To begin with, it is important to highlight that the concept of transition which has become a buzzword to denote the socio-economic and political transformation of post-socialist countries, cannot be defined as just a shift from a planned economy to a free market democracy, rather it is a complex process of redefinition and restructuring of state society relationship (Shields, 2012: 17-18), which led to the emergence of a new configuration of social power relations. The Western Balkan countries joined globalization after the collapse of Communism as other CEE countries. The countries in the region entered into an economic and political transition process at different speeds and with different degrees

of enthusiasm. It were the transnational actors which “contributed” through consent and coercion policies on the transforming/neo-liberal restructuring of the region. Beside the international financial institutions such as the IMF and the World Bank, another major “contributor” on the neo-liberal restructuring of the Western Balkans is the EU as a structure and the Commission as an actor. As Hermann puts it, despite the fact that “neoliberalism is an international agenda, the implementation of neoliberal policies is, nevertheless, dependent on local struggles and compromises” (2007: 6). Therefore, a complete analysis of the transition and integration (restructuring/transformation) of the Western Balkans, must include both domestic and external actors and factors. Yet it is impossible to touch upon all these factors in this paper. Thus, the examination will be focused on the EU strategy towards the Western Balkans in the context of neo-liberal restructuring. Thus, based on the insights of the neo-Gramscian perspective, the aim of this paper is to bring the issue in a wider context, analyzing the impacts of global structural changes and the European Union (EU) integration policies as part of neo-liberal restructuring agenda in the Western Balkans.

In the first part of this paper it is analyzed the revival of European integration process in the second half of the 1980 in the context of global structural changes showing that the EU cannot be considered apart from neoliberal restructuring/globalization. In the second part, are elaborated the European integration strategies towards the Western Balkans as part of the neoliberal agenda. Here it is underlined the fact that despite the EU discourse on the implementation of reforms on democracy, human rights and the rule of law as pre conditions for full membership, in practice the Commission initiatives are strongly focused and restricted to the neoliberal restructuring of the Western Balkans while leaving no concrete space for full membership. In the conclusion section are briefly summarized the impacts of top-down neoliberal restructuring via the EU strategies in the Western Balkans.

## **The European integration as part of neo-liberal restructuring project**

Many Europeans as well as the bulk of them who aspire to be part of the EU, considerate it as an exceptional organization of the global system. Often the assumed exceptional character of the EU is based on the social rights and equality policies that European states offer to their citizens compared with their American and Asian counterparts (Hermann, 2007:1). However, the EU cannot be considered apart and immune from the globalization process. As everywhere else, structural changes in the global economic system reshaped also the socio-economic relations of the EU, which led to the emergence of new social power configurations (Bieler and Morton, 2001: 5). Therefore, Stephen Gill argues that taking into consideration the social structural and political arrangements during the 1960s, 1970s, and 1980s is crucial for understanding the European integration policies/process (1992: 159), since the neo-liberal restructuring became the underlying driving force of its revival.

According to the neo-Gramscian perspective, globalization is the “transnationalisation of production and finance at the material level and the shift from Keynesianism to neo-liberalism at the ideological level” (Cox, 1993: 259-60; Bieler and Morton, 2001: 5). While on the global level, the main driving force was assumed to be the free market, unrestricted capital and financial mobility (Hermann, 2007:2), on the national level, the shift from Keynesianism to neoliberalism was based on low inflation and stability prices,

and on the abandonment of the full employment (Cox, 1993: 259-60, 266-7). Indeed these new arrangements caused many serious problems for many countries, particularly for the undeveloped ones. The international financial institutions, such as the IMF and the WB furthered this process through their carrot and stick policies, thus making the granting of credits conditional on meeting the neo-liberal restructuring packets such as budgetary restrictions and privatization of public companies, enterprises and services, and application of low taxes for private sector etc (Hermann, 2007:4).

Shortly, neo-liberalism become an agenda for restructuring the capitalist economy and the social system (ibid:2). Neo-liberalism imposes a new top down socio-economic order, through consent and coercion mechanisms. That makes governments more responsible for private enterprises or market forces and less responsible or responsive to welfare issues. The security of private sectors remains one of the main objectives of governments (Gill, 2001:47). In this context the rule of law and democracy are required (for developing countries) as long as they serve to neo-liberal restructuring policies. Accordingly, while some developed countries embraced neo-liberal policies for competing with the global market, the rest accepted it in order to get aids/grants from the international financial organizations since their survival depended directly to this foreign financial assistance.

The revival of European integration process in the 1980s developed also within the context of global structural changes triggered by the neoliberal response to the structural crisis of over accumulation that emerged in 1970s. The policies delivered by the EU and the re-launch of European integration – through the Internal Market (1985) and the signing of the Single European Act (1986)–by no means departs from the neoliberal mainstream. This re-launching coincided with the foundation of the European Round Table of Industrialists (ERT), an organization that represents the Europe's biggest transnational industrial corporations (Apeldon, 2001: 48, 54). The increase of globally oriented capital in the EU, supported by the neo-liberal transnational historical bloc also forced the restructuring of the capital consistent with global capital (Gill, 2001: 75). The ERT lobbied strongly for the integration of the common market (Hermann, 2007: 8).

Gill defines the Internal Market project as a turning point in the European integration process towards neoliberalism (2003: 63). Even though, the Internal Market primarily was introduced as the creation of a big home market in front of global market, it served to the globalization of the EU itself (Apeldon, 2001: 79). Indeed it is an important project for the neo-liberal restructuring of the EU, focused on free market by the deregulation and liberalization of national economies (ibid). Thus, European integration shifted from a “socio-economic and industrial space to...an advanced free trade zone within a free trading world” (ibid).

The Maastricht Agreements and Economic and Monetary Union (EMU) also constitute important developments to be discussed in the terms of neo-liberal restructuring discourse (Gill, 2001: 50). As Apeldon puts it “the socio-economic content of Maastricht can in fact be interpreted as reflecting the transnational configuration of social and political forces within the European political economy at the beginning of the 1990s” (2001: 81). The formation of a transnational capitalist class played an important role in this new configuration of the social power relations. It succeed in incorporating and manifesting its interest as the interests of all and therefore in establishing its hegemony. Contrarily, trade unions remained fragmented and as a result failed to protect their previous gains and efforts. The restructuring of the state-civil society relations such as the privatization of public services like pensions, health and education and the implementation of mone-

tary and fiscal policies in order to increase the credibility for private enterprises shifted the EU towards the neo-liberal economic system (Gill, 2001: 49). In a nutshell, social democracies were subordinated to the interest of globalizing capital. Consequently, most of social reforms included in the Maastricht treaty failed to be materialized because of big capital's efforts.

In regard to this, the EMU cannot be considered only as an economic project but as an attempt to institutionalize the neo-liberal norms in the region and reconcile regional integration with globalizing forces (Gill, 2001: 52). This was a requirement for the Internal Market (Apeldon, 2001: 80). EMU furthered the neo-liberal economic process by establishing an independent European Central Bank (ECB) with a monetary policy based on low inflation and price stability. Its role was to force states to apply fiscal policies in convergence with neoliberal criteria. Even though the fulfillment of the Single European Market and establishment of the ECB looks as just an economic integration in appearance, it is in fact a process of configuration of the new powers in Europe (Holman, 2010).

As it is shown in this paper, the main issues of the reforms in the EU are focused on enhancing the implementation of neoliberal policies such as free trade, monetary and fiscal austerity policies, and the erosion of employment security. In some aspects, some states in the union have gone further by applying more radical neoliberal policies compared to the runners of neo-liberalism, the US and the UK. All these reforms eroded the social model of European welfare-states. (Hermann, 2007: 23).

In this respect, the EU strategy towards the Western Balkans must be analyzed primarily within this socio-economic structural context, considering the dynamics and complexity of the process of neo-liberal globalization. Otherwise the analysis risks remaining incomplete. Thus, the ideational/cultural factors which are so often utilized to explain the problems facing many developing countries as is the case of Albania, must be placed into this larger structure or process of neo-liberal transformation of the Western Balkans. To this purpose, having argued that the EU is an integral part of neo-liberal process, it will be scrutinized the EU integration policy and its impact towards the Western Balkans.

## **The EU strategy towards the Western Balkans**

During the early 1990s the EU strategy towards the Western Balkans was based on financial assistance programmes such as PHARE, the main objective of which was the establishment of stability through democratic institutions, the rule of law, the return of refugees and protection of human rights etc. (Bartlett, 2008: 197). It was only after the Bosnian war that the EU adopted the "Regional Approach", for all the Western Balkan countries that did not have any association agreements with it. The Regional Approach included a comprehensive framework for unilateral trade preferences, financial assistance and regional cooperation based on principle of conditionality (General Affairs, 1997). The European Commission defines the level of financial assistance that the EU will provide to the respective country, according to the progress that it has done on meeting the required conditions. On the other hand, the starting of bilateral negotiations or association agreements were committed to many other strict and detailed conditions on providing economic reforms. Thus, in addition to the general conditions mentioned above, were required also macroeconomic policies for stabilization of economic environment, liberalization of price and trade, reforms in the rule of law, privatization of public or states enterprises, and reforms in the banking sector. The countries which

meet these conditions would be able to benefit from trade preferences, financial assistance and progressing on contractual bilateral relations with the EU (Bartlett, 2008: 198).

Indeed the conditionality was not an exception for the Western Balkans countries, since the EU strategy towards the CEE countries was based on conditionality as well (Türkes and Gökgöz, 2006: 675). The problem here is the so-called “negative conditionality” (Anastasakis and Bechev, 2003: 7), which is meant to offer no promise for a future membership to the EU, and in the case of Serbia even outright sanction. Therefore, Türkes and Gökgöz define the Regional Approach as:

“The manner in which conditionality applied in the case of the Western Balkans clarified the contours of a distinctly different mode of relations that the EU would maintain with the region: there was no prospect for rapid membership but the countries meeting the conditions were to be rewarded with trade concessions, financial assistance and economic cooperation on the part of the EU. It emphasized the borders of fragmentation in the region, pushing the Western Balkans down to a lower rank in the accession partnership process.” (2006: 676)

The Kosovo war may be considered as a turning point of the EU policies towards the Western Balkans. It demonstrated that the Commission as an actor and the EU as a structural factor have been insufficient for the stabilization of the region. Therefore, the EU envisaged a new strategy for the Western Balkans, so-called the Stabilization and Association Process (SAP). SAP would serve as an important contribution of the EU to the multilateral Stability Pact for Southeastern Europe (Hombach, 1999) by taking a leading role in the stabilization of the region, and also presenting a new strategy of the Commission in the Western Balkans (Kramer, 2000). Thereby, SAP would become the cornerstone of the EU strategies in the Western Balkans, as the major policy framework for domestic and foreign policies. According to the Commission’s suggestions SAP is focused on six key target areas such as:

“Development of existing economic and trade relations with and within the region; development and partial redirection of existing economic and financial assistance; increased assistance for democratization, civil society, education and institution-building; co-operation in the area of justice and home affairs; development of political dialogue, including at regional level; development of Stabilization and Association Agreements [SAA]” (European Commission, 1999).

In a similar vein with previous strategies, the SAP instruments were based also on conditionality. Therefore, according to the Commission’s progress reports, the countries which have made progress regarding the meeting of the SAP conditions, can pass to another level by signing a SAA with the EU. The SAA’s main framework focuses on:

“Offering the prospect of full integration with EU structures; Establishing a functioning framework for a continuous political dialogue; Supporting the consolidation of a democratic regime and a state of law; Furthering economic reforms and the development of market structures; Establishing the administrative and economic pre-requisites for the later conclusion of a bilateral free trade agreement; Laying the foundations for extensive co-operation in justice and home affairs; Establishing broad co-operation on all issues that would contribute to reaching these goals” (European Commission, 1999).

In this context, the main financial instrument introduced to the region was the so-called Community Assistance for Association, Development and Stabilization (CARDS). Later, it would be replaced by the new Instrument for Pre-accession Assistance (IPA), which aimed bringing institutional reforms into line with the EU standards.

A bigger picture suggests that the SAP and the SAA itself does not offer a really new and inventive EU policy for the region. They do not differ much in kind from other well-known European Agreements concluded between the EU and the CEE countries since early 1990s. Indeed, the novelty remains on the fact that for the first time, the SAA is “offering the prospect of full integration with EU structures” to the Western Balkans. In other words, it opened a process of gradual integration into the EU structures based on the Amsterdam Treaty and the Copenhagen Criteria, for the countries that meet the required conditions. Since then, the EU has also advanced trade relations with all the Western Balkan countries via autonomous trade measures and the early implementation of the SAA trade provisions. All the countries have signed the respective SAAs. In addition, while Bosnia-Herzegovina and Kosovo are potential candidates, Macedonia, Serbia, Montenegro and Albania are officially candidates for accession to the EU.

As it is noticed above, the Balkan countries are involved at different stages in the process of integration (Türkeş and Gökgöz, 2006: 659). But, the fact that Commission has not produced yet any concrete plan or strategy for the full membership of the region or any particular country in the EU, indicates that its recommendations and strategies serve primarily to the purpose of stability in the region in order to avoid that problems of the region expand into the union and second to the neoliberal restructuring of the region rather than the process of full membership. As Mustafa Türkiyeş and Göksü state, the EU strategy towards the Western Balkans does not include neither exclusion nor a full integration in the short period (ibid). Indeed the EU integration process is seen as a tool for neoliberal restructuring of the Western Balkans. The hegemonic/neoliberal project of the EU in the region, is a complex and dynamic process between the Commission and respective governments which includes both consent and coercion (Shield, 2014: 17-18). The asymmetrical power that the EU holds in this process, have led to a top-down process on the restructuring of the socio-economic relations with the Western Balkans. The consideration of the EU as a financial source for economic prosperity by the Western Balkans states' elites strengthened the Commission's hand on neo-liberal restructuring of the region.

## Conclusion

The Western Balkans cannot be considered apart from the neo-liberal globalization. Neo-liberal policies, as the main force of globalization, have been at the heart of the region's transition as well as. Therefore, all the transition programs assisted by the international financial institution enhanced the establishment of a market-based economy, based on neo-liberal restructuring such as stabilization, deregulation, liberalization and privatization. After 1997 onwards the EU via Regional Approach, SAP and SAA strategies would play an even more important role in the neo-liberal restructuring of the Western Balkans. Here is underlined the fact that despite the EU discourse on the implantation of reforms on democracy, human rights and the rule of law as pre conditions for full membership, in practice the Commission initiatives are strongly focused and restricted to the neo-liberal restructuring of the Western Balkans while leaving no concrete space for full membership. As a result the main elements of the Commission strategies such as the

neo-liberal restructuring, rule of law and democracy have not developed proportionally, leading to the reproduction of a kind of authoritarian state. And the social consequences of the top-down neo-liberal restructuring of the Western Balkan countries are high unemployment, an ever increasing gap between the rich and the poor, reduction of public social services, a high support for big private enterprises even when it has grave consequences for society in general, and high public loans etc. By the same token, the high level of emigration, the organized crime, and the rise of radical religious organization's influence in the region is also encouraged by the increasing poverty and the failure of state instances to develop a solution.

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**HR COMPETENCY FRAMEWORK DEVELOPMENT AS A BASIS  
FOR CREATION OF DUAL SYSTEM ON HRM EDUCATIONAL  
PROGRAM**

**Abstract**

The importance of knowledge, skills, and competencies to individuals and society is widely accepted among policymakers in OECD countries. The competency is much more than just knowledge and skills. It involves ability to meet complex demands, by drawing and mobilizing personal traits (including abilities, values and attitudes/behavior) in a particular context. From an economic viewpoint, competencies of individuals are seen as important because they contribute to: boosting productivity and market competitiveness; minimizing unemployment through developing an adaptive and qualified labor force; and creating an environment for innovation in a world dominated by global competition. The concept of key competencies has become a vital component in the vocabulary of educational policy-makers and reformers. And the question of assessing and measuring the output of educational processes is a discussion topic that triggers keen interest all over the globe. HRM must meet higher expectation that confront contemporary organizations and the HR profession should be upgraded. HR professionals must not only observe, but also understand and adapt to the changing business conditions and business trends. HR professionals are expected to contribute by the competencies they possess. HR practices must become more integrated, aligned, and innovative. HR professionals with the right competencies will be more likely to engage employees, to serve customers, and to create intangible shareholder wealth. This paper describes a competency framework for the design and implementation of a competency-based curriculum for dual postgraduate HRM education at the Institute for Sociological, Political and Juridical Research, within the University “Ss. Cyril and Methodius” - Skopje.

Key words: Human Resource Management, HR competency framework, HR professionals, HRM education.

**Introduction**

Human resource management (HRM) in Republic of Macedonia is still at its rise compared to the world HRM trends and contemporary practices. The HR professionals in the country are facing numerous challenges and obstacles in their external, as well as their internal surrounding, and very often, with a personal lack in appropriate formal HRM education as well.

Therefore the project “Development of key competencies framework for HR professionals as a basis for creating a dual educational system for HRM in Republic of Macedonia” was recognized as a need and a high priority by the Ministry of education and science of Republic of Macedonia and it received a financial support from the UNESCO 2014-2015 Participation Programme, with the mediation of the UNESCO National Commission within the Ministry of Culture of Republic of Macedonia, which enabled its realization.

The project had several main aims:

- to identify the main competencies required from Macedonian HR professionals at the highest career level;
- to create a curricula of a HRM dual study program as a second cycle university degree studies at the Institute for Sociological, Political and Juridical Research (ISPJR) based on the identified competencies as a predetermined learning outcomes;
- to examine the possibilities and the capacity of introducing dual HRM studies in Republic of Macedonia.

The dual HRM educational system, based on the French model<sup>1</sup> would enable a connection between the theoretical and the practical knowledge of human resources management through a combination of academic and professional studies consisting of university lectures and internship at a HR department in the business sector under the mentorship of a trained supervisor.

The advantage of ISPJR as a scientific, research and higher education institution (which organizes HRM postgraduate studies continuously since 1991) is that besides the two components mentioned above, it easily adds the research methodology for HRM as a third component which raises the gained competencies to the most advanced level which builds capacities and skills for analysis, evaluation, measuring, assessment, anticipation and planning in order to make the most appropriate business decisions and recommendations based upon primary qualitative and quantitative empirical data.

All the phases and activities of the competency framework development process and as well as the frameworks itself are elaborated in detail in the paper.

## **Theoretical background**

Corporate restructuring, globalizing business, industrial democracy, workforce diversification and constant changes in employment/labor laws have propelled HRM as one of the pivotal areas for organizational success. Along with HRM’s new strategic role (Huselid, 1995; Ulrich, 1997) there came new role demands and requests on HR practitioners and consultants (Baill, 1999; Dyer, 1999; Hunter, 1999; Losy, 1999). As the field of HRM has generally evolved, so have the concerns of professionalism (Wiley, 1995). As noted by Wilhelm (1990), this increased focus on professionalism is well represented by the HRM professional degrees offered by many leading colleges and universities (Adler and Lawler, 1999; Brockbank, Ulrich, and Beatty, 1999; Heneman, 1999; Kaufman, 1999).

Clearly, competency models and competency-based HRM systems are at the forefront of HRM practice. Although private industry has made use of this approach, the trend has not been as widespread in educational institutions preparing HRM professionals. It is

time for colleges and universities to prepare the next generation of HRM professionals in the same fashion that highly skilled HRM professionals are changing their own organizations, namely, through identification and development of critical competencies (Wooten and Elden, 2001).

Seminal efforts by Boyatzis (1982), Dubois (1993), and Spencer and Spencer (1993) have illustrated empirically sound approaches for differentiating levels of employee performance. Competency models for general management have numerous implications for the practice of HRM, specifically in the areas of recruitment, selection, performance management, job analysis and training/learning needs assessment. Use of competency models can be used to create integrated HRM systems that are clearly directed toward successful performance.

One of the first models produced was by the School of Business at the University of Michigan. The components of this model are well documented (Ulrich et al., 1989). Actually the most widely cited study of HR competencies is the work conducted by Ulrich and colleagues (1994, 1995, 1997, 2007, and 2012). In the first wave of his research, Ulrich found that technical HR skills, change agent skills, and knowledge of the business were critical to success for HR professionals. The second wave added the notion that strategic knowledge and skills were critical, including areas such as knowledge of financial management, customer demand, and external competitive threats. In the third wave of surveys, researchers added two more areas of HR competency: culture management and personal credibility. Boyatzis, Cowen, and Kolb (1995) have illustrated how a competency-based approach was used to redesign the MBA program at the Weatherhead School of Management at Case Western Reserve University. The effort was designed specifically to reflect the added value of multiple stakeholders and focus on learning outcomes. Kesler (1995) also demonstrated the use of HRM competencies in redesigning roles and HRM practices in a multinational corporation. Morris (1996) illustrated how a competency model and developmental sequence successfully restructured an HR function for a telecommunications organization. Of particular importance in this case was the utilization of a partnership with line managers in the organization. Kochanski and Rose (1996) chronicled the use of competencies in the redesign of HRM practices and provided successful evidence from two multinational organizations. The McBer Company also developed a competency model for HRM managers that are composed of three general areas. As noted by Yeung (1996), these competencies involve the areas of goal and action management, interpersonal and people management, and analytical reasoning. The results of Lawson's (1990) study produced a senior-level competency model depicting the characteristics of highly effective HRM leaders. This model was "intended to define and describe prescriptively the competencies and related behaviors required by superior performers from both the Chief Executive Officers' (CEOs) and the HR practitioners' perspective" (Lawson and Limbrick, 1996). This model consists of five competency clusters. These are goal and action management, functional and organizational leadership, influence management, business knowledge, and HR technical proficiency. Kaufman (1999) reviewed the literature of the development of the fields of industrial relations and HR and concluded that the biggest gaps between what employers want in HR graduates and what they are getting are in the areas of written and oral communication skills, leadership, negotiation skills, knowledge of organizational dynamics, and strategic understanding of HR. Summarizing key findings concerning competencies required for success in HRM, Barber (1999) concluded that university HR curricula today should include (a) traditional HR functions, (b) change management and

leadership skills (communication, negotiation, etc.), and (c) business skills (understand the language of business and be able to function as effective business partners). Furthermore, Barber suggested that the proper role of an educational institution is not to produce graduates fully qualified in each of these three areas but rather to provide a broad-based educational foundation on which professionals continue to build through experience and training (McEvoy, Hayton, Warnick, Mumford, Hanks and Blahna, 2005).

Today it is widely accepted that a *competency* represents a cluster of knowledge, skills, abilities, and other characteristics necessary for an efficient working performance (Human Resources Professionals Association, 2014). Competencies focus on factors that influence individuals' and organizations' success. They provide a set of statements that can be used to highlight personal achievements, but also identify learning needs or gaps in people resources. The set of competencies that are relevant to the performance in a particular job, profession, or organization is called a *competency model*. The broader framework which integrates, organizes and aligns the different competency models is called a *competency framework*.

The competency models for HR professionals generally identify four career levels. These career levels reflect different types of responsibilities for which HR professionals are accountable in their job positions, or more specifically, earlier career levels (i.e., early career and mid-level) reflect responsibilities that are more transactional in nature, whereas more senior career levels (i.e., senior and executive levels) reflect responsibilities that are more strategic in nature. The job of HR professionals differs qualitatively across career levels.

**Table 1.** Career levels and description of their basic characteristics

Career level	Basic characteristics
Early	Specialist in specific support functions or generalist with limited experience Formal title: HR assistant, junior recruiter or benefits clerk
Mid	Generalist or a senior specialist Manages projects or programs Formal title: HR manager, generalist or senior specialist
Senior	Very experienced generalist or specialist. Formal title: senior manager, director or principal.
Executive	The most senior leaders in HR Formal title: holds the top HR job in the organization

**Source:** Society for Human Resource Management (2012) SHRM Competency Model

## Methodology

Taking a competence-based approach to HR curriculum design involves first identifying what competencies are critical to professional performance, and second, addressing if and how personal traits, abilities, and skills can be incorporated into an educational program in addition to specialized HR knowledge (McEvoy, Hayton, Warnick, Mumford, Hanks and Blahna, 2005).

Therefore, the research/competence framework design is based upon the DeSeCo methodological approach (Rychen and Salganik, 2002) as the most suitable for identification, definition and selection of the key competencies for HR professionals at the highest career level.

In the first phase of the creation of the competency framework for HR professionals in Republic of Macedonia, a preliminary exploratory research was conducted which consisted of a literature review of the up-to-date existing competency models for HR professionals in developed countries. In this phase a draft HR competency framework was synthesized from the selected models: Ulrich, Younger, Brockbank and Ulrich's (2012) HR competency model, the American competency model (Society for Human Resource Management, 2012) and the Canadian HR competencies model (Canadian Council of Human Resources Associations, 2014) aiming at describing the necessary competencies for HR professionals.

In the second phase, six focus groups with HR professionals were held. The respondents (N=48) mainly came from the private sector. Representatives of the top 100 most successful companies in Republic of Macedonia were invited to participate, as well as members of the Macedonian Human Resource Association (MHRA). Selected graduated students were invited from the alumni database of ISPJR who are experienced and had worked as HR professionals at the higher career levels. HR professionals from the public sector were also invited in order to ensure that the framework will have a universal character, i.e. to make sure if the framework could be applied in all sectors regardless of the ownership, size, location or the type of industry.

The respondents were asked to:

- point out which of the proposed competencies add greatest value to all stakeholders;
- select competencies that are necessary to them personally to successfully perform their everyday working assignments and attain maximum performance;
- answer how the competencies can be most rapidly and most effectively acquired and developed by the HR professionals; and
- assess the possibilities and the capacities of the companies to accept students-interns in their HR departments.

The third phase included two expert panel meetings in Skopje and Paris, between HRM university professors and HRM consultants from: the Institute for Sociological, Political and Juridical Research, University "Ss. Cyril and Methodius" – Skopje, Macedonia; the center for Continuing Education within the University of Sorbonne, France; and Bled School of Management, Slovenia.

During the meetings, experiences and best practices were shared in regards with:

- the implementation of the competencies frameworks for HR professionals in the educational curricula;
- the implementation of the competencies frameworks for HR professionals in the companies; and
- the legal requirements and the regulations related to the HRM competencies.

Special attention was dedicated to the description of the procedures and the way the dual system for HRM studies functions at the University of Sorbonne, and about the design of its curricula.

In the final phase, the findings from the previous project activities were generated and synthesized into a research report in a form of a study (Borota Popovska and Topuzovska Latkovikj, 2015) and a research paper separately.

## Results

Nine competencies were identified and selected as the most valuable and significant for the HR professionals at the highest career levels, across the both - private and public sector and different types of industries. They are defined as the following:

- *HR expertise* - Knowledge about the principles, experiences and the functions for effective human resource management;
- *Mediation* - Ability to manage and facilitate the relations between the employer, the union (if there is one), the managers, the employees and all the other internal and external stakeholders in order to enable a productive working environment based on mutual cooperation and respect;
- *Consultation* - Ability to give advice/guidance to all stakeholders of the organization;
- *Leadership and direction* - Ability to lead and to contribute to the initiatives and the processes in the organization
- *Communication* - Ability for efficient and effective exchange of information with all stakeholders;
- *Global action* - Ability to value, understand and manage differences and diversity;
- *Ethical practice* - Ability to integrate key values, integrity and accountability in all organizational and business practices;
- *Knowledge of the business* - Ability to understand and apply information in order to contribute to the organization's strategic plan; and
- *Argument-based decision making* - Ability to interpret information when making decision and recommendations for the business.

Competencies can be either technical or behavioral (Society for Human Resource Management, 2012). Technical competencies primarily reflect the knowledge-based requirements of a specific job category (e.g., HR professionals). The behavioral competencies are more general and at surface level can apply across multiple job categories. Behavioral competencies describe the specific and observable behavior associated with effective job performance and reflect the ways in which knowledge is applied.

More precisely, the competence *HR expertise* is an indispensable technical competence which presupposes specific knowledge, and the other competencies like *communication*, *mediation* or *ethical practice* are behavioral competencies which are also very important for the working performance of the HR professionals but, at the same time, they are necessary and required in other job categories i.e. professions.

**Figure 1.** Competency framework for HR professionals

There is also a list of sub-competencies which are the most important and describe each of the general competencies; and the desired behavior at the highest level of acquisition of the competencies is furthermore described inside the competency framework (Borota Popovska and Topuzovska Latkovikj, 2015).

## Conclusions

As a conclusion it is important to highlight that this competency framework represents a major step for the HR profession and the HRM education in the Republic of Macedonia. Of course, the work doesn't end here. The HRM educational curricula should be developed and the dual system should be implemented successfully as soon as possible in the near future. The ongoing self-evaluation of the study programs and the feedback from the companies where students will have their internship, and later will be employed as higher level HR professionals, should give us insights about the quality and the correctness of the competency framework and the directions for its revision.

Indicators for each of the competencies should be also developed which will enable their measurement and assessment in the processes of recruitment and selection, training and development, and performance management/appraisal.

We hope that this paper and its findings will enrich the scientific and professional HRM literature and that it will directly and indirectly serve to: the lawmakers for higher education and the HR profession itself in the country; managers; HR professionals and the future HRM students.

## Notes

<sup>1</sup> Dual HRM studies at the Center for Continuing Education, University of Sorbonne in France (Formation continue Panthéon-Sorbonne, Université Paris 1).

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## **MODEL OF THE OPERATIONS MANAGER FOR THE 21ST CENTURY**

### **Abstract**

In this paper, the results of many years of research in Macedonia are given for creating a model of operations manager in the organization with manufacturing and service activities.

This research confirmed the common and specific competencies of operations managers in the country that are the basis for forming national standards for operation managers.

This paper contains various models of competence of the three dominant approaches in the United States, Britain, France, Germany and Austria. The paper includes knowledge, skills and competencies with in a holistic competence typology, adapted to the conditions in our country.

The theoretical goal of the research consists in the formulation of the set of competencies and testing of operational processes and functions.

The research methodology is: checking procedures for measuring and determining their validity, verification of used research techniques and measuring instruments as well as developing them with new components and elements for examining the impact of competencies on the success of operations managers.

The practical goal of the research is reflected in the applicability of the proposed model of the daily work of the operations managers.

If you take into consideration that this type of research is not so far conducted in the territory of the Republic Macedonia, the benefits and value of research are multiple.

**Key words:** model, operations manager, operations management, Human Resource Management.

### **Introduction**

Competences of operations manager are a combination of personality, knowledge, skills and abilities. There are following indicators: ability for analyzing, organizing ability, ability to plan, to inspire others, ambition to realize, knowledgeable with economy, understanding society, ability to teach others, ability to gather and perform information, ability to solve problems and make decisions, ability to influence others. Unsatisfactory results in more organizations in the world, among other things, are due to inadequate management of human resources in terms of competencies and behaviors necessary for the efficient operation and effective implementation of organizational strategy. The main disadvantage of organizations in our region is the lack of a functioning system for operations management. The subject of the research is to define the impact of competence as an important factor for the successful execution of professional

and operational functions in the relevant operational areas in manufacturing and service organizations.

Multi-dimensional holistic approach of competence is becoming more widespread and offers the opportunity to better align education and those based on work and taking advantage of synergies between formal education and experiential learning to develop professional competence.

## Competences

Hamel and Prahalad (1994) defined the core competence as “collective learning in the organization, especially how to coordinate different production skills and integrate multiple streams of technologies” (Prahalad and Hamel, 1990: 82). From the perspective of resource competence of human resources can be unique or rare, difficult for competitors to imitate and are indispensable for their invaluable role in the concept of added value. (Cappelli and Crocker-Hefter, 1996; Ellestrom, 1992; Foss and Knudsen, 1996).

The basis of core competence approach, which recognizes “the complex interactions of people, skills and technologies, promote efficient operation and considers the importance of learning and addiction and the path of their evolution.” (Scarborough, 1998: 229). Describing competence as “vague concept” Boone and Van Der Klink still recognized as “useful term, bridging the gap between education and the needs of the work” (2002: 6).

Tacit competence, not just the professionals (Eraut, 2000), but also the so-called “unskilled” workers (Kusterer, 1978), may have a decisive influence on the success of the enterprise (Flanagan et al., 1993). In view of the terminological and conceptual confusion about the competencies, there have been set off three dominant approaches which began relatively independently, first in US and then in the UK and more recently in France and Germany. These approaches are contrasted before proposing a comprehensive holistic typology of competence.

## Operations managers

The operations managers are responsible for managing employees with operational functions within which the transformation of resources. (Nigel Slack, Stuart Chambers, Robert Johnson, 2004). Operation managers in different organizations can be found under different names, depending on the activity of the organization (manager of fleet distribution company, administrative manager at the hospital or store manager at the supermarket). All managers need all kinds of skills, but the total sum is different in hierarchical levels of management. (R. Steward, 1987: 385).

In large companies, where there are numerous business sectors, the role of operation manager is very important for the functioning of the entire system. The sectors are numerous and can have no mutual relationship, but are important for the system. There is no company in the world that could successfully function without this man. With increasing competition and globalization trends, the dynamics of the operation of companies is getting more and more intense. Therefore the intensity of the work of the CEO - CEO (Chief Executive Officer), dramatically increases and requires great dedication and time. Since it expected its time passes more and more out of the company, while it should be someone who will take responsibility for monitoring and controlling its operations on a daily basis. Therefore the role of Chief Operating Officer - COO

becomes necessary and essential for the proper functioning of companies, especially larger ones.

Some of Macedonian businessmen that formed after private companies began the process of transition, often tend to fall into a trap when the growth of the firm exceeds their managerial and human capacity and then have a problem to delegate responsible tasks to someone else, believing that no one would could do the job as they would have done. Even if they decide to appoint an operations manager, always see it be a person who previously worked in the company and which have enormous trust.

## **Research methodology**

### ***Research problem***

In the literature, researchers in the field of operations management increasingly suggest building the position of operations manager at the level of professionalism. The ability to meet the challenges posed between the top management and line management lies in building a model of competence operations manager that eventually creating national standards. In fact, organizations are faced with a problem which is defined as an inadequate approach to operations management, expressed through a lack of competent designated operations managers, which leads to unprofessional performance of operational functions in the respective operational areas.

### ***Subject of research***

The subject of this research is to define common and specific competencies of operations managers in Macedonia, i.e. the impact of competencies as an important factor for successful and professional performance of operational functions in the respective operational areas.

### ***Hypotheses***

#### **General hypothesis**

Operations managers in the country jointly and specific competencies required for successful and professional performance in the workplace.

#### **Special hypothesis**

H-1. Operations managers jointly competencies needed to perform tasks, work activities in the context of work.

H-2. Before operations managers are required level requirements (knowledge, education, skills, abilities and work style) to meet to successfully perform their job.

H-3. The special competencies of operations managers are specific to each type of activity.

H-4. The level of assessment of the competencies required for the implementation of tasks and activities and meeting the requirements will be determined individually for all managers (top, operations and line).

H-5. The competences and fulfilling the requirements of management between deterministic samples by gender is not expected to determine statistically significant differences.

H-6. The competences and fulfilling the requirements of management between deterministic samples seniority expected to determine statistically significant differences.

H-7. In competencies required to execute the work tasks and activities among managers in the three levels of management are expected to determine differences.

H-8. In fulfillment of the requirements between managers in the three levels of management are expected to determine differences.

H-9. The impact and the relationship between the competencies required to execute the tasks and activities in fulfilling the requirements of all three levels of management in the survey expect differences.

## **Methodological approach and research design**

According to type, this research is empirical research. Empirical data will be used in the research will be of primary sources. Primary empirical data will be obtained from questionnaires distributed to respondents (top, operational and line managers) and checklist of the work of operations managers their jobs.

Determination in the sample to include organizations of production and services is to include more activities, first, because of the possibility to extract some general observations regarding the subject of research at the national level and, secondly, through a comparative analysis to see differences (specific competencies)

The division of organizations by sector of activity classification was made according to the State Statistical Office. It covers various types of manufacturing and service organizations.

An additional criterion for selection of the organizations is done according to the number of employee's indicator (> 30).

The design of the research and creation of tools is based on:

- previous empirical surveys and tools already developed by the most important researchers of the theory of competencies for managers in England and Wales. (Mansfield and Mitchell, 1996). National vocational qualifications, created in this framework are based on professional standards of competence, grounded in functional analysis of occupations in different contexts. Management standards were developed and tested with over 3,000 managers across a range of sectors (Frank, 1991). Professional standards identify key roles, which are then parsed into a number of units of competency. These are further divided into more elements of competence for each element of competence has performance criteria they define the basis of assessment, ranging indicators provided guidance. Professional standards are firmly rooted in the reality of work (Mansfield, 1993); employers play a leading role in their validation, as well as trade unions in union sectors. However, participation by employers in the formal professional qualification system is far from universal, partly because of the perception of a lack of relevance to the specific needs of the employer and partly due to the bureaucracy associated with assessment procedures. The assessment of competence includes accreditation of the competence of individuals from the actual performance of the job, which is designed to ensure the continued relevance of the work situation (Miller, 1991), although there is evidence that assessment fails to realize many of the results of informal learning.
- observations, experiences, observations and findings of the author on the specifics of the researched variables in the Macedonian context (national and organizational

culture, economic conditions, economic trends, market conditions, social conditions).

The collection of data from the researched organizations began distributing the questionnaire to the top management, operational management and line management which may include questions that will serve as control variables in the survey:

- organization size (measured by number of regularly employed full-time);
- years of existence of the organization (operated as the date of establishment) and
- ownership structure: public company (state-owned) or private company (foreign investor shareholding company - JSC private - LLC).

This questionnaire will include line managers (supervisors, controllers, supervisors) who are directly responsible and competent to respond to their superiors (operations managers) and are potential neutralizers of the possible occurrence of socially desirable responses / answers biased by top management.

By completing the checklist, operation managers conduct the assessment of their special competence in different sectors.

## Analysis and interpretation of research results

All data were processed using SPSS statistical program which numerical indicators is the best way corresponds to what the methodology is defined as an indicator of a phenomenon.

In order to realize our research aims to evaluate the joint and specific competencies of operations managers in the country, 224 respondents were surveyed, 40 top managers, 104 operations managers line 80 supervisors who are directly responsible and competent to respond to their superiors (operations managers) and are potential neutralizers possible occurrence of socially desirable responses / answers biased by top management.

**Table 1.** Gender of respondents

		Frequency	Valid Percent
Valid	male	156	69,6
	femalei	68	30,4
	Total	224	100,0
Missing	System	2	
Total		226	

**Table 2.** Age of respondents

		Frequency	Valid Percent
Valid	20-30	11	31,3
	31-40	70	46,4
	41-50	104	15,2
	51-60	34	2,2
	61-70	5	100,0
	Total	224	
Missing	System	2	
Total		226	

**Table 3.** Vocational preparation of respondents

		Frequency	Valid Percent
Valid	secondary	58	25,9
	faculty	159	71,0
	m-r	5	2,2
	d-r	2	9
	Total	224	100,0
Missing	System	2	
Total		226	

**Table 4.** Work experience in the organization

		Frequency	Valid Percent
Valid	0-5	24	10,7
	6-10	68	30,4
	11-15	47	21
	16-20	44	19,6
	more 20	41	18,3
	Total	224	100,0
Missing	System	2	
Total		226	

From the above parameters of the survey form following profile of an operations manager in RM:

- Male- in production activities
- Female – in accounting, finance, hospitality, education (services)
- Age: 41-50 years
- Work Experience: 11-15 years
- Work experience as an operating manager: 6- 10 years

- Education: University degree, 26% SSS (21 of 80 respondents)
- Competences: common and special
- Requirements: knowledge, skills, abilities and work style.
- Operations managers are encountered in most organization with over 30 employees.

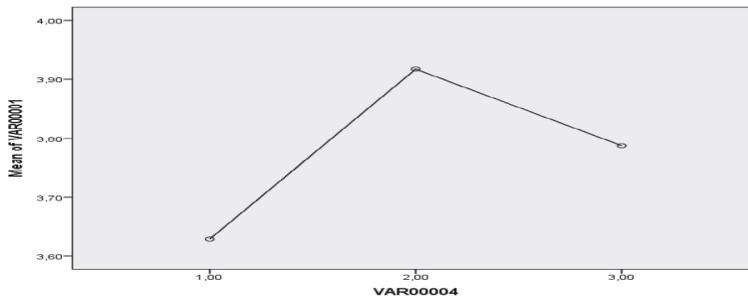
From the table 5 we may note that the values obtained in the first part of it tell us about the equality of variance of Levene’s test. According to him, because the significance is greater than 0,05 (Sig. = 0,228) are considered indicators of the first row of the table (Equal variances assumed). T-test of independent samples which compares between the demands of operations managers (b. Skills) observed significant differences between SUP sample of respondents with experience of 1 to 10 years with soup sample work experience of 11 and more years significance of the values obtained  $t = 3,327$  and Sig. = 0.001. Median differences between the two groups are .145. The limit ranges from 95% probability range from .058 lower (Lower) do .231 upper (Upper) borders.

**Table 5.** Requirements, skills, among SUP samples with experience of operations managers

Independent Samples Test									
	Levene’s Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Equal variances assumed	1.470	0.228	3.327	102.000	<b>0.001</b>	0.145	0.043	0.058	0.231
Equal variances not assumed			3.314	98.755	0.001	0.145	0.044	0.058	0.231

**Table 6.** Arithmetic differences in levels of management

COMPETENCES	N	Subset for alpha = 0.05		
		1	2	3
1.TOP	40	3,63		
3. LINE	80		3,79	
2. OPERATIONS MANAGERS	104			3,92

**Table 7.** Relationship between competencies and requirements for operations managers

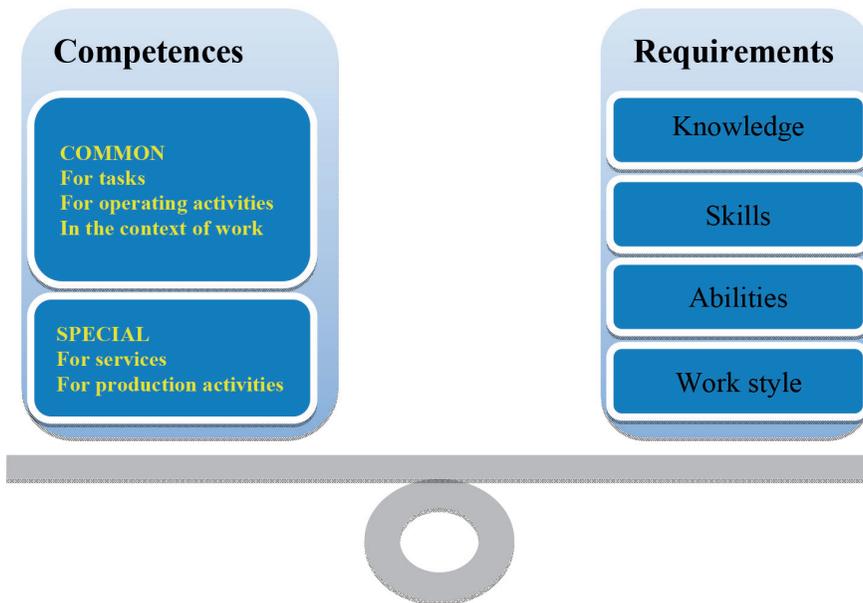
Operations mangers	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
knowledge	0.055	0.081	0.116	0.680	0.501
Skills	0.021	0.079	0.046	0.266	0.792
abilities	-0.056	0.060	-0.158	-0.931	0.358
work style.	0.004	0.097	0.008	0.046	0.963
<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>	<b>Sig.</b>	
0.198	0.039	-0.068	0.096	0.830	



## Model of competence of operations managers in Macedonia

This research defines a model of competence (common and special competences) operations managers in the country which is a basis for the establishment of national standards for operations managers.

**Figure 1.** Model of operations managers



## Concluding recommendations

This research offers some basic practical recommendations:

- the top management to indicate the importance of operations management and the implications on the performance of organizations;
- to build professionalism in the organization of operational-level management;
- to invest in operations managers because that which will result in high return on invested capital;

This research defines the model of competence (common and special competences) operations managers in the country which is a basis for the establishment of national standards for operations managers in Macedonia;

This study provides impetus for new research that would set the models competencies for top managers and line managers in the country.

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## **PROFESSIONAL PROFILE OF A SUCCESSFUL INTERNATIONAL MANAGER**

### **Abstract**

Managers in many European companies have been criticized for the lack of knowledge and the lack of appropriate skills which are necessary for working globally: the ability of global thinking, understanding the mentality of managers from other countries, management experience outside the home country and the ability to speak at least two foreign languages. For this purpose modern MNC apply modern practices in the operation of the CDM sector which implies a permanent care for professional development and career opportunities for employees, with special emphasis on the management team for successfully dealing with national differences and successful appearance on the international market. A very common practice in the international business is retraining or shift of employees. Practice shows that training should be tailored to the needs of the national culture, and they should be transferred in a language understood by the staff who visited the training.

The research is aimed to find a model that will be adopted by MNCs operating on European soil, for a profile of international managers who are supposed to successfully implement the set of organizing goals.

**Key words:** international business, international management, professional development, training and career

### **Introduction**

The program of the European Union in 1992 underlines the need to develop global managers. According to a study done in eleven European companies conducted by the international consulting chamber, concludes that many European managers of that period do not meet modern standards for a global manager (Dowling and Welch, 2004). These are the European standards for an ideal manager according to the study:

1. Possession of higher education
2. Experience outside the home
3. Good knowledge of economics
4. Ability to generalize
5. Mandatory understanding of English and French

The study showed that many managers from Germany, France and Italy had no work experience outside their countries, and managers from Germany and UK lacked knowledge of French language, lack of team work etc.

Professional development of managers is recently placed in correlation with industry. The level of mutual communication and cooperation contribute to significantly better results for both sides. University professors are aiming to accelerate the professional development of managers in the organization. For this purpose in modern organizations:

1. University professors have to learn many details of the organization and share their advice about: their products, services, culture, needs, etc;
2. Plans intended for development of the managers must be consistent with organizational objectives, and university professors must be familiar with these tasks, objectives and policies of the organization. For this purpose it is necessary to make sincere cooperation between both sides: university professors and managers in the organization;
3. In order to maintain the dynamics of the educational programs, university professors need to conduct necessary training inside the organization and to constantly implement new ways of management in order to transfer knowledge and skills from the classroom to the workplace;
4. Before they start training, teachers should do an interview with the managers who need training, and those interviews are best conducted in the manager's working place in order the teachers to understand the real environment and increase mutual trust;
5. For the analysis of organizational and individual needs it is necessary to use a combination of teaching methods. These may include: presentation skills training, individual and procedural advice. Development needs to be a source of methods for performance;
6. Training programs and development must be based on the basis of pre-selected and verified purposes.

The nature of leadership in the organization is considered in several aspects. A group of writers known as "the school of the big man" describes managers through extensive explanation of their behavior and habits. But that description does not give a specific description of the formula for success of those people.

Another group of authors, most economists, are focused on the entrepreneurial characteristics of the managers. Their main business is the increase of profit, assuming the risk, innovation, creativity etc. (Gerhart and Rynes, 2003)

A third group of authors put the emphasis on the process of decision making, especially those kinds of decisions that can be easily programmed. (Daft, 2007)

Quite another group of authors is aiming to achieve leadership by placing emphasis on the specific arrangements and styles of leadership.

Mintzberg H.'s (Mintzberg, 2004) views are based on the business activities of the managers. Analyzing five managers, he gave his explanation of the term manager. According to his claims, manager's work characterizes: diversity, discontinuity and orientation towards action. He also claims that managers are characterized by verbal communication and dealing with numerous activities that connect the organization and its environment.

The new conditions for the activity of the organization on domestic and international ground, requires a type of heads-managers who are successfully able and know how to cope with new conditions of cultural, political, economic, social, technical, technological

and other factors affecting the operation of an organization. Traditional managers are faced with the problem of type: type of education, type of behavior and limited knowledge of all these elements that do not satisfies needs of modern corporations. For this purpose, the staff needs to follow modern trends with the help of personal and organizational policymaking for professional development and career.

The organization should make a choice of managing staff that will pursue the necessary training and professional development so that the personnel in the future are of great importance when making important decisions in the organization. (Harris, 2008)

The choice of the managing staff can be done in several phases:

1. Determine the desired properties of managers, which are determined by experience, survey methodological tables, networks, etc;
2. Determination of the standard tasks for managers of an organization;
3. Analysis of the organizational strategy and the rate of development of the organization;
4. Selection of management potential for further education or occupation of the vacancy.

If there is a failure to make the right selection of managers that are adequate for acceptance and implementation of work outside their home country, in this case will come to a significant failure in the field of their activity. The practice shows that the failure of managers who are sent to multilateralism abroad and come from multinational corporations based in the United States are looking at:

1. The non-adjustment of the spouse to the new environment;
2. Inability to adapt to the new environment manager;
3. Family problems;
4. Emotional maturity and psychological condition Manager;
5. Inability to deal with emerging problems and challenges of the new environment.

As for failures in noticeable Japanese managers sent to work in foreign affiliates as a reason for their failures occur:

1. Inability to deal with emerging problems and challenges of the new environment;
2. Problems in the new environment;
3. Emotional and personal problems;
4. Lack of technical training;
5. Non-adjustment of the spouse to the new environment.

To avoid all these restrictions that lead to unsuccessful implementation of work responsibilities of managers in the branches, it is necessary to conduct a rigorous selection of candidates.

The potential for successful operations outside the home can determined thorough an analysis of the candidate in terms of its: orientation to themselves, orientation towards others, the ability of perception and cultural responsibility.

Orientation itself is a picture of how the candidate emphasizes self-confidence, self-esteem and how psychic strong he is to bear the stress and responsibilities in the new environment.

The orientation towards the others, gives a picture of the managers ability to communicate in the new environment and the level of knowledge of foreign languages, including the advantage of knowing the language of the locals.

The ability for perception and cultural responsibility reflected in the ability of the candidate to understand the locals, understand their culture, religion, customs and habits.

## **Identification of managerial potentials**

Once established positions of the staff working in the organization, it is necessary to determine whether candidates have the Properties and potentials that are looking for a particular managerial position in the organization. For this purpose apply different instruments or methods of selection which complement each other. To determine whether the person has potential for working position - manager, it needs to identify the height that person possesses in himself known as managerial talent in his character. By means of applying various tools and methods you can realize that goal. It is measurable with the help of psychological instruments, situation tests, questionnaires, interviews and so on. These instruments are complementary. Any method itself is not sufficient for identification of management potential in a person. How you apply multiple methods to the extent forecast is safer.

Psychological tests that are applied on the candidate need to be crafted and reviewed by professional - psychologist. The psychological tests should be: general character, verbal, numerical, specialized tests, tests of mathematical ability, perception of space and the like. These tests are used particularly if you insist to determine the candidate's willingness, to accept a manager position and to poses as much desire to achieve results.

Questionnaires about the person and his field of interest are less reliable instruments apart from psychological, especially if prepared by persons whose specialty is psychology. But they are quite as practice applied in contemporary societies and are applicable in the first stage, for early identification of potential features of future managers in the organization.

Projective techniques are instruments whose use can carry only professional persons. The techniques of structured partial images, that are individually placed in front of the respondents aims to see the best way they can be structured. This technique is important because in combination with other techniques have proved quite useful.

Outlines of creative figures reflect the future manager. The practice shows that managers are characterized by a great deal of creativity. Creative people are characterized by: curiosity, unconventionality, intelligence, love asymmetry, flexibility, quick embrace change, are aware of their qualities, hardworking, pressing, mentally and physically healthy.

The biography is a much simpler method of selecting a potential manager in the organization. They can be used by all employees of the organization who are educated about it, not just psychologists who were used psychological tests and questionnaires. Through biography accepts the view that a person's past can be used to identify future managers in the organization.

The assessment by peers is different from their own (self) personal characteristic, it is especially pronounced when it comes to management staff. This particular method should be used when management potential requires its own ranks. There is likely to be biased approach, revenge and the like, but it is necessary to make efforts to overcome subjectivism.

Interview done by professionally trained people for that activity or at least person which possess previous experience. In most situations, the interview goes in combination

with other tools and methods for selecting candidates. The interview can be unstructured and structured but like the most reliably shown structured interview. It involves conducting interviews with pre-prepared questions that will partially cover the areas that are important to carry to a conclusion as to the person possesses the potential for management positions in the organization.

The recommendations are the source of data for the candidate. If routine, friendly, always positive, should be taken into account because it does not provide the expected information about the person. As is better shown with the content in the recommendations provided, so that the person who wrote the recommendation, however is put into operation for the decision responsibility for honesty in describing the character of the candidate.

Rating for success at work make the candidates already employed in the organization. Through tabular recording it is provided an assessment of twelve individual data on the candidate and then calculated average assessment. The data on: work discipline, investment in work, initiative, professionalism, developed skills necessary to work in that position, work habits, cooperation with others, responsibility towards work, contribution to the organization and management, the opportunity for further professional development and advancement, the ability to work in different positions and the ability to lead groups.

Tests of the situation aim not to show the candidate's knowledge of the theoretical knowledge of the issue, but to demonstrate the ability of the candidate he knows how to properly act in certain situations to how the theory can be applied in practice, how much it holds practice from managing organizations in whole or in certain sectors and its like.

In practice, the organization, there are two types of managerial staff: people who thrive since its employment in the organization and can be promoted or transferred and managers can employ outside the organization.

Promoting quality in internal computer system in the organization can easily identify qualified candidates, and one could make a comprehensive plan for implementation of the final organizational goals and plan for human resources. This system can greatly assist in meeting the needs of administration, new jobs, development needs and career planning of the staff in the organization.

As foreign promotion may include several sources such as employment agencies or professional associations, educational institutions, references to persons who are inside the organization and certainly return of persons without specific recommendations that are interested in the organization. The organization may use different methods for finding and selecting qualified managers.

## **Research methodology**

The research was conducted over a period of 6 months. Surveyed were 100 international managers (expatriate) globally.

The research was conducted through the following stages:

- I - selecting successful international managers globally
- II - conducting survey
- III - data analysis

## Description of the research sample

Mother tongue of 100 respondents: languages from ex YU countries, French, Spanish, Italian, Ukrainian, Czech, Finnish, Portuguese, Albanian, Bulgarian, Polish, Danish, German, Arabic, Turkish, Hungarian, Russian, Slovak, English, Hindi, Bengali, Urdu, Tamil ...

Respondents were born: Ex YU countries, almost all the countries of Europe, USA, Canada, Argentina, Mexico, South Africa, Armenia, Russia, Israel, India, Senegal, Pakistan, Tunisia, Singapore.

Respondents with experience all over the globe.

International managers with immediate placement in:

- Europe (almost all countries), America (USA, Canada, Brazil, Mexico), Africa (South African Republic, Senegal, Gabon), Asia (Kyrgyzstan, Saudi Arabia, India, Thailand, Taiwan, Pakistan, Israel, Tunisia, Kuwait, Singapore, UAE, Philippines, Indonesia, Oman, Mongolia, Qatar, Libya, Sudan, Hong Kong, Tajikistan), Australia.

In these countries they lived an average of 1-5 years.

Managers throughout its operations using English is mandatory in their international communications and business, and none of the managers is lacking English

Besides English, managers know at least one foreign language at their workplace; typically it comes to the language of the host country.

## Results

After the analyzes, the results confirmed the hypothesis that

H<sub>1</sub>: "Caring for developing global leadership skills (management responsibilities different from those used in the domestic market) among international managers have a positive effect on the strategic approach of the international market."

**Table 1.** Global leadership and effective global strategy

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	,806	,649	,554	,69925

### Anova

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	19,933	6	3,322	6,794	,000
Residual	10,757	22	,489		
Total	30,690	28			

Previous analyzes have confirmed the following hypothesis

H2: "Empowering multinational and international teams ready to perform critical organizational projects and solving problems of activities outside the home have a positive effect on the strategic approach of the international market."

**Table 2.** Professional organizational teams and global strategy**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	,745	,555	,434	,60323

**Anova**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9,995	6	1,666	4,578	,004
Residual	8,005	22	,364		
Total	18,000	28			

Also according to the analyzes, the hypothesis was confirm:

H2: "The factor of job satisfaction, the international field has a positive effect on the strategic approach of the international market."

**Table 3.** Job satisfaction and global strategy**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	,742	,551	,428	,98158

**Anova**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	25,976	6	4,329	4,493	,004
Residual	21,197	22	,963		
Total	47,172	28			

**Conclusion*****Performance of successful international managers***

- According to the research managers of MNCs globally have the following performance:
- Very easily detects and connects global market trends, technological innovation with the business strategy of the organization.
- Easy to implement and adapt new HRM practices with local practices.
- Praised and rewarded by the organization for the successful execution of an international assignment.

- Feels successful of the current international manager.
- Possesses prior management experience.
- In the course of its work must be proficient in English and at least one foreign language.

### ***Dedication of work at management positions outside the home***

- Managers give their best for the success of the company.
- The successful completion of the task always agrees to stay overtime to work.
- The successful completion of the task always agrees to remain working during the weekend.
- They would not accept a similar job for a higher salary.

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## **HUMAN RESOURCE MANAGEMENT IN SMALL AND MEDIUM-SIZED ENTERPRISES: RECENT DEVELOPMENTS AND EMERGING ISSUES**

### **Abstract**

Small and medium-sized enterprises (SMEs) are backbone of the national economies and represent a source of entrepreneurial skills and predominant growth model. The contribution of SMEs is also confirmed at the job level and in the creation of gross value added. In developing economies, most SMEs are facing with unfavorable external economic and social conditions and extreme forms of institutional upheaval. At the same time they have poor internal capacity that impedes their growth and competitiveness. In this sense, the biggest challenge for SMEs is how to achieve a sustainable growth. The competitiveness and the improved business performance can be built up through internal resources, namely the human resources (HR). Despite the recognition of the importance of human factor in firm growth, entrepreneurs/owner-managers do not pay attention to the development of the HR function in their organizations. SMEs are more focused on the portfolio of expertise of technology and production processes than investing in specific abilities, knowledge, skills, and motivational profile of the employees. Typically, the processes of managing human resources are not systematically planned but are rather reactive. This paper highlights human resource management (HRM) issues in SMEs, discusses the challenges related to HRM in SMEs and makes a critical analysis in Macedonian context.

**Key words:** Human resource management; small and medium-sized enterprises; small firm growth; Republic of Macedonia.

### **Introduction**

Small-scale industries are vital for the economic growth regardless the level of economic development of the country. As the largest and most diverse sector, SMEs largely participate in the creation of national income. European Commission states that ‘SMEs are the backbone of Europe’s economy. They represent 99% of all businesses in the EU. In the past five years, they have created around 85% of new jobs and provided two-thirds of the total private sector employment in the EU. The European Commission considers SMEs and entrepreneurship as key to ensuring economic growth, innovation, job creation, and social integration in the EU’ (European Commission, 2015).

Because of its importance, both in developed and developing countries, SMEs play a significant role in creating public policy. SMEs take central role in the European Commission’s industrial policy. In order to have a greater impact on the overall economy of the EU, particularly micro firms (which are more than 90% of European SMEs) are encouraged to growth and development (in terms of the number of employees, product / service diversify, new markets , increase in incomes).

In developing countries, the role of small firms is very important because they promote entrepreneurship and innovation, self-employment and job creation, tackling poverty, equitable distribution of income, and rural development. Institutional support only partially helps SMEs. They face challenges to survival and sustainability as a result of the pressure of various social and economic factors such as dynamic environment, globalization of businesses, and the strong interdependence of the supply chains. Given the limited markets and demand of goods and services, SMEs have fewer opportunities to improve performance than large firms. This forces them to be focused on more efficient and effective use of internal resources, as well as on human resources (HR), (Sheehan, 2014).

Studies conducted in developed economies, confirm that SMEs invest in HR (Hene-man et al. 2000; Katz et al., 2000; Hornsby and Kuratko 2003; Bacon and Hoque 2005; Razouk and Bayad, 2010) and show that HRM can improve performance and long-term business success (Razouk, 2011; Sheehan, 2014; Messersmith and Wales, 2011; Storey, 1999). The International Labor Organization (ILO) has recognized the HRM as a factor of SMEs sustainability in emerging countries (ILO, 2014b). According to ILO, 'responsible workplace practices, such as innovations in work organization, continuous workplace learning, good labour-management relations and respect for workers' rights, are important ways of raising productivity while also promoting decent work' (ILO, 2014a:1).

Despite the recognition of importance of the human factor in acquiring higher organizational performance in SMEs, in practice, entrepreneurs/owner managers do not pay attention to the implementation and utilization of the HRM system.

Given that growing number of studies confirm the positive relationship between HRM and organizational performance in SMEs, it is necessary to consider some important issues which firms face in the processes of adopting a HRM system. Therefore, the objectives of the paper are different aspects of the HRM development in the SMEs growth phase, as well as the key challenges they faced in managing the employees. In the end, a brief overview of the HRM in the Macedonian SMEs will be given.

## **Formalization of HRM and firm growth (The development of HRM in SMEs)**

In recent years, increased interest for studying the adaptation of HR practices in the processes of small firms' growth is evident. The degree of the HRM formalization in SMEs versus large companies is an important research variable. According to De Kok and his colleagues (2002), firm size, as a contextual determinant, is important predictor of formal HRM practices. The findings of their research (on a sample of 695 Dutch firms) suggest that small firms apply more informal HR practices. This does not mean that managers in SMEs are not involved in the management of the employees, but it rather indicates that they prefer the informal way as more suitable for them. Moreover, the authors consider four intermediary variables that determine the relationship between formalization of HR practices and firm size. These intermediary variables are: '1) demand for human resources; 2) supply of financial resources; 3) expectations and requirements from external stakeholders; and 4) the perceived value of HR practices by the manager or CEO' (De Kok et al., 2002:12).

Besides that, it is considered that the informal approach to HRM is typical of small firms run by principal owner and a more formal approach is adapted if the owner is absent (Jones, 2004). Family owners, being solely responsible for the firm success, prefer

to have full control over their business and employees, and any kind of formalization of HR practices is understood as a loss of control (De Kok et al., 2002). Adapting a formal management practices in growing small firms is a shifting process from an entrepreneurial to a professionally managed firm. In establishing stage, owner-managers possess a certain level of managerial and technical skills to successfully run a small firm, but there is a lack of financial, human resource and marketing management skills that are necessary for further business development (Packham et al., 2005).

When a company enters a phase of growth, things are changing. Growth of small business implies greater stability, hierarchical structure and functional configuration, greater operational control, which is the contrary to its flexibility, an organic structure and entrepreneurial spirit. Increasing the number of employees brings greater complexity of relations and processes, so there is a need to introduce formal management and also formal HRM system (a more professional approach to managing staff). Such changes are often reactive and forced by linking with larger businesses, because SMEs become part of a complex chain (supply - production - distribution) and adoption of formal HRM practices is required.

Studies in developed economies confirm a positive correlation between the degree of formalization of HR practices and the degree of firm growth. Research findings of HRM in small US firms suggest that the firm growth is associated with increased sophistication in HRM practices (Hornsby and Kuratko, 2003). Findings from small firms in Australia show that when the firm increases in size, consequently there is an increased division of labor, hierarchical structures, increased documentation, and it requires more administrative processes. Also, recruitment processes are more formal, firm introduces various methods of selection and training, and performance appraisal of management staff (Kotey and Slade, 2005). Moreover, it is argued that HRM in fast growing ventures changes direction from operational to more strategic and entrepreneurs/owner-managers are prone to accept some HR practices like delegating operational issues and coaching (De Woestyne et al., 2010; Packham et al., 2005).

De Woestyne et al. (2010) conducted a qualitative study aiming to gain insights into how successful entrepreneurs in a different sectors of economic activity in Flanders manage HR issues. They found that differences in the firm size are associated with various forms of managing employees. In micro firms, HRM function is performed by the entrepreneur/owner manager. Since, this kind of firm has few employees (0-9 employees), all of them participate in decision-making and support new initiatives and changes. The horizontal organizational structure is an obstacle to career development, but the employees, by performing various tasks and duties, have the opportunity to grow professionally, to gain new knowledge and take more responsibility. Having challenging job is the main motivator for employees in micro firms. In small enterprises (10-49 employees), entrepreneurs along with the senior employees are responsible for HRM. The general manager (entrepreneur/owner manager) is in charge for strategic HR issues (change agent), while one of the employees is appointed to the operational aspects of HRM (employee champion), which is very important given that operational management is still prevailing over strategic management. In general, the authors argue that 'The HRM of small firms balances between chaotic and less chaotic, between freedom and discipline' (De Woestyne et al., 2010:47). When the firm grows to medium size (50-249 employees) HRM becomes more formal and professional, and also, begins to decentralize. At this stage it is more likely to be appointed HR specialist/manager. Under control of the entrepreneur, he/she

begins to apply more strategic approach to HRM and various HR practices such as employee development and career management (horizontally and vertically). At the same time, operational focus still remains very important and the line managers are responsible for recruitment and performance management.

In developing economies (IMF, 2015), formalization of HRM in SMEs is more problematic compared to developed countries. More informal approach to HRM dominates and HR decision-making process, staffing, training and employee relations are the responsibility of the top management (entrepreneur/owner manager), (Cunningham, 2010), or in the line managers' authority (Leković and Šušnjar, 2009). As a result of scarcity of HR practitioners, lack of strategic HRM and incompetence of implementing HR practices is evident (Khan et al., 2013). For example, the role of HRM function in Serbian SMEs is evolving constantly, from traditionally administrative function to more strategic with introducing innovative HR practices. Besides the growing number of enterprises that established HRM specialist or departments, HR function is down to administrative and legal aspects of employees (Milikić, Janićijević and Petković, 2008).

## **HRM challenges in SMEs**

Among other things, the long-term success of small business is determined by the employee's performance. Although, job security is still the dominant factor of performance (especially in countries where the rate of unemployment is high), the fulfillment of individual objectives has an additional effect on the level of performance of each employee. In SMEs, where an employee usually performs a variety of tasks and when the business growth requires changes in roles and responsibilities, aligning individual and organizational goals can be very difficult task.

On the other hand, changes in the external environment, such as rapid technological shift, alters the nature of the production process technology and communications. As a result, the nature of the work processes is changed and there is a growing need for workers with specific skills.

To respond adequately to this task, entrepreneur/owner manager needs a more professional approach to managing employee relations. In that sense, HRM becomes an important issue. Based on a review of relevant literature and research findings in different countries, in the next section, major HRM challenges faced by SMEs are represented.

The findings from extensive research in SMEs from 8 European countries, China and Australia, showed that the most important HR challenges, issues or problems they currently face are: hiring qualified people / difficulties filling key employee positions (33%), retaining qualified people (27 %), and developing managers and employees with high potential (24%), (ADP Employer Services International, 2010). These findings confirm that attraction and retention of a competent and qualified workforce are vital to the operation of a small firm (Kickul, 2001). Due to the fact that in small firms performance of one employee have a greater impact than in large firms, inefficiency can not be tolerated; and the value of intangible assets (human capital, knowledge and know-how) is important in assessing the viability of firms and investment decisions (De Woestyne et al., 2010).

### *Challenges of recruitment and selection in SMEs*

Company growth implies an increased workload. Increased production (and expansion of production lines) in the manufacturing sector and increased number of services in the service sector requires more employees at the operational level. New managerial positions are needed to manage the operational activities, while the entrepreneur/owner-manager is more involved in strategic decisions (Kotey and Slade, 2005). To cope with the shortage of skilled workers, small companies invest significant time and effort in recruitment of new employees (Festing et al., 2013). Unlike the big players in business, they have fewer opportunities to attract highly skilled workers, mostly due to the limited pay level, career progress, etc. These are the reasons why acquiring highly skilled and competent workforce is one of the most challenging tasks of SMEs and highlights the need for SMEs be more focused on recruiting mainly younger capable employees.

The lack of expertise in the field of HRM and formal HR practices is reflected in the processes of recruitment in the small business. The employee selection is usually a decision of the entrepreneur/owner-manager solely and, in the most cases it is based on recommendations. Working on sample of 700 SMEs in Germany, Festing and his colleagues (2013) found that in 41% of the cases, CEOs/owners are in charge of recruitment and support the notion that CEOs/owners have dominant role in hiring decisions in the German context of SMEs. Moreover, the findings suggest that owner managers believe that they are recruiting the right people to undertake specific roles in the firm and that is why recruitment focuses on workers who are able to meet the current requirements and to fulfill the ongoing tasks. But, this approach could be shortsighted (non-strategic) solution to the firms' growing needs, because workers possess skills that often become insufficient or inadequate, and they do not contribute to the further development of the company (Packham et al., 2005).

### *Challenges of retaining employees*

In order to be successful, small business firms need to devote significant attention to positive employment relationship practices. Various external economic, social and demographic changes, as well as internal organizational changes are affecting SMEs, and result in labor shortages and frequent turnover of staff that are always looking for new and better opportunities outside the firm. Therefore, despite the recruitment and selection of best workers, the second (but no less important) challenge to SMEs is the retention of employees, especially those who are holders of the key organizational competencies.

Moreover, the issue of employee retention is gaining importance when the firm grows. The transition from micro to small and medium firm size violates the flat structure and the informal way of doing things with full involvement of several employees. At this stage, retaining employees and, even further, preserving a positive participation of all employees is challenging task due to unclear performance standards, training and development plans or pay and reward system (De Woestyne et al., 2010). In the same way, Kickul (2001), states that, besides effective training and development, critical factors of effective and efficient operations of a small firm are competitive compensation system and employee participation initiatives.

In medium-sized firms beginnings of decentralization and delegation are visible. Entrepreneur is more focused on strategic issues, while responsibility and decision-making

at operational level are transferred to the line managers. At this stage of the firm growth, entrepreneurs face a 'crisis of control', and threat of decline in the employees commitment and motivation (De Woestyne et al., 2010).

Some empirical findings confirm that the employee retention is a key priority, and in response to this challenge companies introduce various HR practices. Research results from the study of German SMEs indicated significant investments in employees training and development activities, career and succession planning, flexible working time, appreciating the performance of employees, increases in employer attractiveness, creating an attractive corporate culture, and providing career opportunities and development perspectives (Festing et al., 2013).

### ***Talent management***

Regardless of the firm size, attracting and retaining talent is a challenge that all companies in competing economies face. This is especially important for small companies in growth stage due to labor shortages when filling management positions or hiring competent workers for specific tasks. Despite the impact of certain social, economic and demographic changes, the growing importance of attraction, retention and development of highly skilled managers and professionals is also a result of the so-called 'war for talent' and result of mimetic isomorphism (DiMaggio and Powell, 1983). In the 'fight' for recruiting and retaining managerial talent, and at the same time facing a shortage of HRM expertise, small companies are making efforts to adapt the same HR practices as large companies. Festing et al. (2013) argue that talent management (TM) becomes a key HR challenge for SMEs. They found that SMEs adopt a more inclusive TM approach as compared with the large multinational enterprises dominated by a more elitist approach. The results showed that 54% of the firms that belong to SMEs sector implement TM practices for all employees and only 8% of the firms are focused on high-potential employees.

To attract and retain talent, SMEs should introduce innovative HR practices in training, professional and career development, stimulative and competitive compensation system and benefits, and performance management. Moreover, managing talented professionals who would have the power of decision-making implies an additional challenge for HRM to build an organizational culture that will put professionalism as the highest value, versus, sometimes different, entrepreneurial values.

### ***Diversity management***

Nowadays the trend of workforce diversification is obvious. This creates new HRM challenges in SMEs. As the firm grows, the number of subgroups of employees, who sometimes have different requirements and needs, also increases. Modes of working life and sets of values and needs are different in terms of age, gender, culture, ethnicity, religion etc. In this sense, an important task, even for small firms is designing more specific HR policies and practices that will enable employees to collaborate and unite around the same purpose, beyond the boundaries of a particular subgroup.

For example, in some SMEs senior staff are valuable firm asset. They are treated as indispensable for their skills, knowledge and experience of markets and products. Other SMEs cherish 'youth culture' and belief that young employees have creative and innovative potentials.

Empirical findings of Festing et al. (2013) show that diversity management is one of the least important issues in German SMEs. But this may not be the case in SMEs operating in multicultural and multinational societies in which companies are under pressure of greater ethnic diversity. Entrepreneurs/owner-managers face the challenge to adapt HR practices that will not corrupt the policies of recruitment and selection, development, promotion and compensation that may be problematic and time consuming.

All of the above mentioned HR challenges equally apply to family businesses, which are the largest proportion of SMEs sector. Additionally, we can point to several important aspects in small family firms that are related to HRM. Given that family members are also employed (often in management positions), the company needs to ensure that they possess managerial and firm specific competences required for running the business and, if necessary, to receive management training. Moreover, owner managers must be aware that they need to separate ownership and management aspects of business operation. Family relationship should be put aside in managing pay and rewards, especially when remunerating family members. And finally, inheriting the business at second degree, or transfer of the firm from one generation to another is considered a key HRM challenge which has serious implications for HR policy and practices.

## **HR issues in Macedonian SMEs**

The independence of Republic of Macedonia and the introduction of market economy created favorable conditions for the development of SMEs. Early 90s was marked by two tendencies in respect of SMEs. Through the process of privatization, the ownership structure of many SMEs has changed and most of them continued economic activity, and at the same time newly born SMEs emerged, who in later years grew and fought for market positions.

According to the latest data on industrial structure, out of 70 659 - the total number of business entities, 70 453 are classified as SMEs (including firms with an unknown number of employees), which is 99.7% of the entities. The Macedonian economy is dominated by micro firms - 60 215 (85.2%); following by small - 4961 (7.0%) and medium - 1305 (1.8%). Companies without employees or an unknown number of employees are 3972 (5.6%). Only 206 (0.3%) are large companies (Table 1).

**Table 1.** Number of active business entities by sectors of activity according to the National Classification of Activities NKD Rev. 2 and by number of persons employed, 2014

Sectors of economic activity	Total	%	Number of business entities by number of persons employed					
			0 <sup>1)</sup>	1-9	10-19	20-49	50-249	250 +
Total	70 659	100.0	3 972	60 215	3 092	1 869	1 305	206
Wholesale and retail trade; repair of motor vehicles and motorcycles	24 674	34.9	664	22 678	837	364	115	16
Manufacturing	7 675	10.9	209	5 915	656	472	363	60
Professional, scientific and technical activities	6 095	8.6	288	5 560	185	47	13	2
Transportation and storage	5 919	8.4	79	5 421	247	121	44	7
Accommodation and food service activities	4 493	6.4	67	3 952	325	125	23	1
Construction	4 349	6.2	171	3 632	297	172	72	5
Other service activities	4 212	6.0	1 102	3 042	44	15	8	1
Other sectors <sup>2)</sup>	13 242	18.8	1 392	10 015	501	553	667	114

1) Including business entities with unascertained number of persons employed

2) Less than 5%, by sector of economic activity (Agriculture, forestry and fishing; Mining and quarrying; Electricity, gas, steam and air conditioning supply; Water supply, sewerage, waste management and remediation activities; Information and communication; Financial and insurance activities; Real estate activities; Administrative and support service activities; Public administration and defense; Compulsory social security; Education; Human health and social work activities; Arts, entertainment and recreation).

**Source: Adopted** according to Number of active business entities, 2014, No: 6.1.15.14, Year LIII, 23.02.2015, State Statistical Office, Skopje, Republic of Macedonia.

The emergence, development and failure of SMEs in the Macedonian economy, especially of newly established micro and small firms, are a phenomenon which requires extensive and thorough research. Some general knowledge can be obtained from the State statistical office and Annual report on the sector of SMEs for 2013 (APE, 2013) and they are a starting point for further analysis of the sector.

In the period 2012 to 2014, the number of active business entities has a decreasing trend. From 74 424 enterprises in 2012, in 2014 the number was reduced to 70 659 (Table 2).

**Table 2.** Time Series: Active businesses

Year	Number of active business entities
2014	70659
2013	71290
2012	74424
2011	73118

**Source:** Adopted from State Statistical Office, Number of active business entities (2012,2013,2014,2015), Skopje, Republic of Macedonia

According to the data on business demography, in the period from 2009 to 2013, the tendency of reducing the number of start-ups (newly formed companies) is evident. In 2009 out of the total number of active enterprises in Republic of Macedonia, 17.2% were newly born enterprises, in 2010 that number was 16.2%, in 2011 - 12.9%, in 2012 - 11.9% and in 2013 - 10.0%. Concerning enterprise deaths (2009-2011), for enterprises whose main activity is in the sectors of activity from B to S, number of enterprise deaths in 2009 was 12.0%, 13.7% in 2010 and 9.3% in 2011. Also, data show that half of enterprises born in 2009 survived in 2013 (49.9%), (State Statistical Office, Skopje, Republic of Macedonia, 2015).

Studies of HRM in Macedonian SMEs are insufficient and we have very limited knowledge about HRM in SMEs, how it differs from HRM in large companies, and what challenges face SMEs in their efforts to effectively manage human resources. HRM researchers often ignore SMEs, particularly micro and small companies, probably due to the small number of employees which assumes absence of developed HRM system. But that does not mean that these firms do not practice the HRM, and does not mean that managers and owners are not dedicated to issues related to employees. In fact, they are dealing with challenges associated with workforce on a daily basis. These challenges may not be resolved through formal HR policies and practices, but are rather dominated by informal, often reactive and ad hoc mode of settlement. On the other hand, researchers need to take into account the fact that SMEs can be a source of fruitful empirical research because of their number, growth rate, and the diversity in the qualitative aspects of HRM practices. In the competition to survive or to dominate the market, SMEs in Macedonia are increasingly aware that they must respond to the HRM challenges. Given the decreasing trend in the number of active SMEs, need to examine the factors causing the failure of small businesses is evident. One of the factors may be the HRM. Lack or inappropriate use of HR practices can cause low productivity, job dissatisfaction and an increased rate of fluctuation, and in the end, it may be the reason for the failure of small businesses.

HRM activities are often neglected in many Macedonian SMEs. Probably there are different sources of this problem. First, Macedonia has no tradition of institutionalized and well organized labor market, which could ensure a competitive environment. Second, since modern paradigms of managing employees are not supported by past experiences, professional approach on this issue is very limited. Third, associated with the above point, is transferability of HRM practices. Anglo-American model, as the dominant model of HRM, is accepted without taking into account the question whether the basic assumptions and values on which the model is built are shared with managers from other cultures or countries (Milikić, Janičijević and Petković, 2008). Fourth, it would be wrong to expect that SMEs will implement the same HR practices as large companies, because small firm is not 'scaled-down' version of a large company (Cunningham, 2010).

Generally, SMEs in Macedonia face two main challenges: 1) obtaining and retaining a competent workforce and 2) recruitment of true talent. The abilities to attract and develop management talent are 'big issues' for owner-managers in Macedonian SMEs. In the last decade and perhaps more, SMEs have slower growth or do not grow at all, partly as a result of such a strategic choice, and partly due to lack of capacity and capability to transform the business. The capacity of firm's evolving management is a factor for decision-making for growth. As the company grows, entrepreneurs and owner-managers face questions whether the firm owns managerial talents and what proportion of decision making power to transfer to professional managers. Considering the fact that the management skills required by a small growing venture were not easy to obtain in the labor market, poor recruitment possibilities is an obstacle for strategic decision-making choices and for the growth process. On the other hand, owner-managers are not sufficiently confident that some of the existing employees possess capabilities for managing operational processes.

Like in the other neighboring countries (Milikić, Janičijević and Petković, 2008) even when the firm has a HR specialist, his responsibilities are limited on the administrative tasks, while the most important and strategic HR decisions are taken by the founder / owner of the firm. That's the reason why in small companies systematic planning or initiatives for employee training and development are rarely encountered, although they are important for future organizational needs or for employee professional and career development. Moreover, financial constraints are objective barriers that hinder investment in staff and hamper the implementation of appropriate HR practices.

Despite the limited possibilities for HRM development in the small firms, implementing HR practices may be beneficial. Several research studies provide preliminary support for such assertions. Research findings from the survey of 36 Macedonian SMEs, ranked among the 200 most successful Macedonian companies, confirmed that nurturing good relationship between management and employees correlate with: 1) product/service quality (0.304,  $p < 0.05$ ); 2) new product/service development (0.374,  $p < 0.05$ ); 3) ability to attract new employees (0.337,  $p < 0.05$ ); 4) employee retention (0.369,  $p < 0.05$ ); and improved client satisfaction (0.495,  $p < 0.01$ ). Also, the positive relationship between training and skills development practices with both, new product/service development (0.280,  $p < 0.05$ ) and attracting new employees (0.511,  $p < 0.01$ ) is confirmed. Likewise, employee participation and empowerment practices are correlated with product/service quality (0.348,  $p < 0.05$ ) and with improved client satisfaction (0.344,  $p < 0.05$ ), (Chatleska, 2013). Another study of human territory of Macedonia, indicated significant positive correlation between the firm size (number of employees) and the establishment of a particular HRM department (positive linear correlation of 0.183 and the effect of  $R^2$  is 3.4%). Moreover, survey results suggest that enterprises with established HR Department have higher firm's effectiveness (Abduli, 2013). The aforementioned findings lead to the conclusion that the lack of well-designed HR practices impedes firms' bottom-line results.

## Conclusion

In order to be successful, SMEs should put an emphasis on organization-specific competences that are embedded in a people's capability. In growth-oriented firms, the entrepreneur must be a good coach, to demonstrate strong leadership and to know how to motivate employees to identify opportunities and competitive ideas. Establishing ap-

propriate HRM and its further development in growing firms, is very challenging and difficult task given the limited experience and knowledge of entrepreneurs. However, entrepreneurs do not focus on formal HR practices. Instead, through flexible and less formal HR practices they want to accomplish important objectives like: 1) to ensure person-organization fit and to favor entrepreneurial culture and climate (De Woestyne et al., 2010) and 2) to create jobs enriched with unique experience, knowledge, and skills (De Kok et al., 2002). Moreover, knowing that SMEs are at a high level of risk, besides functional competencies, the entrepreneur highly appreciates the loyalty and trust of employees who can rely on in difficult and complex situations.

Regarding HRM adoption in SMEs, we can, also, highlight several important constraints that small firms are facing: the increased costs for HR activities, more administrative work which requires additional workforce, entrepreneurs believe that HR is not functional or insufficiently suited to their business needs, and most of all, lack of a clear link and measurable short-term effect in bottom-line results. These are key issues that future research needs to address.

Finally, some institutional help can be beneficial for SMEs. The government should provide more generic training, especially for young entrepreneurs and owner-managers, in order to raise the level of managerial competencies and the future prospect of the small firms.

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## **OPPORTUNITIES FOR DEVELOPMENT OF WOMEN ENTREPRENEURSHIP IN THE REPUBLIC OF MACEDONIA**

### **Abstract**

No doubt that women entrepreneurship is as an important source of economic growth that can create new jobs for the entrepreneurs themselves and others. Additionally, involvement of women into the business also provides society with different solutions to management, organization and business problems. Unfortunately, in the Republic of Macedonia they still represent a minority of all entrepreneurs.

Some traditional societal attitudes and norms in Macedonia, such as gender-based barriers to starting and growing their businesses, discriminatory property, matrimonial and inheritance laws and/or cultural practices; lack of access to formal finance mechanisms; limited mobility and access to information and networks, inhibit many Macedonian women from even considering starting a business.

This paper is about women entrepreneurship in Macedonia, challenges and opportunities for its development, as well as problems that Macedonian women entrepreneurs are facing. Integral part of this paper is the analysis of the role that government as well as various developmental organizations should have in order to promote women entrepreneurs through various schemes, incentives and promotional measures.

The paper methodology will be largely based on the classical methods of desk-based research of the available literature and data.

**Key words:** women entrepreneurship, economic growth, government promotion, information economy, SMEs development

### **Introduction**

Women entrepreneurship nowadays is recognized as an important source of economic growth worldwide. In general, entrepreneurship is seen as one of the most important solutions to unemployment, poverty and low economic growth, and in this frame, women entrepreneurship is considered its key segment and should therefore be straighten and supported by all stakeholders, at all levels - national, regional and/or global.

Women's entrepreneurship creates jobs, but also engages various opportunities for management and organization of work processes. Thus, it can give a strong contribution to the welfare of families and communities and reduce poverty, as well as to contribute to the achievement of the Millennium Development Goals. Having this facts in mind, it is obvious that the issue of women entrepreneurship is not purely gender issue, but primarily economic.

Yet, the official numbers reveals another reality. Namely, women entrepreneurs are accounting for about one third of total number of entrepreneurs in the world and thereby are a minority. Reasons for this are numerous gender barriers to start up and/or to develop a business. Among most common barriers are listed various property discriminations, laws on marriage and inheritance and other cultural practices, lack of access to financial mechanisms, limited mobility and limited access to information and networks, etc. Therefore, governments around the world, as well as all developmental organizations through various schemes, initiatives and promotional measures, must actively promote women entrepreneurship.

Women in the Republic of Macedonia are also a minority in the total number of entrepreneurs. Namely, in the total number of employers, the share of Macedonian women is roughly  $\frac{1}{4}$ , they represent 40% of the unemployed, and in the total active population in the Republic of Macedonia, 64% are women (State Statistical Office of Republic of Macedonia, Skopje, June 2015). These figures indicate that if promote and activate women in business, tremendous opportunities for acceleration of growth, employment and prosperity in the country can be open. Under these circumstances, it is not exaggerated to say that in order to achieve strong economic growth and high standards, Republic of Macedonia literary needs, women's entrepreneurial revolution.

In order to achieve the above mentioned goal, to the Government of Republic of Macedonia are available countless opportunities, theoretical guidance and good practices that should be translated into policies and measures. So far in this area, despite the ambitious governmental support of entrepreneurship, self-employment and improvement of the macroeconomic environment for business, we must point out that undertaken measures to support Macedonian women entrepreneurship are quite modest. In addition, we would like to add that the country, as a candidate for full-fledged membership in the European Union, has serious liability regarding the issue of women entrepreneurship.

Within the above elaborated context, this paper pretends to help achieve the goal of developing Macedonian women entrepreneurship. The intention is to analyse current situation through the available data on women entrepreneurship, as well as to elaborate the problems that hinder its development and to indicate the set of measures and steps to be taken by all stakeholders and thus contribute to the development of Macedonian society and help the country to become a prestigious place to live.

## **Comparative facts about the Republic of Macedonia and women entrepreneurship**

It is widely accepted that women entrepreneurs make significant contributions to the economy. In many developed economies, women are starting businesses at a faster rate than men and are making significant contributions to job creation and economic growth. In the United States, for example, women-owned firms are growing at more than double the rate of all other firms (23 percent and 9 percent respectively) and have done so for

nearly three decades.<sup>1</sup> They contribute nearly \$3 trillion to the U.S. economy and are directly responsible for 23 million jobs. New data projections also suggest that future job growth in the United States will be created primarily by women-owned small businesses. It is interesting to mention that 24 percent of family businesses are led by female CEO or president, and 31.3 percent of family businesses indicate that the next heir is female. In almost 60 percent of all family businesses, women are in the top management team (Business Insider, 2014). In Canada, women own 47 percent of small enterprises and accounted for 70 percent of new business start-ups in 2004. Women's significant contribution in these developed economies exemplifies what many developing countries can aim to achieve by increasing opportunities for women entrepreneurs.

On world level, with about 8 to 10 million formal women-owned SMEs in emerging markets, as is illustrated in Table 1, (representing 31 to 38 percent of all SMEs in emerging markets), the average growth rate of women's enterprises is significantly lower than the average growth rate for SMEs run by men (International Finance Corporation, 2011).

**Table 1.** Number of formal SMEs with 1+ woman owners, in million, in 2013

East Asia	4.8–5.9
Central Asia and Eastern Europe	1.2–1.4
Latin America	1.2–1.4
Sub-Saharan Africa	0.8–1.0
Middle East and North Africa	0.3
South Asia	0.2
Total	8.4–10.3

**Source:** McKinsey-IFC SME database; Enterprise Survey; ILO, Human Development Report, 2014; team analysis

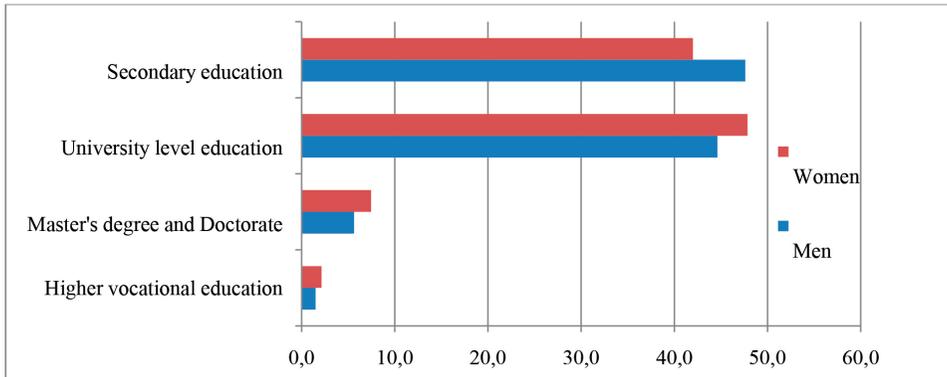
In 2012, women made up only 31% of self-employed European citizens, and only 10% of working women are self-employed (Library of the European Parliament, 2013). Entrepreneurship appears to be a rather male occupation, with women believed to be more risk-averse. Moreover, women are seen to be motivated more often by necessity than by opportunity. When women do start businesses, they often do so in less innovative sectors. Monitoring of female entrepreneurship is challenging given a lack of data. However, whilst their companies perform equally, it is often believed that sales in women's companies grow less than in those of their male counterparts.

Having on mind that Republic of Macedonia hasn't tradition for the entrepreneurship, in the last years; Macedonian government has undertaken many measures to promote it. However, the number of the companies is small (71.290 active companies) in which 475.909 individuals were employed, 41% of which are women. As can be seen in Table 2. for the 2013, from total number of working age population, about 50% are women, they are 40% from the total number of labor force, the same percent of total number of employed and unemployed persons and 63,2% from the total inactive population in the country. While the highest (above 70%) is the share of the women inactive population of the age of 25-59 and above 20% of unemployed women of the age of 25-29, which is huge potential for the women entrepreneurship.

Additionally, if we observe the educational structure among the working population in Republic of Macedonia, as can be clearly seen on Graph 1., it is women that have high-

er level of education. This data again confirm the need to engage this human potential into Macedonian economy.

**Graph 1.** Structure of the working population with regular education, according to the accomplished level of education, in the Republic of Macedonia, in 2014



**Source:** Labour force survey, 2014, Statistical Review: *Population and Social Statistics*, SSO, Republic of Macedonia, Skopje, June 2015

Also, as can be seen in Table 2. for the 2014, from total number of working age population, about 50% are women, they are 39,5% from the total number of labor force, the same percent of total number of employed and unemployed persons and 64% from the total inactive population in the country. While the highest (nearly64%) is share of the women inactive population of the age of 25-59 and above 20% of unemployed women of the age of 25-29, which is huge potential for the women entrepreneurship.

**Table 2.** Working age population by economic activity, gender and age, in the Republic of Macedonia, in 2014

Age	Total						Labour force						Inactive population		
	Total			Employed persons			Unemployed persons			Total			Men	Women	
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total			
Total	1 673 494	837 232	836 263	958 998	579 906	379 092	690 188	419 589	270 599	268 809	160 316	108 493	714 497	257 326	457 171
15-19	136 580	71 047	65 533	16 232	10 127	6 105	5 926	3 479	2 447	10 306	6 648	3 658	120 347	60 920	59 427
20-24	155 937	80 322	75 615	78 682	49 327	29 355	38 591	25 074	13 516	40 091	24 252	15 839	77 256	30 995	46 260
25-29	164 074	84 053	80 022	130 420	75 651	54 769	79 114	48 017	31 098	51 306	27 634	23 672	33 654	8 402	25 252
30-34	162 461	83 328	79 133	134 721	79 465	55 256	95 849	58 089	37 760	38 873	21 376	17 496	27 739	3 863	23 877
35-39	153 577	78 270	75 307	127 749	74 849	52 900	100 670	58 153	42 517	27 079	16 696	10 383	25 827	3 421	22 406
40-44	146 600	74 008	72 592	118 265	70 099	48 166	93 443	55 983	37 460	24 822	14 116	10 706	28 335	3 909	24 426
45-49	147 411	74 509	72 902	115 840	70 002	45 839	91 895	55 432	36 464	23 945	14 570	9 375	31 570	4 507	27 064
50-54	141 895	71 561	70 335	105 936	63 786	42 150	82 523	49 478	33 046	23 413	14 309	9 104	35 959	7 774	28 185
55-59	135 204	67 829	67 375	88 692	55 833	32 859	69 776	43 478	26 299	18 916	12 355	6 560	46 512	11 996	34 515
60-64	117 432	56 709	60 723	37 358	27 305	10 052	27 645	19 179	8 467	9 712	8 126	1 586	80 075	29 404	50 671
65+	212 324	95 597	116 728	5 102	3 462	1 640	4 755	3 229	1 526	:	:	:	714 497	257 326	457 171

**Source:** Labour force survey, 2014, Statistical Review: *Population and Social Statistics, SSO, Republic of Macedonia, Skopje, June 2015*

Situation in 2014 is worse regarding employment by type of ownership of the business entities and by gender. We can see in Table 3. that in total number of employed (without type of ownership of the business entities-private or other) - 690.188, women participated with about 40%, but in private companies that participation is lower.

**Table 3.** Employed by type of ownership of the business entities and by gender, in the Republic of Macedonia, 2014

Gender	Ownership of business entities		
	Total	Private	Other <sup>1)</sup>
<b>Total</b>	<b>690 188</b>	<b>530 868</b>	<b>159 320</b>
Men	419 589	328 021	91 569
Women	270 599	202 847	67 752
	Structure by ownership in %		
<b>Total</b>	<b>100,0</b>	<b>76,9</b>	<b>23,1</b>
Men	100,0	78,2	21,8
Women	100,0	75,0	25,0
	Structure by gender in %		
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>
Men	60,8	61,8	57,5
Women	39,2	38,2	42,5

<sup>1)</sup> **Other** (mixed, collective, state, undefined)

**Source:** Labour force survey, 2014, Statistical Review: *Population and Social Statistics, SSO, Republic of Macedonia, Skopje, June 2015*

Then, as illustrated in the Table 4., from 26.914 employers, 23% are women, from 96.401 self-employed, 15,6 % are women and from 60.747 unpaid family worker, 61,7% are women. This fact once again confirm our main thesis.

**Table 4.** Employed by economic status and gender, in the Republic of Macedonia, in 2014

Gender	Economic status				
	Total	Employed	Employer	Self-employed	Unpaid family worker
Total	690188	506 126	26 914	96 401	60 747
Men	419 589	294 492	20 605	81 337	23 245
Women	270 599	211 723	6 309	15 065	37 502
	Structure by gender in %				
Total	100,0	100,0	100,0	100,0	100,0
Men	60,8	58,2	76,6	84,4	38,3
Women	39,2	41,8	23,4	15,6	61,7
	Structure by economic status in %				
Total	100,0	73,3	3,9	14,0	8,8
Men	100,0	70,2	4,9	19,4	5,5
Women	100,0	78,2	2,3	5,6	13,9

**Source:** Labour force survey, 2014, Statistical Review: *Population and Social Statistics, SSO, Republic of Macedonia, Skopje, June 2015*

Furthermore, as shown in Table 5. in total number of unemployed, 38,5% are women and they wait for work longer than men.

**Table 5.** Unemployed persons by duration of unemployment and gender, in the Republic of Macedonia, in 2014

Gender	Total	Duration of unemployment							
		Up to 1 month	2-5 months	6-11 months	12-17 months	18-23 months	2 years	3 years	4 years and longer
Total	269 809	8 845	18 090	17 754	15 935	14 389	2 389	22 752	168 655
Men	106 318	4 981	10 839	10 522	9 003	7 458	1 279	12 560	103 675
Women	108 493	3 865	7 252	7 231	6 933	6 931	1 110	10 191	64 981
Structure by gender in %									
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Men	59,6	56,3	59,9	59,3	56,5	51,8	53,5	55,2	61,5
Women	40,4	43,7	40,1	40,7	43,5	48,2	46,5	44,8	38,5
Structure by duration of unemployment in %									
Total	100,0	3,3	6,7	6,6	5,9	5,4	0,9	8,5	62,7
Men	100,0	3,1	6,8	6,6	5,6	4,7	0,8	7,8	64,7
Women	100,0	3,6	6,7	6,7	6,4	6,4	1,0	9,4	59,9

**Source:** Labour force survey, 2014, Statistical Review: *Population and Social Statistics, SSO, Republic of Macedonia, Skopje*, June 2015

Considering presented statistical analysis, we can conclude that women entrepreneurship in the Republic of Macedonia, according all indicators compared with other country, is lower, and hasn't good tendency, but in the same time, we should consider the effects of large global financial crisis that has gripped deeply, both Europe and the Republic of Macedonia.

Some recent trends point to the fact that a growing number of women decides to start their own business which goes beyond glances past the traditional role of women in the family. However, the results of relevant scientific research in this matter are modest and in fact indicate a greater willingness, perseverance and support for the male population to establish their own business.

## EU regulation-obligations and opportunities for development of female entrepreneurship

Women for Europe represent a pool of potential entrepreneurs. EU initiatives, such as dedicated networks for women, are supplemented by stakeholders' own initiatives, while the European Parliament (EP) has recognised the positive contribution of female entrepreneurship.

According European Commission (European Commission, 2014), when establishing and leading business, women encounter greater difficulties than men. These difficulties are mainly seen in limited access to finance, poor training and networking, as well as daily need for balancing between the business and the family. Therefore, the Commission is actively supporting entrepreneurship and thereby is creating more jobs for women, and in the same time empowers women economically and socially, and is raising their creative and innovative capacities. The main development document binding on Member States,

as well as candidates for membership in the EU is the EU's Lisbon Declaration, 2010, which sets out the following obligations:

- Increasing the employment rate for 70%, and
- Increasing the number of women in the work process for more than 60%

In same line with above mentioned targets is the EU Action Plan for Entrepreneurship 2020, which relies on three pillars:

- Entrepreneurship education and training
- Creating an environment where entrepreneurs can develop and grow, and
- Developing role models for certain groups of entrepreneurial potential that can be achieved through traditional programs to support business

In 2009, the Commission has established the European Network of Female Entrepreneurship Ambassadors, which in 2011 was supplemented by the European Network of Mentors for Women Entrepreneurs. In same time with these operational bodies, the Commission impose:

- Effective enforcement of existing regulations on gender equality, in particular Directive 2010/41/EC74 which should further stimulate female entrepreneurship;
- Creation and implementation of a national strategy for women's entrepreneurship that will result in increased participation of women owners/managers of companies;
- Collecting gender-disaggregated data and their annual updating on the status of the national women's entrepreneurship;
- Continuation and expansion of existing networks of Female Entrepreneurship Ambassadors and Mentors for Women Entrepreneurs;
- Implementation of policies that will enable women to act through an appropriate work-life balance by establishing adequate and affordable care for children and elderly dependents, and especially taking into account all the benefits of support from European funds;

So, these are the prerogatives which Macedonia should consider as benchmarks down the route of development and intensification of women entrepreneurship, that will bring the country closer to meeting both its own and EU and development agenda. In same time, when discussing women entrepreneurship in the Republic of Macedonia, one must take into account current macroeconomic environment in the country, which is still relatively risky and inappropriate and is still under the influence of accumulated problems, particularly low level of GDP, lack of investment capital, low level of utilization of capacity, high unemployment and the growth of trade and budget deficits. In contrast, we must bear on mind constant new financing opportunities, that entrepreneurs are not aware of, nor well informed on, on one hand, and the need to resolve the high collateral requirements and deficiencies that occur in the regime of secure transactions in lending to micro, small and medium enterprises, especially start-up, on the other hand. Finally, there are available a number of donor credit lines that are poorly used, from:

- The World Bank
- The European Bank for Reconstruction and Development
- IPA Program,

- Donations received from certain developed countries (Germany, Italy, Switzerland, etc..)
- Loans from FAO
- Direct private investments and more.

All presented opportunities indicate a huge field for active participation of authorities, civil society, science, and the media, which should launch new initiatives and practices of women entrepreneurship in the Republic of Macedonia, following the example of the most successful countries. In this context than beside the obligations set by the European Commission, stated above, Macedonia should use the following proven tools:

- Strategies to support and encourage civil society organizations, initiatives and / or groups whose primary mission is to reduce poverty, analysis of the labor market, training and information in the field of entrepreneurship;
- Support of women's groups in this sense, is also extremely important
- Greater financial support for unemployed women to start their business
- A system of encouraging and supporting entrepreneurship in higher quotas for women's participation
- Series of fiscal measures to support entrepreneurship through tax cuts for business and the introduction of special measures and also lower taxes for those employers who will provide a contract for employment of a women. This should especially apply to regions with high rates of unemployment among women;
- Voucher system for access to facilities for the care of children of those families who are at risk of poverty;
- Introducing work from home in order to provide greater flexibility for women with family responsibilities;
- Establishing Agency for women entrepreneurship and programs for lending to small businesses run by women;
- Providing flexicurity in operation;
- Support media with the introduction of programs of this topic and presenting success stories, etc.

## Conclusion

As a general conclusion regarding women entrepreneurship, we can say that although enterprise culture and the status of women in society may differ between the various countries, many of the problems faced by female entrepreneurs are quite similar. Basically, it is important to make women aware of the possibilities they have today as well as to assist them in establishing necessary business contacts. Women appear to have a different approach towards running a business than men, therefore gender awareness in designing and delivering support measures targeted at women entrepreneurs is essential. In this regard is essential, too, to have in mind women's empowerment through ICTs - from the various uses that ICTs have been put to. These include: connectivity and access to information about livelihoods and enterprises; data management and creation of data repositories; linking women producers to global markets; efficient communication for micro-enterprises; opportunities for skill-building and employment; and opportunities for self employment.

Women's entrepreneurship in the Republic of Macedonia can make a particularly strong contribution to the economic growth, well-being of the family and communities, poverty reduction and women's empowerment. Our analysis shows that the high number of unemployed and inactive women, especially between the ages of 20-39 years, together with the low number of women employers and self-employed, as well as the high number of unpaid female labor, indicate unfavorable conditions in this domain.

In order to achieve the Lisbon objectives and sustainable development, except obligations of the EU, Macedonian government should undertake radical measures with strong promotion and support from the government, but and all stakeholders, specially scientists. Stakeholders underline the importance of better data on which to base policies, as well as the reinforcement of support structures for female entrepreneurs such as the provision of information and training, business networks, business support services, and facilitating access to both human and financial capital for women.

## Notes

According to new data projections from the Guardian Life Small Business Research Institute, future job growth in the United States will be created primarily by women-owned small businesses and by 2018 women entrepreneurs will be responsible for creating between 5 million and 5.5 million new jobs. That's more than half of the 9.7 million new jobs the Bureau of Labor Statistics (BLS) expects small businesses to create, and about one-third of the total new jobs the BLS projects will be created in that time frame.

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## **ENTREPRENEURSHIP – THE CHALLENGE OF MODERN SOCIETY**

### **Abstract**

Recent developments in the world are more likely to use the term entrepreneurship. Each individual can be an entrepreneur; it depends on the willingness of individual entrepreneurship and opportunities. Almost without exception, the entrepreneur is motivated by the economic benefits of entrepreneurship. Entrepreneurship creates something new, so it is closely linked to innovation. Entrepreneurial culture has a strong impact on the performance of the company and its results. Enterprise culture is directly influenced by the environment where it exists. Difficulties in start-up own business has existed and still exist. So, the strategy for entrepreneurial learning is applied in Macedonia. For a faster and easier approach to this strategy and for the strengths and weaknesses of entrepreneurship, we're using appropriate marketing strategies through mass media. Modern societies long ago removed gender differences in the entrepreneur, but this was not everywhere. In some societies stereotypes about women entrepreneurs still exist. The subject of this paper is to explain what entrepreneurship really means and to be properly understood and applied in practice. The purpose of this paper is to give appropriate directions to improve the entrepreneurship and easier exploiting opportunities in starting their own business. Methodologically, the paper has applied: qualitative research method, method of abstraction, theoretical scientific method and the method of compilation.

**Key words:** entrepreneurship, women entrepreneurship, strategy, culture.

### **Introduction**

This paper aims at exploring the effect of the entrepreneur and the entrepreneurship as the challenge of the modern society. Entrepreneurship is a worldwide phenomenon with economic growth across the globe that is positively impacted by the emergence of the new and innovative business start-ups. Entrepreneur makes his vision into reality. For this reason, a very important factor is the entrepreneurial culture. When the entrepreneur starts-up a new business, he must pass through a lot of bigger or smaller obstacles. Therefore, the Strategy for Entrepreneurial Learning (2014 -2020) is implemented in the Republic of Macedonia. Given that we live in a society where we want to reduce the differences between men and women, it has to happen in the terms of entrepreneurship, i.e. women compared to men.

### **Notion and definition of the entrepreneurship**

What is entrepreneurship? Entrepreneurship is the creation of venture and value for multiple constituencies, including, but not limited to, customers, employees, communities, and countries. It is the discipline of venture creation that propels and transforms ideas into action, an enterprise that provides value (Matthews and Brueggemann, 2015: 213). Entrepreneur-

ship is a fundamental concept linking different academic disciplines – notably economics, sociology and history. Entrepreneurship is not just an ordinary interdisciplinary subject; it is a core subject that links the conceptual frameworks of different social sciences. Indeed, it may be regarded as a key building block of an integrated social science (Casson, 2010: 3).

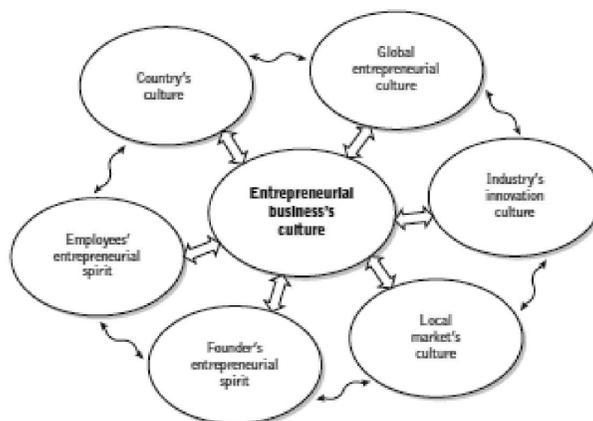
Entrepreneurship is defined as the process by which individuals pursue opportunities without regard to resources they currently control (Barringer and Ireland, 2012: 6). The person who is dealing with entrepreneurship as an activity and profession is called entrepreneur. An entrepreneur is someone who perceives an opportunity and creates an organization to pursue it. The entrepreneurial process includes all the functions, activities, and actions that are part of perceiving opportunities and creating organizations to pursue them (William and Andrew, 2011: 49).

Entrepreneurship is directly linked to innovation. Peter Drucker therefore said that, systematic innovation therefore consists of purposeful and organized search for changes, and in the systematic analysis of the opportunities such changes might offer for economic or social innovation (Drucker, 1985: 35). Entrepreneurship is creating something new, discovering markets that no one thought they were there, markets that will not be counted until the entrepreneur announces they are there. In short terms, "...*Entrepreneurship is about more than money, power or influence* (Boyett and Boyett, 2001: 15-49).

## Entrepreneurial culture

The national culture affects the overall culture of the organization that so affects entrepreneurial culture. The entrepreneurial culture is an inherent entity steeped within and directly affected by the environment in which an entrepreneurial venture exists. It is based on values and norms that guide the general activities and processes of the venture, and it activates the development of new, entrepreneurial-oriented values and norms for use in that same venture. As such, an entrepreneurial culture enables the business to be dynamic and adaptable by inventing and reinventing its internal activities and processes (Kariv, 2011: 29).

**Figure 1.** The main influences on entrepreneurial business culture



**Source:** Kariv D (2011) *Entrepreneurship: an international introduction*. USA: Routledge, p.30.

From the figure it can be noticed that the entrepreneurial business culture is influenced by all the cultures that affect the internal and external environment. However, it may be noted that they are mutually related, and that they have influence one to another.

Because culture is a fundamental, deep-seated social institution, its influence on entrepreneurship flows through numerous causal channels. A central channel is individual value priorities. These value priorities include the defining the entrepreneurial spirit – namely, high achievement, self-direction, and stimulation (Freytag and Thurik, 2010: 27).

## **Difficulties in start-up business**

Many entrepreneurs often have lack of understanding of their family and friends. If one person in the company in response to the question “What are you doing?” says that he is entrepreneur, often has reactions like “... If you work as an entrepreneur, does that mean you’re unemployed?” And hence has originated dissatisfaction and discouragement of the entrepreneur for his work activity. Hundreds of new businesses start every day and half of them fail within their first two years. Some businesses fail because the original business concept was not correct and others fail because of external factors such as a deteriorating economy. Usually, the businesses fail due to the decisions that their owner makes.

David Skok, General Partner at Matrix Partners, on the question, Why Startups Fail?, his answer contains several reasons (Skok, 2010):

- Reason 1: Market Problems;
- Reason 2: Business Model Failure;
- Reason 3: Poor Management Team;
- Reason 4: Running out of Cash; and
- Reason 5: Product Problems.

But it’s amazing how many start-ups make heavy weather of what is essentially a basic issue of dealing properly with other human beings – simple things, like correspondence, facing up to problems, cash collection, and the like. Every letter you send out should be an ambassador for your company: if you’re unsure about the right style and format for a tricky situation, call on some help (there are several useful books on the market detailing suitable replies to almost every scenario you’re likely to come across) (Green, 2008: 91).

## **The Strategy for Entrepreneurial Learning in Macedonia 2014 -2020**

The Strategy for Entrepreneurial Learning in Macedonia 2014 -2020 has been produced with support from the European Training Foundation, Turin (Torino), Italy (Ministry of Education and Science, 2014: ii).

The Strategy for Entrepreneurial Learning in Macedonia 2014 -2020 is in line with the Recommendation of the European Parliament and of the Council of 18 December 2006 on key competences for lifelong learning. According to this recommendation, the frame of reference set eight key competences:

- 1) Communication in the mother tongue;
- 2) Communication in foreign languages;
- 3) Mathematical competence and basic competences in science and technology;
- 4) Digital competence;

- 5) Learning to learn;
- 6) Social and civic competences;
- 7) Sense of initiative and entrepreneurship; and
- 8) Cultural awareness and expression. (Recommendation of the European parliament and of the Council, 2006: 394/13).

The sense of initiative and entrepreneurship is one of the eight key competences. This sense of initiative and entrepreneurship by the European Parliament and the Council are defined as:

...Sense of initiative and entrepreneurship refers to an individual's ability to turn ideas into action. It includes creativity, innovation and risk-taking, as well as the ability to plan and manage projects in order to achieve objectives. This supports individuals, not only in their everyday lives at home and in society, but also in the workplace in being aware of the context of their work and being able to seize opportunities, and is a foundation for more specific skills and knowledge needed by those establishing or contributing to social or commercial activity. This should include awareness of ethical values and promote good governance (Recommendation of the European parliament and of the Council, 2006: 394/17).

Entrepreneurial Learning is defined as: „Concept of education and training which supports an entrepreneurial way of thinking and is based on the development of individuals, including basic principles of efficiency in everyday life without a particular focus on business start-up — all of which leads to entrepreneurial literacy for the society as a whole.“(South East European Centre for Entrepreneurial Learning, 2011: 23).

The main principles of this document are based on conducted comprehensive theoretical and practical research, supported by authoritative literature related to entrepreneurial learning. These principles are:

- Building a strong awareness among all citizens, regardless of their age, religion or nationality, that entrepreneurship can be learned and that entrepreneurs can be “created”;
- Support for the creation of an innovative society persons with highly creative and knowledgeable;
- Practically oriented programs to facilitate entrepreneurial learning in formal education - since learning about entrepreneurship and innovation in formal education is more complex compared to other items;
- The successful implementation of this strategy will provide an environment which encourages collaboration between key stakeholders;
- The implementation of the best practices for entrepreneurial learning requires the development of appropriate / harmonized tools for monitoring, measuring and getting feedback; and
- The teachers of entrepreneurship are key to effective strategy for Entrepreneurial Learning. (Ministry of Education and Science, 2014: 3-5).

The Strategy for Entrepreneurial Learning covers three categories of goals: long-term goals, medium-term goals and short term goals.

One of the things this strategy seeks to clarify is that entrepreneurship is not something that can be taught or practiced in order to develop the entrepreneurial spirit that is consistent with the reliance on entrepreneurial society with entrepreneurial literate citizens. The Strategy for Entrepreneurial Learning:

- Will enhance the employability skills of young people in the country, which will lead to increased employment opportunities for youth. In addition, it will help increase the productivity and competitiveness of Macedonian enterprises.
- Creates opportunities for all citizens in the country to be equipped with the necessary entrepreneurial skills. It will not be something that is reserved only for individuals with «innate talent for entrepreneurship», but rather, the strategy will help to minimize the inequality of income and offer more opportunities for a wider spectrum of society.
- Will create a system of lifelong entrepreneurial learning - through strong entrepreneurial schools, a strong awareness of entrepreneurial learning associated with the latest technology, institutional innovation in schools, reform of curricula at all levels, continuous development of teachers and dissemination of best practices among all stakeholders.
- It will strengthen the entrepreneurial spirit, entrepreneurial way of thinking and acting, innovative thinking, creativity, attitudes towards risk-taking and openness to change - through the principles of lifelong learning as applied in all segments of the education system (formal and informal) (Ministry of Education and Science, 2014: 10-11).

## Entrepreneurial advertising decisions

Advertising is probably the most misused (and misunderstood) marketing instrument by entrepreneurs (and managers of larger firms as well). As we discuss next, many entrepreneurs and other managers believe that advertising is too difficult to evaluate on a cost-benefit basis. Using many large frequently purchased packaged companies as examples, many entrepreneurs have adopted many of those larger firms' approaches to advertising. These advertising approaches have a number of "rules" that help a firm or its advertising agencies to make some advertising management decisions (Lodish, Morgan and Kallianpur, 2001: 175).

There are two ways of advertising of the new start-up business: it could be promoted on the traditional way by the audiovisual media and on the modern way by the social media. If the entrepreneur makes a decision choosing the first way for advertising of his business, it will make bigger costs in the budget than the second way (by the social media).

Some goals that the audiovisual media might achieve are:

- Raise a broader awareness regarding the issue and its societal importance and increase people's interest in entrepreneurship.
- Improve the image of entrepreneurship and entrepreneurs.
- Convey ideas and conceptions about what entrepreneurial life is like, what typical entrepreneurial activities, problems (and solutions) are and what the benefits and risks of entrepreneurship are.
- Convey quite specific entrepreneurship-related information, e.g. the procedures for starting up a company or how to obtain financial aid from the State (Promotion of SMEs competitiveness, 2007: 12-13).

Numerous companies have thrived on using social media and social networking as a publicity tool and as a way to interact with their customers and potential customers. They

have been able to minimize their marketing budgets while maximizing the attention and admiration they receive. Aligning offline and online strategies is even more powerful. Social medias (a tool used to transmit information to a wide audience) are: Twitter; LinkedIn - for Making the Professional Network Connection; and Blogs and Web sites. Social Networks (engages your customer and develops a relationship with them) are: Facebook as- The Choice of a New Generation of Consumers; YouTube – for Adding Visuals to Social Networking Repertoire; and Google+ (Reinders and Freijesen, 2012: 42-46).

## **Support for women entrepreneurs**

The most common primary reasons for starting their own business for women - entrepreneurs are the interest in a given area and the frustration of previous work, and secondary they are due to dismissal, staying widow and boredom. The strongest motivators for starting their own business are: independence, satisfaction with job and success. In other words, women - entrepreneurs tend to be more interested in self-fulfillment rather than money and power (Shuklev, 2006: 313).

There are both 'push' and 'pull' factors affecting women's decisions to start their own businesses. Pull factors are those that pull an individual towards entrepreneurship, frequently said to include self-fulfillment, self-determination, a sense of accomplishment, control, profit, challenge, self-determination, and family security. Push factors are those that push people out of their current jobs. Examples include being a victim of downsizing, having aspirations threatened, or women realizing they have hit the corporate glass ceiling. For many, it is a combination of pull and push factors that make owning their own business appealing (Fielden and Davidson, 2005: 163).

By Coughlin and Thomas, women entrepreneurs are not only the internal product of the cultural dynamic of their societies as they undergo modernization, but also appear as independent actors contributing fully to that modernization (Coughlin and Thomas, 2002: 9). The power of technology allows more women entrepreneurs to work from home, if they choose, and stay connected and successful, while daily it becomes ever - more affordable to the lower - income members of society who are, not surprisingly, more often women and children (Sturdivant, 2008: 912).

## **Conclusion**

The entrepreneurship occupies a very important segment in the overall functioning of the organization. Hence, any entrepreneurial culture is developed under the influence of several main sources: socio-cultural factors, environment, stage of development of the local market and the personal characteristics of the majority of entrepreneurs.

One of the conditions for entrepreneurs' success is entrepreneurial culture. Entrepreneurial culture is influenced by overall cultural factors of the environment. The big challenge is to create entrepreneurial culture that encourages autonomy, risk-taking, and entrepreneurial behavior.

Limitations and difficulties of starting own business exist, so they need some training and programs to overcome them. For these reasons, Macedonia launched the Strategy for entrepreneurial learning 2014-2020 year. The Strategy for Entrepreneurial Learning in Macedonia 2014 -2020 is in line with the Recommendation of the European Parliament and of the Council of 18 December 2006 on key competences for lifelong learning.

Mass media including social media and social networking as resource for advertising the start-up business, plays an important role in improving the image of entrepreneurship in society, and thus increase the readiness people to think about how to become active entrepreneurs.

Female entrepreneurship is in substantial growth. The world is removing gender differences between men and women entrepreneurs. In the future we're expecting that the number of women and men entrepreneurs will be smooth. But is this going to happen or not, it depends on the future and on the factors of influence.

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**PROFESSIONAL STRESS IN SOCIAL WORKERS AND  
PSYCHOLOGISTS EMPLOYED IN THE FIELD OF SOCIAL CARE  
AND HEALTH**

**Abstract**

Professional stress of persons working in helping professions (social workers, psychologists) is insufficiently researched in our country, which reduces the possibility of taking measures to prevent occupational “burn out”. On the other hand, the significant socio-economic and political changes in the country have led to an increase in the number of people who face social risks, which inevitably increased the workload of persons from helping professions. In order to establish the situation with professional stress in these occupations in a time span of ten years were carried out two identical surveys. Two instruments were used: list of general data and Scale for measuring professional stress (Weissman, 1996). The obtained data showed an increase in the number of professionals (social workers and psychologists) with high level of professional stress, risk of “burn out” as a result of the increased volume of work engagement. The results of this study could be used in planning future research but also as a basis for planning and preparing programs for rehabilitation and prevention of occupational stress in individuals working in helping professions.

**Key words:** professional stress, burn out, helping professions, social risk

**Introduction**

**S**tress is a term for the condition of the body in which people experience a threat to their own integrity. Professional stress is a specific type of stress which undermines the health and reduces performance results.

A significant number of studies are dealing with the issue of stress in certain professions: pilots, miners, firemen, surgeons, teachers and others. There are a small number of

studies that deal with the issue of stress among helping professions like social workers and psychologists. Their work is also highly stressful because of working with people with deep traumas caused by social or health reasons. There is insufficient knowledge about these problems and reduction of the possibility of preventing problems from professional stress among representatives of these professions and as well as implementation of the program which will reduce professional stress. Because of these reasons, it is justified to contribute to the expansion of the knowledge about professional stress among these two groups.

In this line, ten years ago, the research on professional stress among social workers and psychologists in the area of social protection and health was conducted. The results showed existence of a high level of professional stress among respondents from both groups but significantly higher levels of occupational stress was found among social workers in both areas.

The period of 10 years during which the country experienced substantial socio-economic changes, crises and security problems, the decline in standard and increased poverty, led to an increase in the number of people under social risk with health problems. Bearing this in mind, the survey aimed to examine whether these changes led to an increase the number of professionals with a high level of professional stress, risk of burn out, was conducted (Trajkov, 2004).

The objective of this research is to check: Is social-economic problems, the drastic decline in living standards, growing poverty, the emergence of state security problems, and other crises that increased the number of people at social risk and people with health problems have led to an increase in the number professionals (social workers and psychologists) with a high level of professional stress, risk of burn out is the subject of this research.

## **Theoretical background**

There are several definitions of professional stress. According to one "professional stress is a physical and emotional response that occurs when the job requirements exceed the capabilities, resources or needs of the worker." (US National Institute of Occupational Safety and Health, 1999). Professional burn out is a syndrome of physical, emotional and mental exhaustion and negative attitudes toward work, in response to the personality of chronic stress. Research on stress among professional social workers in the world suggest that stress is consistently present among the members of this profession (Jones, 2001), that the social worker profession is one of the most stressful professions (Travers and Cooper, 1993; Kahn, 1993), the stress of working in this profession is rapidly expanding (Coffey, Dugdill and Tattersall, 2004).

Professional stress, or in the literature known as "burnout" is a complex phenomenon, which is defined as a syndrome of physical, emotional and mental exhaustion and negative attitudes toward work, as the response of the personality to chronic stress.

In the early eighties of the last century professional stress and professional burn out became current terms in describing the psychological condition of the employees in human resources especially in helping services for individuals, families and communities at risk. Empirical evidence consistently indicates that the occurrence of stress characteristic especially for helping professions such as: doctors, counselors in social protection services, social workers, psychologists, counselors and therapists in mental health centers.

Those professions are particularly vulnerable to the accumulation of professional stress and later occurrence of burn out syndrome.

The work of social workers is undoubtedly one of more stressful job between helping professions. The target groups of social care users are: clients, families, groups in crises, e.g. those whose personalities and social environment has already been characterized by varying degrees of risk. Daily interaction with clients / patients, time pressure, reduced resources, extended working hours and reduced income from work after a certain time, individual predisposition, can lead to numerous stressful reactions and professional burn out.

In the former republics of Yugoslavia interest in stress research increased during the period of military conflicts (Zuzul and Raboteg-Saric, 1992), (Ljubotina, D. O., 1996; Ajduković, Ajdukovic and Ljubotina, 1997).

One of the research on stress and burning out among social workers employed at the Center for Social Work in Zagreb (Friscic, 2007) showed that 11.5% of social workers showed a high degree of stress syndrome or burn out; 45.2% of social workers showed initial signs of burn out as an indicator of permanent exposure to stress, while 43.3% of social workers showed no presence of burn out among them isolated signs of stress were present (p.24).

The mentioned research identified seven factors of stress at work among social workers:

1. The feeling of exposure and uncertainty in the workplace;
2. Insecurity in their own competences;
3. The limits of working place in terms of progression;
4. Organization of work;
5. Physical conditions of work;
6. The limited cooperation between the institutions;
7. Unspecific reasons.

One of the frequent and severe consequences of professional stress, which is the basis for the emergence of all previously listed consequences is “burnout” phenomenon.

The Panic’s research (2011) in which one of the research problem was determining the differences in burnout for employees of the Ministry of Interior, professional firefighters and social workers. It was detected that the responses of the social workers on the questionnaire which measure the intensity of burnout shown higher score ( $M = 27.2$ ) compared to the  $M$  of employees in Ministry of Interior ( $M = 25.5$ ) and professional firefighters ( $M = 23.7$ ).

Corcoran (1989) examined the relationship between empathy and burnout among social workers and found out that empathy is related with burnout syndrome when there is lack of emotional distance.

In our country this problem does have enough attention neither by the researchers, which is why research into these problems here are rare. Especially it is case with research on professional stress among helping professionals: social workers and psychologists employed in the areas of social protection and health. Study entitled as: “Professional stress in helping professions - consequences thereof” was conducted in 2005 with main goal to determine the intensity of stress at the workplace and the emergence of professional burnout among different professions: social workers, psychologists, special education teachers and teachers employed in the Center for Social Work, the Centre for Mental

Health and Psychiatric Hospital Skopje - Skopje. Analysis of the results showed: a high level of professional stress in 70% of the respondents and the initial phase of burnout in about 30%. These results confirmed the assumption that professional helpers are group at high risk of occupational stress and hereby the need for mental health programs for helping professional are absolutely important (Trajkov, 2005: 487).

## **Problem and objective of the research**

Problem of the research is whether there are differences in the level of professional stress and burnout among social workers and psychologists employed in social care and health ten years ago and the social workers and psychologists employed in the same areas today, in which group of professionals and in which aspect there are differences.

Concretization of the problem emerged following questions:

- Are there significant differences in the level of professional stress among respondents from the first sample and the second sample of respondents<sup>1</sup> from different profession (social workers and psychologists) employed in the same area?
- Are there significant differences in the level of professional stress among respondents from the first sample and the second sample from the same profession employed in different fields and respondents from different profession employed in the same area?
- Are there significant differences between respondents from the first sample and the second sample of respondents in the number of professionals with burnout syndrome?

Objective: Determining the differences in the level of professional stress and the occurrence of combustion among respondents from the first and second sample<sup>2</sup> (social workers and psychologists) employed in the areas social protection and health.

## **Indicators**

Key indicators to assess the professional stress and burnout:

- scores on the test which measure the intensity of stress at the workplace;
- length of employment of respondents who works with persons under the social and / or health risk;
- number of professionals who attended programs for the prevention of mental health and stress management;
- number of professionals who need education to help prevent stress and professional burnout.

## **Assumptions**

In this research the following assumptions will be challenged:

- As the consequence of increased socio-economic problems in the past ten years and increased number of people with social and health problems (clients / patients), the increased workload will lead to the emergence of professional stress and burnout syndrome among greater number of professionals from the second

sample in both groups and will lead to significant differences in the level of professional stress among respondents from the first and second sample.

- Emergence of significant differences in the level of professional stress among respondents of different profession (social workers and psychologists) from the first sample and the second sample employed in the same area.
- Emergence of significant differences in the level of professional stress among respondents from the same profession in the first and second sample employed in a different area;
- Emergence of significant differences among the participants from the first sample and the second sample in the number of professionals with the syndrome of burn-out.

## Method

This survey is a repetition of a survey conducted ten years ago<sup>3</sup>. Therefore, we use the same methodology and sample which according the number, profession and areas of work is the same with the previous survey.

### *Respondents*

The survey used a stratified sample consisted of 60 respondents selected according to the following criteria:

- Profession: Social worker and psychologist
- Region: Social Protection and Health
- institution in which it operates: Center for Social Work in Skopje and Centers for Social work in 3 cities; institutions for social protection; Mental health centers; Mental health services - Skopje; Psychiatric hospitals in Skopje, Demir Hisar and Negorci;
- Work of experience in the institution: over 5 years

According to these criteria two groups of respondents were selected:

The first group of 30 participants is social care staff from Centers for social work and social protection institutions.

According to the criteria - profession- sample of respondents from social protection consisted up of 20 social workers and 10 psychologists.

The second group consists of 30 subjects in the field of health employees: mental health centers and psychiatric hospitals;

According to the criteria - a profession -sample of respondents from second group had 20 social workers and 10 psychologists.

The total sample had 60 respondents: 40 social workers and 20 psychologists.

According to the criterion "work experience in the institution" sample had 12 respondents with working experience from 5 to 10 years; 48 participants with working experience in the institution longer than 10 years. 17 Psychologists (7 from Health area and 10 from social protection area).

The number of respondents from two professions is different because the number of psychologists employed in these two areas is less than the number of social workers.

### ***Research tools and techniques***

- List of general information.  
This questionnaire was constructed for the research in the first survey and was used in the same research now. It intended to collect data for the general characteristics of the sample. It contains 15 questions.
- SPS - Scale for measuring professional stress (Weissman, 1996)  
This test measures the intensity of stress at workplace and the risk of professional burnout. The test contains 15 items. Responses was gain on five-grade scale (strongly agree; agree; neutral; disagree; totally disagree). The maximum score is 60. Scores were grouped into 4 categories.

### ***Statistical Methods***

Input data is done with SPSS. Statistical analysis was based on: Descriptive analysis: Mean - M of the groups; ANOVA analysis of variance (ANOVA), statistically significant differences between arithmetic means in different groups.

### **Results**

Survey of professional stress and burnout syndrome among social workers and psychologists were examined through verification of the assumptions set and for research of occurrence we used the results of the scale for measurement of professional stress (Weissman)

The results of the respondents obtained in this test will show:

- Are there differences in the number of respondents with professional stress and symptoms of burnout among the participants of the first and second sample?
- Are there differences in the number of respondents with professional stress and the risk of burnout (level 3). between professionals of the same profession in the first and second sample employed in a different field?
- Are there differences in the number of respondents with professional stress and symptoms of burnout (level4) between professionals of the same profession employed in a different area?

**Table 1:** Level of professional stress and burnout syndrome among respondents from the first and second test in both professional groups in both areas

Area / profession	Level of professional stress –first group									
	1		2		3		4		Sum	
	No %	No %	No %	No %	No %	No %	No %	No %	No %	
Social workers in social care		9	2.50	9	22.50	2	5.00	20	50,0	
Social workers in health		9	22.50	10	25.00	1	2.50	20	50,0	
<b>Total: Social Workers</b>		<b>18</b>	<b>45,00</b>	<b>19</b>	<b>47.50</b>	<b>3</b>	<b>7.50</b>	<b>40</b>	<b>100</b>	
Psychologists in social protection		6	30.00	4	20.00	0		10	50.0	
Psychologists in Health		7	35,00	3	15,00	0		10	50,0	
<b>Total: psychologists</b>		<b>13</b>	<b>65.00</b>	<b>7</b>	<b>35.00</b>	<b>0</b>		<b>20</b>	<b>100</b>	
A total of two groups		31	51.67	26	43.33	3	5,00	60	100	

Area / profession	Level of professional stress –second group									
	1		2		3		4		Sum	
	No %	No %	No %	No %	No %	No %	No %	No %	No %	
Social workers in social care		6	15,00	11	27,50	3	7,50	20	50.00	
Social workers in health		5	12,5	12	30,00	3	7.50	20	50.00	
<b>Total: Social Workers</b>		<b>11</b>	<b>27,50</b>	<b>23</b>	<b>57,50</b>	<b>6</b>	<b>15,00</b>	<b>40</b>	<b>100,00</b>	
Psychologists in social protection		5	25,00	4	20.00	1	5,00	10	50,0	
Psychologists in Health		4	20,00	6	30,00	0		10	100	
<b>Total: psychologists</b>		<b>9</b>	<b>45,00</b>	<b>10</b>	<b>50,00</b>	<b>1</b>	<b>5,00</b>	<b>20</b>	<b>100</b>	
A total of two groups		20	33,33	33	55,00	7	11,66	60	100	

Analysis of the results in Table 1 show:

- In category - level 1 in both samples there is no respondents;
- Among 31 respondents (51.67%) from the first sample and among 20 respondents (33.33%) of the second sample professional stress level 2 was diagnosed, i.e., risk of burnout (urgent appeal for prevention of burnout);
- 26 respondents (43.33%) from the first sample and 33 respondents (55.00%) of the second sample were diagnosed with professional stress level 3, i.e., the initial phase of professional burnout;

- 3 respondents (5%) of the first sample and 7 respondents (11.66%) of the second sample was diagnosed with professional stress level 4, i.e. burnout.

Most respondents with professional stress and initial burnout in the second sample (33) according to (26) in the first sample, leads to the question whether the difference between these two examples is important?

**Table 2.** Significance of differences in the number of respondents with professional stress and beginning of burnout between the first and second sample (Level 3)

Occupation	Level III	M	$\sigma$	t	P
I sample: Social workers / psychologists	26	43,33	1,62	-29,660	<b>p&lt;0,05</b>
II sample: Social workers / psychologists	33	55,00	2,12		

The data in Table 2 show: there is significant difference in the level of professional stress and beginning of burnout among respondents between the first and second sample. Respondents from the second sample have a higher level of professional stress. Difference is significant at 0.05 level.

**Table 3.** Significance of differences in the number of respondents with professional burnout respondents between the first and second sample (level 4)

Occupation	Level IV	M	$\sigma$	t	P
I sample: Social workers / psychologists	3	5,00	2,32	-5,797	<b>P&lt;0,01</b>
II sample: Social workers / psychologists	7	11,66	1,24		

The data shown in Table 3 present: There is a significant difference in the number of respondents in the fourth level of professional stress - professional burnout among respondents from the first and second sample. Burnout syndrome is significantly more common among respondents of the second sample. Difference level is 0.05.

The results of both tables have confirmed the basic assumption and demonstrated that in the last ten years number of professionals with professional stress and burn out has increased among members of these two helping professions - employed in the areas social protection and health.

## Conclusion

Many researchers the susceptibility on stress and burnout syndrome of professionals working helping professions are emphasizing as especially stressful the work of the social workers. Among them (Jones, 2001; Travers and Cooper, 1993; Kahn, 1993; Frishchikj, 2007) are claiming that the profession social worker is one of the most stressful professions. Our knowledge that occupational stress of social workers is continually increasing, is confirmed with the results of the research.

The risk of working with clients with social, psychological and health connected problems leads to development of high level of occupational stress in social workers and psychologists. From the conducted research is demonstrated that social workers are facing higher level of occupational stress in comparison to the psychologists.

Basic factors for increased stress risks and occupational stress at these professionals are: risk of working with individuals, groups and families under risk (social, psychological and health) need and problems; specifics of the profession; personal characteristics and long term exposure on risk.

The reasons for differences in the risk and the level of professional stress between psychologists and social workers are:

- Specific needs of the professions, the type of the services and the way of providing the service
- How professionals are dealing with their personal problems;
- Training for prevention.

The results of this research can be used for planning of future researches and as base for stress prevention. Higher result of this research is that can be suggested recommendations for decreasing the risks of occupational stress.

- Sensitization for the existence of serious problem and decreasing the efficiency of the professionals
- Development of long term preventive-educational program
- Ongoing training through supervision for helping and supporting the professionals
- Developing of self help skills
- Using relaxation techniques

Implementation of these recommendations and strategies, especially in the part of continued education and supervision of professional psychologists and social workers working in the areas of health and social protection, are basic elements for prevention.

## Notes

<sup>1</sup> Hereinafter to denote the first survey respondents we will use the term “respondents from the first sample,” and for the present study respondents we will use the term “respondents from the second sample”

<sup>2</sup> With term “respondents from the first sample” results of respondents from the previous survey were marked, and with “respondents from the second sample” results of respondents from this survey were marked.

<sup>3</sup> Трајков И (2004) Професионален стрес кај социјални работници и психолози вработени во областа на социјална заштита и здравство (Professional stress at social workers and psychologists employee in social care and health) Магистерски труд, Филзофски факултет, Скопје. (Master's thesis, Faculty of Philosophy, Skopje)

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## **E-DEMOCRACY AND LEVELS OF CITIZEN INVOLVEMENT IN THE REPUBLIC OF MACEDONIA**

### **Abstract**

The paper evaluates three different levels of citizen involvement in the e-democracy process in the Republic of Macedonia, such as: informative public participation, consultative public participation and cooperative public participation level. The questionnaire used in EPACE project (*Exchanging good practices for the promotion of an active citizenship in the EU*) served as a basis for our research.

The questionnaire was distributed to all the ministries within the Government of the Republic of Macedonia, focusing on e-democracy tools that provide different levels of citizen involvement. Relevant officials/experts from the Ministries in the Government of the Republic of Macedonia were contacted for more detailed information.

As the findings suggest, in the Republic of Macedonia only information and consultation level exist, meaning there is still no usage of e-voting.

Further research on this topic should be undertaken in order to investigate to which extent the applied e-tools in the Republic of Macedonia provide communication and feedback in both directions.

**Key words:** e-democracy, e-tools, levels of citizen involvement, Republic of Macedonia.

### **Introduction**

According to Webster democracy is defined as *a government in which the supreme power is vested in the people and exercised by them directly or indirectly through a system of representation*. Electronic democracy or e-democracy is nothing more than the use of digital tools in order to increase and enhance the three pillars that underpin democracy, such as: *transparency, accountability and participation* (citizen engagement in democratic process).

E-democracy is anything that governments do to facilitate greater participation in government using digital or electronic means. These initiatives can include e-forums, e-town hall meetings, e-consultations, e-referenda, e-voting, e-rule making, and other forms of e-participation. We can also term it as any form of 'digital engagement' (Coleman and Norris, 2005:7).

E-democracy, as stated in *Recommendation on e-democracy*, adopted by the Council of Europe (CoE Recommendations in text) in February 2009, concerns all sectors of democracy, all democratic institutions, and all levels of government. Hence, e-democracy cannot be isolated from traditional democratic processes. It is additional, complementary to, and interlinked with traditional democratic processes, so as to widen the choices available to the public for taking part in political processes. The CoE Recommendations underlines the main goals of e-democracy which are similar to those of good governance, such as: transparency, accountability, responsiveness, engagement, deliberation, inclusiveness, accessibility, participation, subsidiarity, trust in democracy, democratic institutions and democratic processes, and social cohesion.

E-democracy is used as a synonym for the support and advancement of democracy, democratic institutions and democratic processes with the usage of information and communication technologies. Its main purpose is to provide electronic support to democracy. E-democracy is additional, complementary and interconnected to the traditional democratic processes. It is attached to the definitions of good governance that represents effective, efficient, participatory and transparent democratic practice of government.

It enables and facilitates better citizen's involvement, exchange of information and viewpoints, thus widening political debates and adoption of better informed decisions.

It seems that more and more governments are offering web-forums as a means of replacing the town meeting or the public *agora*. Moreover, it is increasingly common to be able to offer feedback to your elected officials via email, web forms, and even SMS. In order to be heard, citizens need only a minimal level of technology and can raise their voice in their spare time at home instead of having to meet their politicians face to face (Peart and Diaz, 2007).

Reinsalu (2010) points out that the e-participation is a necessary component or even, more precisely, a prerequisite of e-democracy. It refers to the means of ICT-supported participation in processes concerning administration, policy making, decision making, service delivery, information provision, consultation, deliberation, etc.

According to Mahrer and Krimmer (2005) e-democracy is not only about technology (and involves both so-called e-participation and e-voting) but also impacts every aspect of an organization involved. In addition, it captures the behavior of the members of the society (citizens, lobbies and opinion leaders), the media (media, agencies and market researchers) when interacting with, and attitudes towards, government agencies and representatives.

E-democracy can also be considered as a set of tools i.e. applications by means of which the goals of democracy can be achieved, in other words to improve the connectivity (information-communication) between government, stakeholders and citizens, raising engagement and participation in democratic processes. Some of the most commonly used e-democracy tools are the following: e-discussion, e-consultation, e-initiative, e-petition, e-polls, e-voting, webcast, etc. Different e-democracy tools provide different levels of citizen involvement. The levels of involvement can be categorized as: *information* (informative public participation)<sup>1</sup>, *consultation* (consultative public participation)<sup>2</sup> and *co-*

*operation* (cooperative public participation)<sup>3</sup>.

The study evaluates three different levels of citizen involvement the Republic of Macedonia, provided on the official websites of the Ministries within the Government of the Republic of Macedonia.

Methodological approach used in EPACE project (*Exchanging good practices for the promotion of an active citizenship in the EU*)<sup>4</sup> served as a basis for our research, which means that the research relies on tripartite typology of e-democracy initiatives in order to provide a framework for classification of the levels of citizens' involvement in the e-democracy practices in the Republic of Macedonia.

The questionnaire<sup>5</sup> was distributed to all the ministries within the Government of the Republic of Macedonia, focusing on the following issues: strategies related to e-democracy and their main objectives; e-participation tools and projects for the future. For the purposes of this study, we asked the following information:

Information about strategies related to e-democracy/e-participation and their main:

- Objectives;
- Information about e-participation tools;
- Information about projects or guidelines for the future.

Relevant officials/experts from the Ministries in the Government of the Republic of Macedonia were contacted for more detailed information about some cases and future activities. Additional check up of every reported e-tool by the respondents was performed.<sup>6</sup>

## **E-democracy in the Republic of Macedonia**

The Republic of Macedonia is a relatively young democratic country gaining its independence in 1991, in the so-called 'third wave of democracy', following the dissolution of the Socialist Federal Republic of Yugoslavia. The discussions concerning the relevance and significance of democracy, as precondition to the global development of society, represent an integral part of the current political and academic debates in the Republic of Macedonia. Although the Macedonian society is still regarded as a society in democratic transition, serious efforts have been made to develop and enhance the information society as a whole, striving to introduce a range of tools that can usefully be applied in democratic processes and institutions (Cvetanova and Pachovski, 2013).

The *National Strategy for Development of Information Society* was the first strategic document addressing the issues of information society, drafted and published by the Government of the Republic of Macedonia in 2005. This document refers to the development of information society as a whole, with special emphasis on: infrastructure, e-business, e-citizens, e-education, e-healthcare and legislation. In 2008, the Ministry of Information Society was established. Since then, this Ministry is responsible for the development of information society as a whole, for creating and drafting policy papers, and for the coordination of activities related to digital skills and e-services (Cvetanova and Pachovski, 2014).

The concept of e-democracy in Republic of Macedonia was introduced throughout several strategic documents. In 2007 the Parliament adopted the *National Strategy for Electronic Communications with Information Technologies (2007-2009)* that focused both on technological aspects as well as development of e-services.

Democratic and transparent governance through e-democracy is impossible to be implemented unless the institutions are ready for such changes. Putting e-democracy in

practice requires fundamental transformation of the public systems. This is a globally unique challenge, taking into consideration the fact that the final conclusion of many analyses implies the following gradation: when introducing a novelty, individuals adjust most easily, next in line are the businesses and the last one to adjust is the public sector (Bojadzievska, 2015). In this respect, the *National Strategy for e-government (2010-2012)* was adopted, as a sector specific and project strategic document. Another important strategic document ensuring citizen's engagement was the *National Strategy for e-inclusiveness (2011-2014)*.

Yet, the success of implementation is dependent on the human capacities and knowledge of the employees in the public sector i.e. the civil service. Thereby, ICT aspects were always included in the strategic documents for administration, such as the *Strategy for Public Administration Reform (2010-2015)* with the *Revised Action Plan (2010-2015)*. Human capacity and knowledge is not left behind even in the latest-to-date strategic documents such as *National Short-term ICT strategy (2016-2017)* and the *Action Plan*.

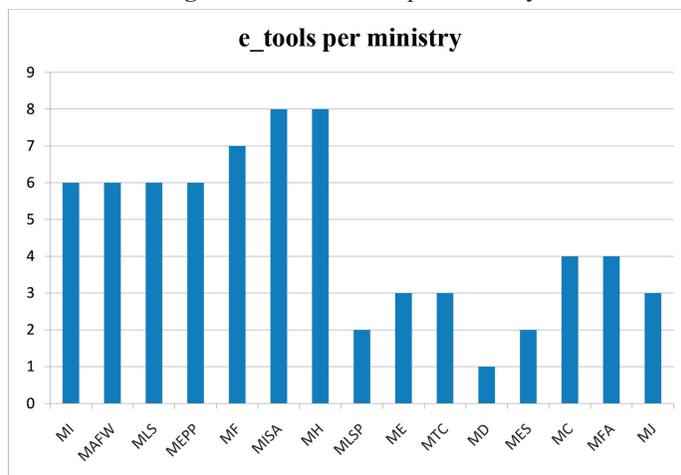
## Research

For the purpose of our research a questionnaire was distributed to all the Ministries within the Government of the Republic of Macedonia. The questionnaire served as basis to elucidate whether the institutions in Republic of Macedonia are resistant to such changes or they managed to adjust to the challenges of e-democracy.

The questionnaire contained a list of 13 e-tools. The officials in the Ministries mark each implemented e-tool, as well as any other additional web pages for some particular information or service posted on the official web pages on the Ministry where they work. In the interest of common understanding, a short definition for each e-tool was presented below the list. Also, relevant officials from the Ministries were contacted for more detailed information about e-democracy strategy, some particular cases, projects or guidelines for the future.

The findings based on collected answers show that from all the 15 Ministries, the Ministry of Information Society and Administration (MISA) and the Ministry of Health (MH) lead in implementation of e-tools (See Figure 1).

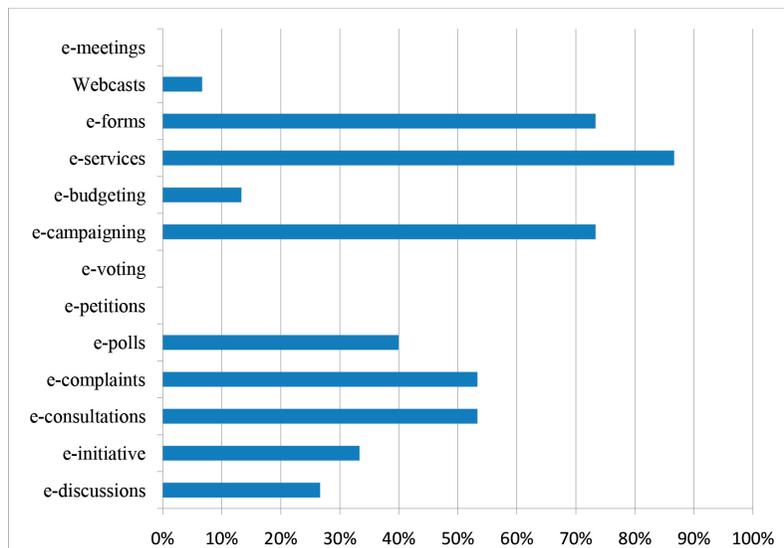
**Figure 1.** E-tools used per Ministry



As shown in the Figure 1, the Ministry of Information Society (MISA) and the Ministry of Health (MH) implemented 8 from 13 e-tools listed in the questionnaire, followed by Ministry of Finance (MF) and Ministry of Interior with 7 implemented e-tools. Ministry of Agriculture, Forestry and Water-management (MAFW), Ministry of Local Self-Government (MLS) and Ministry of Environment and Physical Planning (MEPP) implemented 6 e-tools; Ministry of Culture (MC) and Ministry of Foreign Affairs implemented 4 e-tools; Ministry of Economy (ME), Ministry of Transport and Communications and Ministry of Justice (MJ) - 3 e-tools; Ministry of Labour and Social Politics (MLSP) and Ministry of Education and Science (MES) – 2 e-tools and Ministry of Defence (MD) implemented only 1 e-tool.

The findings suggest that the most commonly implemented e-tool is e-service with 87%, followed by e-campaign and e-forms with 73% (See Figure 2).

**Figure 2.** Implemented e-tools on Ministries' official websites



For example, at the Ministry of Interior there are possibilities for reporting a crime or abuse, than lost and found objects, reporting a place of temporary housing, scheduling a term for issuing personal document (ID or passport, as well as driving license).

Furthermore, in the Ministry of Finance and Ministry of Economy there are possibilities for e-auction. Public announcements are available on most of the Ministries' official websites. All of these possibilities can be categorized as e-services.

The only two cases where the e-tool Webcast is implemented is on the websites of the Ministry of Justice and Ministry of Interior whereby the webcast is used to provide for monitoring and transparency when taking certain exams (such as the bar exam, the driving license exam etc.).

Some of the listed e-tools on the questionnaire, such as e-meeting, e-voting and e-petitions are not implemented at all which means that there is no cooperation level of citizen involvement on central government level.

The overall results from the collected answers indicate that only informative and consultation level exists on the Ministries' official websites.

The officials in the ministries were asked to report any future activities for developing e-democracy processes. Application of e-polls, e-forums, as well as establishing Facebook and Twitter profiles, were reported as one of the main future activities for extending e-democracy.

The officials also reported in the questionnaire that the citizens still prefer traditional way of communications with the administration, with the exception to the younger generation. They also noted that citizens use e-tools mostly to obtain information and less to participate in the processes.

## Study Limitations

The study has some limitations such as an issue that was not addressed i.e. whether e-tools used and listed in the answered questionnaire provide real communication and feedback in both directions (consultation level of citizen involvement) in the Republic of Macedonia. In other words, the extent of provided communication and feedback in both directions was not measured

Another limitation in this study is the fact that we only did mapping of the e-tools used on the Ministries' official websites. We did not map the e-tools used on the additional websites.

## Conclusions

This study evaluated the levels of citizen involvement on central governmental level in the Republic of Macedonia in terms of e-democracy process. To determine the levels of citizen involvement in the process of e-democracy, we used the typology presented in EPACE Project. According to this typology, there are three levels of citizen involvement: informative public participation, consultative public participation and cooperative public participation level.

For the purpose of our research, we analyzed the official websites of the Ministries in the Government of the Republic of Macedonia.

As the findings in this study suggest, the applied e-tools provide only information and consultation level of citizen involvement which means that particular e-tools, such as e-petitions and e-voting are not used at all.

The findings based on collected answers indicated that from all the 15 Ministries, the Ministry of Information Society and Administration (MISA) and the Ministry of Health (MH) lead in implementation of e-tools.

The research also revealed that the most commonly implemented e-tool on the official Ministries' websites is the e-tool called e-service, followed by e-campaign and e-forms.

The only two cases where the e-tool Webcast is implemented is on the websites of the Ministry of Justice and Ministry of Interior.

According to the findings based on collected answers the citizens still prefer traditional way of communications with the administration. The officials reported that the citizens use e-tools mostly to obtain information and less to participate in the processes.

Applications of e-polls, e-forums as well as establishing Facebook and Twitter profiles were reported as one of the main future activities for extending e-democracy.

The empirical findings in this study enhance our understanding of the importance of e-democracy as a precondition for development of the democratic processes and demo-

cratic institutions within the society. Also, these findings provide a profound understanding of the relationship between different e-tools and levels of citizen involvement.

An issue that was not addressed in this study is whether e-tools used and listed in the answered questionnaire provide real communication and feedback in both directions, in other word - consultation level of citizen involvement in the Republic of Macedonia.

However, there is a little evidence that these initiatives have done much to ameliorate aforementioned problems that the country is still facing, such as: weak democratic institutions, low level of trust in the governments and low level of citizens' participation in democratic processes using ICT as intermediary.

Further research on this topic should be undertaken in order to investigate the factors of insufficient usage of e-tools as means of e-participation, the uneven application of e-tools among the ministries, as well as the absence of e-democratic approach of some ministries.

## Notes

<sup>1</sup> The active provision of comprehensive, balanced and objective information designed to help the public understanding of problems, alternatives, opportunities, and solutions to democratic issues. Participants receive information about the planning or the decision. They do not have any influence on it, however. Communication is only one-way, namely from the planning or decision- making bodies to the public.

<sup>2</sup> Participants can give their comments on a question asked or a draft presented. They can thereby influence the decision, even though the extent of influence may differ considerably. Communication is in both directions, from the planning or decision-making body to the public and from the public back to the planning or decision-making body, as well as, under certain circumstances, once again back to the public; for example, if the comments received are answered.

<sup>3</sup> Involvement of citizens and groups of citizens, such as interest groups, corporations, associations, and non-profit organizations, in public affairs, so that they can exert influence and improve the quality and accessibility of the results of democratic processes. Participants have a say in the decisions, for example at Round Table meetings, in mediation procedures or in stakeholder processes. The degree of influence is high and may include common decision-making with the political decision-making bodies. Planning or decision-making bodies and the public communicate intensively with each other.

<sup>4</sup> EPACE project (*Exchanging good practices for the promotion of an active citizenship in the EU*) was produced with the financial support of the **European Commission's** Fundamental Rights and Citizenship Programme (2007–2013). Project partners include the Ministry of Justice in Finland (coordinator), the State Chancellery of the Republic of Estonia and the Ministry of Integration and Gender Equality in Sweden. The main objective of this project was to elaborate and exchange good citizen participation practices in order to increase and promote participatory opportunities within the European Union member states.

<sup>5</sup> The questionnaire used in EPACE project (*Exchanging good practices for the promotion of an active citizenship in the EU*) served as a basis for our research.

<sup>6</sup> Last check up of the official websites of the Ministries was performed on 15.01.2016.

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## **THE ETHICAL PRINCIPLES OF MEDIA REPORTING IN THE REPUBLIC OF MACEDONIA**

### **Abstract**

The media professionals, in their daily reporting, should be committed to respecting the human rights and the different cultural values. This obligation stems out of the doctrine for the social responsibility of the media. The nature of the profession comprises principles of conduct and specific rules that should be respected by the media workers. This set of ethical rules is known as a professional code of conduct, or journalistic canons that encompass media freedom, responsibility, independence (in every sense), reliability and trustworthiness. Most of the foreign influential media have developed and are governed by ethical codes or guidelines for reporting in specific situations. In Macedonia, however, the general impression is that most of the media, in their reporting, are not committed to the generally accepted ethical standards, which can be observed by the numerous examples of dominant reactive journalism, bipolar reporting and destruction of the journalistic ethics. One of the reasons for this situation is the absence of the written documents (codes of conduct and ethics) that would lead the journalists in their reporting. The only known document is the Code of Journalists of the Republic of Macedonia, but overall, its principles are not abided by the journalists. This paper, by considering the situation in thirty relevant media in Macedonia, analyses the current situation and recommends further action taking into account the positive experiences of the influential world media. The recommendations and conclusions are aimed at developing ethical codes and principles for reporting in specific situations, as well as encouraging their full implementation in practice.

**Key words:** ethics, professional code, journalists, media

### **Introduction**

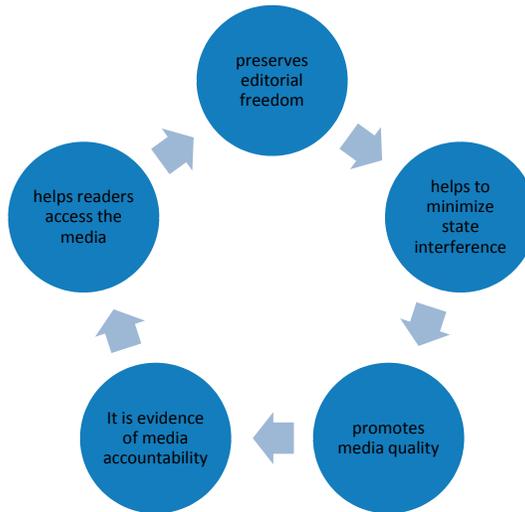
In the modern societies, the perception of the reality largely depends on the public opinion, created and based on information presented by the journalists and the media. This is one of the reasons why the media have enormous power in today's world. If the media are silent about some event, or the media simply overlook it, it is basically the same as this event has not happened. The information placed in the media, the values they promote or the events they cover is perceived as very important in the everyday life. Hence, taking into consideration the great power of the media, their social responsibility is even

greater. The basic rule of the journalistic profession envisages objective and balanced reporting, however it is understandable that the interpretation of the published information can be different. Ultimately, the best journalism would be the one in which all the journalists could publish everything. However, this kind of situation has rarely been achieved. Most of the reporters can witness that at least once in a life time they were not allowed to publish something that was worth to be heard by the public. That was result of various reasons: either they were prevented by the law, by some other authority (censorship) or they were simply afraid to responsibility for the possible consequences of publishing (self-censorship). In the Funk & Wagnalls New World Encyclopaedia (1985), the censorship is defined as "Supervision and control of the information and ideas that are circulated among the people within a society. In modern times, censorship refers to the examination of books, periodicals, plays, films, television and radio programs, news reports, and other communication media for the purpose of altering or suppressing parts thought to be objectionable or offensive" (Bram and Dickey, 1985). Chomsky and Herman (1994) argue that corporate ownership of news media very strongly encourages systematic self-censorship owing to market forces. In this argument, even with supposedly liberal media, bias and (often unconscious) self-censorship is evident in the selection and omission of news stories, and the framing of acceptable discussion, in line with the interests of the corporations owning those media.

The modern societies, as mentioned above, tend to distance the state from interfering in the media and being their "owner" or "censor". The obligation of the media for objective, balanced and ethical reporting stems out of the doctrine for their social responsibility. Therefore, it is in the best interest of the journalists to "control" their work by themselves and in the same time, to jointly protect themselves from any kind of interfering in their professional work. The ethical codes of conduct as well as the media self-regulation have shown as a best concept for providing ethical, balanced and objective journalism. This concept should be respected not only by the journalists themselves, but also by the media owners and the public in general.

## **The nature of media self-regulation**

In the Handbook on Media self-regulation (Haraszti, 2008: 11), the concept of media self-regulation envisages "...joint endeavour by media professionals to set up voluntary editorial guidelines and abide by them in a learning process open to the public. By doing so, the independent media accept their share of responsibility for the quality of public discourse in the nation, while fully preserving their editorial autonomy in shaping it." The authors of the handbook recognises the self-regulation as "establishing minimum principles on ethics, accuracy, personal rights and so on, while fully preserving editorial freedom on what to report and what opinions to express" (Haraszti, 2008: 12).

**Graph 1.** Five reasons for the media to develop media self-regulation

**Source:** OSCE Handbook on media self-regulation (2008)

Media self-regulation has developed differently in different countries and therefore the forms of media self-regulation are not unique. Diversity is such that in some countries the self-regulation occurs as response to the legal regulation of the media, while in other countries it was accepted that the self-regulatory bodies are established by the law. At present, journalists and their employers can apply a variety of methods for enforcing and implementing the self-regulation and the ethical behaviour. These include adhering to the codes of media ethics on one side, but also participation and supporting the work of the self-regulatory bodies, such as media ombudsman, press councils, press complaints commissions etc. According to Ethical Journalism Network, some of the self-regulatory bodies have a long tradition, such as the Press Council of Sweden, which has existed since 1916 and it is considered as a most successful model of Press Council in Europe. The British Council has developed in the period between 1947 and 1977, and the German Council was founded in 1956. Some of the media self-regulatory bodies have been established relatively recently, such as the Press Council of Bosnia and Herzegovina, founded in 2000. Georgia established a media self-regulatory body in 2005 and Bulgaria in 2006. According to the list compiled by the Alliance of Independent Press Councils of Europe, similar institutions are established in more than 50 countries worldwide, including 28 European countries. Some media outlets in the UK, like the newspapers The Guardian, The Observer, The Independent have established media ombudsman. Media ombudsman also functions in Spain (newspaper El Pais, La Vanguardia), France (newspaper Le Monde and in some electronic media) Denmark (newspaper Politiken), while in Sweden the Ombudsman institution was founded at the Press Council and not in the media outlet. Taking into consideration the above mentioned reasons, Kidder (2003:23) proposes using of three principles for resolving dilemmas, like:

- **Ends – Based thinking:** “Do what’s best for the greatest number of people.”
- **Rule – Based thinking:** “Follow your higher sense of principle.”
- **Care – Based thinking:** “Do what you want others to do“.

## The codes of ethics as guiding principles in the journalistic profession

The media codes of ethics define the functions, rights and duties of the media professionals and thus provide journalists with guiding principles on how to best exercise their profession. The names of these codes vary: ethics standards, ethics charter, code of conduct, code of practice, code of ethics, etc. However, according to Haraszti (2008: 23), they all have similar purposes: safeguarding the autonomy of the profession and serving the public interest.

The media ethical codes first appeared in the United States of America (USA), the country that besides the constitutional guarantee (first amendment to the US Constitution) has never brought a law on freedom of the press or information. Upon accepting the doctrine of “social responsibility”, the media owners started creating codes of professional ethics. Thus, at present there is no serious print or electronic medium in USA that has not developed an internal code of professional Conduct. All the journalists or other media professionals are obliged to get familiar with these codes, to confirm with signature that they have understood it and that they would apply it in their daily work.

Some of the codes are created for internal use in the newsrooms, while others are adopted by the professional associations of journalists and, in certain cases, by publishing organizations. Actually, the self-regulation systems in many European countries are based on the ethical codes. Only Luxembourg and Denmark have codes of ethics that have been adopted as legal instruments. In most of the European countries, the Code of Ethics is administered by the existing self-regulatory body (press commission, press council or similar). The main principles of the media codes of ethics are recognized and they lie in the nine principles of the International Federation of Journalists. Based on these principles, the Code of Journalists of Macedonia was adopted in 2001. The Code is consisted of principles and 17 articles and covers all major professional and ethical norms that need to be observed by the journalists. Beside this document, The Association of journalists of Macedonia has developed a Manual for Journalism Ethics, with an aim to promote ethical rules and media self-regulation.

Inspecting the codes of professional ethics that exist in the countries of Council of Europe, it can be concluded that all the provisions consisted in the media ethical codes should, in general, proclaim the following:

- Acceptance of responsibility

The media codes of ethics proclaim acceptance of responsibility by the media professionals to the public or to the audience. In that sense, the published information must be true, clear and unambiguous. As they are the main creators of the public opinion, the media professionals accept the obligation to respect and defend the rights of the citizens. Moreover, the codes require information from multiple sources. It is proclaimed that the sources of information should be reviewed and the news/ facts should be clearly separated from the comments. As Boeyink and Borden (2010) claim, “...there is nothing more to journalism ethics than doing journalism well. From all journalists is expected to do their jobs competently.” In that sense, a reporter “...should be able to find out information efficiently and to know how to verify it so that he or she can vouch for the information’s accuracy and completeness”. According to Borden (2007) “...the practice of journalism deals with practical, rather than theoretical, expertise - one of the ways in which it differs from its intellectual cousin, science. The media professionals, indeed,

will be the first to tell you that they make ethical decisions on a “case-by-case basis.” In this regard, Cohen and Elliot (1997) note that the media professionals accept certain particular responsibilities by becoming journalists, entering news organizations and joining groups such as the societies of professional journalists. By becoming members of organizations, journalists agree to the promises that have been made on their behalf by these bodies. However, these principles are in constant tension as media professionals endeavour to perform good work - in both the technical and the moral sense. However, it needs to be pointed out that appealing to the code is not sufficient for solving the moral mysteries that bedevil even the best journalists. The moral issues require the media professionals to provide not only the facts but also the context surrounding them. Truthfulness as well as respecting the other ethical values entails a commitment not only from the journalist but also from the organization he or she works for.

- Protection of the professional integrity

Another area that affects the content of the codes of professional ethics is the protection of the professional integrity from external influences. Foremost, this means protection of the professional integrity from the government interference. At present, any government that threatens the freedom of journalists to access all sources of information is considered as uncivilized. The codes of professional ethics, on the other hand, promote this freedom. In the modern societies, the media professionals have the right to keep the “professional secrecy”. In reality, this means that they are exempted from the obligation to disclose their sources of information. However, the freedom that is documented in the codes has boundaries, like for example; the journalists have to reveal their sources of information in front of the court under certain conditions. Given the fact that the number of privately owned media is increasing, the journalists try to incorporate in the codes their right to honest earnings and participation in making editorial decisions. The journalists also undertake the obligation to oppose the irregular media concentration, as well as to reject bribery, gifts and other privileges. In general, with accepting the codes of ethics, the media professionals are obliged to oppose any form of “novices’ journalism” and “corrupted journalism.”

- Responsibility towards the employer

The ethical codes promote the responsibility of the media professionals not only to the public but also towards their employer, which means respecting the agreed rules of behaviour in the workplace. Furthermore, it means that the media professionals should not use their position in order to gain material benefits. Bertrand (2003) believes that journalists have a greater responsibility to society, rather than their employers. He emphasizes that it is unethical for an editor to “kill” the story in exchange for a bribe or a higher position and offers “synthetic source” for the universal values, beginning with “fundamental values” of respect for life and solidarity between people.

- Responsibility towards the sources of information

It is quite logical that the codes of professional ethics journalists should define responsibility of the media professionals towards the sources of information. This area primarily requires “calming” of the public statements that may produce defamation or insult. However, the boundaries between the freedom of expression and the insult are very fluid. Crossing them may result with court cases, since moral satisfaction would be oftentimes

insufficient. What journalists themselves can easily do is to respect the embargos for publishing information (by limiting the time for releasing the information to the public), respect the publishing and intellectual rights of other owners (prohibition of plagiarism and piracy) as well as to respect the right of the source to verify or correct its information. For example, the Society of Professional Journalist has adopted standards of truth, accuracy, conflicts of interest and respect. The US Public Relations Society has adopted a code of professional standards to guide its members through the moral norms of social responsibility. "Audiamur et altera pars- To hear the other side" is the first and foremost requirement of professional journalistic ethics. In that regard, irrespective of the true or false dilemma, an undeniable right of every source of information / interviewed person is to be able to adjust or completely withdraw the text. According to Bujega (2007), „The circumstances of ethical issues may vary, however the moral processes used to resolve them are basically the same“ Boeyink and Borden (2010) claim that "journalists can be skilful and yet fail to perform good work if they do not also do their jobs with moral excellence". The respect for the dignity of others is expressed in prohibitions contained in many codes of professional ethics. For example, it is prohibited that the information gathering is done by dishonest means (without the consent of another person the journalists should not record images, voices, pictures, computer files etc.)

## **The conditions in Macedonia**

Several self-regulation bodies exist in Macedonia, such as the Council of Ethics (founded in 2013). The Council bases its work on the principles of transparency and accountability and it freely promotes its views and opinions, takes initiatives and participates in building and upgrading of professional standards and ethics and their protection and promotion in the media in the country. The Council is a media self-regulatory body and functions in a way of applying moral sanctions on those media representatives who do not respect the professional standards. Another self-regulatory body in Macedonia is the Council of Honour that functions under the auspices of the Association of the Journalists of Macedonia. Its primary task is to look after and to promote the ethical principles, criteria and standards of profession stipulated in the Code of Journalists of Macedonia. The role of the Council of Honour is not to exert censorship or auto-censorship, but to set up and defend the principles of ethical, balanced and objective journalism.

## **Methodology of the research**

This paper applies an interdisciplinary methodology, combining primary research in the field with secondary desk research and remote consultations, as well as analysing qualitative and quantitative sources. In the period of January- April 2015, semi structured interviews were carried out with 40 journalists and editors in various media in Macedonia. In parallel, the media professionals were asked to response to a questionnaire in order to provide their opinion on the media ethics and functioning of the media self-regulatory bodies in R. Macedonia. The given answers were anonymous as requested by most of the respondents, with aim to provide honest and truthful answers. The authors understand that this sample size does not yield results that can be generalized to the overall media sector; however they believe that the conducted research provided insights that could be useful in analysing the current situation in Macedonia. In parallel, desk-based

research on relevant literature, reports, official documents and statistics has been carried out, specifically in terms of analysing the content of the ethical codes and functioning of the self-regulation instruments worldwide, taking into account the relative reliability of different sources according to whether they were based on empirical research, official data, or other methods. Distribution of the respondents is presented in Table 1.

**Table 1.** Profile of the respondents

Editors/reporters in the Macedonian media	
TV	8
Radio	9
Newspaper	11
Online media	12
Total	40

According to the answers given by the interviewed editors and reporters in Macedonia, it can be observed that their perception about the effects of the self-regulatory instruments is imprecise. Although most of them are familiar with the functioning of the both self-regulatory bodies in the country, they are not fully confident about their effectiveness due to various reasons, such as the minor warnings/sanctions provided in case of breach of journalistic ethics.

**Table 2.** Self-regulatory bodies in R. Macedonia

Respondents	Yes fully	Yes partially	No	I don't know	
I am familiar with the work of the Council of ethics/ Council of Honour in R. Macedonia.	9	17	3	11	
I am familiar with the concept of the media ombudsman.	24	6	10	/	
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I think that the work of the self-regulatory bodies in R. Macedonia is effective and influences the daily work of the media professionals.	5	10	15	10	/
I think that establishing of other self-regulatory bodies will improve the communication with the public and the quality of the reporting.	31	3	6	/	/

The conducted semi-structured interviews with the media professionals show that the professional ethical reporting is disturbed by the following reasons:

- **Conflicts of interest** (while journalist is committed to telling the truth, the media owner is **interested** of certain distortion of the truth, since, for example, he/or she has some business interest by twisting the facts);
- **Influence of the advertisers** (many of the advertisers tend to be positively displayed in the media, disrespecting the real situation);
- **Sensationalism** (news organizations sometimes tend to emphasize the informa-

tion that is interesting but unimportant. This happens when reporters put more effort into attracting and pleasing an audience than into reporting on the critical issues of the day);

- Oftentimes media publish **inappropriate/controversial** photographs or camera footage just to attract more clicks/visitors on the web (for example, killing of an animal due to a custom or similar).

The research has shown that there are many other reasons for breaching the journalistic ethics, like for example, sacrificing the quality of information for other lucrative aims. As stated by the interviewees, the media ethics is disturbed mostly by "...the political influence in the newsroom" (interviewed TV editor in Macedonia, 2015, personal communication), or "the determination of the journalists themselves to understand the profession as business, not respecting the ethical norms and values" (interviewed on line reporter in Macedonia, 2015, personal communication). All the respondents answered that they are familiar with the Code of Journalists of the R. Macedonia, however more than half of them answered that they are only partially familiar with its content and that they guide by their individual values when reporting. Several of them pointed out that they do not have a power to change the editorial policy even though they are aware that sometimes "the ethical boundaries are exceeded" (interviewed on line editor in Macedonia, 2015, personal communication). An alerting fact is that the majority of the respondents claimed that, for at least once in their career, were forced to disregard the professional ethics due to various reasons, explained in the interviews as "political/business influence to the editorial policy" (interviewed TV reporter in Macedonia, 2015, personal communication), "commercial motives" (interviewed radio editor in Macedonia, 2015, personal communication) or "need to attract the public" (interviewed radio reporter, 2015, personal communication).

**Table 3.** Effectiveness of the Code of Ethics in R. Macedonia

Respondents	Yes, fully	Yes, partially	No	I am not sure	
I am familiar with the Code of Journalists of R. Macedonia	18	22	/	/	
I respect the values of the Code of Journalists of R. Macedonia.	10	12	3	15	
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The journalists are aware of the ethical professional standards.	27	5	8		
There is a need to raise the awareness among the media professionals about the ethical standards.	21	6	3	10	/
I was forced to disregard the professional standards at least once in my professional career.	18	14	/	4	4

In order to provide the public with high-quality information, many of the newsrooms worldwide have adopted their internal ethical codes or guidelines for reporting in specific situations. The BBC Editorial guidelines, for example, aim to give audiences content made to the highest editorial and ethical standards that proclaim balance of the presumption of freedom of expression with the responsibilities of the media professionals (to respect privacy, to be fair, to avoid unjustifiable offence and to provide appropriate protection for our audiences from harm).

The research conducted in Macedonia has shown that the information process is rarely guided by internal ethical codes or guidelines. Only three media representatives answered that they have created their own ethical code in the newsroom. The Macedonian Public broadcaster, Macedonian Radio television, in November 2015 has launched its code of ethics, which regulates the professional commitments, conflicts of interests, professional standards and ethical principles, releasing information on MRT's program, the rights, obligations and liabilities between the journalists and the editors-in-chief (Independent.mk. 2015).

**Table 3.** Internal editorial rules and principles in the Macedonian media

Respondents	Yes, fully	Yes, partially	No	I am not sure	
My newsroom has adopted internal editorial rules and principles.	3	/	31	6	
My newsroom has adopted internal editorial rules and principles for reporting on sensitive topics and specific situations.	/	/	33	7	
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I think that developing internal editorial rules and principles for reporting on sensitive topics/ specific situations will improve the quality of the reporting.	25	7	8	/	/

Furthermore, none of the responders answered that their newsroom has adopted some kind of editorial rules and principles that they follow in terms of reporting on sensitive topics. Most of them claim that they are consulting with their editors directly when reporting in specific situations (natural disasters, conflict situations). Furthermore, the majority of the interviewed media professionals in Macedonia claim that many of the ethical principles and commitments in the codes of ethics are disturbed in the cases where the material conditions for the work of the media and journalists are bad.

## Main observations, discussion and conclusions

Considering the above mentioned issues, it can be concluded any democratic society needs independent journalism and objective and balanced media that will provide necessary objective and comprehensive information. Furthermore, the nature of the profession

comprises principles of conduct and specific rules that should be respected by the media workers. Truth-telling is a strong moral imperative for the mission of journalism is to help the citizens to act responsibly in their communities. Ethics allows a choice at every stage, although each has sometimes faced with very limited options. Sometimes, personal responsibility of the journalist can direct to the editor or refuse to go beyond what the editor expects from him.

In respect to the situation in Macedonia, it can be concluded that the media professionalism is going through difficult situation in the past couple of years. The media community in the country can be assessed as professional fragile, polarized and politicized, and journalism dispersed in temporary cover for other businesses. According to the research, the entire informative product by most of the media often contains information that is that is published based on the influence by personal attitudes of the editors or the media owners, but also contents that do not satisfy the general criteria for newsworthiness.

The existence of the ethical code (Code of Journalists), without applying certain mechanisms for its enforcement is not sufficient to ensure high professional standards in the media. Taking into consideration that the media professionals need to work in a strict accordance with the Code, this document should be used in a coordinated manner with the other self-regulatory instruments as well as with a consensus not only between the media professionals, but also with the media owners and the public included.

The media self-regulation in Macedonia, as the research showed, exists, however the effectiveness of the self-regulatory instruments is weak, based mostly on the published decisions of the Councils related to complaints about unethical behaviour of some media. Nevertheless, it is very difficult to expect that media owners or the political subjects would support and respect the internal codes of ethics or self-regulation mechanisms, without pressure from the side. In that sense, the most optimal model of self-regulation would be the mechanism to control the compliance with the code or self-regulatory body which would involve representatives of media professionals, publishers or owners and the public, because it would allow mutual supervision of the different actors involved in the process of information. This kind of self-regulatory instruments, shaped in a form of media response mechanisms, would ideally not permit to the any of the affected parties to be in a position dominate the work and decision making in informing the public. The public would be involved in the whole process in two ways: by membership in the media associations as well as by providing their input via the media ombudsman, which will act as a "public editor," mediating the conflicts caused by external or internal pressures and encouraging the use of the professional and ethical standards as well as the self-criticism among the media professionals.

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# **ASSOCIATION BETWEEN ASPECTS OF IDENTITY ORIENTATION AND COLLECTIVE IDENTITY BETWEEN STUDENTS FROM EU AND NON-EU COUNTRY: COMPARATIVE STUDY**

## **Abstract**

Research on association between aspects of identity orientation and collective identity among students in Macedonia, which is non-EU country, has been previously realized. Survey was conducted among students from state universities (Macedonian and Albanian students). Orientation toward two aspects of identity - Personal aspect (PI) and Social aspect of Identity (SI) has been measured with AIQ (Aspect of Identity Orientation) Scale. Collective identity was run through a grid of one scale (according to Laponce): importance given to each of 13 social groups as: Family, Friends, Gender, Age, Profession, Religion, Preferred Political party, Place of birth, Residence, University, Ethnicity, Class and Citizenship. In EU country – Austria, the survey was conducted among students at Department of Political Science and Sociology at the University of Salzburg and the same methodological procedure was applied. Four groups of respondents were obtained according their results on PI and SI scale. High scores on two scales describes first group named as “Integrated”, second group is named as “Ego-oriented” (high scores on PI scale and low scores on SI scale), third was named “Pre-defined” (low scores on both scales) and the last group “Over socialized” (with high scores on SI Scale and low on PI Scale). The importance that each of these four groups (in Macedonian and Austrian circumstances) gives to collective identity was the main research topic. This comparative study shows some important similarities and differences: a) the first and second most important social groups for the four groups in both samples were *family* and *friends*, b) in two samples the highest importance of collective identity was given by the “Integrated”, c) collective identity is mostly predominating in Non EU country, d) no matter how personality is integrated the least unimportant group for Austrian sample is *religion*, and for Macedonia sample of students - *Political party*.

**Key words:** comparative study, aspects of identity orientation, social groups, non EU country - Macedonia, EU country –Austria

## Introduction

### *Defining the notions related to the term identity*

The term “identity” should be delimited from the following terms: *identification*, *self*, *self-concept* and *self-esteem* (Baumeister, 1986). The fundamental difference between the notions of *identity* and *identification* is that *identity* refers to the level of *sameness* (i.e. the difference in regard to others) of itself over time, and *identification* refers to the central process of continuous assimilation of properties, the properties of the “other”, which leads to complete or partial transformation in accordance to the identification model (Poro, 1990). As a model of identification *the important others* appear: often they are the parents and/or friends with whom an emotional connection has been established over the life. This process defines individuals in relation to others and in relation to ourselves. The parts of the true identity of a person include a sense of continuity, a sense of distinctiveness in relation to others and a sense of belonging.

In psychology, the term *identity* is associated with the *image of oneself* (the mental model that a person has created for himself/herself), the *self-evaluation* and term *individuality* (Weinreich, 1986). Psychologists usually use the term *identity*, referring to *personal identity*, i.e. those aspects which make a person unique (Krstikj, 1991).

Marcia extends the work of Ericsson (Murdzeva-Skarik, 2004) and comes to the concept of the existence of four statuses of identity occurring during the psychological development of identity. Marcia’s main idea is that sense of identity is determined mainly by two processes: process of exploration and process of commitment made in respect of certain personal and social characteristics. According to the degree to which these two processes have been achieved, there are four identity statuses (Marcia, 1966):

- *Identity achievement* (completed exploration and achieved commitment). These people have developed well-defined personal values and self-concept. Their identities can be expanded further, but the foundations have already been laid. These people accept themselves and are capable of establishing intimate relationships.
- *Moratorium* (the exploration is completed, but commitment is not reached). These persons have gained vague or poorly formed ideological and professional commitments. They are still in search of identity. They are beginning to commit themselves to identity, but are still developing it.
- *Foreclosure* (unfinished exploration, but achieved commitment). These adolescents blindly accept the identity and the values were passed on by the family and the significant others. They are committed to the identity, but not as a result of their own self-exploration or crisis. In fact, they have not gone through an identity crisis, since they avoided resisting and risking.
- *Identity diffusion* (unfinished exploration and non-reached commitment), adolescents who are unable to cope with the need for development of identity avoid exploring or dedicating to something and remain in an amorphous state of identity diffusion, which sometimes can produce social isolation. This type of identity is the least complex and the least mature in comparison with the other three.

*Personal identity* refers to everything that differentiates a specific person from others as a unique constellation of traits and characteristics that are durable over time. Theoretically personal identity has two aspects: *personal*, *private* and *social aspects*, *public aspect*. The *private aspect* of *personal identity* is the aspect of what may be “visible” only

for the individual and refers to his/her own needs, thoughts, attitudes, feelings, values and moral standards, goals and expectations, his/her fears, feelings of unity and continuity and his/her self-evaluation. The *public aspect of personal identity* is what is “outside” of the personal part, or the manifestation of personality, including: the physical appearance of a person, his/her popularity, the reactions of others to the individual, his/her allure, the impressions he/she leaves with others and to say, his/her overall social behavior.

The *social identity* refers to the perceived belonging to some larger or smaller social groups (Tajfel, Turner, 1986). This identity can also be viewed through two aspects: *relational aspect* and *the collective aspect of the social identity*. The relational aspect/self reflects how we see ourselves in the context of our intimate relationships. *The collective aspect of social identity* refers to belonging to a particular group(s) in society: as women/ men, Macedonian/Albanian, /Turkish/Roma, psychologists/sociologists /lawyers ...

## Main features of the Macedonian and Austrian society

Macedonia is a multiethnic, multilingual and multi-religious society in which these cleavages largely overlap and reinforce each other, placing the country in the group of so-called plural societies or “deeply divided societies” (Hristova, 2014). According to the latest census of the Republic of Macedonia in 2002, the second largest ethnic group, the Albanian minority, is a large minority with approximately 25.2 % of the total population of the Republic of Macedonia. Within the boundaries of the country, there are a number of smaller minorities: Turks -3.9% of the total population, Roma -2.6% , Serbs -1.8%, Bosniaks - 0.8%, Vlachs - 0.5% and 1% population with other ethnicity. The majority ethnic Macedonian population constitutes 64.2 % of the total population. In the first decade after the Republic of Macedonia became independent in 1991, the Albanian minority openly expressed its dissatisfaction with the political and social status, as well as the perception of unequal treatment in the distribution of economic, cultural and political resources (Maleska, 1997). The conflict between two main ethnic blocks ended with the signing of the Ohrid Framework Agreement (13 August 2001), which introduced elements of consociational model of power-sharing (according to Hristova et al. 2014) in the constitutional system of the country (Maleska, 2005).

In 2015 year in Macedonia unemployment rate was 26.8%<sup>1</sup> GDP (nominal) estimated for 2012 was total \$10.198 billion and per capita \$4,935<sup>2</sup>.

Today, Austria is a parliamentary representative democracy comprising nine federal states.<sup>3</sup> Austria is one of the richest countries in the world, with a nominal per capita GDP of \$52,216 (2014 est.). The country has developed a high standard of living and in 2014 was ranked 21st in the world for its Human Development Index. Austria has been a member of the United Nations since 1955, joined the European Union in 1995, and is a founder of the OECD<sup>4</sup>. Austria also signed the Schengen Agreement in 1995, and adopted the euro in 1999.<sup>5</sup>

Ethnic groups in Austria are: Austrians 91.1%, former Yugoslavs 4% (includes Croats, Slovenes, Serbs, and Bosnians), Turks 1.6%, German 0.9%, other or unspecified 2.4% (2001 census). GDP (nominal) 2015 estimate \$380.555 billion, \$44,475<sup>6</sup>. Seventy-nine percent did so by 1990, compared with 47 percent in 1966. In this respect, Austria is a “young nation.”<sup>7</sup>

## Research methodology

### *Research problem*

Is there difference in self-definition between students from EU and non EU country, how they define their personal identity and whether the way they define their personal identity (certain orientation in self-defining process) will affect their collective identity (as importance given to social groups to whom respondent belong) - was the main research problem.

### *Hypothesis*

The general hypothesis states that *there is no difference in importance given to social groups to whom respondent belong between EU and NON EU country, regarding to the aspects of identity orientation.*

### *Variables*

*Citizenship* was relevant demographic variables in the study and base for comparison.

The *identity orientation* is determined by the scores obtained on both sub scales of the Aspects of Identity Questionnaire (AIQ), namely: Scale which measures orientation towards the *personal aspect of personal identity* (PI Scale) and Scale which measures orientation toward *social, public aspect of personal identity* (SI Scale).

One of the tested variables assumed as variable under the influence of the level of expression of the identity orientation - is the *collective identity* and it is determined by the result on Scale for intensity of importance given to different social groups (constructed by Laponce and explained below).

### *Instruments*

#### **Scale for measuring the orientation towards different aspects of identity (AIQ Aspect of Identity Questionnaire).**

For the purpose of this research two sub scales from the Scale for measuring the aspects of identity orientation (AIQ), designed by Jonathan Cheek and Linda Tropp (Jonathan M. Cheek, Linda R. Tropp) were used.

Personal identity Scale (PI) measures orientation towards the private, personal aspect of identity and it refers to: own needs, thoughts, attitudes, feelings, personal values etc.

Social identity Scale (SI) – Scale for orientation toward the social, public aspect of identity covers the following aspects: the physical appearance of a person, his/her popularity, the reactions of others to the individual, his/her allure, the impressions he/she leaves with others and his/her social behavior.

Austrian version of AIQ was 5 point scale as original one was, and 7 point scale was applied for Macedonian sample due to the consistency of answers with other implemented instruments in the research “Perception of identities among student population in Republic of Macedonia” (which was implemented during 2011 year).

The initially implemented statistical procedures speak in line for justification of the

use of both SI and PI scales in both (Macedonian and Austrian) samples (Христова и др 2014).

1. The other tool that was applied in this study was a questionnaire designed by Laponce (Laponce, 2004), aimed at determining the *minority effect*.

Laponce (Laponce, 2004) constructed a questionnaire concerning 14 different roles which every individual “plays” during his/her life (gender, age, nationality, ethnicity, occupation, religion, preferred political party, nationality, place of residence, university, ethnical background, language, family, close friends)<sup>8</sup>. Each role also means belonging to a particular social group and is considered from the following aspects: common interests with the members of these groups, solidarity with them, how easily is to make changes to any of the roles, general pleasure of the members of a certain group with the current circumstances and how much belonging to a group is important for the individuals. This comparative study paid attention only to one aspect of Laponce’s questionnaire: how much belonging to a certain social group is important for the individuals. Each role/group should be located between the polarities (very important to me and it does not matter to me) on the five or seven-level Likert scale.

The results of statistical procedures (Cronbah Alpha, Correlation, Principal Factor analysis) proved metric characteristic of Laponce’s questioner in both languages, Macedonian (Hristova et al. 2014) and English (this version was applied to Austrian students as they followed their studies on English language).

## Sample

Macedonian sample: The survey used a *target sample* consisting of 451 respondents. It included three public universities: University “Ss. Cyril and Methodius” in Skopje (originally Univerzitet “Sv Kiril i Metodij”, Skopje), University “Goce Delchev” in Shtip (originally Univerzitet “Goce Delchev”) and Tetovo State University (originally Drzaven Univerzitet Tetovo), from Social Sciences Faculties.

Austrian sample consisted 61 students from University of Salzburg from department of political science and sociology. It was *convenience sample*.

Distribution of respondents considers gender is presented in the following table.

**Table 1.** Distribution of the sample according to university and state

Country	Male		Female		Total	
	Count	Percentage	Count	Percentage	Count	Percentage
Austria	30	49.2%	31	50.8%	61	100%
Macedonia	156	34.6%	295	65.4%	451	100%
Total	186	36.3%	326	63.7%	512	100%

## Results

### *Presentation of the personal and social identity orientation*

In order to answer the main assumption and based on the results obtained of the two sub-scales, students were first divided into two groups according to mean. Because English Scale version was on 5 point scale and Macedonian version was on 7 points scale,

the percentages of people above and below the mean were compared. The distribution of the percentage of respondents per group is shown in the tables below.

**Table 2.** Grouping respondents according to the data from the PA Scale expressed in percent

PI (orientation towards the personal aspect of identity)		
	Scores above M	Scores below M
Macedonia	57,8%	42,2%
Austria	55,7%	44,3%

The data show that more than 55% of the students (respondents) in the process of self-defining are above average score on PI Scale. This tendency is equal for the both samples.

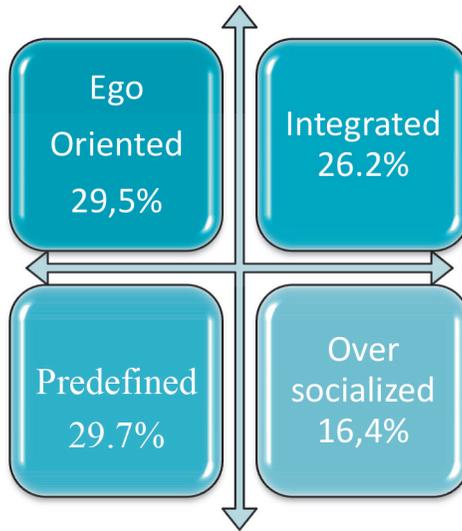
**Table 3.** Grouping respondents according to the data from the SA Scale expressed in percent

SI (orientation toward the social aspect of identity)		
	Scores above M	Scores below M
Macedonia	57,3%	42,7%
Austria	57,4	42,6

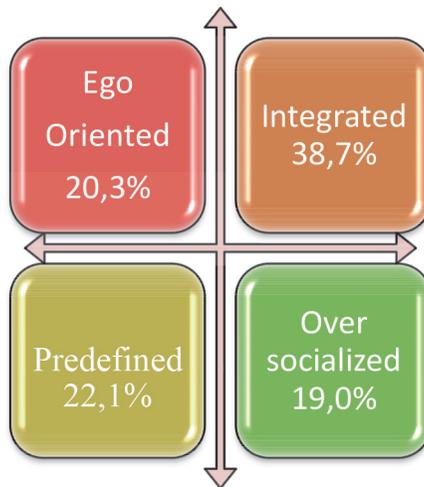
When statistical analyze of the mean between two samples<sup>9</sup> was applied, it was found that there is no statistical significance between two samples concerning results (scores) on Personal Identity Scale, but there is statistical significance in case of Social Identity Scale. Macedonians showed highest results (higher scores) on the SI scale, which mean that opinion and reactions of others are pretty much important for them in the process of self-definition ( $t=2,196$   $p<0.05$ ).

Taking in consideration above mentioned distributions of scores on both scales, 2x2 matrixes was constructed. Respondents (taking into account Ericsson's and Marcia's baseline) who showed high scores on both scales (PI and SI) are referred to as "Integrated"; participants who achieved a high score on the PI scale and low score on SI Scale were named as "Ego-oriented". The equally low scores on both scales were a condition for respondents to be placed in the category "Predefined", and as "Over socialized" were named the entities that have developed a high orientation towards the social aspect of identity (high scores on SI Scale), but the low orientation toward the personal aspect of identity (low scores on PI Scale).

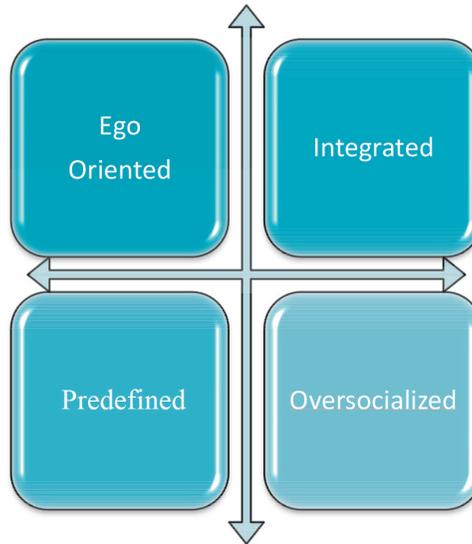
**Figure 1.** Review of the distribution of respondents according to personal and social aspects of identity



**Figure 2.** Review of the distribution of respondents according to personal and social aspects of identity in Austrian sample



**Figure 3.** Review of the distribution of respondents according to personal and social aspects of identity in Macedonian sample



### ***Association between Personal and Social Identity Orientation and Collective Identity***

Research question was: are there differences in the way that Macedonian's and Austrian's identity orientation would affect the collective identity expressed through the given importance to social groups to which they belong.

Student's responses to the question of how much they find social groups/roles are personally meaningful and important for them can be found in Appendix 1, Table 3.

1. Characteristics of "Over socialized" group regarding to importance of social groups: *Family* and *Friends* are the most important social groups/roles for both samples of respondents who belong to the group named "Over socialized" regarding to the scores on PI and SI scales. The last important social group/role for Macedonian sample is *Political party* and for Austrian sample - it is *Religion*. Beside *Profession* which is on the same place for both samples (in the the third position or if *Family* and *Friends* are ignored - on the first position), *Religion* for Macedonians and *University* for Austrians are the next important group/role.
2. Characteristics of "Predefined" group regarding to importance of social groups: Beside *Family* and *Friends*, the most important groups/roles for Austrian respondents who belong to the category named "Predefined" are *Residency* and *Birth-place*. For Macedonian "Predefined"- those groups are *Religion* and *Profession/Student*. Again the last attractive social group/role for Austrian "Predefined" is *Religion* and for Macedonian "Predefined" - *Political party*.
3. Characteristics of "Ego oriented" and "Integrated" group regarding to importance of social groups:

“Ego-oriented” and “Integrated” from both samples are the two groups that rang the same social groups as the most important ones beside *Family* and *Friends*. Namely, for Macedonian “Ego-oriented” and “Integrated” the most important roles are *Religion* and *Profession* and for the same Austrian groups those roles are *University* and *Profession*.

The analyze of the association between aspects of identity orientations (grouped in four categories) and importance of all social groups (roles played) in society, showed that Macedonian students give more importance to all social groups/roles than Austrian students (see Appendix 1). It can be said that Collective identity is more important for Macedonians than those among Austrians ( $t=9,448$   $p<0,01$ ).

## Discussion

This research was based on a few basic assumptions:

First, that *youth is undeniably great potential in the development of modern, democratic and human rights directed society*. The selected sample which is composed of students is a set of people who share a common experience, people who are socialized in similar conditions and represent the generation they belong to.

Second, *one of the major incentives for involvement in social action or social movements should be sought in the characteristics of the collective identity of individuals*.

The object of this research is how young people in Macedonia and Austria define themselves, how they define their personal identity and whether the way they define the personal identity affects their collective identity.

The research data show that students (from Macedonia and from Austria) in the process of self-defining are almost equally oriented towards the private aspects and the public aspect of identity. The identity orientation in the process of self-defining is cross-cultural phenomenon and points out the expected potential of the individuals from the two countries for self-definition and distinction from others.

There is a difference between Macedonians and Austrians concerning **public aspect of identity**: for Macedonians students the **public aspect of identity** is more important compared with the Austrians colleagues.

Starting from the theory of Ericsson, and especially Marcia, based on scores the respondents received on the both scales, (Personal Orientation Scale /PI/ and the Social Orientation Scale), it was assumed that the respondents can be grouped into four categories. The first group was named as “Integrated” and it includes those subjects who have high scores on both scales; the second group, named “Over socialized” consists entities with high score on the Social Orientation Scale and low scores on the Personal Orientation Scale; the third group – “Ego-oriented, consists of entities having high score on the Personal Orientation Scale and low scores on the Social Orientation Scale. The last, fourth group – “Predefined”, includes those who have low scores on both scales. Consequently, the “Integrated” subjects would correspond to those who, according to Marcia, have *achieved identity* (Marcia explained that these individuals accept themselves and are able to establish social relations). “Over socialized” individuals would correspond to the individuals that Marcia names as persons with *predetermined identity* (those are people who accept the identity imposed by others and do not go through the stages of identity crisis, stages that are normal and expected in certain periods of the development of young per-

son). “Ego-oriented persons” would be still in the phase of searching of their identity and for this group it is dominantly important first to define themselves, what they want, what is important to them, and then focus on others. This group was named by Marcia as *psychosocial moratorium*. This group will tend to move towards category *achieved identity*. “Predefined” individuals would correspond to those with *diffuse identity*. According to Marcia, those are people who are dealing with poor exploration of the personal aspect of their own identity; they are insecure in social relations and may resort to social isolation.

This explained parallel was further developed so the different identity orientations now were observed through the importance that each single individual gives to each of 13 social groups/roles (family, friends, gender, age, profession, and religion, and preferred political party, place of birth, residence, university, ethnicity, class and nationality). Actually, the difference between both samples was analyzed through the importance which every member of the four groups (“Over socialized”, “Integrated”, “Ego oriented” and “Pre-defined”) gives to each 13 social groups/roles.

There were several important similarities and differences. Similarities between two groups of students (EU and NON EU Country) found in this research can be summarized in following sentences:

1. No matter how integrated personality is (to which of four groups respondent belong: (“Over socialized”, “Integrated”, “Ego oriented” or “Pre defined”) and from which country is coming (Macedonia or Austria), the most important social roles are *Family* and *Friends*;
2. In every sample (Macedonian and Austrian) the highest importance of the collective identity was given by the “Integrated”.

Summarized main differences found between two groups (EU and NON EU Country) in this research were the following:

1. For all students from EU country (no matter how personality is integrated) the most unimportant social group/role is *Religion*, and for all students from Non EU (no matter how personality is integrated)- is *Political party*,
2. After *Family* and *Friends*, *Religion* is the most important social group in Macedonian case for all four groups (“Over socialized”, “Integrated”, “Ego oriented” and “Pre defined”)
3. *Profession/Student* and *University* are very important social groups/roles for the following three Austrian groups: “Over socialized”, “Integrated” and “Ego oriented”; for the “Pre –defined” it is *Residence* (and also this is followed with importance of *Birthplace*).
4. For Macedonians next in line of importance (after *Religion*) is *Profession*, actually, to be student. Relatively unimportant social group for them is the *University*.
5. Collective identity is mostly predominating in Non EU country. For all four groups in Macedonian sample the average score for the importance of all social groups is higher in comparison with the same average score in the Austrian sample (see Appendix 1).

## Notes

<sup>1</sup> *Indicators*. Republic of Macedonia State Statistical Office, Retrieved 20. November 2015., <http://www.stat.gov.mk/KlucniIndikatorii.aspx>

<sup>2</sup> *Report for Selected Country. International Monetary Fund*. Retrieved 9 November 2015., <http://www.imf.org/external/pubs/ft/weo/2012/02/weodata/weorept.aspx?pr.x=2&pr.y=17&sy=2008&ey=2012&scsm=1&ssd=1&sort=country&ds=.&br=1&c=962&s=NGDPD%2C-NGDPDPC%2CPPPGDP%2CPPPPC%2CLP&grp=0&a=>

<sup>3</sup> *The World Factbook*. Central Intelligence Agency. 14 May 2009. Archived from the original on 10 June 2009. Retrieved 31 October 2015, <https://web.archive.org/web/20090610113837/https://www.cia.gov/library/publications/the-world-factbook/geos/AU.html>.

<sup>4</sup> *Austria About. OECD*. Archived from the original on 6 May 2009. Retrieved 20 November 2015., [https://web.archive.org/web/20090506022708/http://www.oecd.org/about/0,3347,en\\_33873108\\_33873245\\_1\\_1\\_1\\_1\\_1,00.html](https://web.archive.org/web/20090506022708/http://www.oecd.org/about/0,3347,en_33873108_33873245_1_1_1_1_1,00.html)

<sup>5</sup> *Austria joins Schengen*. Migration News. May 1995. Retrieved 30 November 2015. [http://migration.ucdavis.edu/mn/more.php?id=643\\_0\\_4\\_0](http://migration.ucdavis.edu/mn/more.php?id=643_0_4_0)

<sup>6</sup> *Austria*. International Monetary Fund. Retrieved 25 November 2015., <http://www.imf.org/external/pubs/ft/weo/2015/01/weodata/weorept.aspx?pr.x=67&pr.y=14&sy=2014&ey=2020&scsm=1&ssd=1&sort=country&ds=.&br=1&c=122&s=NGDPD%2CNGDPDPC%2CPPPGDP%2CPPPPC&grp=0&a=>

<sup>7</sup> Eric Solsten, ed. *Austria: A Country Study*. Washington: GPO for the Library of Congress, 1994. Retrieved 30 November 2015 <http://countrystudies.us/austria/>

<sup>8</sup> The language has been omitted from the initial Laponce's version, because in the Republic of Macedonia, the language matches the ethnicity, so in the final version will be listed a total of 13 social groups / roles.

<sup>9</sup> Scores on both scales were recorded as 1 (if they are above group mean) and 2 (if they are below mean). The statistical significance of mean was used on this distribution of scores.

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## **VIRTUAL AND SOCIAL IDENTITY: CONNECTEDNESS, CONDITIONALITY AND DIFFERENCE**

**Abstract**

Social identity is created in a long and complex process, which includes the “meanings which one person assigns to him/herself, while having the perspective of the others,..” (Wendt, 1994). That means that the process entails acquiring knowledge and acceptance of the mutual characteristics, values, beliefs of a social community, which enables an emergence of sense of belonging, distinction but at the same time understanding the differences among one’s own group and the other groups. On the other side, the already formed individual, due to the contemporary technology forms its virtual identity in a very short time, and identifies with groups and their values and symbols in a shorter period of time. The feeling that one belongs to these groups is very powerful and strong, and for some it represents a very important aspect of their identity. Looking at the existence of these identities we would like to look at their existence, conditionality, interconnectedness, creation and co-creation. Especially we would like to focus on the way that the existence of the first shapes or modifies the existence of the second. Thereby we are trying to give an answer what is the role of the context in the creation of these identities and whether the virtual world which creates context with different rules, also creates a virtual identity with different, specific characteristics.

**Key words:** social identity, virtual identity, sense of belonging, new technologies

**Social identity**

The identity of the individual is contextual and multi-faceted including physical, psychological and social attributes. In time it is learned, organized and dynamic. Accordingly, in same time, the individual possesses individual identity presenting the persons unique characteristics and his/hers interpersonal relationships and a social identity which is constructed by the membership of a person in a group.

People are part of different groups. But, although they belong to a large number of groups only few groups are important enough to elicit identification by their members.

The way one person defines her/himself when belonging to a group is similar to the way the other members of the same group define themselves. The mutual social identity does not mean that the members of the group will have a mutual interaction. Instead, it means that they believe that they have mutual characteristics. In a certain manner all members of the group have witnessed or survived through the same events which are important to the group (Deaux, 2001).

According to the Social Identity Theory one person has a number of selves which correspond to the group membership. Different feelings, thoughts or actions in a person can be triggered by different social contexts. The group membership is sufficient to elicit in-group favouritism. According to Tajfel and Turner (1979) there are three variables which contribute to the favouritism of the in-group: the extent to which the individuals identify with the in-group, the extent to which the context provides ground for comparison between groups and the perceived relevance of the comparison group (Haslam, 2001).

There are three central ideas in the social identity theory:

- Categorization – Individuals tend to categorize objects and people in order to understand the environment they belong to. By assigning categories they learn how to act with different people, groups, objects, etc. At the same time by belonging into categories themselves they learn about themselves and the norms in their groups.
- Identification – Individuals identify with the groups they feel they belong to. But it is important to note that depending on the context they can see themselves as unique individuals or as members of a group i.e. their individual or social identity will surface.
- Positive self-concept – The idea of positive self concept is based on comparison of the person with other people who are members of the in-group or out-groups. Since having a positive self-concept is part of the normal psychological functioning, individuals are prone to compare themselves with others in order to see themselves or their in-groups in a positive light. As a result there are two motivational factors – positive distinctiveness (seeing the in-group as better) and negative distinctiveness (tendency to minimize the differences between the in-group and out-groups in order to see the in-group more favourably) (Pluempavarn and Panteli, 2007).

While the theory of social identity recognizes that the social identity represents a core factor in the self-concept of an individual, it also points that it is actually the individual's knowledge of belonging to a group together with the emotional significance which create the group membership. It is characteristic for the individuals to strive to achieve positive self-concept, as it is important for them to put effort to maintain the positive social identity. According to Tajfel (1984) the social behaviour ranges from purely interpersonal to purely intergroup, and it depends on the type context the individual faces at the moment. Which type of identity will be salient at the moment, whether personal or social depends on the social context (Pluempavarn and Panteli, 2007).

Taking in consideration the actual discourse on social identity, Jenkins (2004) sees social identity as a social process and not a fixed position, where the individual and the social are connected in a fashion that is almost impossible to unravel. According to him the social world is created through the actions of the individuals, their interactions and

negotiations, where as a result the identity is fluid. This is why he focuses on the process stating that it would be more appropriate to talk about identification instead of identity. Giddens (1991) on the other hand, focuses on the changing nature of the identities, and supports this view by putting a light on the energy a person must invest in representing his/hers identity in the social networks. Presenting oneself in the social media has become a “project” where the person has to contemplate and bring decisions who should s/he be and what s/he should do (Buckingham, 2008).

## **Construction of social identity**

Social identities differ in the manner of their definition – some are defined more generally while others are defined narrower; some are consciously chosen such as an occupation, and some are gained through birth, such as ethnicity and gender; and they can also differ in the status or value given to them.

Social identities develop over time and often change slowly, their expression can differ significantly. Having in mind that people have multiple social identities, which result in expression of different behaviours and attributes, they can be considered as evidence for the ways people respond to the different contexts. At the same time the individuals make choices in accordance with the settings but also they choose the contexts they will engage in or respond to (Deaux, 2001).

There are many forms of social identity due to the different ways in which people perceive the world and create networks. Deaux (2001) has identified five types of social identification: ethnic and religious identities, political identities, vocations and avocations, personal relationships, and stigmatized groups.

Although social identity can be seen as a label attached to different groups and people, it has more implications and aspects such as cognitive beliefs, emotional associations, and behavioural consequences. The cognitive aspects can be different and can include personality traits, attitudes (social and political) and memories connected to events related to identity. Many of the cognitions are shared among groups and individuals and can also be defined as social representations of salient categories. Although most social representations have a set of traits known by groups, people instead of trying to fit in a social representation adopt only aspects which are relevant to them, and as a result create their own definitions of what it means to be for eg. a specific type of person. It is also important to note that the contents of the social identity are created through socially shared beliefs and other attributes which rely on the personal experience.

The social identity’s motivational basis can be seen as means for self-definition or self-esteem, of interacting with others who share one’s values and goals and as a way of defining oneself in contrast to others. Other important aspects are the implications to behaviour – how one person acts and interacts with members of the in-groups or out-groups. The stronger the identification is with a group it is more likely that the person will perform activities supportive to that group.

## **Virtual identity**

In the past the individuals formed their identities regarding their nationality, gender, religion etc. based on information coming from their communities that were mostly territorially defined. Now, identities are also constructed through the media where people are

exposed to different ethnicities, nationalities, religions etc. and where a large number of different role-models and lifestyles from all around the world are presented. The technology is developing very fast, and the assumption that it will affect the way the identity is defined becomes more salient.

According to Chandler (1998), the internet and the web provide opportunities for identity construction, because they allow thinking about the identity and also enable the people to change in who they want to be. This is why he calls them 'technologies of the self' (Thurlow, Lengel & Tomic, 2004).

At the beginning there was exaggeration regarding the activity that people have in the cyber space, what they do in reality and what they want to do. Just as Goffman (1959) compares the life of the everyday person with theatrical performance, the virtual reality can be seen as a "stage" where the identities are presented and people work on their online self-presentation. This is why it is important to see the context of the fluid and multiple nature of the offline identity and the context of the real intentions of the people in the virtual reality.

One of the often arising questions is "which is more 'real', one's offline identity or one's online identity?" Having in mind that individuals shift their identities every day in accordance with the situation they are in, trying to define the online identities as fixed contrasts the notion that they are fluid and dynamic. The identities that people have online and the ones they have offline are part of the ongoing process of identification.

Currently there are two opposing and dominant views addressing the issue of technological influence in construction of the social identity. Technological determinism implies that all our activities such as economic, political and social are altered by the use of technology. On the other hand social constructivism implies that the technology is shaped by the existing social relations and is a form where people choose the way they will utilize it. By this view the technology has no inherent qualities and has no values. There is also a third perspective trying to combine these two approaches saying that technology is shaped but it also shapes the identities and manners of communication (Thurlow, Lengel & Tomic, 2004).

## **Social identity in the virtual world**

Virtual reality represents a digitally created space which can be entered by a computer. The virtual identity represents a form of the social identity used by the internet users. When individuals enter the virtual space they are entering into a different world where regarding on the environment they can interact with objects, people or other different environments. All movements or actions conducted by an individual in the virtual environment are tracked and the virtual environment where the individual is at the moment adjusts in accordance with his/hers actions.

In order to enter the virtual environment, the individuals must choose their representation (avatar or icon) which can vary and be presented with real or imagined picture of ourselves. Some internet users use their real names on the internet, while others choose to identify with pseudonyms which reveal different information for their owners. The same individual may choose his/hers social identity, can create a number of different identities and take part in different virtual identities of hers/his interest (Koles and Nagy, 2012; Turkle, 1995).

Bloggs, social networks, forums, video games etc. are created and shared on the internet. The entire communication among the individuals is conducted on the internet, and

these communities differ from the social networks and communities from the real world. Through the communication conducted in these virtual environments the virtual person gains a reputation, which is shared in the specific virtual community. Based on the virtual reputation the other members of the community can decide whether they will communicate with this person or not.

The reasons for the active participation in different virtual environments differ, but in all of them the individual maintains a degree of anonymity and or invisibility (Koles and Nagy, 2012; Turkle, 1995). The degree of anonymity depends of the persons' decision which personal information to reveal, in what ways, and how often to the networked public.

Spears and Lea in the 1990s propose the SIDE model<sup>1</sup> which tries to explain the Computer mediated communication (CMC) combined with the effects of social identity and anonymity. According to this CMC model the anonymity present in the online communication doesn't lead to loss of identity but instead they "motivate people to switch from their personal identity to their social identity". As the social identity is stronger for the participants in the CMC the larger the group cohesion will be (Thurlow, Lengel & Tomic, 2004).

As individuals participate in the virtual communities, they start feeling attached to them, which as a result cause their identities to be affected by the groups they belong to. These new created social identities can be recognized through their individual narratives on their personalized pages. Their personal pages entail content linked to their virtual groups or share important information about these groups to the networked public. The individuals, who are members of more virtual groups, present themselves in the groups in accordance with the interests shared in that group. Each group has its own characteristics and identities and may have different level of influence on its members.

When the members post photographs, comments, clips etc, most of the users read this content in order to see whether the content they posted is in accordance with the identities of the other persons posting in the same group. As a result one person can create and post content different in style and expression in different groups. The posted content shows the perception that the members of the group have toward their group, the identities of the members of the group and the way they are affected by the presence and membership in the group (Péter, 2010).

It is important to understand the importance that online encounters and interactions have for the individuals. At the least, they have become an ordinary aspect of one's everyday live. As these online environments developed during the years the possibility of creation of the online identities increases, develops and becomes more sophisticated allowing the identities to be formulated "through a complex and dynamic sequence of personal decisions".

The individuals can shape their present identity in a certain online environment, based on the feedback they receive from the other members of the community. They have an option to freely experiment and to present themselves in a conventional or not-conventional ways. It can be noted that some of the characteristics a person represents in the online world are exaggerations of his/hers real-life attributes. It is even suggested that the online environments in fact give the individuals an opportunity to role-play and practice aspects of themselves which are not seen in the real setting but articulated in the virtual environment can result in empowerment and bigger visibility of these individuals.

## Social identity in the real and virtual world

The virtual identity is consisted on virtual and non-virtual elements. Examples of virtual elements are avatars and environments, while the non-virtual elements include language, reactions to events etc. In everyday interactions, the identity is created based on a set of requirements. One important aspect which helps in creating the perception about the other people is their bodily presence. The physical presence in the real life communication is represented by the person's sex, race, looks, gesticulations etc. Seeing the person as he or she is, prevents the other member in the interaction or communication to create an identity which is inconsistent with the actual body (depersonalization). Furthermore, the knowledge about the person's social background and personal characteristics adds to the difficulty in creating a different personal identity.

The appearance on the internet allows creation of different virtual identities. The virtual world offers a possibility of entering different, new communities, where a person can experience how it is to present him/herself in a different environment and to create and show new identities. It is important to note that the detachment from the physical body allows the individuals to communicate without revealing anything about their physical features. Even when an audiovisual mode is present, a person can maintain his anonymity with withholding information regarding the name and place of residence.

Every registration gives the person the liberty to create a new identity without being burdened by the past or present looks, context, social status etc. It can be opened and closed very fast, and modified quickly by changing the data shared when creating the identity. A person can create as many identities he/she wants, and can give each of these identities different set of characteristics.

In that way the individual can create the so called "now selves" which are established identities, known by others, and "possible selves" which are new identities unknown to others. We can also speak about "hoped-for possible selves" which are part of the possible selves, "true self", "ideal self", etc. It is important to note, that whatever "self" the person decides to show, or accent in a virtual environment, that self is only a representation of the person he or she already is, or aspires to be (Koles and Nagy, 2012).

The residents, inhabitants, visitors, can freely create their representation in these environments, meaning that they can choose/create their avatars or icons. The main difference among the social networks or the network communities and the virtual worlds is that the main purpose of the networks is sharing content. However, the virtual worlds are used for different purposes such as education, research, gaming, etc.

While the virtual worlds are three dimensional, where a person can "enter" and perform different activities, the social networks are two dimensional and do not allow exploration of a virtual environment (Koles and Nagy, 2012)

Nowadays, the most popular usage of the virtual world is through social networking sites (SNS), especially Facebook. Facebook provides an opportunity of authentic representation of its members, which means, they can present themselves as they would in the real life. Statistics show that in 2015 Facebook had around 1,55 billion users monthly and is rated as the most popular SNS globally (2015, Statista). The large number of users, despite the fact that they filter the contents they share, gives an indication that the Virtual World is hosting part of the real social identity features, just in a different package.

If we consider the numbers of the Facebook members which present their identities accurately, 8,7% or 83.09 million Facebook users can be considered as Fake (2015,

CNet). At the end of 2012, Facebook presented a rule to its members a real-name policy that encourages presentation under your real name (2012, Facebook). Despite these facts, we witness a situation where individuals share more personal information on the web compared to the information they share in the real contact. This supports the trend we call *publicized privacy*, where we encounter more personal information in the virtual world than in the private encounters.

All aspects mentioned before regarding the social identity construction in the real and virtual environment supports our understanding that the virtual identity is a media-conditioned extension of the social identity formed in a real world where some real identity features are kept and articulated. The self-presentation in the virtual reality enables expression of attitudes, preferences and interests even when proximity is not an issue. This conclusion supports the SIDE model, where the feeling of belonging to a group and by that the social identity can be formed only using minimal comparison and by accepting only few characteristics of the group.

## Conclusion

Social identity is a process through which the individuals define themselves in accordance with the categories that they share with other people. Being part of different groups is important in people's lives. Through the membership in the groups we socialize, we learn and develop, and we perform all the activities which enable us to fully function in the world.

Belonging to a group does not always imply knowing all or most of its members. On the contrary there are groups such as those connected to the professions where all members don't know each other but the group membership has high importance to them and they highly identify with it. All the groups don't have that impact on the individuals. There are memberships which are important enough and individuals identify with them, and there are memberships which are not so important or strong in order to cause membership.

Entering into the virtual world requires an existence of a virtual identity. Virtual identities differ in the level of specific information they reveal for the person which has created them. Also, they differ in the manner of virtual representation – while ones exist only with icons, others have avatars.

With these virtual identities the individuals enter into the virtual communities where they share and gain experience in the virtual worlds. They decide which information they will share, to what extent they will be shared, what will gain accent and what will be hidden.

But, although these communities exist in virtual worlds, they are strong enough to influence the individual's behaviour and to elicit the identification with them. *This is why the virtual identity is only a form of the social identity.* Social identity is formed by presence in groups and these groups although virtual are perceived by the individual as the ones from the real-life.

The individuals communicate with other individuals from all over the world in real time. They invest in these relationships by spending time, energy and emotions, especially to the groups where their interests match.

So in spite the differences in the contexts, the individuals will search groups in accordance to their real-life interests. In a manner they will "continue" to act as they would

in the real life, and they would seek for the same or similar movies, books, songs, pets, friendships, etc.

Even though they can decide which part they will accentuate, and which they will hide, they can only project themselves into the virtual worlds. Some of their features may be hidden in the public, but that doesn't mean that they don't exist. The rules in the contexts remain the same as in the real-life, because the virtual world is a projection of the real people.

## Notes

<sup>1</sup> SIDE model- Social identity model of deindividuation effects

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## **MELANCHOLY AS A POTENTIAL FOR POLITICAL IMAGINATION**

### **Abstract**

The text will investigate the melancholia starting from the psychoanalytical discourses and their fundamental texts: Freud's *Melancholia and Mourning*, Melanie Klein's reconsideration of the psychogenesis of manic-depressive positions and Julia Kristeva's *Black Sun*, to its potentials for political imagination and transformation. For the basis of rethinking melancholia into the political context I use the critical writings by Sara Ahmed on the cultural politics of emotions and the manner in which they reflect the power relations and the potentials for political transformation. Furthermore, the book *The Melancholy of Race: Psychoanalysis, Assimilation, and Hidden Grief (Race and American Culture)* by Anne Cheng starts from the Freudian analysis of mourning and traces the dynamics of rejection and internalization which can help in explaining the American racist culture. The idea is to investigate if the model of melancholia can help understand the mourning and loss not as symptoms but as dynamic processes with forceful, but also with transformative potentials for political imagination. By investigating the melancholia of the marginalized the idea is to explore the possibility to transform the mourning into a stance against the wound. The text will look into the dynamics of the student movement in Macedonia from 2014/15 as an example of creative transformation of the marginalized position into the new political discourse that initiates the democratic processes in the society.

**Key words:** melancholy, politics, transformation, student movement

### **Introduction**

The concept of melancholia will be investigated with focus on two aspects. One line of analysis is the psychoanalytic discourse on melancholia in the works of Freud, Klein and Kristeva. The other line is the analysis of the transformation of melancholic dynamics behind the marginalized position of the students in contemporary Macedonian society into political action. The aim is to follow the psychodynamic process of melancholia within the societal processes and to see if there is possibility for creative transformation of this dynamics into the political imagination and into political action. The leading question in this paper is how the melancholic process and marginalized position can be transformed into political action? I take the student movement "Student plenum" and its emergence as phenomenon that I analyze to understand the basic processes and conditions which enabled this movement to transform the political discourse and therefore make significant change into the social realm of the Macedonian society.

## Psychoanalytic discourse of melancholia

In his essay "Mourning and melancholia" Freud discusses the differences of the process of mourning the loss of loved subject and melancholy. Mourning, he argues is the usual reaction after the loss of the loved person or loss of some abstraction taking place of subject, like freedom for example. During the process of mourning the self is not brought into question. Melancholia on the other side, as Freud explained is pathological process of mourning. Freud describes several mental features that characterize both processes. The mourning as well as melancholia have - profoundly painful dejection, lost of interest in the outside world, lost of the capacity to love, inhibition to all activity. The distinctive feature he points out is the lowering of the self regarding feeling that occurs in melancholia. He says "In the mourning it is the world that has become poor and empty in melancholia it is the ego" (Freud, 1917: 246).

What happens with the ego? Why the loss of something loved ends with the wounded ego? Freud explains it with the shift of the reproaches for the loved object to hers/his own ego. The conflict of love Freud says is going on with all the pros and cons that ultimately lead to the loss of love. How does this happen? He explains it with the object relationship – something happens (it could be a disappointment) that shatters the object-relationship. The result is not the usual withdrawal of the libido from the object and displacement to the new one, but the free libido which was withdrawn, goes/attaches to the ego. It makes identification of the ego with the abandoned object. The identification is therefore the process that transforms the loss of the object to become ego-loss. Freud suggests that the loss of the object can be followed by the regress to narcissistic wound, closed in the internal world of the ego. The notion of primary narcissism, for Freud as the initial investment of the libido in the ego, was used to explain as "the instinct of self-preservation" (Freud, 1914: 74).

Another important insight of Freud's analysis of the underlying process of melancholia is about the transformation of what he calls the conflict of love into the "crushed state of melancholia". The closed, uninterested, self-lowered position was at first revolt, he suggests (Freud, 1917: 248).

While loss is the essential for mourning, in melancholia it is not just loss but also, being slighted, neglected or disappointed can import opposed feeling of love and hate into and reinforce the ambivalence that characterizes the conflict of love, argues Freud (251).

Melanie Klein made significant insight into the depressive position, as she calls them, in children. She deepens the analysis of melancholy by locating its basis in early development by description and analysis of the first loss of the loved object. In the "Addition to psychogenesis of the manic-depressive position" she analyzes the early development of children and how they pass through the depressive states along with what enables the child to overcome those states. One of her conclusions was that there is a close link between the infantile depressive position and the phenomena of mourning and melancholia in adulthood (Klein, 2008: 76-77).

She argues that experiences of "depressive position" in the early childhood are basis for melancholia in the adulthood. She also explains that one of the important processes that take place is the introjection of the loved object into the Self. If the introjection is not successful it will lead to forming the pattern of "losing the loved object" in the adult person. According to Klein, first loss of the loved object is occurring while ending of the breastfeeding. (Klein 2008) Klein describes the inner world in terms of internal relations

and happenings, as product of the infant's own impulses, emotions and fantasy. It is profoundly influenced by his good and bad experiences from external sources and formation of "good" and "bad" object respectively (Klein, 2008: 141).

Another significant analysis of melancholia in the psychoanalytic discourse that takes Freud's, Klein's and Lacan's interpretations further is psychoanalyst and literary critic Julia Kristeva. Pointing toward melancholia's processes as essentially driven from the relation with the other she names the primitive loss as the "loss of the necessary other". This as Freud pointed out is regress to narcissistic wound as the last sanctuary for survival that Kristeva explains as specific narcissistic melancholic for which the sadness becomes replacement for the lost object. That is how for the melancholic the sadness becomes replacement for the other. She also reviews Freud's notion of ambivalence and the hidden aggression towards the lost object and therefore towards self that appears together with the sadness. Love and hate establish complex dialectics of idealizations and devaluations of self and other that are result of the process of identification (Kristeva, 1992).

Psychoanalytical discourse is focused on the internal processes which are occurring as result of the continuous dynamic between the subject and its environment. Moreover the ego can be viewed as a function through which the processes of exchange of the subject with the environment are processed through identification and/or introjection. This interrelatedness is important aspect for the further analysis of the melancholia in terms of marginalization of groups and subjectivities in societal context and political dynamic.

## **Social and political discourses of melancholia**

How the melancholy dynamics is relevant in the social domain? Is it possible for psychological dynamic to be translated into political transformation or action?

Answers to these questions are no easy task. However, several theorists already investigated these possibilities and used psychoanalytic language and discourse to analyze and explain social contexts and use it as language for political transformation. Sara Ahmed critically approached the emotions and explored their relation with the relations of power as well as the potentials for political transformation. She argued how emotions are not only internal processes in the realm of subjectivity but circulate between us. When expressed they become "ours," they initiate response. She also explained how emotions are constructed by social and cultural practices. Emotions also modulate our approach and relation towards things and therefore they participate in the construction of "I" and "Us," as Ahmed says "emotions produce the very surfaces and boundaries that allow the individual and the social to be delineated" (Ahmed, 2004: 10). Therefore I am encouraged to use emotional experiences and describe and analyze them in social and political realm. Ahmed also explores why social transformation is so difficult? Why relations of power are so tough, inextricable and persistent when they face collective resistance? She also reminds us that feminists introduced emotions as political issue and showed us how power shapes the surface of bodies and worlds (Ahmed, 2004).

The concept of racial melancholy is one of the examples how the melancholy dynamics is used to explain the position of communities/groups in certain social relations and context and the dynamics of the processes of exclusion and identification of the dominant group and marginalized. Cheng in her book "The Melancholy of the race" uses the model of melancholia to understand how the mourning and the loss of the one that was hurt are not only symptom but also dynamic process of coercion and its transformative potentials

for political imagination. She analyzes if transformation of the mourning into stepping forward against the wound is possible (Cheng, 2000).

This transformation and change in the social and political domain is only possible through relation. I argue this by grounding it in the Badiou's concept of change. Badiou proposes that the change is relational. It is not property of the being as such but of being localized in a world. He says "The change is not the destiny of being but possibility when being is localized in the world submitted to certain relation with other multiplicities. The field of relations is the field of change. The change is possible because of experience, which is pure relationship with our world" (Badiou, 2012).

### **Student movement "Student plenum" as model of transformation of melancholy into political imagination and action**

In this part of the paper I will concentrate on description and analysis of the emergence of the student movement "Student plenum" searching for the elements and aspects that enabled the movement to grow and to transform student position from marginalized into empowered to initiate change in the overall political discourse.

I'm using data from the research for my doctoral thesis that is focusing on the student movement that rose in 2014. The research was conducted during the period of January – July 2015. The overall methodology is grounded in critical ethnology and phenomenological methodological paradigm. The methods used in the research are field observations during the period of the occupation of the University also known as "Autonomous zone" and two series of interviews with ten students from the Student plenum – 20 interviews in total. Using the research and data presented in this paper I focus on the experiences of the students before the movement and during the intensive period of forming and functioning of "Student plenum" and during the occupation of the University St. Cyril and Methodius named "Autonomous zone.

At first I will present findings from the research that can illustrate the marginalization and melancholic position students were experiencing before their engagement into the student movement. Their experiences speak about the disappointed expectations from the higher education – where their individual potentials, interests and needs weren't considered as important and relevant. This made them feel unimportant and neglected.

The Faculty disappointed me a lot...not only the faculty, I believe that you can get as much as you invest from anywhere but I had different expectations out of the academic life, being a student... More fairy tale and glorifying image and vision...I expected that there will be people that think, are creative, that I can learn from, that it will be wow!...and when I got there...I was disappointed, I saw that all they expect from me is just little bit, and no one is interested in the rest...at first I was questioning what should I do, but later I got used to it and gave little of me, just as much as it was expected...and I felt even worse about myself for giving so little and knowing that I have so much more to give! I entered the matrix and kind of shadow followed me that it is not as it should be... (Int 2\_VR)

But the attitude of the professors towards the students, it means, the professor has no respect for you as his/hers colleague or future collaborator, but as subjugated, you are there just to pass the exam and get the grade, he/she is there just to give you some information and that's it. (Int 2\_MN)

Students' personal experience of not being able to find job and become financially independent from their parents also made them disappointed and depressed. They felt that being student was undervalued and lead to their subjugated position. The effects from all these experiences in the long run makes them depressed, apathetic or they dream or try to go somewhere else where they consider will have better opportunities to find work and live better life.

We don't have security over the future, a young man that lives without this security could lose himself, or go and search it somewhere else....I planned to find job and to write my thesis, but it didn't happen...over more than a year I felt depressed, I didn't want to see people....the whole situation is pushing you towards depression and I fell under it, I fell...it is so easy to be in apathy, too easy, melancholy is the most common thing here in our country (pause) I know countless people, smart people, that stare at the stars, that take drugs, fall into excesses. Cause it is all that is asked of you, since there are walls all around that you hit million obstacles. Every day you see how powerless you are and slowly you start to accept that. (Int 1\_KM)

Translated into psychoanalytic discourse – marginalized position of the students is the result of disregard of their position in the society, neglect of their potential, lack of acknowledgement and respect. They have lost their place, and they lose their hope. It is not melancholy over the loss of the subject but the grievance over the loss of their position in the community and their sense of worth. Internalization through introjection creates situation for the students to feel personally lost, inadequate, insufficient, frustrated and looking “envious” towards others that are situated, successful and belong to the newly formed elite that enjoy all the privileges.

I could say that the last fifteen years, twenty years there is constant devaluation of the status of the students in the society. And especially since this government is in power has huge impact in the degradation of the students.... The students were apathetic, totally apathetic, not interested for their own future, or interested for their future somewhere else, not in this country. This government made students to believe that there is no prosperity here and underestimated them so much that it pushed this new law, the external testing... Students are such a marginalized group that is facing terrible social obscurity and huge problems, and what students get at the end of the week is one free beer in the student parties wrapped in kitsch and cheap entertainment, and all of that in radical apathy.... The only chance for success is by getting political partisan membership in order to get employment enabled by the ruling political party. (Int 1\_BR)

What is the point of transformation? How does individual subject transform its marginalized position into empowered political action and therefore participate in the social transformation? I looked for answers to this question in the stories of the beginning of the Student movement. What happened? How was it experienced and what was meaningful for the students?

In short summary, the movement occurred as derivative of other student initiative called “Open Suitcase”. The later was initiative of group of students from the Faculty of Philosophy that wanted to offer a place where students from different faculties and backgrounds could meet and discuss socially and student relevant issues. Their program consisted of screening socially engaged movies or videos and facilitation of discussion on

the issues raised by the presentation. The next quote is narrating exactly the emergence of the idea of Student plenum:

We wanted, aware of the problems, not to just throw the critique directly, but to offer new values and help the students to unite. We were aware that we can't do anything if people don't know each other. That's how we started with the cultural initiative that aimed at bringing students into doing something together, we wanted this idea to grow into something more than just screenings but this was the main activity....It didn't matter how many people were there, 2 or 50, we played the movie, facilitated the discussion and back then it didn't feel that it has any social influence, but we were convinced that it is important! For us it was really important!....And in one discussion in October, I don't remember which movie was screened, the discussion started - Let's do something together! And in that moment the people met, connected and decided to make the plenum. (Int 1\_VR)

What I point out as spark for the emergence of the movement is the point of recognition, acknowledgement and acceptance of each other as together in their joint revolt and hope "Let's do something together!." Here again I refer to the Badiou's concepts of change and politics and argue that the critical point for transformation of the melancholy into political action is in the process of relating with the others that share and or empathize with the same position in certain context, in an shared venture of creating different practice and experience vis-a-vis the one that brought them into the marginalized position. This itself is a political transformation towards radical change. For Badiou politics can be understood as "collective action, organized by certain principles, that aims to unfold the consequences of a new possibility which is currently repressed by the dominant order" (Huddleston, 2009). Moreover the instance of the political subject is one of a collective, as opposed to an individual subject.

But what are the main conditions that enabled this idea to become so fertile and grow further? I would propose that several crucial elements deriving from the way this movement was born made the fertile ground. Other factors related to the local social and political context would not be elaborated in this paper because of the space limitations but also given that it would mean broadening the focus of the analysis which is not coherent with the concept of this paper.

Two organizational elements that I find essentially related to the growth and the power the movement gained that transformed the marginalized student position are horizontal organization and inclusiveness.

Horizontal organization is relatively new way of organizing social movements that occurred in response to the growing crisis and lack of democracy such as Occupy movement (Sitrin, 2012). Michael Kazin says that these movements are not based on creating either a program or a political party that will put forward a plan for others to follow. At the same time, these movements are attempting to prefigure future society through present social relationships (Kazin, 2015).

On organizational level horizontality refers to the active creation of nonhierarchical relations through decision-making processes. One of the main values built in the horizontality is equality. However, it does not guarantee equality given to the assumption that inequality will always permeate every social interaction and that each person is responsible for continuously challenging these inequalities at every step of a decision-making process (Maeckelbergh, 2012). Students confirm that their experiences of plenum discussions were rather frustrating but also enriching.

Honestly the horizontal organization can sometimes be, and I don't agree when they say –ineffective, it can be slow!...And anyone can say their opinion even if someone else already said the same, but it has its beauty, everyone to feel included, to be able to make statement, to be heard... Yes, yes, yes, to think over “aha my colleague was speaking about this, maybe he is right, although there were moments when we couldn't hear each other... (Int 1\_TF)

Different concepts, projects and practices of participatory, horizontal, deliberative, discursive democracy belong to the contemporary political theory and practice that develops transformative democratic strategies for improving democratic values such as egalitarian social justice, individual liberty combined with popular control over collective decisions, community and solidarity, and the flourishing of individuals in ways which enable them to realize their potentials (Fung and Wright, 2003). Students were very conscious of the democratic aspect of the movement. They value the democratic experience they had as truly genuine and dialectic.

With the plenum meetings we really trained democracy, we comprehend it, and we experienced it! And now we know what democracy is. I had opinions that I thought were flawless, but those are dictators opinions, autocratic opinions... Here we succeeded in a magical symbiotic way to entangle so many contexts and so many opinions and it gets dimension of not just some simple eclectics, or syncretism that connects differences, but it makes a whole, one synthesis! One synthesis out of the best qualities... (Int 1\_BR)

Dialogue in all forms - with tension between the different ideas, debates for conflict resolution or Socratic dialogue for revealing truth were all embedded part of the plenum discussions that enriched the experiences but also the articulations and strategies of the movement and ensured their intelligence and creativity to make breakthrough in the political arena.

Inclusion is also essential element that ingrains the equality as crucial value shaping the group dynamics. What was important in the local context for this movement was the demonstration that students have no fear of being labeled with political party activism which was also creatively articulated in number of student's actions and strategies. Furthermore, inclusiveness was important for the demonstration that there is not necessarily need for ideological homogeneity as well relatively new phenomenon in local social movements. Along with the inclusiveness of ethnic and other minorities and marginalized identities which opened new era of social movement and political discourse in the Macedonian society.

And here all together and it was the most interesting thing of all that there were no prejudice among people, we slept together, ate together from different ethnic background, religious, sexual and all, and we were all together because I was not used to that outside the occupation to see it in Macedonia. (Int 1\_VL)

I think that the horizontal organization is what enables everyone to say whatever he/she wants... I think that... It was the only place in the state that you can be free, think freely, talk freely! Aside that there is always saying that we have rights to free speech... You really don't!... Here, you could just shout out loud! If you feel like it... You can! And people will understand you! (Int 1\_KM)

Two additional elements come from the subjective experiences of the students - sense of freedom and belonging as crucial elements that derive from the group organization and dynamic essential for the transformational power of the “Student plenum” movement. Political theoretician Murray Bookchin elaborates that the roots of the word freedom came from the German Freiheit, which takes its point of departure not from the individual but from the community or, more broadly, from society (Bookchin, 1994). In this paper freedom is seen as relational phenomenon experienced during the lived experience in the shared community. Aside of being one of the exploited abstract or subjective concepts and ideas, freedom as experienced by students especially in the local social and political context is one of the crucial elements for the political imagination and personal as well as collective transformation of student position. Sense of freedom for the students inside the movement and during occupation made significant changes in their everyday life practices. Next quote will illustrate how sense of freedom experienced during “Autonomous zone” is reflecting everyday life.

And you know, we take that with us in our neighborhoods and not just that, lot's of habits! You don't know how many times when I walk by local shop I stop myself not to take an apple (laughs)... There (in Autonomous zone) it was normal that you take apple from the food corner for free, we shared food. It was kind of going back to normal! We live in abnormal conditions and in completely normal for two weeks! Completely normal! Where you can say whatever you like, think freely and do whatever you like without hurting or imposing to the other. (Int 1\_KM)

Sociology and social psychology usually deal with belonging as part of social identity. In this paper I regard sense of belonging not in terms of creation of new social identity but moreover as relational phenomenon confirmed in the personal experiences. I think that belonging also was important element in the transformation of the melancholic and marginalized position. Psychologically it is related with the sense of acceptance and acknowledgment by other/s and opens possibilities for changes in the identity position or in psychoanalytic terms ego position. Politically it can also initiate and shape kind of political identity which is not fixed. I find Mouffe's notions of political identity to be suitable in describing it as alignment through joint articulation of each other's needs that in articulatory practices bring together different subject positions refiguring them in the process of negotiations (Mouffe, 1992a: 379).

The feeling “this is ours and we build it together” which we wouldn't have if three people made it, however...”this is ours and we take care of it”, we should find our place there and we should contribute...this care and the responsibility that I noticed in so many people, maybe not all but many, it is the thread that make us one community and all those feelings...mutual care, sharing, giving, solidarity were flourishing, flourishing as in no other community or environment I ever saw before. I don't know what was that inspired people to be so open towards others, to share so much and to connect, is it the space itself that was our or the plenum as our guideway...some combination made it possible and simply it existed and it was ours and it was shared/communal... (Int 2\_VR)

The sense of freedom and belonging facilitated the empowerment of the students and creation of their own community built in revolt against values and principles predomi-

nating today's politics and society but in solidarity and dialogue among themselves and with others. Therefore students find their experience from the "Autonomous zone" as victorious experience of true democracy in opposition to the experiences of antipode of democracy in everyday politics.

The Autonomous zone itself was a victory. Every day, every moment, every donation was a victory. This instant change in the way we grasp the notion of how it should be and the presentation of the true models of democracy, against what is the antipode of democracy, it can not be other than victory. Professors of humanistic science to speak about energy? Probably not because they are part of some kind of New Age movements. All of us were talking about energy that really was what we felt there. And when you feel like that, when it pushes your body towards something, it is victory. The victory is to be with these people. (Int 1\_LL)

This and the quote that follows illustrate how emotions are shaping bodies and spaces, as feminists also pointed out. These experiences describe how emotions as part of community based on genuine democratic principles and values are source for shaping the political imagination and transformation.

It is the most beautiful thing that happened in that space, from its existence. It was surreal for me, the whole, throughout the duration it was surreal... It was very special experience, it was our space full of our energy. Everyone was there, we were united. Everyone was happy there. We had so much support, people were coming, they donated, talked to us, it was very, very beautiful experience... It was magical. I met so many people! So many people met each other!... (Int 1\_VR)

The occupation itself can be viewed as Event in Badiou's terms. The occupation allows something completely new to come into existence. It was truthful experience and students came out more empowered and alive.

We had an experience together. Now we know each other. Now, whoever has any problem, any hardship, he can say "Please come" and I will go, no matter what. And I will listen and if he is right I will be on his side. And new spirit was born! Spirit that – We are not powerless! I think this is most important, and now we know that and we know each other. (Int1\_KM)

At the end I would conclude that it is possible to transform melancholic experience and position into political imagination and it is possible in collective and genuine venture in which subjects can relate, feel free and accepted. Political transformation is possible within community where there is chance to experience again what was once lost and longed for. Organization of community on democratic values such as horizontality and inclusion enable these experiences which come not as given but as negotiated and shared. Not to end this paper in naive or overenthusiastic tone I would like to point out that political imagination with the creative potential for transformation of the melancholic position into empowered one is an Eventual experience that is not stable or final. It is experience I see as important for survival of subjective and collective efforts for better life and shared future, for other challenges for the subjects and communities for new political imagination and transformation.

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**SOCIOLOGICAL AND LEGAL ASPECTS OF THE MEMBER OF  
PARLIAMENT MANDATE IN THE REPUBLIC OF MACEDONIA-  
BASIC THESES FOR INTERDISCIPLINARY RESEARCH - PRO  
FUTURO**

**Abstract**

The text titled “Sociological and Legal Aspects of the MP’s Mandate in the Republic of Macedonia” mainly observes the scientific research way of treating the MP’s mandate, especially from the aspect of sociological and legal research which is insufficient in the Macedonian modern society and science. Practice points out that there is a huge disagreement between the formal and the real and that the electors and the citizens, and especially the ethnic groups, are in unequal position.

There is supremacy of particular parliamentary functions compared to some others, such as for example the function of the President of the Assembly and some other cited in this text.

The normative function of the Assembly of the Republic of Macedonia is not consistently executed, because the adopted regulations, especially the legal regulations are pending and, after they are previously selected, they are not published in the Official Gazette of the Republic of Macedonia in due time.

There are many open issues related to the execution of the MP’s mandate and the overall functioning of the Assembly of the Republic of Macedonia, as a holder of the legislative function of the parliamentary system of the Republic of Macedonia.

**Instead of the foreword**

**T**he insight in the modern Macedonian sociological and legal scientific database allow us to see that the nature of MP’s mandate is scarcely discussed, meaning that it has been insufficiently researched.

According to the 1991 Constitution of the Republic of Macedonia, numerous normative and institutional changes were introduced in the Republic of Macedonia as a newly established, independent, unitary and internationally recognized state. First of all, changes related to the ownership title bearers, that is, changes in the economic system as well as changes in the political and social system.

In the last mandate of functioning of the delegated Assembly of the Republic of Macedonia as a federal unit of the Socialist Federal Republic of Yugoslavia, mostly in 1990, before its dissociation, numerous changes were made as prerequisites for the future changes within the transition, being a period of transition from one socioeconomic and political formation to another one.

By 1991, the Assembly of the Socialist Republic of Macedonia (which was one of the six federal units and the two autonomous provinces within the Socialist Republic of Serbia) was tricameral parliament, and the parliamentarian system (that is, delegate system) was grounded on the principle of unity of the authority.

Regarding the new concept of MP's mandate, in the newly established Macedonian state especially relevant are the following fundamental values of the Constitution of the Republic of Macedonia which are determined in Article 8 Paragraph 1, such as "rule of law" (Line 3), then, "division of the state power to legislative, executive and judicial power" (Line 4), as well as "the political pluralism and free direct and democratic elections" (Line 5).

The very fact that during the last 25 years there is a lack of comprehensive discussions on the category of mandate, on its sociological or even legal nature, is an important segment for activation of the scientific public for preparation of relevant projects, all of these in order to research the acting of the elected representatives in the public life and certainly, their communication with the citizens and electorate.

This paper is intended to sketch the major directions or theses for the future project, for the project *pro futuro*, especially from the aspect of the sociological sciences (general sociology and the special sociological disciplines, such as the sociology of law), the constitutional law and the political system. In addition, because of the complexity of the very concept, we support an interdisciplinary approach which we consider to be necessary for recognition of the institution of mandate, and especially, the MP's mandate. We hold that for the study of this matter, besides the use of the secondary base of information and data, it is necessary to provide a relevant experience evidence through direct empirical research, database from the social media, that is, to develop a methodological framework for e-research, which would provide data from "the virtual community which is increasingly becoming important in the Macedonian socio-political life".

There are various aspects, but in this occasion we will focus on the sociology and its principles, the constitutional – legal and political system (as a system of norms and ways of its realization).

The sociological aspect is of high importance because it treats and analyzes all phenomena and related processes which occur within the modern democracy which principles become also generally valid for the post-socialistic countries, especially those from the European Union, as well as the countries from the so-called Western Balkan.

In fact, it is about the institutional changes which refer to the civil democracy and civil society, which have different institutional forms, hence, distinctive from those which are dominant as a theory and practice of the modern capitalist countries.

Generally viewed, according to almost all sociologists, the democracy is grounded mainly on the principles such as: sovereignty of the people, the principle of equality of all

people, as well as the personal freedom of the citizens. There are different forms of democracy which depends on the type of the society. Several types of democracy predominate: direct, referendum and indirect or representative democracy, which is the subject matter of this paper.

Based on the insight into the empirical archive, there is deficiency of projects and scientific publications related to the parliamentary mandate and the activity of the MPs (formerly delegates). Therefore, we can indicate the newest publication of Institute for Sociological, Political and Juridical Research within the Sts. Cyril and Methodius University in Skopje, according to which records of its 50 years' activity, there is a small number of scientific-research projects and published studies from this area.

As an example of the deficiency of projects and scientific publications related to the MP's mandate and the activity of the MPs (previously delegates), we can point out the latest publication of the Institute for Sociological, Political and Juridical Research within the Ss. Cyril and Methodius University in Skopje, according to which records of the activities in the last 50 years, there is a small number of scientific-research projects and published studies from this field. Most often, in the last 20 years the scientific-research activities in the field of law and politics are mostly directed toward the study of the electoral system, the local self-government, firstly as a constitutional category, and later as a legal institution, and, certainly, of the public opinion.

Because we make efforts to research the topic in an interdisciplinary way, it would be useful if a relevant pilot research would be conducted as a kind of introduction, which would be intended to get knowledge of particular phenomena, processes and relationships as they function in reality and which would be a significant input for developing a scientific research set of instruments.

First, we should set the following theses of the *PRO FUTURO* research:

- To define the sociological nature of the parliamentary mandate, especially in terms of the development of the parliamentary system in the modern state of the Republic of Macedonia.
- Then, to define the legal nature of the parliamentary mandate within the modern parliamentary democracy and the civil society in terms of multi-ethnicity.
- Finally, to define the political leadership in Weber's sense of word which refers to the charismatic government, by which the risk of total bureaucracy is avoided.

## **The sociological nature of the MP's mandate**

Today the mandate, especially the MP's mandate which is performed in the Assembly of the Republic of Macedonia, is scarcely discussed, especially from sociological and social aspects. The representatives of those local self-governments which are elected and in this mandate by, and originate from the opposition parties are often a target of verbal attacks.

For the empirical research of the mandate the sources and type of information and data are of key importance. It includes utilization of the classic media, as well as the electronic sources which are generally related to the operation of the Assembly of the Republic of Macedonia and the parliamentarian groups within it. In addition, we should take into account the socio-demographic structure of the MPs, the database regarding the activity of the MPs, their contacts and communications with their political party and the

bodies of the Assembly, the voters, local communities and alike. According to the Constitution, MPs have the same rights, but according to their position in the Assembly they are not in position to act equally (compared to the President of the Assembly and his deputies and the coordinators of the parliamentary groups). It seems that the position of the MPs is not equal, which should be empirically confirmed.

We should mention that regarding the activity of the MPs there is a difference, and we could use a wide range of sociological methods and techniques in this analysis. In our opinion, we could use mixed research methods which would include both the quantitative and qualitative methods, because it would make possible to get insight in the major trends or directions of functioning of the mandate, as well as to comprehend why they are developing in such a way. In addition, of key importance is the analysis of the content of the written material, as well as the legal framework which covers the key concept of mandate.

Depending on the methodological framework of the very research, it can consider the following research questions:

- To which extent the MPs are independent and personally neutral in relation to the parties that have nominated them?
- What is the position of the independent candidates in relation to the electorate and the citizens?
- What is the position of the MPs who come from the minority ethnic groups?
- What is the position and how the young and female –MPs act? How regularly they attend the sessions and how active are they?

“The so-called disagreement between the normative and the real” is a real motive for the sociological research in all domains, starting from the very beginning of the pre-election, election process and determination of the electoral units and other assumptions about the parliamentary body, especially of the Assembly of the Republic of Macedonia. “Conflict of interests” is also a relevant occurrence which in the conditions of the so-called young democracy, but also within the so-called small state according to its geographic area and number of population, is not possible to systematically eliminate, but yet, there should be a tendency of its decrease.

The very fact that there is no awareness that the MP’s function is not an employment relationship, creates a situation for more frequent application of a long-lasting mandate, held especially by one and same person. It is also a case with numerous other functions in the bodies, committees etc. within the Assembly.

Certainly, it is not only about the above cited segments and issues, but maybe this social phenomenon should be more widely and extensively studied. However, in general, all segments mean relevant scientific theoretic definition, problem setting, and, certainly, empirical explanation and elaboration.

## **The legal nature of the MP’s mandate**

The legal nature of the MP’s mandate, according to the applied law in the Republic of Macedonia comes from the norms of the Constitution and the Rules and Procedures of the Assembly of the Republic of Macedonia which regulate the way of execution of the function, as well as the relation toward the citizens and electors, and also toward other subjects.

According to Article 62, Paragraph 3 and 4 of the current Constitution of the Republic of Macedonia the MP represents the citizens and in the Assembly he/she makes a decision upon his/her own conviction. The MP cannot be recalled but he/she can resign. The MPs are elected for a period of four years. According to the Constitution, the mandate of a person who has been previously a MP cannot be limited. According to this norm, some of the MPs have held such a position even 16 sequential years (4 mandates). Such presence and acting of some MPs in the Assembly of the Republic of Macedonia should be analyzed from the aspect of their efficiency.

Let's emphasize. According to Jean-Jacques Rousseau, "The better the constitution of a State is the more do public affairs encroach on private in the minds of the citizens. Private affairs are even of much less importance, because the aggregate of the common happiness furnishes a greater proportion of that of each individual." (p. 117). However, the author advocates recall of the representatives by the citizens. According to him, the executive power is not subject to the Social agreement, but to a law. In addition, the executive power is a servant to the people.

However, the eminent professor of Constitutional Law, Jovan Đorđević PhD underlined that "nobody was born to rule and has neither personal nor inherited right to conquer or occupy a governing position. It is the basic proposition of the entire democratic and political thought about the state, politics and governing" (p. 719).

In the "Constitutional Law and Political System" the content related to the mandate is placed in the chapter devoted to the Assembly of the Republic of Macedonia (page 375). This part does not contain appropriate definition of the mandate, but it indicates the opinion that "the MPs in the Assembly of the Republic of Macedonia represent the citizens in the Assembly, and they make decisions upon their own conviction". It is furthermore said that such mandate is free and representative. The authors also emphasize the following:

- MPs represent the citizens in entirety, not only their electoral unit,
- MPs enjoy independence in regard of their electorate and make decisions upon their own conviction,
- MP's mandate is irrevocable.

In our opinion, prior to determination of the nature of the MP's mandate, it is necessary to accept an appropriate and generally valid definition of the mandate.

The very expression "mandate" was originally defined and used in the economy. Later the word mandate acquired new meaning in the legal theory and political practice, where a question is posed about the legal nature of the mandate granted by the electorate to the elected person.

Furthermore, there is constantly important question: what is the relationship between the electorate and the elected representative? Does this relationship ends after the election, or it lasts for the entire mandate of that representative?

Depending on the nature of that relationship, we can distinguish two kinds of mandates: representative (free) mandate, and imperative mandate.

According to the concept of the representative mandate, the elected representatives represent the entire population, and the electorate has the right only to elect them. Today, the MP's mandate is almost present in all electoral systems. It is also in effect in the constitutional system of the Republic of Macedonia. However, it is a prevailing constitutional institution in most of the countries, compared to the imperative mandate.

According to the concept of the imperative mandate, the elected representatives keep a close contact with their electorate and they are obliged to give them an account for their work during their mandate. The electorate has the right to control the efficiency of their representatives as well as the right to recall them, in case they are not satisfied with their work.

Taking into account the empirical data, we hold that today when the MP's mandate is prevailing, the citizens have no possibility to completely execute their right of representative democracy, because the interests of the parties and a number of interest groups are dominant.

In fact, this kind of parliamentary and MP's mandate reduces the possibility for the citizens to influence the execution of the MP's function.

In general, this kind of MP's mandate (representative mandate) is more acceptable for many countries.

We, the authors of this paper, hold that the imperative mandate is more suitable for execution of the democratic rights of the citizens, because the representatives are closely connected to their electorate and the citizens. This kind of mandate allows the electorate to have a right to control the work of their representatives. In case they are not satisfied with the work of their representatives, they can recall them before their mandate is expired. Based on the above, this system is more suitable ground for application of various elements and practices of the immediate democracy.

According to the Constitution of the Republic of Macedonia, the Assembly of the Republic of Macedonia acts as a representative body of the citizens and it is a holder of the legislative power of the Republic. Accordingly, the representative represents the citizens and in the Assembly he/she makes a decision upon his/her own conviction. The representative cannot be recalled. The mandate, according to the constitutional provisions is representative one and it lasts for four years, during which time the representative cannot be recalled. However, he/she can resign.

According to the Constitution of the Republic of Macedonia, the representative democracy, especially regarding the institution of mandate, is very rigidly expressed, because there is no limitation of the mandate, except in few particular functions, which can lead to autocratic governance and can cause prevalence of the majority party (-es) in the Assembly, that is, the legislative power, followed by the other two powers: executive and judicial powers.

In the recent years there are atypical occurrences in the Republic of Macedonia which were not noticed so far as parliamentarian routine. For example, in the previous several years the Assembly was usually elected after two consecutive years, wherein the mandate was prolonged by a decision of the ruling parties. Then, in the last two years, the representatives (MPs) of the opposition parties did not participate in the operation of the Assembly.

Many years back there is a small number of independent MPs in the structure of the Assembly. It would be interesting to see the socio-professional structure of the MPs. It would be also interesting to analyse the socio-demographic features of the MPs regarding their age, origin, education etc.

The MPs in Macedonia are trying to find their place within the larger coalitions according to their dominant ethnic origin (Macedonian and Albanian).

According to the principles of the electoral legislation, many years back the importance of the smaller ethnic communities quoted in the Preamble of the current Constitution of the Republic of Macedonia is marginalized.

We should mention that the institution of mandate is not related only to the Assembly of the Republic of Macedonia, but also to other representatives of institutions, such as the executive power (officers), judicial power and the local self-government.

The mandate, besides all those powers, is also a present category in the institutions, that is, non-economic public services, in the non-governmental sector.

In the recent years, the mandate of particular positions, such as director, dean etc, that is, in the public services, is arbitrarily prolonged. The reasons for that are probably financially motivated, then, there is a desire for self-importance, but also, certainly, under the influence of the dominant party structures, and even of the executive power.

It seems that the rule and the governance in conditions of representative democracy is very attractive activity for many persons.

According to the historical experience, the long-term mandates and unlimited mandates present a solid ground for creation an oligarchic and non-democratic governing.

Generally, all of the above presented can be taken into account as a segment for a theoretical definition of the concept, and also for setting a relevant hypothetical framework or research questions which should be part of the empirical research. In the context of the study of the institution of mandate, we should also have in mind all other mandates from the sphere of the public power and governance.

## **About the political leadership**

In general, we do not set thesis about the leadership which limits the government bureaucracy, especially in Weber's sense of word. It is necessary for them to be articulated within the empirical research. The political leadership can be analyzed through the dynamics of the conflict and the power. That is, to empirically measure the influence of the political leadership through the real social changes, through the satisfaction and the fulfillment of the promises i.e. the projected expectations of the collectivity itself. (Burns, 1978; Koenen-Iter, 2005; Hariman, 1995).

## **Final considerations**

Based on all above cited, as well as the empirical records, we hold that it is necessary to take into account the following activities during the preparation of a concept and a project for scientific study of the institution of mandate:

- It is necessary to initiate a continual scientific research of the operation of the Assembly of the Republic of Macedonia as a legislative power.
- To initiate a scientific study of the organs of the executive power.
- To initiate a research on the functioning of the judicial power.
- To initiate a continual research on the functioning of the local government, first of all of the representative democracy and immediate democracy.
- To initiate a continual research on the functioning of the public services and non-governmental sector, at central and local levels.

- To initiate a study of the leadership in general. Also to conduct a comparative research on the different types of leadership, especially at central and local level.

The research of these phenomena will contribute to get immediate insight of the manner in which the institution of mandate functions in practice, as well as to get insight in the advantages and disadvantages of this institution, all in order to properly change some of its segments because of its better and more successful functioning.

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# **THE CHALLENGES OF LIBERAL DEMOCRACY IN THE NEW INTERNATIONAL CONTEXT: THE EUROPEAN UNION PERSPECTIVE**

## **Abstract**

This article investigates the challenges of the liberal democracy in the new international context, provoked by the emergence of the new great powers (Russia and China), and especially the establishment of the BRICS grouping in the world political scene. Namely, this article “clashes” the both paradigms of BRICS and the EU, in order to conclude their performances in relation to the values of liberal democracy. In that context, especially is stressed the liberal axiological set of the EU, as a postnational and postmodern entity, with typical soft power in the international relations. The EU soft power stems from its axiological set, which predominantly is composed by the values of liberal democracy. The new international context is characterized by the establishment of liberal and illiberal actors. The IR theorists treated the USA and the EU as main represents of the liberal democracy, whilst Russia and China, as illiberal democracies, or simply, autocracies. This article concludes the forthcoming challenges of the liberal democracy in the new international context, as well as the place, role and the international political capacity of the EU, in relation to its mission for safeguarding and advancement of the liberal democratic values.

**Key words:** EU, international relations, BRICS, liberal democracy

## **The EU postmodern nature and its axiological foundations**

**T**he permanent attempts for defining the role of the European Union (Union; EU) in the international relations, assumes the necessity for its constitution as a state (federation or confederation) or its stagnation in the form of atypical political community, as it is today. Therefore, if the EU would constitute itself as a state, we could speak about the political centralization of its powers and competencies and the building of an independent military capacity. Thus, the EU could become a real political actor recognized in the international relations in accordance with the modern or *realpolitik* concept. This concept refers to international relations, based on coercive power and on practical or material factors and considerations, rather than ethical and *axiological foundations*. **Apart from this, the EU highly affirms its axiological (value) foundations, creating the image of**

itself as a postmodern actor, which rather cooperates and communicates with other international actors, instead of forcing its way. In this sense, theorist Robert Cooper in the book “The Breaking of Nations” (2003), stated that: “what is called ‘modern’ is not so because it is something new – it is in fact very old fashioned – but because it is linked to that great engine of modernization, the nation state” (Van Damme, 2013: 2). Consequently, the EU is not a nation state, and therefore cannot be treated as a modern actor (Table 1). Consequently, several factors confirm the EU postmodern nature: “*first*, blurring of the distinction between foreign and domestic politics; *second*, voluntary mutual intrusiveness and mutual verification; *third*, a complete repudiation of the use of force in settling disputes; and *fourth*, security built on *transparency, mutual openness and interdependence*” (Grajauskas and Kasčiūnas, 2009: 4). More precisely, the postmodern foreign policy means a break with the modern concepts. In this sense, nationalism and national markets are “being increasingly replaced by cosmopolitanism and the globalized economy, national interest is complemented by humanitarian or environmental concerns, principles of non-interference and sovereignty are being undermined by the pooling of sovereignty, *realpolitik* is being complemented by ideational / normative / *axiological* considerations” (Grajauskas and Kasčiūnas, 2009).

**Table 1.**

	Modern foreign policy	Postmodern foreign policy
<b>Means</b>	Military instruments and hard power	Non-military instruments and soft (structural) power
<b>Actors</b>	Sovereign nation-states	Nation-states of contingent sovereignty, international (supranational) organizations, non-governmental actors
<b>Sovereignty</b>	Protective about sovereignty; avoiding mutual verification mechanisms	Less cautious about sovereignty; positive about transferring part of sovereignty to an international regime
<b>Raison d'état</b>	Emphasis on the nation state and on the defense of national interests (instead of values or norms)	<i>Emphasis on norms and values</i>
<b>Openness</b>	Efforts to minimize dependence on other international actors, as well as to maintain as more self-sufficient the political and the economic life as possible	Open to international cooperation and positive about increasing interdependence (seeing interdependence as a key to security)
<b>Centralization</b>	Substantial state control over the political, economic, and social life; tendencies of centralization	More pluralistic, democratic and decentralized domestically
<b>International law</b>	Skeptical about international law; predisposed to using force in international relations	Attaching great importance to international law (no fear of being bound by international legal norms)

**Source:** Grajauskas and Kasčiūnas (2009: 85) *Modern versus Postmodern Actor of International Relations: Explaining European Union - Russia negotiations on the New Partnership Agreement*, available at: [www.lfpr.lt/uploads/File/2009-22/Grajauskas\\_Kas-ciunas.pdf](http://www.lfpr.lt/uploads/File/2009-22/Grajauskas_Kas-ciunas.pdf)

Taking into account **the EU postmodern nature**, the author **Rokas Grajauskas** (2011) **underlined that** the EU “acts as an umbrella, placing EU Member States under a postmodern framework. When EU countries want to act in a ‘modern’ way, they go on their own. In other words, *in those areas where the EU is acting as a single actor, EU’s action is postmodern*” (Grajauskas, 2011). Today, this debate has “become less dominant in the integration literature and most scholars agree that the EU should be characterized as something in between an international organization and a federal state” (Rieker, 2007: 3). Otherwise, the postmodern states are “generally striving to establish a post-Westphalian order where state sovereignty is constrained through legal developments beyond the nation-state” (Sjursen, 2007: 2). Accordingly, in a post-Westphalian or postmodern world:

[F]oreign policy transcends the state-centric view of international relations, and there is a wider specter of foreign policy actors, ranging from nation-states of contingent sovereignty to international (supranational) organizations to non-governmental actors. Postmodern international actors are not interested in acquiring territory or using force and rather choose to build their security relationships on cooperative grounds. They prefer to use non-military foreign policy instruments and focus on soft power, as well as structural power. More generally, postmodern foreign policy tends to focus more on structures, contexts and immaterial aspects of power and influence (such as identity, beliefs, legitimacy) (Keukeleire and Jennifer McNaughton, 2008: 20).

As a result, the *affirmation of norms and values* is becoming equally important as the affirmation of national interest (*raison d’état*). Foreign policy in the Westphalian modern age, “was characterized by states as the main actors, by a clear distinction between foreign and domestic politics, by the protection of sovereignty and by the pursuit of national interest, power and *raison d’état* using mostly hard power, military means” (Grajauskas and Kasčiūnas, 2009: 4). As opposed to the modern concept, we can define the EU interest as a *raison de valeur* or a *value* interest, directly derived from its axiological foundations, stipulated in its constitutive treaties. Based on that, in the wider integration literature, the EU is mainly defined as a civilian, normative power or just soft power. Regarding the soft power, the author Frank Vibert (2008: 3) stressed: “soft power comes from international relations theory and refers to accomplishing international aims through *persuasion* and *co-option* rather than through the use of armed force or other forms of coercion such as the use of economic sanctions”. This confirms that the EU soft power stems from its axiological (postmodern) set, predominantly composed by the values of liberal democracy.

Consequently, the civilian / normative power model is the most adequate for defining of the nature EU as an actor, taking into account its determination for using *negotiations* and *persuasion*, based on its axiological foundations, not by a military means. Automatically, the EU cannot be defined through the prism of hard (military / coercive) power, because of the serious lack of the European army and military means for achievement of its international goals and objectives. According to Robert Kagan, the military deficit is one of the main deficiencies of the EU as an international actor, and a main obstacle for its positioning on the international political scene (in the new international context) as a hard power.

## The EU’s axiological foundations

Considering the EU’s axiological foundations, we will investigate the EU constitutive treaties, in order to extract and to reveal the axiological provisions regarding the EU

foreign policy. In this sense, the Lisbon Treaty prescribed the systematized *axiological (value) framework* that requires the EU and its Member States to affirm and to respect its values. Such values are not always named as “values” but sometimes referred to by terms such as “objectives”, “tasks”, “principles”, “duties” and so on, which have an indisputable axiological essence. The *Treaty on European Union* (TEU) specified the EU values in Article B, stating that the EU shall: “promote economic and social progress which is balanced and sustainable, in particular through the creation of an area without internal borders, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union, ultimately including a single currency in accordance with the provisions of this Treaty”. Likewise, the *Treaty establishing a Constitution for Europe* (TeCE) in Article I-2 listed the following *values*: respect for human dignity, liberty, democracy, equality, the rule of law, and respect for human rights, including the rights of persons belonging to minorities. This Treaty also confirmed the values of the previous *Treaty establishing the European Community* (TeEC), such as: “promotion of scientific and technological development, opposition to social exclusion, the promotion of social justice and social protection, equality between men and women, solidarity, the promotion of economic, social and territorial cohesion, and respect for cultural and linguistic differences”. Article 21 of the *Lisbon Treaty* (LT) noted that the EU’s actions on the international scene shall be guided by the principles which have inspired “its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the UN Charter and international law”. This article also confirms that the EU shall define and pursue its common policies and actions and shall work for a high degree of cooperation in all fields of international relations, in order to achieve the following *objectives*:

- (a) safeguard its values, fundamental interests, security, independence and integrity;
  - (b) consolidate and support democracy, the rule of law, human rights and the principles of international law;
  - (c) preserve peace, prevent conflicts and strengthen international security, in accordance with the purposes and principles of the UN Charter
- (...) promote an international system based on stronger multilateral cooperation and good global governance.

On this basis, the Union itself finds as a “savior” of humanity and the fundamental axiological system of the western civilization in the new millennium, while propagating its concept of principled, constructive and effective multilateral world order, constituted on the mutual respect, international cooperation and global solidarity. But, despite the EU’s liberal and democratic *weltanschauung*, the forthcoming international context seems more complex and not so cooperative. In that sense, in the text below we will try to introduce BRICS (Brazil, Russia, India, China and the South African Republic) grouping, as a paradigm of the emerging international context, in order to compare / challenge it with the EU’s liberal - democratic *weltanschauung*.

## The new international context and the emergence of BRICS

The BRICS is a relatively young grouping of nations and fast-growing economies. At first, the foreign ministers of the initial four BRIC nations (Brazil, Russia, India and

China) “met in New York City in September 2006, beginning a series of high-level meetings” (BRIC summit, 2009). The BRIC diplomatic meetings focused on international challenges and “on joint efforts to fight the global economic crisis” (Lukin, 2009). The leaders of the BRIC nations got together for the first time “on the side-lines of a G8 summit at Tokyo, Japan, in July 2008, and soon after that [...] Russian President Medvedev said during a visit to Rio de Janeiro that BRIC leaders would like to have a separate summit in Russia” (Lukin, 2009). The Republic of South Africa (RSA) joined the group in December 2010 and BRIC finally became BRICS. As a curiosity, Jim O’Neill, a senior economist at Goldman Sachs, proposed the very acronym BRIC, using it “to denote the four major fast-growing economies, the combined power of which might exceed that of the West sometime in the future – Brazil, Russia, India, China [and later South Africa]” (Lukin, 2009). The BRICS group is constituted on the following documents: 1) First Joint Statement; 2) Second Joint Statement; 3) Sanya Declaration; 4) Delhi Declaration; 5) eThekweni Declaration; and 6) Fortaleza Declaration (BRICS Information Centre, 2015).

At the First Summit (2009) held in Yekaterinburg (Russia), the BRIC nations stated: “We are convinced that a reformed financial and economic architecture should be based, *inter alia*, on the following principles: 1) democratic and transparent decision-making and implementation process *at the international financial organizations*; 2) solid legal basis; 3) compatibility of activities of effective national regulatory institutions and international standard-setting bodies; and 4) strengthening of risk management and supervisory practices. Regarding this statement, it can be concluded that the principle of democracy is affirmed only in terms of international financial organizations and their structuring and functioning, urging for a greater involvement of the BRIC nations in them. The Second Summit (2010) held in Brasília (Brazil), promoted the need “for corresponding transformations in global governance in all relevant areas”. At this Summit (2010), the BRIC nations underlined their support and will to create “*multipolar, equitable and democratic world order*, based on international law, equality, mutual respect, cooperation, coordinated action and *collective decision-making of all States*”. This is illustrative example of how the BRIC(S) political elites understand democracy. Democracy is understood as legitimacy for equal participation in the world affairs, based on the sovereignty rights of all states. This stance is in compliance with the Russian (semi - autocratic sovereign democracy concept) and Chinese (autocratic) understanding of international relations. While, the term multipolar is used as legitimacy basis of such reasoning, hoping that Russia and China will impose themselves on the international political scene as great powers, entitled to its share in the international affairs, as a separate political poles (as opposed the USA and the EU). The Sanya Declaration (2011), promulgated on the Summit held in China, acknowledged that the BRICS (and other emerging and developing countries) “have played an important role in contributing to world peace, security and stability, boosting global economic growth, enhancing multilateralism and promoting greater democracy in international relations”. While, at the Summit held in India on 29 March 2012, BRICS nations adopted the Delhi Declaration (2012) emphasizing their vision for “global peace, economic and social progress and enlightened scientific temper”, as well as the urgent need for greater involvement of the emerging and developing countries in the institutions of global governance (especially in the UN). Shortly after, at the Durban Summit (2013) South Africa, BRICS nations adopted the eThekweni Declaration, reaffirming their commitment to the “promotion of international law, multilateralism and the central role of the United Nations”, and stressing the BRICS contribution in the maintenance of “global

peace, stability, development and cooperation". And finally, the Fortaleza Declaration (2014), adopted at the BRICS Summit held in Fortaleza (Brazil) 15-16 July 2014, reaffirmed their views and commitments to "international law and to multilateralism [...] global peace, economic stability, social inclusion, equality, sustainable development and mutually beneficial cooperation with all countries". The BRICS nations emphasized that they align with the UN system and values, while seeking to enhance the role of its members in it, especially their efforts for strengthening Brazil, India and South Africa's status and role both in the UN and international affairs. This stance is previously defined at the Second BRICS Summit (2010), stating: "We express our strong commitment to multilateral diplomacy with the UN playing the central role in dealing with global challenges and threats. In this respect, we reaffirm the need for a comprehensive reform of the UN, with a view to making it more effective, efficient and representative, so that it can deal with today's global challenges more effectively. We reiterate the importance we attach to the status of India and Brazil in international affairs, and understand and support their aspirations to play a greater role in the UN". The Fortaleza Declaration (2014) confirmed this with the following statement: "We reiterate our strong commitment to the UN as the fundamental multilateral organization entrusted with helping the international community maintain international peace and security, protect and foster human rights and promote sustainable development (...) We reaffirm the need for a comprehensive reform of the UN, including its Security Council, with a view to making it more representative, effective and efficient, so that it can adequately respond to global challenges".

## The inner divergences

Considering the inner state, the value systems of one part of the BRICS nations are in contradiction with the other part of the BRICS. Some of them accept the values of the liberal world order (democratic freedoms and human rights, identical to those of the US and EU), while others; anticipate more or less autocratic, illiberal values. Only Brazil, India and the Republic of South Africa (RSA) can be considered as states that highly appreciate today's liberal order values. Russia and China are different from the other states. Both states seek to improve their political, economy and military performance, seeking to gain power to impose their influence on the international political scene. Moreover, the creation of a BRICS common value system would appear to be a luxury for Russia and China, and an obstacle to the intensification of their political, economic and military power. The Director of EU-Russia Centre in Brussels, Fraser Cameron (2011), acknowledged: "two democracies, Brazil and India [and later the RSA], a democracy with authoritarian leanings [Russia] and an outright authoritarian state [China] cannot rally around the 'shared values' that such gatherings like to espouse" (Table 2). The grouping of India, Brazil and South Africa is a "much more natural grouping" (Stern, 2013), compared to Russia and China, as stressed by the former Ambassador of India in Brazil, Amitava Tripathi. BRICS is "heterogeneous lot, consisting of energy exporters and importers, democracies and autocracies, aspiring hegemony and demographic disasters. This is not an easy group to keep together, and the evidence suggests that they don't have much of a common policy agenda" (Drezner, 2009). The heterogeneity of this group is especially evident in the sense of freedom and liberty (as highest liberal democratic values). According to the Freedom House Report (2015), Brazil (2.0), India (2.5) and South Africa (2.0) have status "Free", while China (6.5) and Russia (6.0) have acquired status "Not Free". As opposed

to Russia and China, Freedom House Report ranked the USA and the EU Member States with highest freedom rates (Table 3). Each country score is based on two numerical ratings (from 1 to 7) for political rights and civil liberties, with 1 representing the *most free* and 7 the *least free*.

**Table 2.**

DEMOCRACIES	AUTOCRACIES
Brazil	Russia
India	PR China
South Africa	
Source: <i>own depiction, based on the statement of Fraser Cameron (Director of the EU-Russia Centre in Brussels)</i>	

**Table 3.**

COUNTRY / EU MEMBER STATE	STATUS	FREEDOM RATING
USA	Free	1.0
Austria	Free	1.0
Belgium	Free	1.0
Bulgaria	Free	2.0
Cyprus	Free	1.0
Croatia	Free	1.5
Czech Republic	Free	1.0
Denmark	Free	1.0
Estonia	Free	1.0
Finland	Free	1.0
France	Free	1.0
Germany	Free	1.0
Greece	Free	2.0
Hungary	Free	2.0
Ireland	Free	2.0
Italy	Free	1.0
Latvia	Free	2.0
Lithuania	Free	1.0
Luxembourg	Free	1.0
Malta	Free	1.0
Netherlands	Free	1.0
Poland	Free	1.0
Portugal	Free	1.0
Romania	Free	2.0
Slovakia	Free	1.0
Slovenia	Free	1.0
Spain	Free	1.0
Sweden	Free	1.0
United Kingdom	Free	1.0

**Source:** *Freedom in the world 2015: Discarding Democracy: Return to the Iron Fist*, Freedom House Report, <https://freedomhouse.org/report/freedom-world/freedom-world-2015#.VmHkrF7p7IU> (accessed 2015)

The political scientist Robert Gilpin emphasized that as a nation's power increases; it "will be tempted to try to increase its *control* over its environment. In order to increase its own security, it will try to *expand* its political, economic, and territorial control; it will try to *change* the international system in accordance with its particular set of interests" (Zakaria, 2008: 114). It was stated (Financial Times, 2012) that the more BRICS become part of the "globalised world the more they want to keep their distance from western values. It is both a matter of identity and interest because they fear that the infringement of sovereignty might be used against them". Or as Ben Cormier (2012) acknowledged: "BRICS are too economically various and politically conflictual to form a cohesive and politically meaningful entity". The BRICS thus looks like a club that seeks to protect the political sovereignty of its states, in relation to the liberal West (USA and EU), aiming to gain more political and economic influence in the international affairs. Based on that, it can be concluded that three (Brazil, India, RSA) of five BRICS nations share same or identical values with those of the EU and USA (liberal values), which additionally make this group of nations more controversial in terms of common values. The liberal order currently "overrides state sovereignty, to a certain degree, in the name of values such as democratic freedoms and human rights" (Cornier, 2012). The political integration of BRICS is something that will have to wait a while, considering the evident political and value divergences inside. Or as is stated in the "Laying the BRICS of a New Global Order" (Bohler-Muller and Kornegay, 2013): "complicating this mix is an absence of long-term commitment to shared values among the BRICS nations. The concept of a world built on interdependence may be acceptable in the context of economic interaction, but there is a lack of consensus on the extent to which the BRICS wish to cooperate in the political sphere.

There are differences in the political, economic and social paradigms that individual BRICS members are willing to follow. Simply speaking, in this group there are *no* common values or a value-sharing practices, that would produce political cohesion or a unique worldview in due time. Or as the author Walter Ladwig emphasized: "[BRICS] economic characteristics are too different and political ambitions too much at odds to yield cooperation" (Cornier, 2012).

## Conclusion

The EU foreign policy derives its own legitimacy from the values installed in its constitutive treaties, as its axiological foundations. Moreover, this kind of axiological construction of the EU foreign policy is supplemented by its postmodern nature, which highly differentiates the EU in relation to other international actors, especially the states. Taking into the nature and the worldview of the EU, we can conclude that the EU constitutive treaties contain a set of values (axiological foundations) which promotes and affirms cooperation instead of conflict, and also, respect for international law instead of the power politics (hard power: *realpolitik* or *machtpolitik*). Unlike the other international actors (the states, in particular), which promotes the national interest or *raison d'état*, moreover, the EU possesses *raison de valeur* or *value* interest, which is directly derived from its axiological foundations, established in the constitutive treaties. Moreover, the axiological foundations of the EU, also represents and the power source - the source of its soft power. Many theorists noted that such axiological foundations of the EU foreign policy, enables an opportunity for promoting a good global governance and liberalization / democratization of the international relations, in order to remodel / transform the current

world order in a new, more just, more democratic and a more cooperative world order. Those values make the EU foreign policy distinctive and authentic in comparison with other international actors on the international political scene, and thus, emphasizing its axiological engagement in the international relations.

Whereas, the value provisions of the BRICS do not coincide with the basic values of the liberal order and to the EU liberal – democratic worldview, but they refers to the values of the UN. The BRICS has no authentic set of values, and therefore, this group emerges as a derivative title of values. Moreover, it is complicated by the internal divergences among the BRICS nations, in terms of internal value harmony or disharmony and their potential for sharing of the mutual values. The BRICS is internally “stretched” between the liberal vs. illiberal value trends, which basically disables all attempts to create a coherent political structure and common values system. The type of democracy to which implies this group, refers only to the need for strengthening of its presence in the UN and other global financial institutions, as a way for imposing the international political power of specific BRICS nations on the world political scene. Precisely, it refers to Russia and China. Under the leadership of Russia and China, this group is heavily geared towards the strengthening of its influence in the UN, and strengthening of the sovereign powers of its constitutive nations, making an efforts to reform the international financial system, and building a new, parallel financial institution, aiming, these nations to grow into global political power centers, despite the USA and the EU. Currently, all efforts of the BRICS nations are directed towards the creation of BRICS’ New Development Bank, as a counterpart of the International Monetary Fund. However, founding of a political organization, based on common values, interests and political power “patterned after NATO or the EU, is impossible. China, India and Russia are competitors for power in Asia, and Brazil and India have been hurt by China’s undervalued currency. Thus BRIC is not likely to become a serious political organization of like-minded states” (Bohler-Muller and Kornegay, 2013). On that basis, it can be concluded that BRICS seriously lacks an authentic set of common values, even in a rudimentary form. However, the BRICS cooperation is an important phenomenon in terms of the future development of international relations, especially in terms of their decentralization and pluralization.

Taking into account the EU perspective, the new international context seems to become more complex and confusing for understanding, and more heterogeneous one, composed of various pro-active actors (USA, BRICS, Russia and China), and also less liberal compared to the present. One of the main challenges of the EU for the future will be transformation of its power in a more *hard power direction*, in order to consolidate itself as a pro-active keeper of the liberal democratic values of the West, in the face of incoming autocracies such as Russia and China. Today liberal democracy is challenged by the incoming autocracies, but its sustainability for the future, will directly depend of the international role and activity of both the USA and the EU.

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## **MACEDONIA'S COMPLIANCE WITH EU POLICIES AND REGULATIONS FOR IRREGULAR MIGRATION AND ASYLUM**

### **Abstract**

Migrants and refugees coming from Africa, the Middle East, and South Asia have presented European leaders and policymakers with their greatest challenge since the Europe's economic crisis. Mediterranean external borders of the EU have been largely affected with tragic events and overwhelming management of huge migration flows, which in the last two to three years have changed their course through the territory of western Balkan countries. In 1999, the Heads of State and Government agreed that all EU MSs should share the responsibility for the refugees and irregular migrants; unfortunately, until today, an establishment of a single unified European asylum system based on the principle of shared-burden and solidarity is still waiting for execution. The paper, following an extensive documents review and analysis, attempts to presents in structured manner, the European Union policies and regulations, and poses the question on to what extent Macedonia, as one of the western Balkan countries affected by huge number of illegal immigrants, is in compliance with certain EU migration policies and regulations. The paper concludes that EU immigration legal framework documents *de facto* reflects the whole rigidity and the failure of the European bureaucratic labyrinths as well as the EU legal inertness and cumbersome operational migration policy; it states some main concerns in relation to the development of the EU migration and asylum policies in the near future. In the case of Macedonia, it argues upon its position in the current migration flows and its main actions and responsibilities in complying with EU regulations and policies.

**Key words:** migration, asylum, EU, compliance, Macedonia.

### **Introduction**

Western Balkan, as a region surrounded by EU MSs, continue to be largely a transit area for irregular migratory flows between different MSs and Schengen Associated Countries (FRONTEX, 2014). The ongoing dynamics of war conflicts in Syria and Iraq represents a source and main cause of the increased number of migrants transiting the western Balkans on their way to EU MSs as their final destination. These increased movements have significantly affected transit countries, especially Turkey, Greece, Serbia and Macedonia. There are several illegal migration routes identified; Frontex data from 2015 (comprising the period from January to September) revealed alarming numbers nearly identical as previous year however for a period of only eight months for the same routes.<sup>1</sup>

The number of intentions to request asylum has been an indicator for the number of people crossing the Macedonian territory. After the adoption of the amendments of the Law on asylum and temporary protection in 2015, the category of 'intention to request asylum' was introduced (Law on Asylum and Temporary Protection 101/15) and since then, the Ministry of Interior reports regularly the number of issued intentions to request asylum. Since 19<sup>th</sup> of June until 31<sup>st</sup> of October this year, 200 238 intentions were issued to foreign nationals, whereas since that date, there were only 70 asylum requests, based on the previously issued intention.<sup>2</sup>

Taking in consideration the position of Macedonia as a transit country for migrants progressing towards western Europe on one side, and its EU accession status on the other, the paper poses the question of whether and to what extent the country's regulatory framework is in compliance with the EU measures in the area of irregular migration and asylum policies by utilizing a simplified comparative approach. The methodology applied is based upon a double field of intervention: EU (international) - scrutinizing the irregular migration and asylum *acquis* in general, and EU directives and regulations; and the Macedonian (local) - transposition efforts by the target country to resemble the EU *acquis* in these two policy areas. By investigating the transposition effectiveness in Macedonia, the subject of analysis in the paper are the Directives which the target country is obliged to incorporate into the domestic legislation as part of the EU accession process. In addition, the paper also takes in consideration the International agreement concluded with the country to strengthen the cooperation in combatting illegal immigration. In this regard, the paper covers 4 policy topics from irregular migration policy area: securing EU external borders, return procedures, combating smuggling, and readmission procedures; as well as 4 policy topics encompassed in the common European asylum policy area: applicants' reception conditions, general common procedures for granting international protection, definition of refugee status (qualification) and granting temporary protection. We also analyse the identification and examination of applicants as part of the asylum policy on EU level, without doing an analysis on local level, as the policy topic is regulated primarily with Regulations which are applicable only to EU MSs.

## **A brief overview of EU migration and asylum policies**

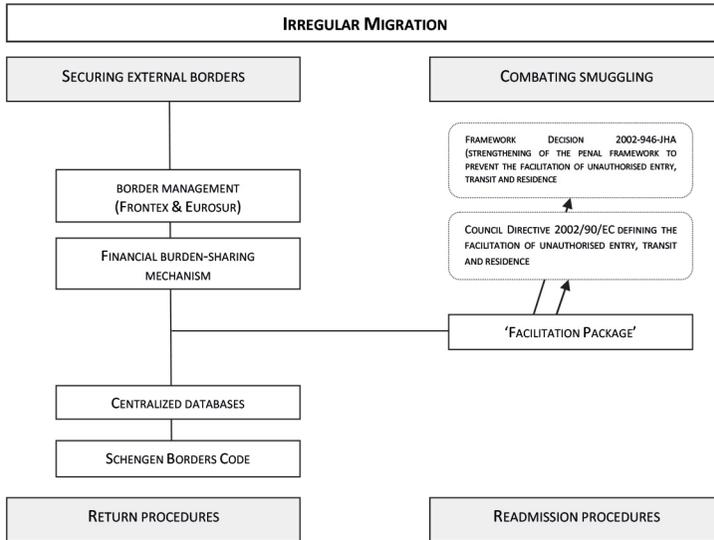
When we analyse population movements in Europe, we see two different general concepts: 1) open borders and free movement of persons (regular migration movements) within the EU; and 2) closed borders, highly control external borders, known as creation of a "Fortress Europe" (securing external borders, irregular migration and asylum). The thesis of "Fortress Europe" (Gaddes, 2000) is formulated from the widespread view that European integration in general and the common EU asylum and refugee policy in particular, has a negative impact on protection regimes in Europe, making it more difficult for migrants to reach Europe. The European Union's asylum initiatives have often been seen as sitting somewhat uneasily with the overwhelmingly economic nature of the European integration project (Guild, 2006). Chalmers (2006: 606) notes that the common policy towards non-EU nationals 'has been framed to a large extent by the economic benefits or costs these are perceived to entail'.

Considering the two general concepts, we are analysing policies and regulations which are essential elements of the thesis of "Fortress Europe", thus distinguishing between: 1) irregular migration; and 2) asylum policies and regulations.

## Irregular migration and the security of EU external borders

EU policies and regulations towards combating irregular migration are divided between four different policy areas (as described in Figure 1).

**Figure 1.** Four policy areas regulating irregular migration



The Schengen area as a single area without internal border checks certainly requires a common policy on external border management; therefore the EU sets out to establish common standards with regard to external borders controls and an integrated system for the management of these borders. Such Schengen external border *acquis* (building on the original *acquis* incorporated into the EU legal order by the Treaty of Amsterdam) comprises broad range of measures regulating external borders crossing and conditions for reintroduction of internal borders checks (Schengen Borders Code)<sup>3</sup>, financial burden-sharing mechanism<sup>4</sup>, establishment of centralised databases<sup>5</sup>, set of measures (known as the Facilitators Package) designed to prevent and penalise unauthorised entry, transit and residence and measures geared towards operational cooperation in border management<sup>6</sup> (Frontex and Eurosur). The Schengen Process as a central element of the Europeanization of migration policies and Frontex the product of this process. The scholarly interest attracted by Frontex has mainly seen the agency as an object of policy study in the field of security and the study of the European harmonization process in the area of Justice and Home affairs; however studies and debates have given Frontex a significant role in migration issues as well (Kasperek, 2010).

In 2002, the EU adopted rules to clamp down on migrant smuggling.<sup>7</sup> Moreover, the EU has also adhered to the UN Protocol against the Smuggling of Migrants by Land, Air and Sea, supplementing the United Nations Convention against Transnational Organized Crime.<sup>8</sup> The Commission is currently evaluating the effectiveness of the EU legislation on migrant smuggling, expecting results of the evaluation towards the end of 2015. After the tragic Lampedusa events two years ago, the Task Force Mediterranean and stressed

the need for a comprehensive EU Action Plan against Migrant Smuggling<sup>9</sup>, an idea which has been developed into an Action Plan (European Commission, 2015) as part of the European Agenda of Migration adopted by the EC in May 2015. In this action plan the Commission pledges for improvements of the existing EU legal framework to tackle migrant smuggling (of the so called 'Facilitators package') in 2016.

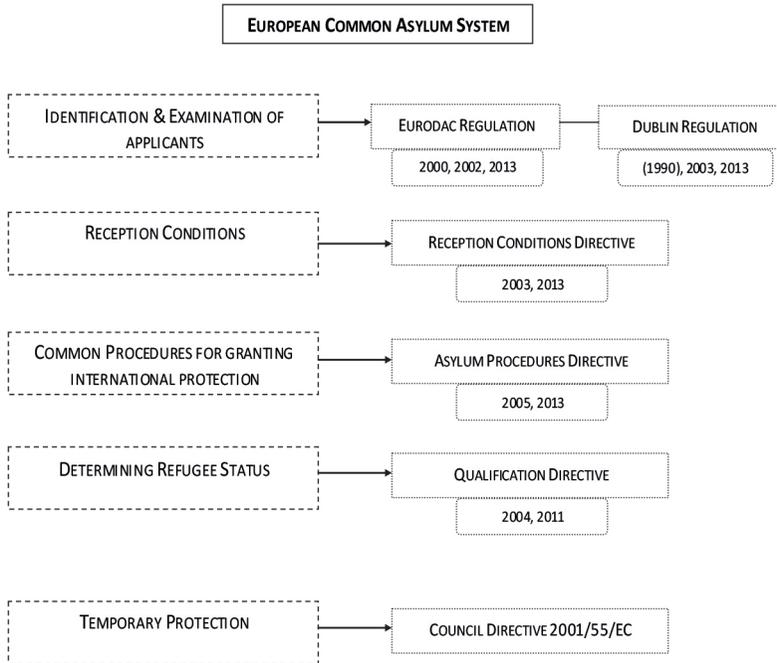
The readmission agreements are actually established procedures for deportation of non-EU citizens who without consent and approval of the home country are present on EU territory or they illegally transit. Their origin can be found in the Directive 2008/115/EC of the European Parliament and of the Council on common standards and procedures in MSs for returning illegally staying third-country nationals based on the Tampere European Council in 1999 establishing a coherent approach in the field of immigration and asylum, dealing together with the creation of a common asylum system, a legal immigration policy and the fight against irregular migration.

The Common standards of return (so called "Return Directives") were agreed by the EU MSs and entered into force in 2010. They specify common rules for the return and removal as well as use of coercive measures, detention and re-entry of the persons concerned.<sup>10</sup>

### ***Common European asylum policy***

The aim of the common European asylum policy was officially projected more than 15 years ago. In the fall of 1999, the Heads of the States and Government of the 15 MSs then were still under the impression of refugee movements caused by the wars in the former Yugoslavia and agreement was made that all EU MSs should share the responsibility for the refugees and irregular migrants coming to the EU. The common European asylum policy has been under a huge test for several years, becoming widely popular discussion topic with the 'refugee crisis' this year.

Between 1999 and 2005, an adoption of several legislative measures harmonising common minimum standards for asylum has been carried out (European Refugee Fund, in 2001, the Temporary Protection Directive and the Family Reunification Directive applying also to refugees). This was known as the first phase, upon which a public consultation was carried out based on a 2007 Green Paper on the future Common European Asylum System (European Commission, 2007). In June 2008 a European Commission's Policy Plan on Asylum as an integrated approach to protection across the EU was presented (European Commission, 2008). The plan was composed of three pillars: 1) bringing more harmonisation to standards of protection by further aligning the EU States' asylum legislation; 2) effective and well-supported practical cooperation; 3) increased solidarity and sense of responsibility among EU States, and between the EU and non-EU countries. Consequently, the corpus of rules deriving from these three pillars has been set; it comprises a number of directives and regulations. For more clear and structured presentation in this paper (see Figure 2), these legal instruments have been divided according to the issues they cover and regulate. Several specific issues arise: 1) identification and examination of applicants; 2) applicants' reception conditions; 3) general common procedures for granting international protection; 4) definition of refugee status (qualification); and 5) granting temporary protection.

**Figure 2.** Structure of the European Common Asylum System

### Compliance assessment with the EU migration and asylum *acquis*

The foundation on which the countries of the western Balkans and the European Union cooperate on policies related to migration and asylum is the Stabilization and Association Process (SAP). In the case of Macedonia, the contractual relationship with the EC was initiated in 2001 with the signing of the Agreement. The emphasis in the Agreement, in regards to migration, was placed on prevention and control of irregular migration as well as readmission of nationals of other countries and stateless persons. In addition, the consultation and cooperation efforts were concentrated on assistance in drafting the necessary legislation, best practices of controlling and protecting the borders, as well as enhancing the efficiency of the institutions charged with fighting and preventing crime and combating trafficking in human beings. In the area of asylum, the cooperation between Macedonia and the EC was propelled towards development and implementation of national legislation in order to meet the standards of the 1951 Geneva Convention relating to the status of refugees and ensuring respect of the principle of *non-refoulement* (Council of the EU, 2001).

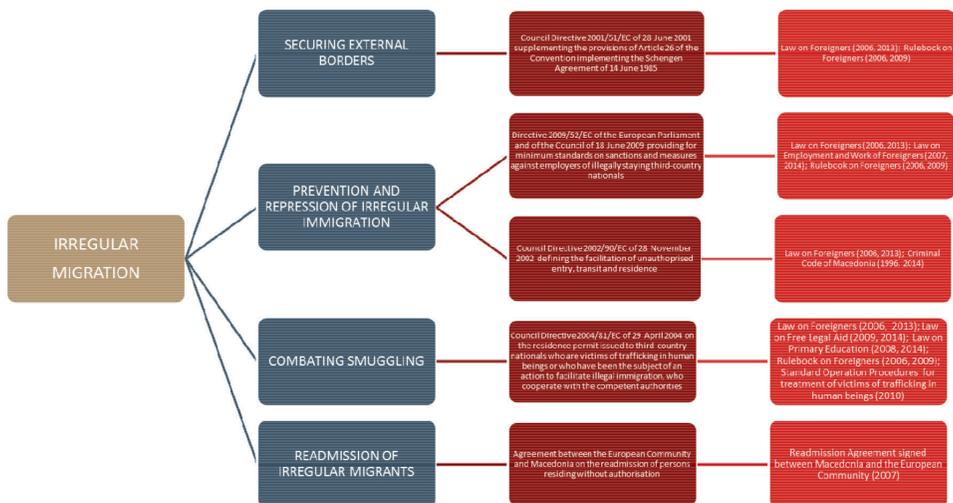
Within the SAP framework, the Visa liberalisation dialogue between the EC and Macedonia contributed immensely on further alignment with the EU *acquis* in this area. The country-specific process structured in four blocks contained set of measures covering wide range of issues from document security, public order and security and external relations. One specific block of measures related to increased compliance and implementation of legislation in the area of irregular migration, including readmission and asylum.<sup>11</sup>

## Irregular migration

On a policy level, in 2009, the Assembly adopted a 5-year strategic policy document indicating the state of affairs, problems and measures regarding migration management, including irregular migration. The Resolution on Migration Policy 2009–2014 consequently determines the principles, elements, criteria and presumptions of the migration policy, as well as the migration processes and return policy in Macedonia (Resolution on Migration Policy of Macedonia 2009-2014). Currently, the Macedonian Government is in the process of preparing a new Resolution corresponding to the period 2015-2020 in which it projects the challenges the country is facing, and possible solutions in light of the European migrant crisis. In addition, Macedonia is implementing the National Strategy for combating trafficking in human beings and illegal migration 2013-2016 in order to comply with the EU directive 2011/36/EU which sets out minimum standards in preventing and combating trafficking in human beings and protecting victims.

Regarding alignment with the EU *acquis* on legislative level, Macedonia has shown its commitment in applying comprehensive legal framework in the area of irregular migration legislation, and taking concrete step in fully transposing the directives in national legislation. Besides the country's evidenced progress towards overall compliance, still, Macedonia is partially compatible with the EU *acquis* in the area of irregular migration. Figure 3 below shows a comprehensive overview of Macedonia's legal framework in comparison with the EU policies and regulations in the field of irregular migration.

**Figure 3.** EU vs Macedonian legal framework in the field of irregular migration



Subject of our analysis are the following directives:

- Council Directive 2002/90/EC of 28 November 2002 defining the facilitation of unauthorised entry, transit and residence;
- Council Directive 2004/81/EC of 29 April 2004 on the residence permit issued to third-country nationals who are victims of trafficking in human beings or who have been the subject of an action to facilitate illegal immigration, who cooperate

with the competent authorities;

- Directive 2009/52/EC of the European Parliament and of the Council of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals; and
- Council Directive 2001/51/EC of 28 June 2001 supplementing the provisions of Article 26 of the Convention implementing the Schengen Agreement.

The Directives that tackle the issue of irregular migration in the EU, in the context of Macedonia, are being transposed primarily to the Law on Aliens and the associated implementing legislation.

In accordance to the Directive 2002/90/EC, the Law explicates the circumstances under which one's entry and residence will be considered unauthorized by the Macedonian authorities as well as punishments and fines for entities' that assist a foreigner to illegally enter, reside and/or transit the country. In order to more efficiently combat illegal migration and trafficking in human beings, aspects of the Directive are transposed in the Criminal Code of Macedonia (specifically, article 418-a, 418-b and 418-c). Having in mind the purpose of the Directive, to provide a definition of the facilitation of illegal immigration and to render more effective the implementation of framework Decision 2002/946/JHA (see Figure 1), substantial legislative alignment has been carried out to ensure that the national legislation is in line with the Decision. The Law on Aliens and the Criminal Code were amended in several occasion due to further alignment with the Decision and contains provisions which lay down the criminal penalties including confiscation of any real estate and the transport vehicles used to commit the offence, procedure and prohibition of deportation, as well as liability and sanction of legal entities.

Provisions from article 418-d regarding trafficking in minors' places special emphasis on their protection and minimum penalties for the perpetrators. Furthermore, extraordinary rules and protections have been introduced for unaccompanied minors who seek entry in Macedonia. These provisions are in line with the Council Directive 2004/81/EC. Further alignment with this Directive is accomplished with provisions regulating deprivation (non-renewal and withdrawal) of the right to temporary residence.

In regards to further prevention and repression of irregular migration, the Directive 2009/52/EC to a great extent, has been transposed in the Law on Employment of Foreigners and the Law on aliens. The Law on aliens specifies penalties for assisting an alien to illegally reside in Macedonia.

Compliance with the Council Directive 2001/51/EC supplementing the provisions of Article 26 of the Convention implementing the Schengen Agreement is achieved with the Law on aliens and more specifically, provisions from article 22 which regulates the carriers' liabilities.

With the objective to strengthen the cooperation to combat illegal immigration more effectively, Macedonia and the EC, in September 2007, signed the Agreement on the readmission of persons residing without authorisation.<sup>12</sup> The Agreement regulates the readmission obligations on both contracting parties. Concerning the obligation on the Macedonian side, the Agreement states that the country shall readmit, upon application by a MS and without further formalities all persons who do not, or who no longer, fulfill the legal conditions in force for entry to, presence in, or residence on, the territory of the requesting MS provided that it is proved, or may be validly assumed on the basis of *prima facie* evidence furnished, that they are nationals of Macedonia. Furthermore, Macedonia has the obligation to readmit third country nationals and stateless persons in cases when:

(a) the person concerned holds or at the time of entry held, a valid visa or residence permit issued by Macedonia, or (b) illegally and directly entered the territory of the MS after having stayed on or transited through the territory of Macedonia. Exemptions from these obligations are provided in the Agreement. Other sections of the Agreement contain provision governing the readmission procedure, transit operations, costs, data protection and non-affectation clause.

## *Asylum*

The cornerstone of the Common European Asylum System is the Dublin System, constituted by the Dublin and Eurodac Regulation, and their implementing provisions. This system regulates the criteria and mechanisms for determining MS responsibility for examining an asylum application and establishes a EU asylum fingerprint database. The implementation of the Dublin system requires full membership in the EU, therefore, is only applicable once Macedonia becomes a MS. In this sense, the accession process serves as a preparatory period for full harmonization with these Regulations, subject to frequent changes especially in recent times due to the European migrant crisis. However, preparation work resembling recruitment and training of staff to operate the national infrastructure of the Eurodac system; as well as to advance compliance related to the common principles and standards of the Dublin regulation. The amendments to the Law on aliens in 2010 provided the necessary legal framework for the establishment of a national database for foreigners, covering data on asylum, migration and visas.<sup>13</sup> A separate chapter in the Law on Asylum is devoted to the regulating the process of processing, usage, exchange and protection of the data from the integrated database for aliens, including data on asylum, migration and visas.

The Law on Asylum and Temporary Protection and accompanying subordinate legislation is the main source of compliance with the EU asylum *acquis*. Taking in consideration the frequent changes and revision of the asylum *acquis* on EU level; financial burden on accession countries to establish and implementing asylum related reforms, and finally, the phase of accession, the Macedonian legislation is to a great extent complied with EU standards and regulation primarily in the policy areas of common procedures for granting international protection, determining refugee status, temporary protection and reception conditions.

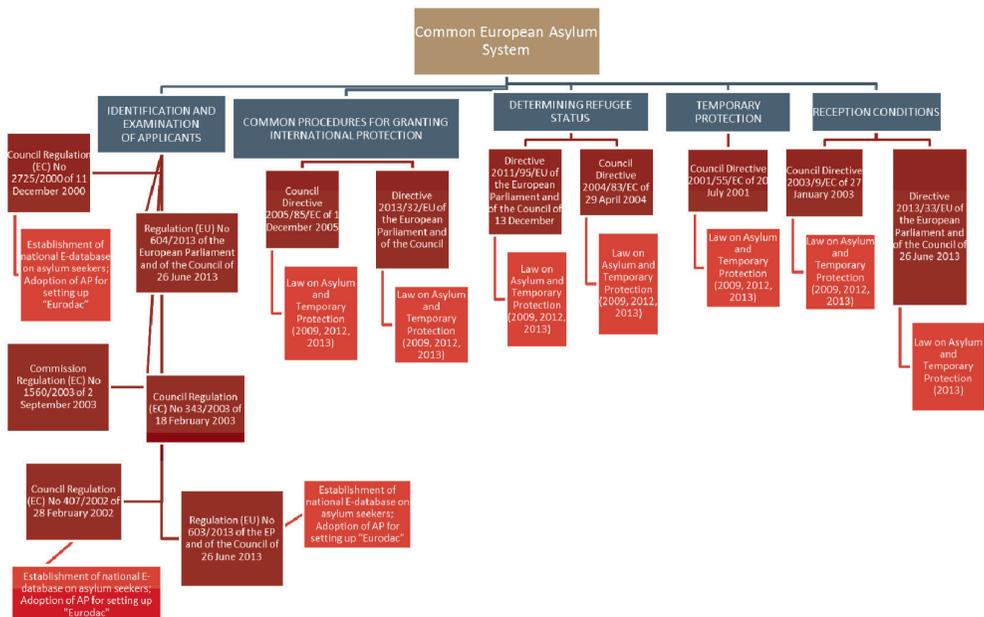
The following directives have been taken in consideration in determining the extent of compliance in Macedonia:

- Council Directive 2005/85/EC of 1 December 2005 on minimum standards on procedures in MSs for granting and withdrawing refugee status;
- Directive 2013/32/EU of the European Parliament and of the Council of 26 June 2013 on common procedures for granting and withdrawing international protection;
- Directive 2011/95/EU of the European Parliament and of the Council of 13 December 2011 on standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection, and for the content of the protection granted;
- Council Directive 2004/83/EC of 29 April 2004 on minimum standards for the

qualification and status of third country nationals or stateless persons as refugees or as persons who otherwise need international protection and the content of the protection granted;

- Council Directive 2001/55/EC of 20 July 2001 on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between MSs in receiving such persons and bearing the consequences thereof;
- Council Directive 2003/9/EC of 27 January 2003 laying down minimum standards for the reception of asylum seekers; and
- Directive 2013/33/EU of the European Parliament and of the Council of 26 June 2013 laying down standards for the reception of applicants for international protection.

**Figure 4.** EU versus Macedonian legal framework in the field of asylum



Macedonia is sufficiently aligned in regards to the directives concerning the procedures for granting and withdrawing international protection. The alignment efforts were focus primarily on the Asylum Procedure Directive rather than on its recast directive. In this sense, it is important to stress that the recast directive on common procedures for granting and withdrawing international protection 2013/32/EU was adopted on 26 June 2013; with a deadline of transposition for MSs set on 20 July 2015.

The Law on Asylum and Temporary Protection defines the asylum seeker as an alien who seeks protection in Macedonia, and has submitted an application for recognition of the right to asylum, in respect of which a final decision has not yet been taken in the procedure for recognition of the right to asylum. The definition and the procedure for requesting asylum are in line with the definition provided in article 2 of the Asylum Procedure Directive. Alignment is also achieved regarding the basic principles and guarantees, including

access to the procedure, the right to remain in the country pending the examination, as well as the requirements for the examination of applications. Namely the Law provides two options for submitting a request: 1) to the police at the border crossing point or 2) to the nearest police station. It prescribes, that upon declaring a request for asylum, the police officer escorts the asylum seeker to the Section for Asylum or to the Reception Centre for Asylum seekers. In addition, there are provisions which guarantees high level of alignment with the Directive regarding requirements for a decision, obligations and guarantees for applicants for asylum, the manner in which the personal interview is conducted, provisions on legal assistance and representation as well as special guarantees for unaccompanied minors. In case of unaccompanied minors, persons with special needs and persons with no procedural capacity, the Law prescribes the appointment of a guardian. According to the legislator, the best interests of the child are the primary consideration when examining applications for recognition of the right to asylum of unaccompanied minors. The Law also regulates the role of United Nations High Commissioner for Refugees in the Asylum Procedure, modes of cooperation with national institutions as well as its involvement in the procedure for recognition of the right of asylum. Regarding procedures at first instance, including on the examination procedure, the Law recognizes implementation of two procedures: regular<sup>14</sup> and accelerated<sup>15</sup>. The Law also acknowledges the concept of first country of asylum and the safe third country concept (Art. 9-a and Art. 10). In regards to the provisions for subsequent application, the Law prescribes that in case of submitting a new asylum application, the asylum seeker must provide evidence that his circumstances have altered substantially since the moment of issuance of the former decision by which his application has been rejected. Failing to do so results in rejecting the application.

Similar to the alignment actions with the directive regulating the procedures for granting and withdrawing international protection, the focus regarding the Reception Conditions Directives is placed on the earlier one, Council Directive 2003/9/EC, since the recast Reception Conditions Directive 2013/33/EU was adopted on 26 June of 2013. And the deadline of transposition is set on the 20 July 2015.

Regarding information provided to asylum seekers for at least any established benefits and/or obligations with which they need to comply relating to reception condition within reasonable time of applying for asylum, the Law on asylum and temporary protection obliges the Section for Asylum of the Ministry of the Interior to inform them in writing and orally, in a language understandable to the aliens and within the timeframe of 15 days about the manner of implementation of the procedure for recognition of the right to asylum, their rights as well as other relevant information. The asylum seeker is issued a document, within three days upon submitting an asylum application, certifying his/her status as an asylum seeker justifying his stay on Macedonian territory during the period of procedure. Till the final decision is taken, the asylum seeker must complete medical examinations, treatment and omitted immunization in case this is requested. During this period, asylum seekers have the right to education as well as employment within the reception center or any other place assigned by the Ministry of Labour and Social Policy and conditional access to the labour market after 12 months of waiting for a decision at first instance. The asylum seekers benefit from the Macedonian social system. Special provisions are provided for vulnerable categories of asylum seekers. The funds for accommodation, social protection and health care are provided from national budget.

The Law also stipulates the conditions when reception conditions may be reduced or withdrawn. Thus, the asylum seeker is obliged to reside in the Reception Centre or other

place of accommodation assigned by the Ministry of Labour and Social Policy and not to leave the place of residence without informing the competent authorities, and without having permission to leave. Asylum seekers have the right to submit a request to the Ministry of Labour and Social Policy to reside outside the Reception Centre, however, on its own expenses, and following the procedure of his/her photographing and fingerprinting. The Law further provides special safeguards for persons with special needs, such as unaccompanied minors, vulnerable persons with special needs, minors and persons with mental disabilities and persons with no procedural capacity.

Significant alignment with the asylum acquis can be detected also with the Council Directive 2004/83/EC and the recast of this (Qualification) Directive. The regulation of the assessment of applications for international protection is made by the Law on Asylum and Temporary Protection prescribing provisions specifying the responsibilities for the duration of assessing the facts and circumstances for recognition of the right of asylum (article 18-a, 20). The Law also defines what constitutes actors of persecution and protection (article 4-d, 4-e). Furthermore, specific chapters of the Law regulate the qualifications for being a refugee (article 4, 4-c). Article 38 sets out the conditions under which, an alien could be excluded from acquiring refugee status, and when refugee status may cease. Moreover, further provisions exist for the situation when an alien cannot enjoy the right of asylum.

In regards to the qualification for subsidiary protection, the Law defines a person under subsidiary protection as an alien who does not qualify as a recognized refugee but to whom the Macedonia shall recognize the right of asylum and shall allow to remain within its territory (article 4-a). Additionally, this provides detail clarification of what constitutes serious harm. The Law also contains provisions establishing the causes for terminating the subsidiary protection status including description of circumstances under which an application has been considered as unfounded.

Concerning the content of international protection, article 7 of the Law sets out the contours for protection from *refoulement* of individuals, thus ensuring compliance with the Directive in this segment. The asylum seeker, recognised refugee or person under subsidiary protection cannot be expelled, or be forced to return to the frontiers of the state in situation when ones' life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group or political opinion. This principle also applies to cases when an alien would be subjected to torture, inhuman or degrading treatment or punishment.

Further alignment has been achieved in terms of rights for recognised refugee and person under subsidiary protection such as residence, travel documents, identity card, freedom of movement, access to employment and education, social protection, health-care, access to accommodation (article 48, 58-60). Vulnerable persons with special needs, as well as unaccompanied Minors, persons with mental disabilities and persons with no procedural capacity enjoy special protection when exercising these rights (article 23-a).

There is evidence of alignment to some extent with the Council Directive 2001/55/EC appearing in the Law on asylum and Temporary protection. Chapter VI is entirely devoted to temporary protection of persons in the event of mass influx. According to article 62, in such cases, the Government of Macedonia may grant temporary protection to persons coming directly from a state where their life, safety or freedom have been threatened by war, civil war, occupation, internal conflict linked with violence or mass violation of human rights. Concerning the access to the asylum procedure in the context of temporary

protection, article 66 outlines that the person under temporary protection has the right to submit an application for recognition of the right of asylum at any time. Moreover, even if the person under temporary protection application has been rejected, s/he could enjoy the temporary protection until the expiration of the time for which it has been granted.

## Conclusions

The significant increase of migrants transiting Macedonia in addition to the migrant crisis in which numbers and politics have constantly been altered, has been the main cause of many concerns among EU MSs and western Balkan countries in the past several months. The findings of the paper confirm the necessity for channelling the complexity and perplexity of the EU's irregular migration and asylum *acquis*, which reflects the whole rigidity, and failure of the European bureaucratic labyrinths. This legislative state of play poses a threat for effective implementation and operationalization of these policies especially in events of mass influx of migrants as Europe is facing at the moment. However, this threat is also shifted to the accession countries such as Macedonia, which need to transpose the *acquis communautaire* in the area of irregular migration and asylum as part of chapter 24 of the accession negotiations. Ineffectiveness in the implementation of the relevant *acquis* was evident in recent times when the Macedonian authorities had to seek extracurricular solutions for dealing with the increased migrant flow outside the existing community legislation. This is the case; despite the results of the paper, which reveal that, Macedonia is sufficiently aligned in the area of irregular migration and asylum *acquis especially taking in consideration the status in the accession process*. However, if one looks at the number of recast directives which enter in force on EU level in mid 2015, Macedonia needs to put additional efforts in aligning with the new legislation. Therefore, conforming to the EU *acquis* in these areas needs to be furthered. Progress in the alignment process needs to continue since the emphasis in the negotiation process is placed on rule-of law issues due to the introduction in the new approach.

## Notes

<sup>1</sup> Frontex operational data, at <http://frontex.europa.eu/trends-and-routes/migratory-routes-map/> (accessed 10 October 2015).

<sup>2</sup> Ministry of Interior, Press release, 1.11.2015, at <http://moi.gov.mk/vest/702> (accessed 8 November 2015).

<sup>3</sup> Regulation (EC) No 562/2006 amended twice since 2006 (Regulation (EU) No 610/2013 and Regulation (EU) No 1051/2013).

<sup>4</sup> In a form of External Borders Fund in 2007–2013 and for the 2014–2020 period Internal Security Fund: Borders and Visa

<sup>5</sup> Schengen Information System (SIS), the Visa Information System (VIS) and Eurodac, the European fingerprint database for identifying asylum seekers and illegal immigrants.

<sup>6</sup> Council Directive 2002/90/EC.

<sup>7</sup> Directive 2002/90/EC and Framework Decision 2002/946/JHA.

<sup>8</sup> Council decisions 2006/616/EC and 2006/617/EC.

<sup>9</sup> COM(2013)869 final

<sup>10</sup> Directive 2008/115/EC.

<sup>11</sup> The Visa liberalisation roadmap available at: <http://www.esiweb.org/pdf/White%20List%20Project%20Paper%20-%20Roadmap%20Macedonia.pdf> (accessed 2 October 2015).

<sup>12</sup> The date of entry into force of this Agreement was January 1, 2008.

<sup>13</sup> New chapter X-a has been added regulating the establishment and functioning of the Integrated base for immigrants, including information on asylum, migration and visas.

<sup>14</sup> The Section for Asylum is obliged to take the decision within six months from the day of submission of the application

<sup>15</sup> The purpose of having and implementing the accelerated procedure is due to manifestly unfounded asylum applications, unless in situations when an unaccompanied minor, or a mentally disabled person has submitted the application.

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## **MODELS OF APPROACH OF THE EUROPEAN COURT OF HUMAN RIGHTS TO THE INTELLECTUAL PROPERTY PROTECTION DISPUTES**

### **Abstract**

Human rights play an increasingly important role in the protection of intellectual property rights in Europe, thus influencing various policies of innovation and creativity. Namely, the European Court of Human Rights has provided protection of intellectual property rights by adopting decisions that interpret the right to property, in relation to intellectual property protection claims. This paper has placed its focus on analysis of the jurisprudence of the European Court of Human Rights as regards the treatment of intellectual property rights. It concludes that there are three main models of approach of the European Court of Human Rights to the adjudication of intellectual property protection disputes and answers the question of what should be the role and approach of the Court in the protection of intellectual property rights.

**Key words:** human rights, intellectual property, right to property, European Court of Human Rights, European Convention on Human Rights

### **Introduction**

The intellectual property protection system in Europe is developing intensively over the last couple of decades and the human rights play an increasingly important role in its development. Yet, this intellectual property protection system has developed relatively isolated from the influence of the European Court of Human Rights (hereinafter “ECtHR”), as an international human rights court set up to protect individuals against human rights abuses by Member States of the European Convention on Human Rights (hereinafter “ECHR”) (Douglas-Scott, 2006: Helfer, 2008: 1).

At first glance, it is not very clear what is the connection between an international human rights court and the human rights treaty it interprets and intellectual property. However, the answer as regards the connection between the ECHR and intellectual property can be found in the right to property, which is protected by Article 1 of Protocol 1 to the ECHR (Helfer: 2008: 2; Welkowitz, 2013: 681)

The protection of “the peaceful enjoyment of . . . possessions”, foreseen in Article 1 of Protocol 1, has been considered among the weakest rights in the Convention system for a long time, affording governments broad discretion to regulate private property in the public interest. This treatment of the right to property is one of the reasons due to which the ECtHR and the European Commission of Human Rights (hereinafter “European Commission”) did not provide protection as regards intellectual property issues for decades (Coban, 2004: 124-125; Helfer, 2008: 2-3).

Namely, until the early 1990s, there were no complaints filed alleging violations of intellectual property rights. And when there were complaints filed alleging such violations, the Court and the European Commission summarily dismissed these complaints. The restrictive interpretation of Article 1 applied in these cases resulted in an absence of searching scrutiny of national courts and administrative agencies. At the same time, it allowed Europe's intellectual property system to develop largely isolated from human (Heifer, 2008: 2-3)

Today, this is not the case anymore. Namely, the European Court of Human Rights has already issued a couple of significant decisions as regards the protection of intellectual property rights before the Court, within which it concludes that patents, trademarks, copyrights, and other economic interests in intangible knowledge goods are protected by the European Convention's right of property. Moreover, the general principles established as regards reviewing alleged violations of Article 1 of Protocol No. 1 are also applied in case of reviewing alleged violations of intellectual property rights, whose protection arise from the protection of the right to property, provided by Article 1 of Protocol 1 of the Convention (Helfer, 2008: 3, 11).

Besides the right to property, there are two other provisions of the ECHR that could be connected with intellectual property rights. Those provisions are the right to respect for private and family life, guaranteed by Article 8 of the Convention and freedom of expression, guaranteed by Article 10 of the Convention. Although these two provisions are less directly related to property rights, their interpretation "may have a significant impact on intellectual property rights and on the application of Article 1 of Protocol 1 to intellectual property cases" (Welkowitz, 2013: 682).

At first glance, it might not be very clear how these two provisions could have direct impact on intellectual property. However, Article 10, as will be seen further, clearly has a potential to limit intellectual property rights. As regards Article 8, particularly its subsection 2, according to which "there shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law...", it appears that it affords protection from unwarranted governmental intrusion. However, as will explained further, Article 8 is a broader and more affirmative right than it might seem at first glance, which could provide basis for expanding intellectual property rights (Welkowitz, 2013: 683).

The analysis of the intellectual property jurisprudence of the ECtHR shows that two scenarios could be distinguished as regards the intellectual property protection disputes that the Court is dealing with: the Court is applying the right to property under Article 1 of Protocol 1 in order to protect intellectual property assets against national measures which constrain or limit intellectual property rights; or the Court examines allegations that national intellectual property protection or enforcement measures, supported by the right to property, are violating other human rights (Grosse Ruse-Khan, 2013: 11).

Having in mind the development of the intellectual property protection system in Europe that is increasingly influenced by human rights, as well as the expansion of human rights claims relating to intellectual property, many questions are emerging as regards the relationship between the two legal regimes. On the one hand, the question is whether human rights should serve as a corrective when intellectual property rights are used excessively and contrary to their functions, especially bearing in mind that the expansion of intellectual property protection standards raises numerous conflicts and concerns as regards certain human rights, such as the right to life, health, food, privacy, freedom of

expression, and enjoying the benefits of scientific progress. On the other hand, human rights have been increasingly invoked as a justification for protecting intellectual property rights (Helfer, 2008: 4-5)

In this sense, it is important to answer the question about the role and the approach of the ECtHR to the adjudication of intellectual property protection disputes. Thus, this paper has placed its focus on analysis of the jurisprudence of the European Court of Human Rights as regards the treatment of intellectual property rights, aiming to determine the models of approach of the ECtHR to the adjudication of intellectual property protection disputes as well as its role in the protection of intellectual property rights.

### **Protection of intellectual property rights against national measures which constrain or limit intellectual property rights: Application of Article 1 Protocol 1**

In the 1990s, the European Commission has held that patents and copyrights fall within the scope of Article 1 of Protocol 1 (*Lenzing AG v. United Kingdom*, *Aral v. Turkey* and *Smith Kline & French Lab. Ltd. v. Netherlands*). However, the Court did not directly address the issue until 2005, when three significant judgements were issued in connection with the intellectual property protection before the European Court of Human Rights, whereby the Court applied Article 1 of Protocol 1 to intellectual property disputes: *Dima v. Romania*, *Melnychuk v. Ukraine* и *Anheuser-Busch Inc. v. Portugal* (Helfer, 2008: 12).

The case *Anheuser-Busch Inc. v. Portugal* is the most well-known of these three cases. In that judgment, a Chamber of the ECtHR consisted of seven judges has concluded that “intellectual property as such incontestably enjoys the protection of Article 1 of Protocol 1.” In 2006, the case was reargued before the Grand Chamber of the Court, consisted of seventeen judges. The Grand Chamber has unanimously confirmed the conclusion of the Chamber in its judgment issued in 2007, finding that Article 1 “is applicable to intellectual property as such.” In other words, it confirmed that the right to property protects the financial interests of the intellectual property owners as regards their inventions and creations (Helfer, 2008: 12; Santos, 2013: 11-12).

The judgment of the Grand Chamber of the Court, issued in 2007 in the case of *Anheuser-Busch Inc. v. Portugal*, is particularly striking also because the Court concluded that both registered trademarks and applications to register trademarks fall within the scope of the property rights clause of the ECHR. The analysis of this case suggests that the Court actually recognizes wider human rights implications on the regional innovation and creativity politics, as well as that its future decisions could have a significant impact on the intellectual property protection standards in Europe (Helfer, 2008: 3; Santos, 2013: 11).

The only justification of the Court to reach the conclusion that intellectual property enjoys the protection of Article 1 of Protocol 1 is found in a brief quotation of the admissibility decision, adopted in 1990 by the European Commission, in the case of *Smith Kline & French Lab. Ltd. v. Netherlands*. It was the first intellectual property decision issued by the European Commission, within which it is stated that “under Dutch law, the holder of a patent is referred to as the proprietor of a patent and that patents are deemed, subject to the provisions of the Patent Act, to be personal property which is transferable and assignable. The Commission finds that a patent accordingly falls within the scope

of the term “possessions” in Article 1 of Protocol 1” (Grosse Ruse – Khan, 2013: 11-12; Helfer, 2008: 12-13).

In cases where Article 1 of Protocol 1 intersects with intellectual property subject matter and ownership rules, for example, where ownership is contested or where it is unclear whether an inventor or creator has satisfied the requirements for protection under domestic law. Literary and artistic works are protected from the moment of their creation or fixation. If the ownership and eligibility of these works is undisputed, the Court will simply rely to the national copyright or neighboring rights laws and conclude that Article 1 is applicable. However, this manner may not always give answers, especially when domestic law provides limited directions concerning a creator’s proprietary interests (Helfer, 2008: 13-14).

These complexities can be noticed in the admissibility decision from 2005 as regards the case of *Dima v. Romania*. This case is concerned with a design submitted to government-sponsored competition, which was ultimately chosen as an official state emblem. The focus of the dispute in the national courts was on the question of who ought to be recognized as the ‘author’ of the design: Dima, the original creator, or the Romanian Parliament, which had commissioned the design. The national court decided that the Parliament was to be deemed the ‘author’ of the design in such circumstances and therefore no fee was payable. Dima brought a complaint under the ECHR, claiming that this decision violated his rights under Article 1 of Protocol 1. However, his claim was held to be inadmissible. The Court concluded that the national court has simply resolved a dispute about the interpretation of the scope of a property right in national law in a manner that was not arbitrary and, therefore, it was inappropriate for the Strasbourg Court to intervene. Moreover, the Court concluded that in cases where the existence or extent of copyright is uncertain, it is the task of the domestic courts to resolve any ambiguities. Only once those ambiguities have been resolved, the Court can determine the extent of the applicant’s property right and whether the state had violated that right (Griffiths and McDonatgh, 2013: 87-88).

The eligibility of industrial property for protection is determined by a registration procedure. A different set of ambiguities arises with respect to the Court’s treatment of industrial property (Helfer, 2008: 13, 18).

The case of *Anheuser-Busch Inc. v Portugal* considered a dispute between the American company, Anheuser-Busch Inc., and the Czech brewer, Budejovicky Budvar. Anheuser-Busch claimed that the Portuguese court had violated Article 1 of Protocol 1, in upholding the national authority’s refusal to register its application for registration of the trade mark, ‘Budweiser’. The decision to refuse the application had been based on the fact that Budejovicky Budvar owned a registered ‘protected geographical indication’ for ‘Budweiser Bier’, a registration which the national decision maker held to take precedence over Anheuser-Busch’s trade mark application by virtue of a complex effect of an international treaty on domestic law. The Court, in its Grand Chamber judgment from 2007, held that the mere application for trade mark application could qualify as a ‘possession’ for the purposes of Article 1 Protocol 1, and, therefore, that Anheuser-Busch’s claim fell within the scope of the protected right. The application constituted a possession because an applicant had a legitimate expectation that it would be handled fairly by national authorities and because there was evidence that such applications were tradeable. However, the Court concluded that the national court had simply interpreted an uncertain aspect in national intellectual property law and it was not the Court’s role to review such

a determination of the competing claims to entitlement to a mark, stating that: "...The Court reiterates that its jurisdiction to verify that domestic law has been correctly interpreted and applied is limited and that it is not its function to take the place of the national courts, its role being rather to ensure that the decisions of those courts are not flawed by arbitrariness or otherwise manifestly unreasonable" (Griffiths and McDonatgh, 2013: 87).

Similarly, in *Melnychuck*, the Court held that providing intellectual property owners with a judicial forum to adjudicate domestic infringement claims did not automatically engage the state's responsibility" under Article 1. Only "in exceptional circumstances" could the state "be held responsible for losses caused by arbitrary determinations" (Helfer, 2008: 37).

However, some cases also contain a broader vision for the Court's adjudication of intellectual property disputes. In the Grand Chamber's *Anheuser-Busch* ruling, the Court's interpretation of Article 1 of Protocol 1 is that states are required to provide statutory, administrative, and judicial mechanisms that allow intellectual property owners to prevent third parties from infringing their protected works. Namely, the Court concluded that public authorities have positive obligations to take affirmative steps in order to ensure that rights holders can effectively exercise their rights (Helfer 2008: 40).

## **Protection of other human rights against national measures which protect intellectual property rights: Application of Article 8 and Article 10**

The cases *Von Hannover v. Germany*, *Ashby Donald and Others v. France* and *Fredrik Neij and Peter Sunde Kolmisoppi (The Pirate Bay) v. Sweden* are the most famous cases within the jurisprudence of the ECtHR, relating to protection of other human rights, such as the right to respect for private and family life and freedom of expression, whose violation is allegedly deriving from the national protection of intellectual property.

The decision adopted by the ECtHR in 2004 in the case *Von Hannover v. Germany* "brought privacy issues to the forefront of intellectual property rights" (Welkowitz, 2013: 683).

In this case, Princess Caroline of Monaco complained that her privacy was violated, because photographs were taken of her and her family in various unofficial public and private occasions and those photographs were later published by three German magazines. She sued the German magazines in the German courts, claiming violations of her right to privacy, her rights to control her image under the German Copyright Act and her personality rights under the German Basic Law. However, the lower German courts did not find violation due to her status of a public figure. In the further proceeding, the court partly granted her appeal, holding that the photographs taken of her in a restaurant, as a "secluded place", constituted a violation of her right to privacy, but the other photographs did not. This decision was appealed to the Federal Constitutional Court of Germany (Welkowitz, 2013: 683-684).

The Federal Constitutional Court ruled that some of the photographs did violate her right to privacy, while some others did not, due to her status of public person. The decision of the Federal Constitutional Court is very significant, because the Court balanced the right to privacy against the right to free expression, holding that the concept of free expression also encompasses entertainment and that the press has a right to certain discretion when deciding what would be in a public interest to print (Welkowitz, 2013: 684).

Princess Caroline was dissatisfied with the rulings of the German courts and took her case to the ECtHR, which ruled in her favour. The ECtHR also believed that, in this case, it is necessary to conduct balancing between the right to privacy, foreseen in Article 8 of the Convention, and the freedom of expression, foreseen in Article 10 of the Convention. However, unlike the German courts, the ECtHR attributed very little importance to the public figure status of Princess Caroline. Namely, the ECtHR noted that although she has certain public duties as a princess, the photographs do not reflect any of those duties, but simply satisfy the curiosity of the public about the lifestyle of a princess. According to the Court, this was not sufficient reason to disregard her right to privacy. This treatment of the freedom of expression by the ECtHR clearly demonstrates that it may not be afforded particularly strong protection, if there is a commercial context at stake (Welkowitz, 2013: 685; 688).

The *Von Hannover* case is also important because the supremacy of the right to privacy, in certain contexts, over free expression could lead directly to an intellectual property right, namely the right to publicity, which would be protected as a property right under Article 1 of Protocol 1 as well as a right under Article 8. Also, this decision is important because it creates a positive obligation in the context of Article 8. Namely, by ruling in favour of Princess Caroline, the Court did not only protect her against governmental intrusions, as a negative obligation, but also required from the government to protect her privacy against intrusions of private parties, which is a positive obligation. This positive obligation included providing an appropriate civil action in the courts (Welkowitz, 2013: 686).

The affirmative obligation of states under Article 8 has been confirmed by the ECtHR in a second *Von Hannover* case, which also involved publishing of photographs of Princess Caroline and her family. However, in this case the Court did not rule in her favour. Namely, it upheld a decision brought by the German courts to allow publication of photographs of the Princess and her husband taken in St. Moritz, followed by an article where her decision to go on a vacation while her father is in poor health is contrasted with the decision of her sister, who decided to stay with her father. In this case, the ECtHR noted that the article has an informative value and that the German courts had succeed to prevent the publication of photographs whose value was less informative (Welkowitz, 2013: 687; 689).

In the cases *Ashby Donald and Others v. France* and *Fredrik Neij and Peter Sunde Kolmisoppi (The Pirate Bay) v. Sweden*, the ECtHR provided how it balances two conflicting rights: copyright and freedom of expression.

In *Ashby Donald and Others v. France*, for the first time in a judgment on the merits, the Court has held that a conviction for illegally reproducing or publicly communicating copyright protected material can be considered as a violation of Article 10 of the ECHR. Namely, the Court found that the online publication of fashion photographs falls under the ambit of Article 10, as a commercial speech, and that the imposed fines and damages awarded by the courts can be regarded as an interference with the freedom of expression. However, such interference can be justified if it meets the three requirements enshrined in the second paragraph of Article 10. This significant decision means that Article 10 of the ECHR is applicable in copyright cases interfering with the freedom of expression and information of others (Grosse Ruse-Khan, 2013: 19-20).

After a couple of weeks after the judgment in the *Ashby Donald and Others* case, the ECtHR has decided a similar case of balancing copyright and freedom of expression.

Namely, it brought a similar judgment in the case *Fredrik Neij and Peter Sunde Kolmisoppi (The Pirate Bay) v. Sweden*, concerning the complaint filed by two co-founders of the company “The Pirate Bay” that their conviction under the Copyright Act constitutes a violation of their freedom of expression and information. Pirate Bay was a web site, which allowed to users to share digital material, including various copyright protected material, such as movies, music and computer games. In this regard, the applicants were convicted for their involvement in Pirate Bay (Grosse Ruse-Khan, 2013: 20-21).

In this case, the Court ruled that sharing, or allowing others to share this type of files on the internet, even if they are copyright-protected files and for the purpose of making profit, falls within the right to “receive and impart information”, guaranteed by Article 10. However, the Court considered that the Swedish courts had rightly balanced the rights of the applicants to receive and impart information and the need to protect copyright and therefore found no violation of Article 10 (Grosse Ruse-Khan, 2013: 20-21).

## **Approach of the European Court of Human Rights to the intellectual property protection disputes**

The analysis of the development and treatment of intellectual property, within the jurisprudence of the ECtHR, indicates that the cases involving intellectual property rights protection can be divided into several groups, based on the approach of the Court to the adjudication of intellectual property protection disputes.

In most cases, the ECtHR treats intellectual property no differently than any other type of property under Article 1 of Protocol 1. The Court, in general, does not take into consideration the public-good qualities of intellectual property rights, nor it considers the social and cultural policies which justify the protection of those rights by the state. In these cases, the Court finds violation with “arbitrary government conduct, such as *ultra vires* actions, failure to follow previously established rules and procedures, or laws that contravene the rule of law principles”, namely, which are not “sufficiently accessible, precise and foreseeable in their application”. This approach of the ECtHR allows governments to have wide discretion as regards shaping their domestic innovation and creativity policies, given that the rule of law principles are met (Helfer, 2008: 36-37).

Potential negative consequence of this approach would be that if a state manages to provide laws which are precise, accessible and foreseeable and if it does not itself violate protected works, then the state could easily expand or reduce the domestic standards for intellectual property protection, without fear of violating Article 1 of Protocol 1 (Helfer, 2008: 39).

Another group of cases contain a wider vision about the ECtHR’s adjudication of intellectual property protection disputes, in the sense that the states should provide statutory, administrative and judicial mechanisms, which will protect the intellectual property right holders against actions of private parties and allow them to effectively exercise their rights. Namely, this approach of the Court focuses on implementation of various positive obligations by the national authorities (Helfer, 2008: 40).

It is very likely that the consequence of this approach would be a new wave of complaints as regards the adequacy of the domestic enforcement procedures, which will require from the Court to determine more precisely the mechanisms that need to be provided by the state, in order to enable the intellectual property rights holders to prevent and punish violations by third parties (Helfer, 2008: 40).

At the same time, a growing number of other cases also contain a wider vision for the Court's adjudication of intellectual property rights disputes, in the sense that the Court makes an effort to strike a balance between intellectual property and other human rights. In these cases, the approach of the Court lies on the principle of establishing a fair and proportional balance between intellectual property rights and other competing rights protected by the ECHR (Grosse Ruse-Khan, 2013: 19; Helfer, 2008: 40; Welkowitz, 2013: 724).

This approach of the Court also has potential negative consequences, especially in the sense that it could contribute to undervaluing the rights of the perpetrator of an alleged violation, such as the right to free expression and information, especially if they are not in their traditional form. The result would be a reduced value of the right opposing the intellectual property right, even out of the context of intellectual property (Welkowitz, 2013: 724).

## Conclusion

The analysis of the jurisprudence of the ECtHR, concerning the intellectual property protection, shows that the cases involving intellectual property rights protection, according to the approach of the Court to the adjudication of intellectual property protection disputes, can be divided into three main groups. Moreover, based on the analysis of these three groups of cases, it could be concluded that the Court has developed three basic models of approach to the adjudication of intellectual property disputes: protection of rule of law; implementation of positive obligations and striking a fair and proportional balance.

The first model of approach is derived from the first group of cases. The main characteristic of the first group of cases is that the ECtHR, when deciding about an alleged violation of intellectual property rights, treats intellectual property as any other type of property protected under Article 1 of Protocol 1. In addition, it finds violation of the intellectual property rights only in case of arbitrary conduct of the national authorities. Through this approach, the Court protects the rule of law principle.

The second group of cases provides support for the second model of approach. Namely, the second group of cases implies that the ECtHR has expanded its approach to the adjudication of intellectual property disputes. Namely, in these cases, the Court requires certain positive obligations to be undertaken by the states, in order to enable the intellectual property right holders to exercise their rights effectively. The approach of the Court in these cases concentrates on the implementation of various positive obligations by the national governments.

The third model of approach is connected with the third group, which includes cases where the Court made an effort to strike a balance between intellectual property and other human rights guaranteed by the ECHR, in the context of deciding on alleged violation of certain right. Namely, the Court's approach in these cases is based on striking a fair and proportional balance between the intellectual property right and other competing rights.

Each of these ECtHR's models of approach has its positive and negative features. Bearing in mind these features, it seems that the first model of approach, which targets the arbitrary government conduct in order to protect the rule of law principle, would be the most appropriate model of approach to the adjudication of intellectual property disputes by the ECtHR.

Namely, this approach is in accordance with "the core European convention values of promoting predictability, certainty, and adherence to the rule of law", while it does not

limit excessively the discretion of the national authorities to design domestic intellectual property rules and policies (Helfer, 2008: 51).

However, it should be noted that some of the ECtHR's case law shows tendencies toward significant protection for intellectual property rights emanating from the ECHR as well as expanding or even creating intellectual property, which could have serious effect on human rights enforcement. Bearing in mind that "the possibility that the Convention could be used to expand intellectual property rights raises several concerns, not the least of which is the appropriateness of the ECtHR as arbiter of intellectual property rights among the forty-seven members of the Council of Europe", it seems sensible to conduct thorough analysis of its real effect on human rights enforcement before allowing it to take a swing (Welkowitz, 2013: 726).

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**GENDER EQUALITY – POLITICALLY INTEGRATIVE CHALLENGE  
FOR THE PRESENT-DAY BALKANS  
(through the prism of the former Yugoslav Republics)**

**Abstract**

Politics represents a segment of the society where male domination was largely accentuated until the 1970s, at which stage the number of females joining in political parties started growing gradually. After the Second World War, this phenomenon had taken a full swing and the number of women in the national parliaments was rising continually until the post-transitional period which witnessed a drastic rise in the women's active political participation. Simultaneously, the comfort of the former protagonists in the political world began eroding, who as key decision-makers, had their supremacy in the political society threatened. Women's desire and ability to get involved in political life depends upon several factors, such as the educational, professional, social status and the development of democratic institutions. The equal participation of women in political processes, enjoying equal rights for fulfilling their personal potentials and the equal status with males can affect women's political, social and cultural development in the modern democratic society.

The Balkans have witnessed a region where the ever increasing number of women present in politics signals the abandonment of a patriarchal society by focusing on the interests for approaching the European Union. The countries from the Yugoslav Federation going through a phase of post-communist transition perfectly epitomize the analysis of the society's political transformation, especially from the aspect of gender equality.

While in the 1990s the Balkans was still under the domination of military leaders, males-nationalists, the following century has envisaged a legislative category for gender equality. Therefore by enacting the positive law, the Balkan countries have incorporated mandatory quotas for female presence in politics.

**Key words:** gender quota, women in parliament, women in the Executive

**Introduction**

*Female biological predisposition is only a work of human evolution, but not a concept as well that would determine the gender component of political structure. This natural determination overcomes any attempt for female social and political exclusion in every segment of life.*

The position of women in political institutions in the state authority is mainly analyzed from through the politically-social aspect. The breaking down of tradition in light of female positive discrimination is the stepping stone in strengthening the democratic

values of modern societies. The Balkans as a region closely interwoven with traditional values and norms has faced the challenge of needing to overcome them and strengthen democratic capacity. The period of post-transitional development of the former Yugoslav republics meant an overturn in the transformation of traditional and social norms, especially from the aspect of fight for gender equality. Since transitional anomalies pushed „the young democrats” in a fight for independent survival, a substantial amount of crucial preconditions for their political development was neglected. One such precondition was the issue of “gender mainstreaming”. Dealing with infringement of female rights and their subordinate position in the social-political stratification has imposed itself as a challenge for the post-transition. In order to analyze the question of gender equality in the political sphere, it is essential to commence with the issue of tradition, moral values and history of social politics. Societies which practice gender discrimination have inevitably been paying the price of wellbeing for their people, slower economical development, poorer leading and generally lower quality of life (World Bank, 2000).

However, gender equality is much more than sheer aim by itself. It is a precondition meeting the challenge of reducing poverty, promoting sustainable development and establishing suitable authority (Veneman, 2006).

The role and position of women in the present-day political institutions can mainly be explained through the analysis of the influence that socio-cultural (education, economic status, career promotion) and institutional factors have (those not referring to political institutions in the very sense of the word, such as electoral model, but the non-formal progress of women in politics, such as party’s internal elections, that is party system), as well as the level of political culture in the society. The model of political culture incorporates values, norms, stereotypes, and prejudice for politics and in politics (Bacanovic, 2014).

The history of the 21 century is even more balanced with the progress made in the battle for increased participation of women in the public life which undoubtedly has its foundations in the battle for human rights. The modern organizations and nations have started to accept that the increased inclusion of women in all working spheres (entrepreneurship, different industrial activities, management and politics) contributes to the necessary multiplicity in the approach, working styles and management which, in turn, leads to complete and quality solutions to the problems (Vokic and Bulat, 2013). Margaret Thatcher paved the way for female participation in politics by explaining the female style of management like one of operation. “If you want something said, ask a man; if you want something done, ask a woman.” was the motto with which the “iron lady” emphasized the female pragmatism in politics.

A large number of the Balkan countries have developed successful strategies for increasing female participation in politics. One such strategy that they have already applied is defining the guaranteed quota for women on several levels. These gender quotas are intended to guarantee a certain percentage of female representation in the Parliament (Dahlerup and Freidenvall, 2005), the Executive or political parties. According to Norris and Krook (2011), there are three types of gender quotas: reserved seats, legal candidate quotas and voluntary quotas. The reserved seats stand for the number of MP seats in parliament; the legal candidate quotas are obligatory provisions applying to all parties, while the voluntary quotas are not envisaged by the national legal regulations, but they are introduced by the very same political parties (Azizi, 2015). Most common is the application the “reserved seat quota” and “legal candidate quota” which are incorporated in the country’s electoral laws or the political party law (Ballington and Karam, 2005). The issue of

political participation of women is not only a question simply to fill the “female quota”, it is a battle for crucial participation, for power and decision. This represents the revolution for understanding the female political power. The woman in decision-making positions in politics is a structural prototype for gender equilibrium in the political society. The concept of dividing power should not be understood as increased female participation in politics, but their becoming equals with men. The fact that women are not crucial to politics for their number, but their ability is a conclusion drawn by Louisa Vinton (2013), a UN coordinator and resident representative of UNDP.

Ranging from global organizations whose target policy is concentrated on gender equality, to international organization oriented towards keeping world peace and countries’ politics and non-governmental organization, gender equality is substantially present in their portfolios. The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), adopted on 18 December, 1979 by the UN General Assembly (brought after more than thirty years of active work by the Commission for the Status of Women) in part II article 7, affirms the world attempts for equal participation of men and women in the political and public life through the recommendations for implementing appropriate measures to eliminate the discrimination against women and guarantee equal enjoyment of their rights (UN: CEDAW). The women in authority and political decision-making process have been identified as one of the twelfth areas comprised by the Beijing Declaration and Platform for Action set up in 1995. The two strategic goals on which this segment from the platform is founded are: 1. increasing the number of women in the decision-making and ruling processes, and 2. taking necessary measures to secure equal approach and full participation in all spheres of authority and decision-making processes (Beijing Declaration and Platform for Action, 1995).

### **The woman in politics on the Balkans through the prism of post-communist transition – from tradition to modern imperative**

The secession of the countries from the Yugoslav Federation created frail democracies based on pluralism which were an important factor for keeping peace and safety on the Balkans. The fall of communism brought about two social changes: 1. the rise of nationalism, separatism, secessionism and ethno-nationalism among the minorities (Walby, 1990), and 2. discrimination of civil and social rights, especially those of women, established back in the communist regime. These countries are still facing the challenge of achieving gender equality, even though the key difference lies in the activation of mechanisms promoting equality and upgrading the legislation which envisages equal opportunities imposed by the EU, as well as the support for women coming from Europe and feministic networks which work intensively on implementing basic standards for gender equality (Nacevska, 2013: 93-98). Reducing female participation in the public life was caused by the deterioration of female position on the labour market, increased unemployment, reduced access to financing resources, reducing the country’s social role, increased poverty and discrimination (Omanovic, 2015). The transition in the post-communist countries is very commonly related to the pressure factor and control of “old political elite” when it comes to the realization of the democracy in these societies and, especially, being involved into war as a factor of absence or threatening the process of liberalization and democracy in the societies (Fink-Hafner and Hafner- Fink, 2009). The first decade from the post-communist politics in the Western Balkans characterizes with

fragile democracies, the tendency to increase the disproportionality into politics, creating semi-presidential systems and intensive electoral model (Nacevska, 2013: 93).

As a postwar region, the countries were faced with abundance of political problems on the one hand, and the tendency for European integration by overcoming nationalist ruling spirit on the other (Nacevska, 2013: 98). In this direction, they signed the Convention on elimination of all forms of discrimination against women whose rules encouraged the attempts for political publicity and feministic organizations for the appropriation of legislations according to the recommendation from the UN Women. These countries' intention is harmonization of their national legislations with EU demands. Therefore, some of them as member states of the EU, while some with the status of a candidate country for EU, that is potential EU members (europa.eu) are incorporating the regulation on promoting the political rights of women in their legislation.

### **The legislation and the quotas for women**

Implementing the quotas for women in politics through legislative mechanisms meant a step forward in the battle for equal political representation of women. That enabled a great presence of women on the electoral lists, but not an increased possibility for placing women in key positions in the Judiciary and Executive.

Macedonia, Serbia and Montenegro have incorporated the quotas for women in the Members of Parliament Act. In article 37 section 3 of the Members of Parliament Act in the Republic of Macedonia, it is stated that in the electoral list for MPs in the Parliament each gender has to be present with at least 30% (Law on the election of members of the Parliament of Macedonia) while the electoral code makes an explicit provision that every third place on the list must belong to the less-present gender (Electoral Code, Official Gazette of R. Macedonia, 2014). In Serbia and Montenegro, there is also a provision for the position of women on the electoral list. To be more precise, in article 40 of the Member of Parliament Act in Serbia, the division of position on the electoral list has been taken into consideration, which means that every fourth candidate has to be a member of the less-present gender (Law on the election of members of the Parliament of Serbia, 35/2000). The Member of Parliament Act in Montenegro stipulates at least 30% of women in the electoral list, and at the same time, it determines their position in the list more precisely. Article 39 of the Member of Parliament Act in the legislative assembly in Montenegro predicts at least one member from the less-present gender at every four candidate on the list (Law on Amendments to the Law on Election of Councillors and MPs, Montenegro, 2014.). Serbia and Montenegro also predict measures in the same Act if the ascribed quota has not been met. The Act in both countries stipulates returning the electoral list for audit in case the minimal stipulated presence from the less-present gender has not been fulfilled, that is not accepting the electoral list by the electoral committee unless it has been properly revised (Law on Amendments to the Law on Election of Councillors and MPs, Montenegro, Article 39-a, 2014).

Unlike these three countries, Slovenia and Bosnia and Herzegovina stipulate the female representativeness in the electoral lists for members of the legislative assembly as part of the national electoral code. According to article 4.19 of the Electoral Code of BiH, the candidates from the less-present gender have to be allocated on the list in such a way that at least one candidate from the less-present gender to be found between the first two candidates, two candidates from the less-present gender among the first five candidates

and three candidates from the less-present gender among the first eight on the list. The number of candidates from the less-present gender must be equal with the overall number of candidates on the list when divided by three, rounded to the first smallest full number (Electoral Code of BiH, 2011). The electoral code in Slovenia predicts minimal presence of each gender of 35% in the electoral list from the overall number of men and women candidates. This rule is exclusive in case the candidate lists have three candidates from the both genders or the list has a total number of three candidates. In that case, there must be at least one representative from the opposite gender (National Assembly Elections Act, 2006).

The Gender Equality Act in Croatia stipulates the quota for women for their presence in the Parliament. According to article 12 of this law, gender disbalance exists if one gender is present with less than 40% among the political decision-making bodies, that is the political parties and other authorized nominators are obliged to respect the principle for gender equality and take into consideration the balance for male and female presence in the electoral lists for representatives in the Croatian Assembly, pursuant to article 12 (Gender Equality Act, Zagreb, Article 12, 2008). The failure to meet this provision is punishable with a fine (Gender Equality Act, Zagreb, Article 35, 2008). In February 2015, the quota for women in Croatia was also incorporated in the Member of Parliament Act, but in September that year the same was abolished (Brakus and Tesija, 2015).

## **The position of women from the former Yugoslavian countries in the Judiciary**

The comparative overview of the countries from the former Yugoslav Federation through the analysis of the factual situation of the woman, actually her presence and positioning in the legislative bodies and highest structure of the Executive (country's president and Prime Minister), will illustrate the political perspective of the woman vis-à-vis the meeting of strategic aims for the position of the woman in the government, ruling and decision-making process.

### **Women in the legislative assembly**

The political presence of women in the legislative assemblies can be analyzed through two positions. The first one is the presence of women in the legislative assembly, that is the proportion of men and women in the legislative body, and the second refers to appointing women as president of the legislative assembly.

The beginnings of independent political architecture in the former Yugoslav republics gave relatively poor results when it comes to female representation in the legislative assemblies. The influence of politically social circumstances in the aftermath of the Federation dissolution, and entering a transitional period lead to woman abstinence in the field of politics, which is obvious from the elections' facts.

## **Women as Members of Parliament in the legislative assemblies in Macedonia, Serbia, Montenegro, Slovenia, Croatia and Bosnia and Herzegovina**

### ***Situation in 1995***

The Federal Republic of Yugoslavia founded in 1992 by Serbia and Montenegro is the lowest ranking country among the countries from the former Yugoslav Federation in respect of female representation in the legislative assembly. Out of total 138 representatives in the Republican Assembly (the House of Peoples), only 4 belonged to women, that is 2.9% which was exceptionally low level of female political participation in the legislative bodies on the whole of Balkans<sup>1</sup>.

Then, the second lowest ranking country is Macedonia. Out of total 120 representatives in the legislative assembly, only 4 were women, standing for 3.33% of direct participation in the parliament's work (National Assembly of Macedonia, 1994-1998). Insignificantly better was the situation of the legislative assembly in BiH where 7 women were elected as MPs, making 4.5% of the total 156 MPs. Similar was the situation with Croatia. Out of 138 seats, only 8 are female representatives, that is 5.8%. However, the best ranking country in this view was Slovenia, which displayed significantly higher rate of female presence in the parliament compared to the others. Out of total 90 MPs, 13 belonged to women, comprising 14.4% representativeness (Interparliamentary Union, 2006).

### ***Situation in 2000***

BiH has 12 women in the legislative assembly, out of 42 representatives. In this period, BiH has the highest female representation with 28.6%. Croatia marks 20.5% with 31 women out of total 151 MPs. Unlike them, in Slovenia there are only 9 women in parliament out of total 90 MPs, that is 10%. At the same time, Macedonia has relatively low presence of women in politics, especially in the legislative assembly. Out of total 120 MPs, 8 are women or 6.7%. In Yugoslavia (Serbia and Montenegro), out of 138 seat, only 7 belonged to women (5.1%) (Interparliamentary Union, 2000).

### ***Situation in 2005***

In 2005, Croatia is the highest ranking country compared to the rest of the former YU countries. In the parliamentary structure, out of 152 MPs, 33 are women or 21.7%. Coming next is Macedonia with 23 women out of total 120 MPs, standing for 19.2% female representativeness. BiH marks 16.7% of direct participation of women in the legislative assembly, that is out of 42 representatives in the House of Representatives, 7 are women. In the House of Peoples, there is not a single woman among the 15 representatives. In Slovenia, out of 90 representatives in the National Assembly, 11 are women (12.2%). While in Serbia and Montenegro, out of the total 126 representatives in the legislative assembly, only 10 are women, comprising 7.9% female representation in the National Assembly (Interparliamentary Union, 2005).

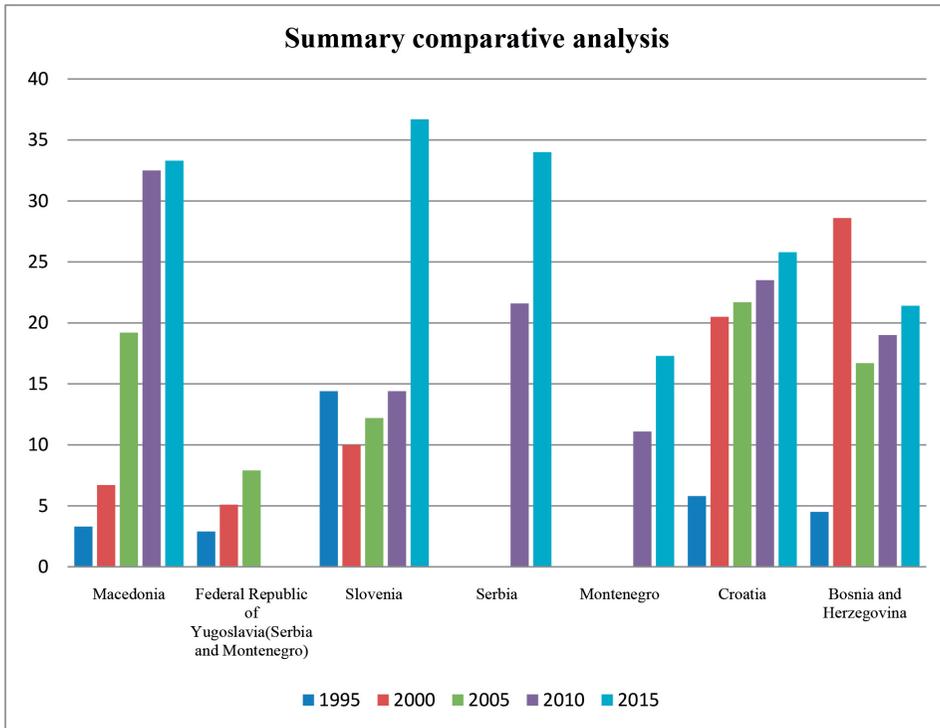
### ***Situation in 2010***

In 2010, according to the UN Women statistics and Inter-Parliamentary Union, Macedonia is the top ranking country according to female representativeness in the legislative assembly compared to the other former YU countries. Out of 120 MPs, 39 are women, which stands for 32.5%. In this period, Croatia has 36 women out of total 153 representatives, making 23.5%. In the Serbian Assembly, there are 54 women, constituting 21.6% from the total of 250 MPs. BiH marks 19% of women in the House of Representatives; from the total of 42 members, 8 are women. While, in the House of Peoples there are two women among the 15 representatives (13.3%). Slovenia also shows a significant rise in the female representativeness in the legislative assembly compared to the previous years. Out of 90 representatives in the National Assembly, 13 are women, or 14.4%. In the National Council, among the 40 members, there is only one woman (2.5%). In this period, Montenegro displays the lowest percentage of female representatives. Out of 81 MPs, only 9 are women, making 11.1% of women present in the legislative assembly (Interparliamentary Union, Women in politics: 2010).

### ***Situation in 2015***

Slovenia accounts for the highest per cent of women holding an MP office. Out of 90 seats in the National Assembly, 33 are women or 36.7% of the total parliamentary seats. While in the National Council among the 40 representatives, only 3 are women or 7.5%. Serbia shows a relatively increased number of women in parliamentary office in the legislative assembly. Out of 250 MPs, 85 are women, that is 34%. Only one position lower comes Macedonia with 33.3% female representativeness in the Parliament of Republic of Macedonia, or to be more precise, out of 123 parliamentary seats, 41 belong to women. The Croatian National Assembly also marks a significant increase in the number of women present. Out of 151 MPs, 39 are women, or 25.8% of female direct participation in the legislative assembly. In BiH in the House of Representatives, out of 42 seats, 9 belong to women (21.4%). In the House of Peoples, the situation is similar to the one back in 2010. In Montenegro, on the other hand, there is the same trend of low female representativeness in the legislative assembly. Out of 81 seats, 14 belong to women or 17.3% from the total number of MPs (Interparliamentary Union, 2015).

**Chart 1.** Women representiveness in the legislative assemblies in the former YU countries from 1995 to date



**Source:** Inter - Parliamentary Union, Women in politics: 1995, Women in politics:2000, Women in politics:2005, Women in politics:2010, Women in politics:2015

## Women in power

### *Parliamentary speaker*

Out of total 7 structures in the Croatian National Assembly, since 1990 onward, there has not been a woman appointed as a president (speaker) of the legislative assembly (Croatian Parliament, n.d.). The situation is same in Slovenia and Macedonia. Since abandoning the Yugoslav Federation, Slovenia has not appointed a female speaker in all seven structures of the National Assembly (National Assembly Slovenia, 2014). There has not been a woman appointed as parliamentary speaker in the history of the Macedonian Parliament. Out of 11 speakers, not once a woman was elected for that position.

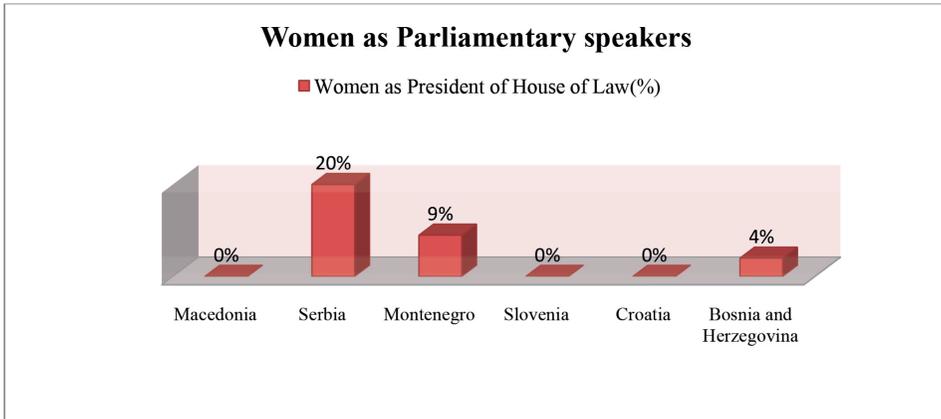
Out of total 10 structures in the Serbian National Assembly, there have been three occasions when a woman was appointed for the position of a parliamentary speaker. The first woman was Natasha Micic; she was in the fifth structure (22 January 2001 – 27 January 2004). Then, the second woman elected parliamentary speaker was in 2008, holding position until 2012. While, the current structure in the Serbian National Assembly sees the third female speaker in office (National Assembly of the Republic of Serbia, n.d.).

Since the Dayton agreement and the adoption of the Constitution of BiH in Decem-

ber 1995, out of total 7 mandates in the legislative assembly, the first woman to be ever elected parliamentary speaker was Borjana Krishto. She has been the first female parliamentary speaker since 1996 (House of Representatives of Bosnia and Hercegovina, n.d.).

Since 1990, out of total five parliamentary speakers in the legislative assembly of Montenegro, there was only one woman appointed in that position, Vesna Perovik (2001-2002) (Parliament of Montenegro, n.d.).

**Chart 2.** The percentage of women as Parliamentary speakers



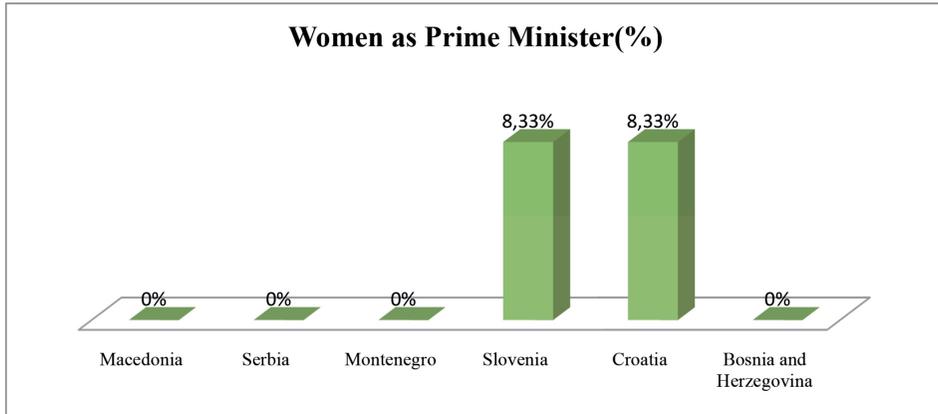
**Source:** National Assembly of the Republic of Serbia, The Parliament of Montenegro; Assembly of the Republic of Macedonia, Parliamentary Assembly of Bosnia and Herzegovina, Croatian Parliament, National Assembly of Slovenia

## Women in the Executive

### *Prime Minister (PM)*

Out of total 10 Prime Ministers in Croatia, the only female PM so far has been Jadranka Kosor (in the 11<sup>th</sup> structure). She was in office from 01.07.2009 – 23.12.2011 (Government of Croatia, n.d.). Also, out of total 8 PMs in ten mandates, Slovenia has once had a female PM. In the period of 20.03.2013 – 19.09.2014, Alenka Bratushek was the first female PM (Government of Slovenia, n.d.).

In the parliamentary history of independence and democracy, Serbia has not had a female PM. The situation is same in Bosnia and Herzegovina, Montenegro and Macedonia. Since the postwar period, the factual situation of women as PMs in BiH has been the one of absence of a leader in this branch. Out of total 9 PMs, there has not been a single female representative (L.R, Radiosarajevo.ba, 2015). Out of total governmental mandates in Montenegro, not once the role of PM was performed by a woman. Similar was the situation in the Socialist Federal Republic (Serbia and Montenegro) between 1992 and 2006; there was not a female PM (Government of Montenegro, n.d.). Since its independence, out of total 8 PMs in Macedonia, there has not been a single woman appointed as PM. Radmila Shekerinska was briefly a deputy PM after Hari Kostov stepped down as PM after being in office from 17 November 2004 – 17 December 2004.

**Chart 3.** Percentage of women as Prime Minister

**Source:** Government of the Republic of Croatia, Former Prime Minister of the Republic of Slovenia (web site), L.R, Radiosarajevo.ba,2015, The Archives of Yugoslavia ; Portal Mondo, Government of the Republic of Serbia

### *President*

In the political history of Croatia as an independent and democratic country, there has been a change of 4 heads of state, among which one is a woman. On the last presidential elections held in January 2015, the first female Croatian president was elected, Kolinda Grabar – Kitarović from the HDS. The first Croatian president after its independence and adoption of the democratic Constitution in 1990 was Franjo Tuđman. He was elected the head of state in the presidential elections in August 1992 and re-elected again in August 1997. His mandate ends after his death in 1997. His position was filled in by Stjepan Mesić –Croatian National Party (HNS) who also held two mandates. In the period of 2010 – 2015, the country’s president was Ivo Josipović – Social Democratic Party (SDP) (Croatia: land and people, Political organization, n.d.).

Serbia, Slovenia, Bosnia and Herzegovina, Macedonia and Montenegro have not had female head of state.

After the presidency of Yugoslavia since 1990, Serbia has not had a female head of state. Since 2002 following a few unsuccessful presidential elections, the office in that period was held by Natasha Micić, the parliamentary speaker. After the intervention of the Presidential Election Law in 2004 and reducing the output census, Boris Tadić (Social Democratic Party) was elected as president and afterwards Tomislav Nikolić. (Presidents of Serbia from 1990,naslovi.net, n.d.). Neither Slovenia has had a female head of state. After its abandoning the Yugoslavian union, there have been 5 presidents in the following mandatory periods: 1992-1997, 1997-2002, 2002-2007, 2007-2012, 2012- to date.

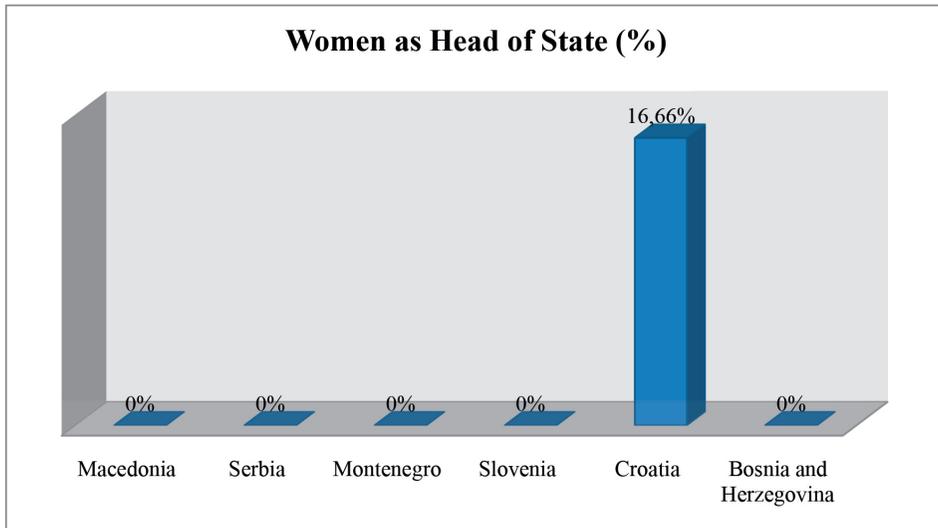
In the parliamentary history of independent Macedonia, five presidents have changed, among which there is no female representative.

Since 1996, BiH have had in total 27 presidents, including the presidents from the range of Croatian and Serbian people. However, there has not been a woman in office (Chronology of the Presidency of BiH, Presidency of Bosnia and Hercegovina).

In the political history of Montenegro, both as an independent country and in union

with Serbia, there has not been a single woman elected as president (Results from President Elections in Montenegro, (Socialist People's Party of Montenegro, n.d.)

**Chart 4.** Percentage of women as Head of States



**Source:** Presidency of Bosnia and Herzegovina, Former presidents of the Republic of Slovenia The Miroslav Krleža Institute of Lexicography Specialized search engine news sites in Serbia, State Election Commission of Macedonia Socialist People's Party of Montenegro

## Conclusion

By looking at the above-presented statistical analysis for female representativeness in key positions in the highest level of the Executive and Judiciary, it is evident that there is an increased presence of women in the legislative assemblies, but only in the position of MPs. This is the case with all six countries subject to this analysis. Unlike this, what is more pronounced is the factual situation of minimal presence of women as head of state, prime minister and parliamentary speaker. In this view, Macedonia stands out as a country where there has not been a single female representative in all these three key positions, which is not the case with any of the other countries.

A significant piece of information for the increasing number of women as MPs is the implementation of the gender quota as a crucial determinant for bigger inclusion of the female gender. The question imposed by the obtained results is whether the absence of precise legal frame can be used as an alibi for the low presence of women as heads in the Executive and Judiciary. Bearing in mind that these are not collective functions and also that parties nominate one representative as a candidate (non-existence of a candidacy electoral list), it is clear that there are no conditions for imposing a norm. Therefore, the core of the problem lies inside the political parties. The internal party solution for gender equality with the view of nominating women for some of the key state positions can be ascribed exclusively to the democratic capacity of the political party, political maturity and the level of political culture, especially that of party management. This is the first

filter to overcome male superiority in the highest position of the Executive and Judiciary. The second one is concentrated on democratic capacity, democratic maturity and political culture of civil society. The political parties as the first filter can influence a change in the traditional civil society by imposing the trend for supporting women as candidates for parliamentary speakers, prime ministers or heads of state by taking into consideration the mere fact that people tend to attach themselves to a party and not a single human being.

## Notes

<sup>1</sup> A lower level of participation of women in parliament in 1995 can only be found in Turkey with 1.78% representativeness (out of 450 MPs, 8 are women).

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## **POLITICAL ECONOMY OF THE TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP)**

**Abstract**

In "Project syndicate", in June 2015, the Nobel laureate Joseph Stiglitz published an absolutely alarming text with the title "The Secret Corporate Takeover". The topic of the text is The Transatlantic Trade and Investment Partnership (TTIP). It is an agreement which the proposal, or the imposition, the US are agreed between the EU and the US. This agreement should be put in a package with The Trans-Pacific Partnership (TPP). Is not at all disputed that these agreements for the US have deep geopolitical and geostrategic interests and goals. The United States as one of the poles of the new multi polar international order that is quite certain and the means failure and end the unipolar international order of G.H.W. Bush, without are any dept, want to get the largest possible number of allies, primarily the EU, and thus essentially to reduce the number of potential competing poles of a multipolar international order—primarily Russia, China, India and Brazil. Therefore these countries of the BRICS group—along with Republic of South of Africa, are not present in the plans for TTIP neither in the plans for TPP. Troubling of the TTIP, including through the text of Stiglitz, primarily refers to his quite some conceptualization by the United States not only as the exclusively trade agreement, i.e. a free trade agreement. It is certain that the concept of US for TTIP it is concept of the agreement to cover the whole of economic/social-economic systems of the states that will sign the agreement and will be its members. This reality would mean "Americanization" of economic/social-economic system of the EU Member States. That is one side of the problem. The second side is what most irritated Stiglitz and get him to write the specified text—the power and superiority of the global corporations in terms to modern/current (The Westphalian) state sovereignties.

Key words: TTIP, US and EU, "Americanization" of the economic/social-economic systems of EU member states, Doha Development Round, Multipolar international order.

**Introduction**

**T**TTIP agreement is still under negotiation, during negotiations of the negotiating teams of the US and EU was taking place strictly behind closed doors. Nevertheless in the quite intense are appear information on negotiating positions and proposals of both parties. On the basis attempts are made to shape the mosaic of the immediate vital interests and goals of both negotiating parties. So take shape and mosaic of the two negotiating platforms—the similarities and differences in the negotiating positions of discussion and

negotiation, of course fully in line with the basic interests and objectives of both sides. These objectives and interests certain that are not i.e. references. Those goals and interests they do not have only trade/economic-commercial nature. Conversely, those negotiations, the same as and the negotiations for TTP that had just been completed, are extremely complex, multilayer and with multiple means. It are goals and interests that in the most direct and the most essential way and level include the separate elements and components of the political/geopolitical goals and interests. Consequently, negotiations on TTIP, the same as and negotiations on TTP, are initiated and particularly strong dictated and directed are intensified amid the latest and current global financial and economic crisis, which quite clearly began to manifest and to charge the tax on its effects with the shooting of the bubble the housing market in the United States. This crisis execute many strong negative impact on total US international credibility. The crisis resulted in a significant theoretical and conceptual contestation and practical undermining of the complex of social power of the United States. The crisis, speaking in certain shortlisted economic/systemic-economic context, very strongly and decisively imposed dilemma for the true value of the particular concept of the American neo-liberal economic system, just as they imposed a dilemma for the correctness of the chosen model of specific economic policies of the presidential administration and the FED (Federal Reserve System/the central bank). It is a concrete concept and concrete model of economic system and economic policies that even before the explosion of the global economic and financial crisis were thoroughly and essentially caused by the economic systems and policies of the fast growth economies with their pretty deep and broad determinations in favor of state interventionism. TTIP, at the same time and TTP, focus watching, should enable the rehabilitation of US neoliberal concept and model of the economic system and to form an optimal functional economic-system space that really and truly will be capable to respond serious and dangerous challenges by side of the competitive economic-systemic concepts and models of practical/applied economic policies.

## **A neoliberal political-economic philosophy of US**

Exactly is that the negotiations for TTIP are taking and kept in the strictest secrecy. A fact which can never be taken into account as an argument and as evidence of the complex nature and structure of the negotiations and the agreement. At the same time, of course, as evidence and argument about the political and economic problematic, even controversy. It is utterly obvious that the actors in the negotiations are fully aware that negotiations are placed and impose theoretical, conceptual and practical-operational models that have far-reaching and problematic nature and structure. The actors in negotiations are quite aware that negotiating theoretical and conceptual platforms and specific practical-operational positions and proposals represent a radical intervention and change some basic and essential institutions, principles, premises and rules of the modern/current international economic/political-economic and political/geo- political relations, structures and constellations of power (Hilari, 2014).

In any case, fully not be contested and to deny the conclusion about involvement and problematic in negotiations on fundamental economic/political-economic and political/geo- political interests and objectives of the actors. It is obvious that the division of the participants in the negotiations in certain conflicting parties and blocs is not hard unequivocal and irreversible. This means that for certain specific areas and issues certain

participants may to have complementary interests, goals and views and to be allies, while about some other specific areas and issues those same actors to have conflicting interests, goals and opinions. But though it this fact is not disputed, however, must be know and be conclude that participants in the negotiations, it is quite obvious, are differentiated, most generally speaking, on the basis of the economic/political-economic a philosophical commitment (Pelkmans, 2014). When are amounted this conclusion and the also must specify and emphasize the centrality of the philosophy of the state as the essential core of opposing philosophical-economic and philosophical-political considerations expressed and positioning of participants in the negotiations. This essential core of conflict opposing philosophical-economic and philosophical-political considerations expressed and positioning, for analytical needs, can develop through two philosophical-economic and philosophical-political routes and through the same two such platforms-economic philosophy of state interventionism (Keynesian state intervention) versus neoliberal free market and political philosophy of the Westphalian state and Westphalian state sovereignty versus corporate/investor cross border and transnational interests and goals.

It is very clear that the utterly serious and relevant issue in the negotiations is the fact that the two negotiating parties (EU and US) do not have its own an equal and equal legal/international-legal/state-legal identity and subjectivity. This fact is especially apparent when you need to define, to devise, to present, to defend and eventually to realize its negotiating political-economic and geopolitical position and platform, of course in full compliance with its own special economic/political-economic and political/geopolitical interests and goals. When is stated this conclusion is quite obvious that primarily mean instead that the EU has no state subjectivity in, the EU (including and its foreign and security policy), nor as some kind the most possible loose federation, does not have its real sovereignty, does not have its real state identity and subjectivity, it is not a member of the UN, the EU is not a real entity and actor of the positive international-legal structure and framework, it does not have its a truly international-legal identity and subjectivity. At the same time, and in its practical/daily functioning, solely as a form, thoroughly mainstreamed in the framework of the Lisbon Treaty-this constitutional treaty as a constitutional substitute, i.e. as quasi-constitution of the EU, separate specific state interests and goals of the always EU Member States regularly fail to impose, by its importance and sequentiality, above the political commitments and positions of the organs and bodies of the Union and a significant and serious to break through the provisions and the framework of EU legislature.

This state of disappointment and this demoralizing fact (disappointment and demoralizing, of course, for europhiles, euro-enthusiasts, euro-optimists) about the real and actual situation of deficiency and insufficiency of the formal constitutional-legal and practical- political operative functionality of the Union, unavoidably implies and almost completely impossibility of the Union, or more precisely told with a huge security, of the Member States of formally-legal Union (according to the form and structure of the official contents of the Lisbon Treaty) to define, to explicate, to defend and to realize their least common if not unique position in the TTIP negotiations and that as a completely natural, normal and indispensable consequence, explosion will come to the surface of negotiations various state and national economic/political-economic and political/geopolitical interests and goals. Along with the various and conflicting cross economic/political-economic theory, conceptually and operationally-practical positioning, streamlining and modeling (Capaldo 2014). Hundred writers, this same traumatic situation regarding

the projected formal-legal and political-action construct of a certain togetherness and unity of the Union, with its easily recognizable and highly functional economic/economic-political identity and subjectivity, fully was manifested in the definition, rationalizing and overcoming the great financial and economic crisis that erupted in the summer of 2008 with shooting the bubble in the real estate market in the United States—its genesis, etiology, actors, circumstances, conditions, factors and outgoing solutions.

### **Neo-liberalization of the economic systems of the EU Member States**

In this sense, watching, analyzing and anticipating, it is quite normal and necessary in TTIP negotiations, the EU, as one of the two actors/entities in these negotiations, to be divided following the line of the economic/political—economic worldview that prefers and practice. This means that it should not in general be a any kind of surprise and anomaly EU Member States whose current political elites economic/economic-political are identified as neoliberals, muscling and lead such neoliberal economic policies and in which countries economic systems are set/reformed the neoliberal principles, tenets and norms to get closer with its determinations, positions and solutions to the positions of the United States.

As a practical and pretty plastic illustration of this explication can focus the problem and the issue of fundamental and far-reaching economic/economic-political differences and conflicts at in terms of reforms that, in particular, Germany requested by France and Italy (to mention these two intentional States such large countries and economies in the EU, unlike Greece, for example, two countries with extremely problematic competitiveness of national economies, with expensive welfare states and with perennial stag-deflation conditions and pressures) precisely following the example of German the reforms of the pension system and labor market-Riester reform and Hartz reform (Sasajkovski, 2013). Without more thorough elaborations in this context, will only observe that the governments in Paris and Rome, at least declaratively and superficially, initiated and undertaken certain changes in that direction, in general seeing and speaking it means changes in the direction and with content of a certain level of neo-liberalization of economic systems and economic policies, followed by quite strong theoretical, conceptual, ideological and political turbulences, discussions and resistances. We want to emphasize that it is very hard important EU member states to accept TTIP obligation contained in the agreement, upon request or by dictation of US, to effectively implement neoliberal reforms in nature, so as is characteristic and typical of the American economic system and US economic policies. And in general, even for EU countries that have rather advanced in terms of neoliberalization of their economic systems and economic policies, as well as in terms of social communities as whole, primarily G. Britain, would hardly accept American recipe, for example, (further) privatization and commercialization of public goods, infrastructure complexes and public services. These requirements extremely difficult, even impossible and it is inconceivable to be accepted, such as France and Italy, as two large states and national economies of the Union. The same, ultimately, can be expected even from Germany where the state has a significant, including the majority, most equity stakes in companies that work in activities of a wider/public social interest (Akhtar, 2014).

We said that negotiations TTIP are take place without the presence of the public. That alone tells argue that the subject of negotiations has sensitive way exceptional nature and essence as large and far-reaching consequences for economic/economic-political and

political/geopolitical relations, structures and constellations of power, not only for the US and the EU Member States (and separately for member states and the EU as a whole/as Union) who are actors and stakeholders in the negotiations and which were members TTIP contract, but, inevitably, will have such consequences for global economic/economic-political and political/geopolitical relationships, structures and constellations of power. After all, it is entirely undisputed that it are precisely the fundamental and essential interests and goals especially when the United States with a strong intensity and urgency reported and imposed these negotiations and this agreement—a reaction which should be fully functional and effective in global economic/political-economic and political/geopolitical conditions that fundamentally characterized by an essential challenge and debasement of the unipolar world that G. H. W. Bush declared soon after the fall of the Berlin Wall and the collapse of the Soviet Union, primarily from the BRICS group.

The negotiations are not public, but about the views of the parties to the negotiations may be primarily concluded on the basis of prevailing and uncontested economic-systematic philosophies, values, principles, tenets and rules of the US and EU member states (not forgetting even for a moment any similarities and the differences between them) and on the basis of their economic-systematic platforms and positions within similar negotiations. For example, the negotiations in within the WTO, the negotiations and signed NAFTA agreement, the negotiations within the International Conference on Financing for Development (Monterrey Consensus), the negotiations and contents of US–Canada Free Trade Agreement (FTA), etc. But, the most about the views of US can be concluded on the basis of their economic-systemic commitments and positions within the TTP agreement negotiations that have recently have been completed and the agreement should go to the ratification of the signatory countries.

In the context of emphasizing the importance of TTIP for US presidential administration as an economic/political-economic and political/geopolitical determinant factor can distinctively plastic be used emphasizing the statement of the US Trade Representative Michael Froman.<sup>1</sup> He completely openly and directly tells the British that if the referendum to be held by the end of 2017, decide to leave the EU would face a foreign-trade regime with the United States in accordance with WTO rules. Even more, the representative noted the United States in such case not interested in negotiating a separate free trade agreement with W. Britain, such as it negotiates with the EU, the agreement TTIP. And, in general representative noted the United States is not interested in the negotiating and concluding agreements on a bilateral basis, but necessarily only on a multilateral basis. In this sense, separate states after the conclusion of such multilateral trade (and investment) agreements will be able only to express the intention and desire to join the agreements, of course with the full acceptance of their provisions.

And this example shows how much the US is fundamentally important to hoist the need to include of the entire current area of the EU in negotiations TTIP, i.e. how much important further existence of the EU, something that quite convincingly demonstrated in the case of possible degradation EMU, as a separate specific upgrade of the EU, when came to the surfaced economic-financial and ideological-political option for Greece to leave the EMU. Of course, that in this context the analysis G. Britain economic/political-economic and political/geopolitical is much it more relevant than Greece and that by all means and in all ways will be prevents any organizational-institutional degradation of the EU. Simply, it is potentially and latent indisputably the most desirable and strongest economic/political-economic and political/geopolitical ally of the US in these turbulent

times of the formation of a new structure and a constellation of a global social power around the poles/pillars of that structure and that constellation.

The primary function of TTIP is exactly that- the formation of a huge economic/political-economic and political/geopolitical space of liberalized and deregulated relations. Strictly speaking, the primary function of TTIP is forming a fully rounded economic system (and not just a free trade area with some additional elements that it reinforce and raise to a higher level of reliability and functionality, for example, the regulation of intellectual property rights and industrial property, following the example of the WTO), which theoretically, conceptually and practically-operative will be designed and modeled the basics and within the neoliberal values, principles, tenets and rules. One of the basic neoliberal postulates is the one who determines the cardinal importance of the as possible major fully liberalized and deregulated markets as a strong and completely relevant factor in economic growth, social-economic welfare and overall social progressive development (Grammling, 2007). Only those economic and political spaces (necessarily multinational and cross-border) who are leaders of global economic growth, of the global social-economic welfare and of global overall societal progress, in essence will be able be confirmed as pillars of the systems, structures and constellations of global economic, political and any other kind of social power and relevance (Ay, 2014).

### **Most important elements of the anticipated content structure of the TTIP**

Were published few EU documents, primarily the European Commission, from which in more detail and more reliably are detect the separate topics for that are discussed within the TTIP agreement negotiations. Of those documents are invited authors who write about these negotiations and for this agreement (Lambert, 2015; Herrmann, 2014; Perez-Rocha, 2015; Barker, 2014).

It can be concluded that the negotiations generally are discusses the three groups of narrower topics or issues: access to markets, specific regulations and broader rules, principles and ways of cooperation.

As regards of the access to markets of goods and services, the agreement aims to provide reduction in restrictions on markets, i.e. enable the markets to be readily available for goods and services. At the same time it should be easier investing in these markets. The regulation applies especially to agriculture, the treatment of agricultural products and their origin.

When it comes the to trade in services, investment and e-commerce in the agreement is imposed the determination to improve the climate for the development of trade and investment, in particular is imposed the determination to liberalize the investment and cooperation in e-commerce. The agreement will surely contents and principles whereby of governments will ban nationalizations and expropriations (either directly or indirectly), except in special circumstances when this is done to achieve a public interest, according to the procedure laid down and regulated by law, on a non-discriminatory basis and compensation. This compensation would be in the amount of a fair market value of the investment at the time immediately before the expropriation plus interest on a commercial basis, i.e. interest which is market-determined interest. With the agreement need to determined and free movement of business managers and of other employees.

It is very important and certainly indicative that in the part of the agreement which would have concerned the banks and other financial institutions will be would have ruled that governments have no right to regulate financial markets, except in strictly defined circumstances and conditions of protection of various types of investors in financial markets, including and the depositors. But, these provisions measures must be strictly limited to dimensions that are necessary for achieving the objectives set by the agreement. With the agreement certain that would be strictly forbidden any regulation of these markets out of the circumstances and conditions provided by it.

Part of the agreement which perhaps, i.e. probably, is one of the most problematic and most controversial would be the part that refers to the initiation and implementation of procedures for resolving the disputes between investors and governments. With high reliability can be assumed that the United States insist that in the agreement to enter provisions with which the investors would find themselves in a position of power in relation to governments, if estimate of the investors is some a government policy, measure or action could adversely affect or actually adversely affect on their investment. Certainly that the US insist the agreement to provide that in such circumstances, disputes will be guided and resolved by the body/arbitration court with supranational status. Indeed, these arbitration tribunals would not have been a novelty, they and now exist as a body for resolving disputes between investors and states, but it seems that through TTIP you are required in the conduct of disputes and decisions of arbitral tribunals investors to get much stronger and more secure status and positions to achieve their interest versus the interests of States, so as these interests define them governments. In this context it may be concluded that the United States seems required relative to this issue TTP agreement to be a classic agreement with distinctively asymmetrical rights and obligations of the parties to the agreement, in this case with an exceptionally greater rights on the part of investors and the distinctively greater obligations on the part of the states/governments. In this way and the states their sovereignty and their sovereign rights and responsibilities supposed to transfer of someone Court of arbitration composed of individuals who would have had too much power in relation to the existing power of similar bodies to annul laws and other decisions of the state authorities and bodies-parliaments and governments.

## Conclusions

TTIP, just like the TTP, theoretical, conceptual and practical-operative is founded and rationalized of the base and within the theoretical foundations, conceptual premises and practical–operational models of the (neo)liberal economic philosophy. They are theories, concepts and models that in correlated link the variables of liberal and deregulated markets, as an independent variable, with the economic growth, as dependent variable. The economic growth highly productive foundation and frame gets through liberalization and deregulation of trade relations. The depth of basis and width of the frame are not at all important as theory, as a concept and as a model. This economic philosophy and true possesses confidentiality and power of apriority and axiom. The (neo) liberal economic philosophy latter possesses this confidentiality and power at least as prevalent theoretical, conceptual and practical-operational determination and commitment of global political and economic elites. It is those elites who thoroughly and in essence determined, actually impose and dictate, global flows of the main political and economic positioning, decision-making and action. Prevails theoretical, conceptual and practical-operational view

and understanding that the liberalization and deregulation of markets, of course, along with the private property, private initiative and stable currency, represent the necessary basis and the necessary economic/social-economic framework of economic growth, productivity, creating new jobs, reducing socio-economic disparities and it all concentrated and summarized as moving the overall social development and prosperity.

Of these theoretical, conceptual and practical-operational bases and in these same frames were set completed negotiations in the Uruguay Round of GATT, on these bases and within this framework are set and the negotiations of the Doha Development Round of the WTO. Of these foundations are laid and negotiations of the TTIP and TTP, with one huge difference (or one huge quality/"quality") which relates to the emphasis on the necessity EU Member States (primarily are think of great states and economies in the EU-France and Italy) the neoliberal foundation to reform their economic systems. The negotiations within the Doha round of WTO basically are located and are unfolding in zone that is primarily a zone of trade liberalization, indeed followed by additional elements of a certain breaking through the strict and narrow trade framework, but it, however, are the elements that are most related to the trade liberalization. How, for example, the TRIPS agreement which governs and regulates relations in the field of protection of intellectual property, with a special emphasis on the protection of intellectual property which is the result of scientific research, inventions and innovations in the field of medicine and pharmacy.

## Notes

<sup>1</sup> The statement was published without indicating the source, although it is quite obvious that it is a news agency, in Dnevnik, Skopje, 31.10.2015, 6, with editorial title "If you leave the EU, Britain would face barriers to trade with America. "

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**ACTION AREAS OF THE LABOUR MARKET POLICY IN THE  
REPUBLIC OF MACEDONIA**

**Abstract**

The contemporary challenges of the socio-economic development are imposing more or less the same essence of the labour market policy areas and instruments in the developed countries, as well as in the developing countries. They are directly dependent on the implementation of structural reforms aimed at stabilizing the economies and fostering economic development.

Concerning this, the paper is analyzing the areas for implementation of the labour market policy and activities in the Republic of Macedonia, as well as in the European Union, regarding the challenges of the contemporary society. They relate to the work of the institutions responsible for creating and implementing the labour market policy, the legislation relating to its functioning, labour force statistics and information system. The analysis is determining the target groups of the labour market and is giving certain recommendations and guidelines for possible future actions and measures that can ensure employment growth, reduction of the unemployment, and provide more efficient functioning of the overall labour market.

**Key words:** Republic of Macedonia, labour market, labour market policy

## Introduction

The implementation of the labour market policy is aimed at achieving full employment and improving the quality and productivity at work. Its goal is to align the labour market needs through the efficient functioning of the labour market institutions, increasing the labour mobility and better forecasting of needs. Expanding and improving the human capital investments, as well as adjusting the educational and training system according to the requirements for new competencies, are the most important challenges of the contemporary knowledge based economies.

The measures of the labour market policy usually are aimed at groups with greater risks in terms of unemployment or underemployment. In fact, these individuals are often under-qualified and/or do not have relevant work experience, which face them with limited mobility on the labour market. All these factors together can significantly impair the overall problem of the labour market. Therefore the labour market policy is aimed at providing equal opportunities for all on the labour market, including the most vulnerable groups such as youth, women, the elderly, etc., in order to enable them to find a stable and regular work.

The aspirations of the Republic of Macedonia towards the European Union are imposing the need in the process of creating the labour market policy, also to consider the recommendations given by the union, which can be a good base for providing efficient policy. But, in purpose to design and implement effective labour market policy, the most important is to contemplate the institutional framework necessary for its functioning, the action areas of the labour market policy, and tools that can be used to effectively realize the goals set under this policy.

## Labour market policy in the European Union

The areas and instruments of the labour market policy in the developed countries, especially in the European Union (EU), have the same essence, but are directly dependent on the implementation of the structural reforms which are aimed at stabilizing the economies and fostering the economic development. The attitude is that intensifying the development and well-designed employment policy and education policy, can influence the reduction of poverty and social exclusion.

In the recent years, the EU takes structural reforms that will enable the stimulation of the economic development and will create conditions for employment growth. Therefore, the labour market measures are focused on the following areas and instruments of action: (Council of the European Union, 2011)

- Increasing the participation of women and men on the labour market and reducing the social exclusion. Intensification of the policies to activate as many of the people who use the unemployment benefits and social assistance, especially among the young people, temporary workers, low-skilled, legal migrants and ethnic minorities. Individual assistance for finding work (individual employment plans), especially for those who need it most, and improvement of the employment agencies work, in terms of working together with other institutions and employers;
- Measures to support job creation in order to avoid the so-called growth without employment (jobless growth). Policies to create an environment that facilitates doing business and provides operation of green economies and economies with

high added value, which are the basis for generating new employment opportunities. Directional and limited reduction of the labour costs which are not related to wages, which will stimulate the employment, especially of vulnerable groups;

- Taking measures to make the work attractive and to reduce the unemployment and inactivity. Tax and benefit systems should be aimed at supporting employment, by moving from labour taxes (wherever possible) to activities with negative externalities (activities that threaten the environment);
- Reducing the labour market segmentation. People who have temporary employment contracts, especially young people, will be the first exposed to the economic downturn. Providing a better balance between security and flexibility is the basis for better functioning of the labour markets and for creating more and better jobs through flexible and reliable contracts, designing systems of unemployment benefits, active policies on the labour market and lifelong learning;
- Education and training are increasing the employment prospects of the young people who are facing difficulties for entering the labour market, of workers who need to upgrade or acquire new skills, and of those who are out of work, but need to recover skills so they can be ready to work again. It is one way to respond to the labour market needs. Therefore, it is necessary to acquire the skills through general and practical training, qualitative practical and appropriate work, but also to ease the transition from school to work. The initiatives for raising the skills level should ensure transparency of information, recognition of both formal and informal trainings combined with efficient funding for that purpose, which will mainly be focused on low-skilled persons;
- The labour market reforms should be aimed at raising the level of employment and sustainable social protection system, which will help to reduce the number of people at risk of poverty and social exclusion. At the same time, efforts to restore the public finances and to reform the social security system, should be aimed at ensuring their sustainability and adequacy;
- Maximizing the years of employment and minimizing the adverse effects of career termination are particularly important to ensure receipt of pensions in the future and the long term sustainability of the pension systems. This means raising employment rates, effective retirement ages and pension coverage. It implicates reducing the early retirement and finding ways to adapt the pension rights in accordance with the increase of the life expectancy;
- Taking strategies for active inclusion, access to the labour market, providing health and social services particularly for the most excluded people, all followed by increasing the efficiency of the social spending. This implies linking the social assistance to activation measures, and improving the coverage and adequacy of social security nets where needed. Therefore, a sustainable financing of high quality social services is necessary;
- The cooperation with the social partners plays an important role. It is necessary to improve the system of wages response to the development trends on the labour market, in order the wages adequately to reflect the labour productivity. In that sense, always should be kept in mind the relationship between the national mechanisms for determining the wages and the prevention and correction of the macroeconomic imbalance.

This brief overview of the areas and tools for action on the EU labour market, suggests several conclusions. Namely, after the last financial crisis, the labour market measures are aimed at supporting structural reforms and fostering the economic development, on one hand, and mitigation of the consequences expressed in a rise of the unemployment and underemployment, on the other. Moreover, in all mentioned instruments of action can be recognized the efforts for encouraging the employment and reducing the poverty and social exclusion, but through sustainable social protection system.

## **Possible action areas of the labour market policy in the Republic of Macedonia**

The efficient labour market functioning implies fulfillment of certain assumptions, such as investing in human capital, greater access to the means of work, increased opportunities for obtaining loans, greater awareness of all stakeholders about the opportunities of the labour market, adequate infrastructure equipment, adoption of appropriate legislation, equal market share of all persons regardless of nationality, religion and gender etc.

The Ministry of Labour and Social Policy and the Employment Agency of the Republic of Macedonia, as key institutions regarding the labour market policy, in the recent years have greatly increased their efficiency. However, there are still areas in which it is possible to improve their operations. Thus, for example, in relation to the activities of the Employment Agency it could be proposed the following:

- There is a lack of statistical data about the individual participants and movements on the labour market in the country (particularly in terms of employment and characteristics of the unemployed at the regional level). Moreover, it is not enough to collect and publish only the raw data on the size of unemployed persons and the job vacancies at the end of the reporting period. It is necessary to have continuous monitoring and detailed analysis of the labour market;
- The information on the qualifications of the job seekers and qualifications required by the employers are displayed under the highest level of education. Therefore, the Agency is facing with difficulties, because without adequate information on the specific knowledge, skills and competences required and offered on the labour market, cannot adequately plan the trainings. Therefore, it is necessary to collect more detailed information and data for the requested and offered qualifications on the labour market;
- The technical equipment and staffing of the Employment agency very often is insufficient for the implementation of all assigned tasks, which in the recent years are numerous. Moreover, it is necessary to increase the number of employees of the Agency in order to provide qualitative implementation of the new service model.

The laws pertaining to the labour market functioning (minimum wage, protection against unlawful dismissal, protection of workers, collective bargaining, etc.) have a major impact on the relationship between the employees and employers. In the Republic of Macedonia the employment legal framework is regulating the institutional responsibilities, their delegations, financing, the type and scope of the measures, as well as the services and benefits that are part of the labour market policy. Implementation of laws in the field of labour, as a rule, is more difficult to control which implies opportunities for

their inconsistent application and abuse. Therefore, there is a need to make some changes in the legislation, which are referring to:

- Improving the protection and insurance for unemployment, especially for those groups of people who are not covered by the current law (e.g., the self-employed persons);
- Modification of the passive measures on the labour market in order to encourage the unemployed to accept employment quickly (e.g., reducing the duration of unemployment benefits) and to prevent fraud for receiving these benefits (e.g., persons who are beneficiaries of some assistance while working);
- Changing the active measures towards a greater support of the measures for training, qualification and retraining of job seekers, etc.

Comprehensive analysis of the labour market situation is a prerequisite for designing appropriate and effective policies and measures. It implies the need for: a) a unified, comprehensive and valid statistics on the labour market; b) information on relevant macroeconomic trends; c) qualitative data about the requirements and conditions of the individual jobs and the qualifications of employees and the unemployed. At the same time, effective measures on the labour market can be designed only by using the relevant data and information on a regional and local level.

The main problems associated with statistics and information system on the labour market in the Republic of Macedonia are evident in the following areas: a) There is a need to strengthen the statistics on persons who are recipients of unemployment benefits and those who do not receive such assistance; b) It is necessary to strengthen the statistics about the wayshow job seekers and youth are dealing with the unemployment in the period when are not employed or during the period when they have never worked for; c) It is of great importance to take actions for measuring the underemployment, with its quantitative and qualitative determination. This is referring to the underemployment expressed through the revenues which are below the required living level, in terms of unsecure employment.

Beside the statistics, the effective labour market policy denotes the existence of a system to monitor the implementation and effectiveness of the measures and policies. This objective should not only apply to the Employment agency, but also to the research institutions and advisory bodies and organizations.

## **Target groups of the labour market policy in the Republic of Macedonia**

In accordance with the European strategy for smart, sustainable and inclusive growth - Europe 2020 and the Integrated Guidelines 2020 for economic policy and employment policy of the EU member states, it is necessary to run an inclusive policy on the labour market for all job seekers and especially for the most vulnerable groups. Employment regulations are designed to protect the workers from unfair and discriminatory actions of the employers. However, despite the existence of such regulations, particularly in terms of insufficient market compliance and deep market segmentation, there isn't equal access to employment, nor full inclusion on the labour market.

In the Republic of Macedonia, although there is a solid legal framework about the labour market, it does not provide full inclusion of the vulnerable groups, which remains

one of the issues that needs more attention. The target groups of the labour market policy are identified in all strategic documents, i.e. in both National Employment Strategies (2010 and 2015), as well as in the three National Employment Action Plans (2006-2008, 2009-2010 and 2011-2013). They are: young people, older workers, long-term unemployed and women. These are people who have relatively higher unemployment rates and are more excluded from the labour market.

Smaller employment opportunities for these vulnerable groups are a result of numerous factors: market structure, formal employment opportunities are relatively small; difficulties of young people entry in the labour force; differences in the educational attainment; the impact of relevant institutions; lack of the life-cycle access towards work, etc. (Mojsoska-Blazevski N, Najdova J, Stojkov A and Asenov L, 2009).

### *Young people*

The reasons for high youth unemployment (15-24 years) should be sought in: a) the mismatch between the labour market needs and the education and training system; b) most employers require workers with experience; c) the existence of the informal economy, which contributes a large part of the young people to be employed, but officially registered as unemployed.

Small improvements to the situation of the young people in the labour force, starting from 2006, are due to the hiring of low-skilled workers, especially of the young on low-skilled jobs. It has contributed the unemployment to be most decreased among the young people with low levels of education (primary education or less).

The discouragement of the youth (the focus is on the young people who are not seeking for job) is pushing them towards the informal economy and to emigration abroad (especially of the highly educated). The World Bank research, regarding the quality of employment, shows that young people are facing much worse conditions compared to other age groups. According to the Labour Force Survey estimates in 2006, most of the young people are seeking for their first employment (92% of all unemployed people aged 15 to 24 have no previous work experience), work more in the informal than in the primary sector (agriculture and mining) or are employed as unpaid family workers. However, accepting low-paid job can be a profitable strategy for young workers for finding regular and better paid job. (Angel-Urdinola, D. F. and Macias, V., 2008). Even in the last few years, the situation has not been significantly changed.

The Employment strategy for 2015 predicts comprehensive and consistent measures for improving the youth employment, which will ensure better conditions for the young people on the labour market, their smooth transition from school to work, as well as achieving the employment rate of the young by 2015 of 29% (15-29) and of 17% (15-24). Regarding this, it is expected that by achieving faster economic growth the job security for young people will increase and they will find an employment quickly. For this purpose, the strategy proposes measures relating to harmonization of the education system with the requirements of the labour market; greater support of internships and volunteering; active employment programs; increasing the young people mobility; preventive action through training and counseling for active job search; promoting entrepreneurship and others.

The evaluation of the active labour market policies and measures conducted by the ILO, shows that young people (15-29 years) accounted for 41.6% of the total number of participants in the three programs being evaluated (program for self-employment, training

programs and employment benefits). It means that these programs mostly are aimed at creating conditions to reduce the unemployment of the young active population. (ILO, 2012)

The past experience has shown that self-employment program does not suit for those aged 15 to 24 years because it should include the acquisition of vocational and entrepreneurial skills, supervision and assistance in the establishment and running of the new businesses, which requires big financial resources. Therefore, it will be more efficient if these programs are aimed at people 25-29 years old or older, who already possess knowledge, skills or experience. (ILO, 2012)

Most of the young people are involved in the training programs (55.0% in 2010), which are most effective for the unqualified people, because they allow them acquisition of certain qualifications and skills.

Employment benefits are the most expensive labour market measure. Hence, they are targeting the most vulnerable groups, which are including the young people under 29 years of age. Their inclusion in this program is seen in increasing the representation of young people in the total number of participants (28.6% in 2007 to 44.1% in 2010).

Taking into account the evaluation of the aforementioned measures, we believe that for reducing the youth unemployment the state should focus more on the employment benefits, the trainings should be aimed at young people who have lower qualification levels, while support for self-employment should cover those young people who already have some experience and knowledge.

### ***Older workers***

The employment of the older workers (55-64) in the country, in the last decade, remains very low (38.6% in 2014), compared to the national average (41.2%). At the same time, there is a decrease of their unemployment rate from 28.5% (2008) to 22.7% (2014). This change indicates that older workers gradually lose the advantage in terms of reliability of formal employment as a result of increased need for new competences and knowledge. Notably, employers now increasingly are looking for younger workers with higher education and skills that match the new production and information technologies. Part of the unemployment growth of this group can be explained by their increased participation on the labour market, a phenomenon which coincides with the process of aging of the population and labour force.

Many of the older workers, especially those with lower qualifications and education, have faced great difficulties in adapting to the changes that occurred with the transition. It has contributed to the increase of the number of the inactive elderly and to unfavorable changes in the structure of the unemployed aged 55 to 64 years. The early withdrawal from the labour market of these individuals, is due to the inability or lack of willingness to adapt to new market conditions, particularly because the state was providing financial support for early retirement on the basis of disability for work.

The evaluation of the active measures and policies show that the employment benefits mostly are aimed at older workers. However, the inactivity of this category is significantly increasing because they very quickly after the use of this benefits are retiring. So, perhaps it would be more appropriate if the employment benefits cover the elderly aged mostly 55 to 58 years. For those at retirement, though, can be provided additional unemployment benefits or certain forms of early retirement. The training programs, however, should be directed to the elderly only when a change in the occupation is needed. For better results it should be combined with the employment benefits. (ILO, 2012)

Considering the lifelong learning opportunities offered in the country and the measures and activities on the labour market designed for this category of people, we think that in order to influence on the unemployment reduction of the older persons, more attention should be focused on the available opportunities and measures which can help them to overcome barriers to employment.

### ***Long-term unemployed***

On the labour market in the Republic of Macedonia, more than 80% of the unemployed are long-term unemployed. The long-term unemployment contributes to the loss of skills of the unemployed and to the increased social exclusion. As a result of the depreciation of knowledge, skills and work experience of the long-term unemployed, there is a negative time dependence. In fact, the longer people are unemployed, the less are their chances of finding job, which further complicates the problem of long-term unemployment. Considering that the long-term unemployment is concentrated at the most productive age groups, we are talking about long-term unused human capital.

Based on the evaluation of the active policies and measures, it can be concluded that the long-term unemployed (i.e. the persons unemployed between one and two years and more than 2 years) are most prevalent in the self-employment programs (49.3%, or 24, 1% in 2010). (ILO, 2012).

Indisputable is the fact that people who are long-term unemployed have a need of comprehensive counseling services and guidance, psychological support and re-training, before being able to join the labour market. Therefore, we estimate that self-employment programs are not enough to ensure successful return to the labour market. It is necessary these programs to be combined with training programs that will contribute to successful implementation of the self-employment measures.

### ***Women***

Among the numerous factors that contributes to the higher women unemployment on the labour market in the country are: the tradition and cultural practices, low level of education and skills they possess, ethnicity combined with education, the availability (or unavailability) and costs for childcare, the care for the older family members, discrimination against women on the labour market etc.

Since 2006, women, and in particular, certain groups of women, such as the elderly or women with small children, are facing discrimination in their employment or dismissal, even when they use the services of the employment agencies (ILO and Council of Europe, 2006). This situation is also present today. But, very often, the labour inspectorate fails to resolve these cases of discrimination or does not apply the necessary legislation.

To overcome the unfavorable situation of women, the labour market policy objective is to get their higher integration through increasing their employability in order to get the employment rate of 42% by 2015. To achieve this objective following measures should be realized: increase of their competencies (knowledge, skills and access to work), development and delivery of employment services and training according the individual needs and conditions of women, overcoming barriers to labour market integration etc (Ministry of labor and social policy of the Republic of Macedonia, 2011).

The assessment of the effects of the labour market active policies and measures

shows that in the period 2007-2010, the share of women compare to men is higher only in the training programs (78.6% versus 21.4%). (ILO, 2012) This implies that the unemployed women possess neither sufficient nor appropriate, qualifications and knowledge that would enable more secure entry into the labour market. With the inclusion in the envisaged trainings it is expected to increase their employability.

Nevertheless, in order to achieve any significant reduction in the women unemployment, it is necessary to take measures that will encourage the women to self-employment, or that will develop their entrepreneurial skills. This requires greater support of the women's entrepreneurship.

### **Some recommendations about the labour market policy measures**

Republic of Macedonia for a long time is facing with extremely high unemployment, especially of the young, highly educated and low-skilled persons. The competent institutions in the recent years have taken a number of policies, measures and actions to overcome some of this disadvantages. However, there are additional measures and activities which can be taken in several areas:

- ***Working standards and social protection of the unemployed*** – the provision of decent work is not just about generating any work, but also about improving the quality of jobs. Very often employees are working extra hours for which they are not paid, are working in poor and insecure conditions, then despite their work, they still cannot pull their families out of poverty. Therefore, we propose to take the following measures:
  - Ensuring adequate working conditions and decent wages that for the employee and his family will provide decent living standard which includes: food, clothing, basic household items and health care. Rising the incomes of the workers, including of the young workers, will increase the domestic demand and indirectly will stimulate the economic growth.
  - Improving the social protection for the unemployed, especially for the young who are mostly engaged in non-standard forms of employment. For that purpose it is necessary to adopt strategies for improving and expanding the social protection programs and undertaking further labour market reforms to achieve them. Also, it is very important to consider that such social protection measures should not be seen as a cost to the society, but as an investment. Consequently, it will positively act on the development of the population and the labour force and on the productivity increase.
- ***Social dialogue and partnership specially targeted toward the youth*** – in the Republic of Macedonia the social dialogue is relatively high. Regarding this, the important areas for further action within the framework of the social dialogue can be the following:
  - Developing social dialogue and partnership to increase employment of the young people, as well as taking appropriate measures and actions at national and local level, to promote decent work for the youth.
  - Developing specific projects and interventions for greater youth employment, including realization of mutual partnership.
  - The social partners should take measures to reduce the fear and uncertainty

among the domestic investors, which will enable the private sector to reboot as the main generator of jobs, especially for the youth.

- ***Support of the system for information and analysis on the labour market*** – for its efficient operation, we consider that it is necessary to make thorough analysis of the effectiveness of the labour market measures and activities. It will provide well-timed reaction if certain measures do not provide the expected results. It means that additional actions or certain modifications can be taken in order to successfully realize the planned measures and activities.
- ***Measures to reduce the inactivity of the working age population*** – they should be taken as preventive, as well as direct measures to reduce the inactivity. This measures should reduce the demographic reserves, especially the prolonged exclusion of the young people from the labour market. As measures to reduce the inactivity of the working age population we point out the following:
  - To pay more attention to the demographic reserves of the labour in the country, especially of the youth demographic reserves, as follows: through continuous study of the demographic reserves features; by identifying the causes of the great inactivity of the working age population; and through actions aimed at reducing the inactivity, especially of the young population;
  - Introduction of programs for counseling the inactive working age population, especially the youth;
  - Establishment of measures and activities to reduce the inactivity of the working age population, especially of the youth.

## Conclusion

Taking into account the overall situation of the Macedonian labour market and the limited resources for implementation of the necessary measures and activities, targeting these groups and individuals is of great importance. For that reason, the adopted legal framework and the active policies and measures for easier access of these vulnerable groups on the labour market, should be consistently applied.

In order to achieve progress in tackling the exclusion of the aforementioned target groups on the labour market and to ensure equal access to employment for all job seekers, it is necessary to consider several key elements. The problems can be surpassed only by a coordinated approach of the relevant institutions. The Employment agency of the Republic of Macedonia should continuously strive to integrate the excluded individuals or groups. It will mean careful implementation of the active labour market policies, while taking into account the specific needs of these individuals, as well as the cultural and traditional factors relevant to the particular groups of workers.

Considering the previously justified fields of the labour market intervention, it can be pointed out that the state should establish and develop integrated strategies, aimed at long-term, sustained and focused action to promote the employment, particularly of the young people. This requires the need to keep a coherent employment policy and labour market policy, setting measurable and realistic goals, in order to achieve attainable results.

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## **IMPORTANCE OF EXCHANGE RATE FOR SMES IMPROVEMENT AND ECONOMIC DEVELOPMENT**

### **Abstract**

Progressive globalization has created a new international environment for SME exports from developing countries. The process of world economic integration has involved a broadening and deepening of inter-relationships between international trade and foreign investment flows. Several influences – falling trade barriers, increasing technological progress, migration of technical and professional manpower and highly mobile multinational corporations (MNCs) seeking out new investments – have combined to drive globalization. The end result has been the creation of an international marketplace for goods and services that seems indifferent to national borders and state regulation.

In January 2014, Macedonian government published a Programme for the Support and Development of SMEs. The Programme identifies three policy areas of major importance for SMEs: internationalization; the reduction of administrative burdens, especially as regards licensing procedures; and improved access for financing micro-firms.

The aim of this paper is analyzing and giving recommendations which are necessary for small and medium enterprises to make efforts in economic development as to contribute in a way that they will make the promotion of domestic products, have organized a joint presentation on external markets, will exhibit initiatives for creation of distribution centers. In this regard, the entry of FDI in manufacturing and real exchange rate are expected to contribute for exporters in the production of high quality and distinctive products, which would lead to higher absolute prices, higher productivity and lower unit labor costs of products.

**Key words:** SMEs, exchange rate, development, strategy

### **Introduction**

**S**MEs are an important source of export revenues in developing economies. An interesting observation is that SMEs contribute a larger share of manufactured exports and support the intuitive understanding that medium-sized enterprises have higher export potential than small enterprises with up to 50 employees (Ayyagari, Beck, and Demirgüç-Kunt, 2003). This means that policies for the promotion of SME export potential and SME exports must be targeted.

SMEs contribute to employment and income generation as export revenues too. However, in order to tap into the potential of SMEs for development and poverty reduction, transition and developing country governments, development partners and SMEs

themselves need to address a number of challenges. This underlines the essential meaning of a) creation of new and innovative firms and graduation of as many informal enterprises as possible into the formal sector, b) SMEs have to become more competitive and productive at their home base and c) SMEs have to achieve a level of competitiveness that will enable them to integrate into the global value chains through trade (exports and internationalization) and investment, including linkages with FDI (Badrinath et al., 1997). These challenges become more complex as globalization proceeds because globalization has the potential to open up access to new markets, technologies, skills and capital for SMEs. If we connect this with the effort of economic integration than it will bring a striking increase in competition from imports, the entry of new foreign investors and the strengthening of domestic, large firms that start to take over traditional, mostly local SME markets.

### **SMEs, challenges and competitiveness**

Challenges for SMEs development are multi-dimensional. As trade barriers, transport and communication costs fall, SMEs are required to add more value to their products to stay ahead and compete with lower cost rivals. Consumer demand is changing rapidly as incomes rise and choices increase when imported products become easily available in domestic markets. Technological advances create new products and transform almost every stage of business from production to marketing, sourcing and logistics. New rules introduced through the multilateral trade system and foreign buyers require SMEs to comply with higher technical, environmental and labor standards in domestic and export markets. Multinational enterprises seeking out new markets and investments offer capable SMEs the opportunity to insert themselves into global value chains through subcontracting linkages, while those that are unable to do so increasingly face the danger of losing their existing markets. Competition within the developing world for export markets, foreign investment and resources is also intensifying.

According to this, Metcalf, Ramlogan and Uyarra (2003) argue that competitiveness is embodied in the characteristics of the firm:

- the current efficiency and effectiveness of the use of resources,
- the willingness and the ability to relate profitability to growth of capacity (i.e. the willingness to invest), and
- the ability to innovate to improve technology and organization and thus improve efficiency and effectiveness.

So this means that competitive advantage is determined by how efficient and effective the prevailing markets for products, labor and capital are. Also here must be created business strategy which will include:

- to know what the consumer want and what is the market
- to think of creating new product
- to be always available
- to cooperate with other firms
- pro-actively upgrade.

The last one - pro-active upgrading is also very important and this take a lot of effort because of product design capability, improving measurement, standards, quality and productivity, recruiting qualified staff and training, forging sub-contracting links with

other firms, making use of technology institutions and other business services and actively seeking foreign buyers and marketing agents (Wignaraja, 2003). SME development strategies will necessarily be country specific. Each country will have its own challenges, opportunities and priorities for change. Resources available for implementation will vary by country, so that results achieved will also be different.

Notwithstanding such specificity, past and present experiences and practices of developed countries offer a menu of lessons and best practices for transition and developing countries. SME development lessons seem to hold true, independent of region and level of development among countries (UNCTAD, 2001):

- Peace and stability is a key requirement for the development of SMEs and for attracting foreign investment.
- SME development requires a crosscutting strategy, (i.e. its success depends on the ability of governments to implement sound macroeconomic policies, the capability of stakeholders to develop conducive microeconomic business environments, and the ability of SMEs to implement competitive operating practices and business strategies).
- Dialogue and partnerships between the stakeholders is essential
- Investments in physical infrastructure and business services and the implementation capacity of policy makers, local level administrators and support structures determine success. Continued dialogue and partnerships between stakeholders into implementation and review of supportive measures, particularly, those related to capacity building in institutions at all levels, yields improved outcomes.

## **Opportunities from SMEs internationalization**

Internationalisation has become increasingly important to the competitiveness of enterprises of all sizes. In today's environment, SMEs that start with a global strategy can move quickly to take advantage of cross-border activities, which provide opportunities not only for revenue growth but also for the exchange of knowledge and the enhancement of capabilities, thereby strengthening the long-term competitiveness of the firm. Despite the common understanding of the importance of internationalisation, there are still many internal and external barriers that impede the internationalisation of SMEs. Moreover there is a lack of data on the actual export performance of SMEs and the challenges and issues they face.

It is important to note that while the prospects for SME success are tied with macroeconomic developments, they by no means identically mirror all of them. As the majority of SMEs operate in sectors that serve domestic demand, for example, they did not share in the benefits of increased foreign demand, which was the key macroeconomic driver of growth from 2008 to 2013. Many SMEs are not in export-oriented sectors, particularly the micro and small enterprises. Thus, programmes supporting SME exports benefit directly only a sub-set of SMEs. However, indirectly, all SMEs benefit to some extent as higher exports raises:

- overall income levels, and hence the demand for goods and services sold by domestic demand facing SMEs, and
- the demand for goods and services originating from exporting-oriented enterprises.

In an increasingly internationalised world, there are competitive advantages for those businesses that begin with a global strategy and can move quickly to take advantage of cross-border activities. Providing further, tailored support for this growing asset class would form a key step in allowing SMEs to leverage the benefits of increased foreign demand for goods and services.

Looking ahead, there is a positive outlook and the promise of a strengthening of the recovery on the horizon. Total value added generated by SMEs has already surpassed its pre-crisis level and now it is expected to rise (from 2.8% in 2014 to) 3.4% in 2015 (ACCA, 2012a). Improvements in EU SME's performance depend critically on the further evolution of the macro-economic recovery. However, specific measures for improving the SMEs business environment play an important enabling role to ensure that SMEs are able to reap the full benefits of a return to solid and sustainable macroeconomic growth. However, international activities are mostly geared towards other countries inside the internal market and only about 13% of EU SMEs are active in markets outside the EU. The results showed that export-oriented SMEs show higher growth of turnover and employment than SMEs catering for the domestic market (Wignaraja, 2003). In addition, export oriented SMEs are also more innovative. So, it is in the public interest to support the internationalization of the SMEs.

Why is important to support greater internationalisation? Could be mentioned several reason (Tas, 2002):

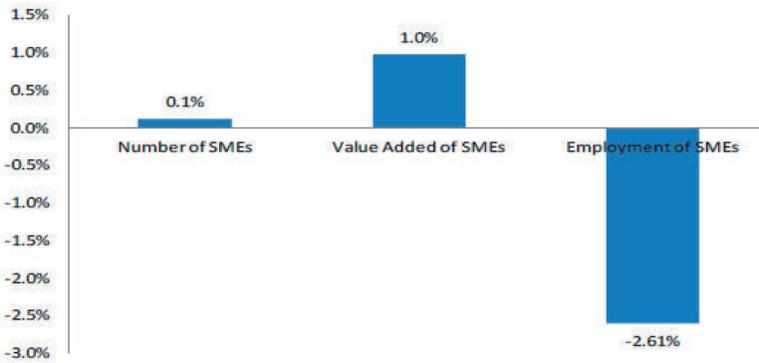
- international SMEs create more jobs
- international SMEs are more innovative
- public support goes largely un-noticed
- European SMEs are more internationally active than US and Japanese SMEs. Overall, European firms are more active than their counterparts in Japan or the US. Even if only extra EU exports are considered they still perform better;
- most often SMEs start international activities by importing.

The opportunities from the internalization of SMEs are better connecting European SMEs to international markets, and specific measures to facilitate the access of European SMEs to these markets. The clear policy implication is that, while any measures to stimulate exports by SMEs may benefit only a limited number of SMEs, their increase in export activity will eventually benefit all SMEs, including those active in very low or low exportintensity industries. However, the overall gains are more limited for the SMEs active in low-export industries than for the SMEs active in industries with a higher propensity to export.

## **Economic crisis and SMEs recovery**

At the EU level, SMEs have recovered to pre-crisis levels only in terms of value added, and to a lesser extent, in terms of number of firms. Employment in 2013 was still 2.6% below levels registered in 2008 and the note is the fact that the relative importance of SMEs and large enterprises in the non-financial business sector is practically unchanged since 2008 (Figure 1).

**Figure 1.** Recovery of EU28 SMEs in 2013 relative to 2008 (% change in 2013 levels from 2008 levels)

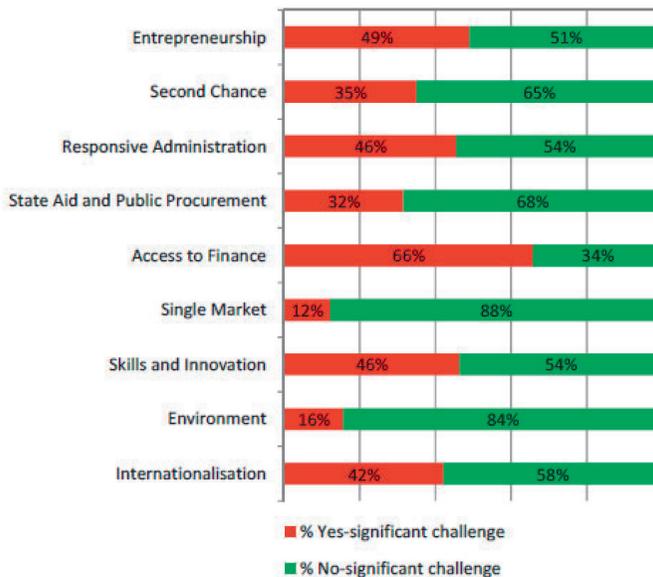


**Source:** Eurostat, National Statistical Offices and DIW Econ

A survey conducted for measurement the SME performances show particular challenges as most significant (Figure 2) (White and Chacaltana, 2002):

- under Access to finance, the difficulty in accessing to bank credits or loans and the excessive bureaucratic procedures to access EU funds were identified as the main barriers.
- concerning Entrepreneurship, the lack of financial support measures was the main underlying barrier which also correlates to the access to finance.
- for the Responsive administration, the administrative burden was pointed out, and more specifically the difficulty in managing all of the administrative requirements and requests from various authorities.
- finally, issues related to the Skills and innovation principle focused on the lack of strategic support in converting an innovative idea into a commercial product/process/service.

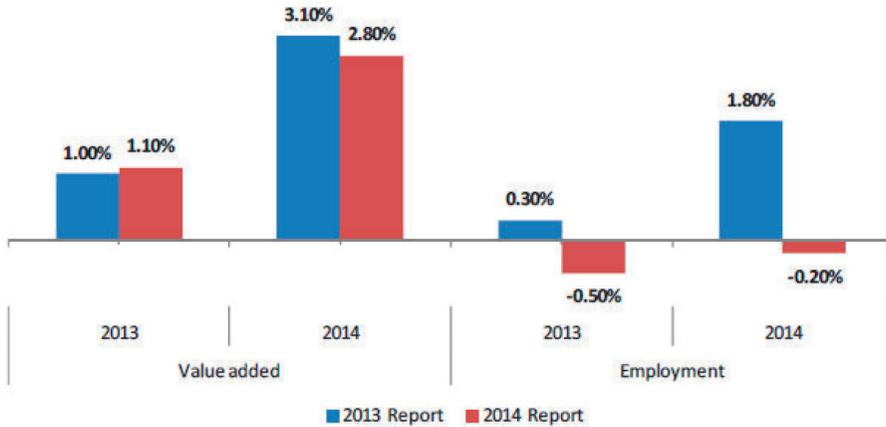
**Figure 2.** Most challenging principles to SMEs at national level – EU28



**Source:** White and Chacaltana, 2002.

SME performance forecast for 2015 showed that total value added generated by SMEs in the EU28 has returned above its pre-crisis level and is expected to continue to rise by another two percentage points by 2015, expanding by 2.8% and 3.4% in 2015. Employment in EU28 SMEs is also expected to increase, growing by 0.7% in 2015. Moreover, the number of SMEs is predicted to increase by 0.38% in 2015. All three groups of SMEs are predicted to expand in 2015, with micro SMEs expected to grow somewhat less rapidly than small and medium-size SMEs. The estimate of annual growth in SME value added in 2013 and 2014 are little changed from the forecasts shown in the 2013 report (Figure 3). This reflects the fact that firms, large and small, focus much more than previously expected on improving their productivity.

**Figure 3.** 2013 and 2014 estimates of performance of SME sector in EU28



Source: Eurostat, 2014

### Supporting SME export development and the role of exchange rate

At the macroeconomic level, government policies and the ability to stabilize a competitive real exchange rate is the cornerstone of promoting exports. A competitive real exchange rate provides an incentive for exports. Moreover, an outward oriented, market-friendly trade regime, which emphasizes the dismantling of import controls and tariffs, and streamlined bureaucratic procedures, *i.e.* export and import procedures, modern customs administration and efficient value added tax administration will facilitate exports, including from SMEs.

The impact of exchange rates on trade in a given country, as in Macedonia, example for small and open economy, should be seen in the context of continued integration of supply chains. Exports, generally, include high import content and impact of foreign currency-exchange appreciation or depreciation on any finished product because it is complex. If the depreciation of the exchange rate makes its exports of finished products “cheaper”, it makes imported components “expensive” for domestic producers. Maintaining growth and reducing the unemployment in a small and open economy such as Macedonia depends from improved performance of exports. Improving the performance of exports can also help to preserve macroeconomic stability by closing the gap in the current account to avoid wasting supplies and to stop the growth of external debt. Improving performance requires improving export competitiveness. In the short term, competition may be related

to the level of the real exchange rate, which provides internal and external balance. The appreciation of the real exchange rate with respect to its equilibrium level reduces the incentives and the ability of manufacturers to compete in foreign markets, since a significant part of production costs paid in local currency. In the long run, real exchange rates are assumed to converge to its equilibrium level, and competitiveness is more related to the productivity of the economy. So, firm-level strategies are fundamental to development of exports by an SME. Wignaraja (2003) suggests that globalization opens up new opportunities for export expansion and growth to about 5-10% of SMEs in developing economies (Wignaraja, 2003). These dynamic SMEs have designed well-adapted marketing strategies and invested in their manufacturing capabilities to bring them up to world standards of price, quality and delivery. Experience of exporting SMEs from developing countries illustrates the fact that they have pro-actively upgraded themselves (Srinivasan and Archana, 2011).

However, accomplishment of a pro-active upgrading menu, requires easy and cost-effective access to information on consumer demand and new technologies, training and advisory services to upgrade management practices, a skilled pool of labor in the country to select from, testing, quality assurance and certification institutions, and most importantly access to finance to upgrade technologies. Technical assistance in the areas of quality management, productivity improvement and metrology is needed to help SMEs comply with the product standards and regulations applied in export markets. In developing countries, particularly the less developed ones, technical advisory and consultancy services are scarce due to low levels of investment in developing engineering skills. Although management consultancies are emerging, the affordability of such services, especially for potential exporters are quite questionable.

Appropriate measures to maintain and to further improve the competitiveness of exporting SMEs and to draw additional SMEs into exporting might include grants for SMEs to obtain accreditation facilities, establishing productivity and design centers to upgrade SME design to international standards; and assisting SME membership organizations. Access to SME trade finance at competitive interest rates can be strengthened through export credit guarantee schemes for SMEs; and subcontracting and specialist soft loans for SME export activities. In many cases, the domestic and regional markets tend to provide a stepping stone from which SMEs can learn important lessons concerning product quality, timely deliveries and managing risk involved in international business. Where there is an inadequate domestic market, or the products are only attractive for export, considerable effort needs to be put into strategic positioning and reliable production so as to reduce risk of failure. Such effort is obviously costly and requires capacity building of SMEs and export development institutions, including sectoral membership organizations (Hudson et al., 2001).

Developing and transition economy governments do have an option to confront the challenge of improving export competitiveness of their SMEs. This may be achieved by developing a national strategy for export development and promotion. The overall objective should increase the volume and value of exports and the number of exporting companies, including SMEs. The strategy should seek to address the needs of firms at different stages of export market development. It should also seek to integrate export support and promotion into a well developed and effective business support system.

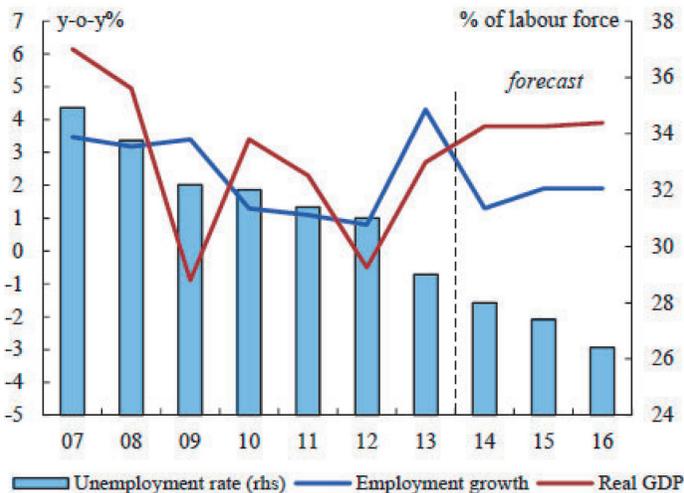
### *Exports and investments drive growth in Macedonia for 2014/2015*

Macedonian output growth accelerated in 2014, driven by exports of foreign investors and public infrastructure investment (NBRM, 2014). Solid gains in household spending further bolstered domestic demand. Given high investment- and trade-related import demand, the foreign balance weighed down on economic activity. Further gains in domestic demand are likely to set GDP growth at an even higher pace in 2015 and 2016, while the negative contribution from net exports is expected to diminish. The government remains supportive, with plans for further infrastructure projects, and increases in entitlement spending, relaxing its mid-term fiscal consolidation strategy.

Large-scale public infrastructure projects and a surge in exports, mainly driven by foreign companies established in the country, carried the marked acceleration of real GDP growth in 2014. Given the high import content of investment and exports, the external balance made a negative contribution to growth, after having been its main support in 2013. Strong increases in overall gross fixed capital formation in the first three quarters of 2014 were followed by slack towards the end of the year, yet, on average, investment activity recovered markedly after its sharp drop in the preceding year. As of the second quarter, household spending, supported by rising real net wages, stable private transfer inflows and improved access to credit, turned into a solid second pillar of domestic demand growth. The merchandise trade balance improved in 2014, in terms of GDP, compared to the previous year. In combination with an increased surplus in the services balance, and stable private transfer inflows, accounted for a narrowing in the current account deficit, by 0.5 pps. to 1.3% of GDP. Job creation in the manufacturing sector, bolstered by active labour market measures, was the main driver of further, though decelerated employment growth, and a further decline in the unemployment rate.

Fiscal performance disappointed further in the second half of 2014. The government supported private demand by a further rise in public wages in the autumn. At the end of the year, the general government deficit amounted to 4.2% of GDP, exceeding the revised target by 0.5 pps. The increase in government debt remained contained in 2014, but borrowing by state-owned enterprises drove up public debt levels as well as contingent liabilities of the government, which provides guarantees for their loans.

**Graph 1.** Macedonian Labour market

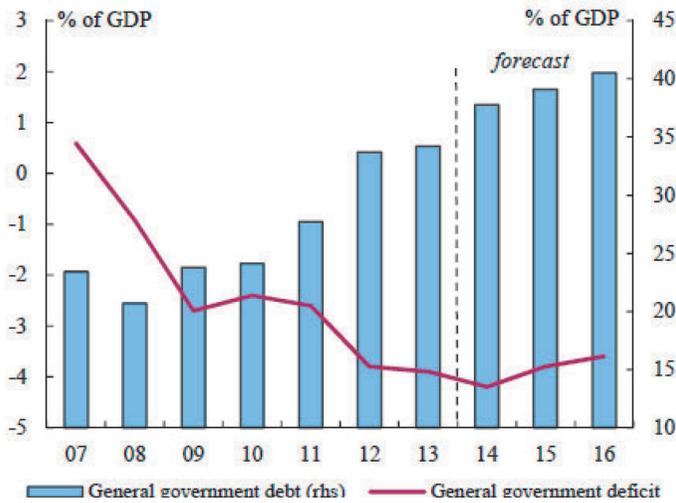


**Source:** NBRM (2014) Recent Macroeconomic Indicators, Review of the Current Situation.

Domestic demand is expected to remain the sole growth driver over the forecast horizon. Investment activity, driven by public expenditure on transport and energy projects, as well as the construction of new foreign investment facilities, is projected to post further solid gains, even though growth rates are slowing down to their long-term average. Household spending, benefitting from sound fundamentals, is likely to firm up further, and set to become the main source of output growth in 2015 and 2016.

Export performance is projected to remain solid, mainly driven by foreign exporters which are putting new production lines in operation. With investment-related imports relenting somewhat, the merchandise trade balance is likely to improve slightly this year and next, mitigating the negative contribution to GDP growth from the external balance. Still, the current account deficit is set to widen somewhat, largely accounted for by an expected normalisation of private transfer inflows to more moderate, average levels.

**Graph 2.** Public finances in Macedonia



**Source:** NBRM (2015) Review of the Current Situation.

The government is expected to continue providing a positive fiscal impulse to domestic demand this year and next, by further increasing social transfers, pensions, and public wages. At the same time, significant budget funds, and financing by state-owned enterprises, are earmarked for further public infrastructure investment. The recent and envisaged increases in entitlement spending are already leaving their mark on budget performance - in the first two months of 2015, the accumulated budget deficit amounted to some 25% of the full-year budget target, or 0.8% of projected GDP.

Graph 3. Republic of Macedonia

	2013		95-10	Annual percentage change						
	bn MKD	Curr. prices		% GDP	2011	2012	2013	2014	2015	2016
GDP	499.6		100.0	2.7	2.3	-0.5	2.7	3.8	3.8	3.9
Private Consumption	359.2		71.9	-	-5.4	1.2	2.1	2.3	2.8	2.9
Public Consumption	89.5		17.7	-	1.2	2.4	2.5	-1.2	2.0	2.2
Gross fixed capital formation	89.4		17.9	-	13.3	6.5	-16.6	13.5	8.5	7.1
of which: equipment	-		-	-	-	-	-	-	-	-
Exports (goods and services)	218.7		43.8	-	16.1	2.0	-2.7	17.0	8.8	9.9
Imports (goods and services)	309.3		61.9	-	8.0	8.2	-10.0	14.5	6.5	7.8
GNI (GDP deflator)	484.9		97.1	-	1.8	0.0	2.6	4.4	3.4	3.7
Contribution to GDP growth:										
Domestic demand				-	-0.8	2.8	-1.9	3.9	3.9	3.8
Inventories				-	1.3	1.2	-0.9	1.4	0.0	0.3
Net exports				-	1.8	-4.5	5.5	-1.5	-0.1	-0.2
Employment				-	1.1	0.8	4.3	1.3	1.9	1.9
Unemployment rate (a)				-	31.4	31.0	29.0	28.1	27.4	26.4
Compensation of employees / head				-	0.0	2.0	1.2	2.2	3.1	3.6
Unit labour costs whole economy				-	-1.2	3.3	2.8	-0.3	1.2	1.7
Real unit labour cost				-	-4.8	2.3	-1.4	-1.7	0.3	0.4
Saving rate of households (b)				-	-	-	-	-	-	-
GDP deflator				3.9	3.7	1.0	4.3	1.5	0.9	1.3
Consumer-price index				3.2	3.9	3.3	2.8	-0.3	1.2	1.7
Terms of trade goods				-	10.8	3.3	-0.8	1.8	-0.1	0.0
Trade balance (goods) (c)				-16.2	-25.2	-26.5	-22.9	-21.7	-21.5	-21.3
Current-account balance (c)				-5.8	-2.5	-2.9	-1.8	-1.3	-1.4	-1.8
Net lending (+) or borrowing (-) vis-a-vis ROW (c)				-	-	-	-	-	-	-
General government balance (c)				-	-2.6	-3.8	-3.9	-4.2	-3.8	-3.6
Cyclically-adjusted budget balance (d)				-	-	-	-	-	-	-
Structural budget balance (d)				-	-	-	-	-	-	-
General government gross debt (c)				-	27.7	33.7	34.2	37.8	39.1	40.5

- a) as a % of total labour force
- b) gross saving divided by gross disposable income
- c) as a % of GDP
- d) as a % of potential GDP.

Source: NBRM (2015) Review of the Current Situation.

## Conclusions

SME development cuts across sectors, involves multiple stakeholders and necessitates concerted actions by the public and private sectors. Therefore, SME development should be mainstreamed into the national development framework. Building up market institutions should be accompanied by capacity building of appropriate institutional structures.

Although competitiveness is a firm level phenomenon, macroeconomic and microeconomic environments influence market signals. To enhance SME competitiveness, therefore, requires the creation of enabling legal, regulatory and administrative environments, access to finance and capable institutional structures, and most importantly human capital and a sustainable environment. Removing supply-side constraint to trade and investment, require firms to build up their competitive advantages. However, competitive advantage is measured in relation to rivals in the markets firms compete in. Integration into regional and global trade and investment networks will require much effort, although it is not an impossible proposition. Public and private sectors in transition and developing countries must work together to improve the functioning of markets at home, while intensifying efforts to integrate into the world economy. Improving the investment climate for SMEs, and strengthening their capacities to respond to trade and investment opportunities, does strengthen the economic performance of SMEs and this in turn has a positive impact on growth and poverty reduction.

Each country has to find its own way to strengthen the legal, policy and institutional frameworks in which SMEs operate and which set the quality of the enabling environment.

Regarding the analysis, the key components of an SME strategy which Macedonia should consider includes (World Bank, 2013e):

- the ability of SMEs to implement competitive operating practices and business strategies.
- Increase efforts to develop and strengthen enabling legal, regulatory and administrative environments at local, regional and national levels, where property rights are clearly recognized, contracts are easily enforced, transaction costs in setting up and doing business are financial, judicial, and other governance systems and procedures.
- Facilitate availability of and access to loan and equity finance, particularly medium to long-term opportunities to improve trade and investment capacity of SMEs.
- Strengthen infrastructure services delivery to facilitate market access and reduce the cost of doing business. More investment is needed in key areas such as energy, transportation and communications.
- Reinforce support structures for private sector/SME development, particularly institutional support. SME development strategy should be coordinated and monitored at the central level through a lean, but high level institution and progress should be reviewed jointly by public and private sector. SMEs need business services to improve their competitiveness (*i.e.* information, consulting, training, accounting, legal, advertising, marketing, courier services, technical and technology services, including testing for standards and certification requirements abroad, product upgrading, etc.).
- Enhance policy coherence at regional, national and international level and actively manage aid effectiveness by: 1) joined-up government nationally; 2) country-based and international donor coordination and pooling of technical and financial resources at appropriate levels; and by 3) complementing official development assistance (ODA) made available to transition and developing countries for capacity building in trade and investment with appropriate market access (World Bank, 2013d).

As final remark, taking in advance that the role of the exchange rate as a nominal anchor derives from the characteristics of the domestic economy, as a small and open economy that is highly dependent on the import of primary commodities. This means that Macedonian exchange rate can be used as an instrument for export performances of the SMEs. Macedonian policymakers should create policy with several aims focused on exchange rate policy because this will enhance the SMEs exports:

- A competitive real exchange rate provides an incentive for exports of the companies
- The impact of exchange rates on trade should be seen in the context of continued integration of supply chains
- Exports generally include high import content and impact of foreign currency-exchange appreciation or depreciation on any finished product because it is complex. If the depreciation of the exchange rate makes its exports of finished products “cheaper”, it makes imported components “expensive” for domestic producers/domestic SMEs.
- Maintaining growth and reducing the unemployment in a small and open economy such as Macedonia depends from improved performance of SMES exports.

- Improving the performance of the SMEs exports can help to preserve macroeconomic stability by closing the gap in the current account to avoid wasting supplies and to stop the growth of external debt.
- Improving performance requires improving export competitiveness.
- An outward oriented, market-friendly trade regime, which emphasizes the dismantling of import controls and tariffs (permitting access to inputs at world prices), and streamlined bureaucratic procedures, *i.e.* export and import procedures, modern customs administration and efficient value added tax administration will facilitate exports, including from SMEs.

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**INTER AND INTRA ETHNICAL CONFLICTS AS FACTOR FOR  
REDUCING OF DEMOCRATIC AND DEVELOPMENT CAPACITIES  
OF REPUBLIC OF MACEDONIA**

**Abstract**

One of the paradoxes of the contemporary Macedonian society at the beginning of twenty-first century can be seen on the fact that in the same period when Republic of Macedonia become independent and sovereign state, the Macedonian society more and more intensively is disintegrating, or it is continuously reducing its social cohesion. Certainly, there are many reasons for this among which most dominant are the inter-and intra-ethnic conflicts which have extremely negative effects as to the global social processes, but also to the individual existence of the citizens. Namely, today in Republic of Macedonia dominates ethnic, religious, political, social, cultural and axiological separation that blocks the rational approach in the processes of organizing and management of the social life in all of its spheres: politics, economy culture, education etc. At the same time it leads to reducing of the democratic and development capacities of the country that has highly negative consequences concerning the dynamics towards access of Republic of Macedonia in European Union.

According to the previous statements in this paper we will try to analyse the inter and intra ethnic conflicts in terms of its genesis, causes, actors, consequences, and possible alternative sincreating assumptions for their gradually overcoming. This approach, at the same time, implies to defying of new priorities and contents concerning all round activities of the ethnic groups and political parties as well as the citizens in the Macedonian society that will be in function of relaxing inter and intra ethnic relations. The establishing of these priorities should result with incensement of the social cohesion that in the same time is the basic assumption to speed up the integration of Republic of Macedonia in the European Union.

**Keywords:** inter-ethnic conflicts, intra-ethnic conflicts, social cohesion, democratic development

**Instead of introduction: the citizen in the closed circuit of the conflicting Macedonian social reality**

**N**owadays we face an extremely complex social reality with emphasized political ambient, thickly interwoven net of ambivalent social relations and imperceptible

individual and collective interactions based on continuous conflicts. A fundamental representation of this inference is the state of the Macedonian social reality, in which foundation there are evident antagonistic processes. Namely, the Republic of Macedonia, in the last twenty-five years undertakes efforts to establish itself internally, as well as on the international political scene as independent, sovereign, legal and social state, in which the rights and freedom of its citizens are guaranteed. On the other hand, the divisive ethnical, religious, social and political grounds; the crises, armed conflicts and moral erosion; the lack of trust in the institutions and individuals that are managing them, represent the darker side of the Macedonian transitional story. At the same time, the lack of legal ruling is resulting in absence of the legal state, which is directly correlated to the disintegrated system of social functions and norms, while the members of the society are left on their own with devastated lives and generally disappointed of the effects of changes.

The system of values is completely distorted, with domination of fake values, negative selection and authoritarian political leaders. At the same time, one part of the citizens – epigones of political parties do not bother in choose means to get closer to their political leaders in order to earn their affection and to show their loyalty. It becomes norm that this way of living its own life is marked with clientelism and apologetic approach, which threatens individual virtues such as: dignity and self-respect and rendering them easier to be lost. This creates ideal preconditions for manipulations and intrigues to be perceived and glorified as ‘great visions’ and closes the vicious circle – the greater servility and idea-obedience pave the way for even greater glorification of false values and false visions for better life.

The social cohesion of the Macedonian society has been undermined to a significant extent by the glorification of the own ethnos and own political party which creates circumstances for inception of antagonisms that undermine the future of the state. Namely, in Macedonia, a great number of citizens still live in their ethnical and political party ghettos. The belonging to an ethnic group or political party are the basic trademark – a password that provides certain protection in the life. This situation is, at first place, a result of the way politics is enforced, which is a direct reflection of the moral dignity of our politicians. Their congenital need to continuously manipulate the feelings of the helpless citizens complemented with lack of knowledge and vision as well as with absence of sense for dialogue makes them inferior in relation to the assignments they pretend to fulfill. They compensate this with their arrogance, double morality, disrespect to the other’s argumentation and false self-satisfaction of the ‘achieved’ results in their work. The price paid by the citizens for such behavior is too high. In this context, we pose the question: until when will they be able to pay that price?!

Notwithstanding, we are facing a time in which the questions for our future and economic development become questions for our survival or questions of the logical absurd that is happening here and now around us.

Evidently, in such circumstances, the Macedonian citizen does not possess ability to create his life in accordance with his needs and potentials. In the same time, to a great extent, he remains imprisoned to the impaired way of living. Torn between the desired and the real, faced with numerous existential and essential challenges, left over the cruel reality, but also to the recklessness of the politicians, he awakes continuously in the nightmare how to survive, how to find a suitable employment, how to provide existence to his/her children, how to heat the home, and in the first place, how to keep his/her dignity?!

Having in mind the above arguments, the blade of this paper is directed towards

criticizing all the processes and actors that take away the citizen's right to live the life according to his own principles based on one's authentic needs. In this context, it is essential to escape the unbearable easiness of self-deception that problems are going to be resolved and situation improved on its own. Our goal is to point out that living in permanently conflicting situation is not determined by the destiny, but it is a reflection of the powerlessness of the Macedonian citizens to oppose the 'political elites' who think that can impose a way of life only because they are powerful, greedy, self-centered and inconsiderate. We would like to anticipate the assumption that things can go in another direction too. Namely, the citizen has full right to give resistance in the name of his own life philosophy; to offer own alternative for existence; to oppose the utilitarian logic of the small and little bigger dictators and their instrumental mind; that he does not comply with when living in their paranoid world being a person with less and less own spiritual habitat, while being more and more role-player in a function of maintaining alienated model of existence, designed to satisfy only their ambitions.

### **Theoretical and methodological guidelines: the science as criticism of the current societal reality**

The general characteristics of the problems faced in our society clearly demonstrate the complex and contradictory character of the processes that currently occur in the area of the social, political, economic, collective and individual life of the Macedonian citizens. Taking into account the necessity to perceive the intrinsic essence of these processes, it is indispensable to observe them in the framework of integrated interdisciplinary methodological approach. This will allow us to analyze certain segments of the problems including the problems as a whole, at different cognitive levels, through the prisms of separate scientific disciplines, having in mind their immanent interconnectedness in one epistemological unity. In this context, our intention is to perceive the Macedonian society in its totality through dialectical weld of general and specific approach, as well as through the numerous fragmented contradictions. In this way, the focus of analysis leads directly to the realization of the relationship between reasons and consequences of the existing conflicting states with an aim to uncover their common denominators, *i.e.* to detect the fundamental reasons that charge the disintegrative processes and make the existing social ambient anarchical and anemic.

Taking into consideration the complexity of the task, one gets the impression that it cannot be realized only with flawless scientific analysis based on the rigorous and accurately constructed scientific apparatus. This generally accepted positivistic approach produces objective truth according to the rules of the formally-logical thought and it is characterized with values neutrality, meaning that it is carried out independently from the value judgments of the scientist. Alternatively, the problem might be observed in the context of existential human needs by attempting to uncover the truth of what is happening around us. Exploring the societal states and changes while starting only from those segments of the society that are fitting for quantitative analysis in their empirical evidence is often compared to the work of Sisyphus who was condemned to ceaselessly roll a rock to the top of a mountain. Hence, it is a challenging task to start competing with the generally accepted mechanisms and instruments of the formally-logical positivistic notions, rules and principles, in the contemporary scientific research. This should be done by offering alternative methodological approaches that even at the expense of lower scientific

rigor, enable perception of certain intrinsic contradictions of the complex events in one multi-layered cognitive level.

In accordance with the above arguments, our methodological approach in this paper will have as an initial standpoint the basic epistemological notions of the critical theory of the Frankfurter school. The following cognitive principles are in place:

- The rational theoretical cognition must be, at the same time, a critique for its object of cognition, which means anticipation of the optimal possibilities for its change;
- In order to stay in accordance with its object, the thought must follow the changes in the otherwise contradictory societal content;
- Unity with respect to theory and practice – intrinsic connectedness of the theory and the method;
- The cognition for the laws of movements in the society are not presented exclusively in hypothetical form ‘if - then’ nor in categorical form ‘because of - hence it must be’ but in existential form ‘it doesnot have to be - people can alter the societal being’.

### **Inter-ethnic conflicts in the Republic of Macedonia: genesis and current condition**

The historical context of the Macedonian state existence undoubtedly and clearly determines the philosophy of its political and cultural self-sustainability. Macedonia, similarly as the whole Balkans throughout the centuries represents vividly persistent amalgam of interactions among numerous ethnicities. In the same time, it is a place of contradicting interests on religious and ethnic grounds, but also a place of cohabitation of different ethnic communities. Having in mind this analogy, nowadays Macedonia represents a multi-cultural community where citizens’ existence is different according to their ethnical and confessional background, culture, tradition, language and, at the same time, the approach to and view of life. Evidently, this kind of differentiated configuration results with broad spectrum of interactions that can easily become a factor of instability. We have in mind processes in which foundation lies the glorification of the own cultural identity of the ethnical communities, most frequently for the benefit of previously well thought-of political manipulation of their political leaders. In this context, the belonging to an ethnical entity becomes a trademark for own identification. The basic existential human needs get to identify with the political requirements of the ethnical group one belongs to. The personal opinions recede before the generally accepted ethno-political doctrines of the existing ethnic group. The fear and lack of trust are further even more intensified in the mutual communication or non-communication. All of this contributes to the creation of negative feelings towards the representatives of the other ethnical groups. In this way, the already existing negative ethnical stereotypes get enhanced, which poses on its own a basic precondition for confrontation and conflicts.

Undoubtedly, the Macedonian societal ambient in the last twenty-five years is characterized by these circumstances. They have been actualized especially during the military conflict between the Albanians and the Macedonians in 2001. This conflict has surfaced all previously suppressed dividing, antagonisms, frustrations, un-satisfactions and, last but not least, the different visions for the future of the Republic of Macedonia. Even though the conflict had limited, to certain extent controlled military enactment by the in-

ternational factor, and lasted short time, still it has emitted very clear political and military message that the Republic of Macedonia is far from being oasis of peace, with domination of relaxed inter-ethnic relations – which has been the claim of the actual political leadership in that period. Formulating the above more explicitly, this event pointed out a very important fact that Macedonia has been, and still is a place of unsafe living, restlessness and uncertain future.

At the same time, despite that the Framework agreement that followed briefly afterwards, has allowed to relativize the consequences of the armed ethnic conflict, and has created legal framework for cohabitation of Macedonians and Albanians, it is still evident that the Macedonian society is still very sensitive in relation to this problem. This means that in order to surpass it, there is a need for long-term, well thought strategy, and its permanent realization, in all spheres of the social life. The ultimate effect should lead to complete integration and realization of all citizens in a common state where they will feel as their own.

### **Intra-ethnic conflicts in the Republic of Macedonia: current conditions**

The previous thoughts enhance the intensity, or in other words, increase the sense of concern, having in mind the fact that the Macedonian society is being divided on all basis on intra-ethnic level such as: political, social and in terms of values. Namely, today in the Republic of Macedonia, the authoritarian type of political culture in the organization and the functioning of the greater part of the political parties (especially the ones in power), as well as in the maintenance of the entire political life, whose basic mark is ultimate division to the extent of antagonism. Today, in the Macedonian society, the interests of the own party and the own interests in the name of the party are placed before the interests of the citizens and those of the entire country. Conflicts, inter-party argues, tragic-comical monologues, insults... The partitioning of the state, the partitioning of the society, the partitioning of the human souls... this is the essence of the Macedonian political and social context. In this context, in the Macedonian society there are citizens of first and second order: those who are with the government and those who want to change that government. The first ones are in situation to use certain political, social and economic advantages depending on the position they occupy in the party pyramid.

In any case, the process of division in the sphere of social living is evident and it is manifested through the creation of small 'elite' of rich and powerful citizens. They have brought to poverty the majority of the people, which leads to reductions of the middle class as a main engine of the societal processes in the previous system. The polarization of Macedonian society furthermore creates preconditions for continuous conflicts in all areas and institutions of the social life. In analogy to this, we witness many changes in the society such as: losing basic functions of the marriage and family, malfunctioning of education, permanently eroding social capital and expansion of the societal pathology.

Additional confusion in the increase of the conflict-ability of the Macedonian societal ambient is the condition in the axiological area. After twenty-five years of transition from centrally planned to market economy, the old value benchmarks have not yet been deserted, while the new ones are not fully accepted. According to some empirical research most of the citizens find domination of holistic and traditional values, from the point of view of the social identity of the citizens and from the aspect of the accepted models and content

of social behavior and integration. At this point, the promoted liberal-democratic values, on which projection the existing political and economic system should be constructed, remain to a great extent as abstract and wanted, but not existing.

Notwithstanding, the Macedonian social ambient is on dangerously low level of social integration which leads to anarchy and lawlessness, while stimulating permanent spill over from one crisis modality to another. At the moment, regardless the dominant type of crisis such as: ethnical, political, social, economic or crisis of value systems, they interchangeably complement each other and construct a vicious circle of the Macedonian hopelessness.

### **Final discourse: the activism as alternative**

In the middle of this political, ethnical, social and value system chaos the Macedonian citizen feels more and more that the basic constitutional principles as a foundation of the Macedonian state continuously diminish. These are: sovereignty, independence, civil and democratic orientation that should guarantee the rights, freedom and personal integrity of the citizen and allowing for dignified cohabitation of all its citizens, based on social security and economic welfare. We can notice that nowadays, the principles of sovereignty and independence are only on paper. The legal system protects the representatives of the government who have performed criminal acts while getting ruthlessly rich. The proclaimed democracy is only a mask for criminal, fake pluralism, and recklessness of the political and economic people in power, or a cover that conceals the problems much more than it allows for their resolution.

Left on his/her own, helpless to fight the anomalies and the paradoxes of the system, the citizen leaves the 'prey' to the ones who use intrigue, ruthlessness, manipulation, mediocrity, people with no dignity and honor, people whose trademark is the common party dress, especially the ones on rule. The worst consequence is that the feeling of helplessness results in the need for passivity or being introvert. In the environment of social anomaly the illusion for possible individual survival, grounded in the defensive logic of self-isolation or abstinence from the public life, occurs as the last act of desperation. Withdrawn in their homes, offices, ordinations, working places, in their privacy or intellectual space, accepting the life philosophy of least resistance, we consider ourselves safer and less exposed to danger. It seems as if we donot want or cannot notice that the escape from the society is at the same time escape from ourselves. Paralyzed of fear and uncertainty we keep forgetting that we are that same society, we are forgetting that we have the moral obligation to actively participate in all that is happening around us. We have to declare ourselves, we have to let everyone who wants to shatter our country that we are still here and we are still beings.

In this context, it should be stressed the necessity of a new axiological framework, with a gravitational core founded on the principles of creative living, honesty, rightfulness, freedom of thinking and acting, open-mind for exchanging ideas and tolerance to one another. With respect to this, we need a dialogue that will enable us to become more proximate to each other. This dialogue should create the preconditions for building a world of authentic living in which the freedom of thought and speech would be the fundament for its development. Only in such way the miniscule of our existence can receive some dose of permanence. This is our obligation from the deeds of our ancestors who have set the foundations of our country, but this is our obligation towards the generations

to come. As much as right we come up with a conclusion that the world we live in is in permanent crisis that may culminate with entropic consequences. In relation with this, we cannot change much and we must know that the history is not familiar with good times, but only remembers brave, proud, smart, creative people, ready to sacrifice a lot of their own lives for the wellbeing of the others and the society as a whole.

In sum, the events and eras are not valued according our perception for ourselves, but according to what we leave as heritage for the ones that follow. This creates a responsibility for our generation about the processes that are happening in the time we live in. Moreover, it is an enough reason not to stay mute observer to the processes that happen around us, but to offer our critical view of the social reality as an attempt to exchange opinions that should create the foundations for more human and more authentic existence.

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## **KNOWLEDGE AND INFORMATION MANAGEMENT SUPPORTED BY ORGANIZATIONAL LOCAL AREA NETWORK**

### **Abstract**

Knowledge and information management in contemporary working conditions actually means utilization of all the benefits offered by the computer networks. It is communication and computer equipment which couples the organization's hardware and software resources. Thanks to the tremendously developed computer and communication technologies nowadays, it is possible to do highly sophisticated network designs which meet the needs and requirements of the relevant organizations. Hence the necessity of existence of network management that will take into account the strategies of the organization concerned and its knowledge capacities.

**Key words:** Knowledge management, sharing knowledge, management of computer and organizational networks, local aerial networks, strategic management, management

### **Introduction**

Management of computer networks and its application in the process of implementation of the organizational strategies, and in particular in the organizational design, is particularly interesting both for the managerial staff and the owners. This is primarily due to the increasing competition on the market (Bennet Alex and David, 2004), which stems from the current sophisticated information supported processes of organizational planning, creativity, offer and exchange of information and services based on this type of operation. It is a common practice nowadays to offer and sell a vast array of all kinds of products and services online.

These are the reasons why the organizations' management is eager to apply it and exploit its potentials as much as possible. And the potentials are far from few, as wherever such type of support is possible, it can basically be done in two ways. The first way is by using the services offered by outer sources, i.e. by all kinds of providers of computer-related services, e.g. provision of internet access and usage of particular web sites. The second way is when the organization creates its own more sophisticated local computer network which allows the organization to support its organizational processes, objectives and researches more successfully and more safely.

Tasks that have to be completed and capacities needed for successful designing of this type of organizational computer networks (Peterson and Dave, 2011) are much more complex, since they require knowledge from the fields yet to be managed, as well as good familiarity with the capacities of the hardware and software equipment. If we add to this current sophisticated technological processes which are also computer supported,

it becomes more than clear why familiarity, or still better, mastering this sort of skills and knowledge, is a must.

The crucial issue here is how all these elements can be effectively planned, organized and ultimately implemented so as to operate efficiently. The approach to this problem has to be sought in the design itself and in application of modern, advanced computer and communication technologies and developments, which will make possible construction of the organizational structure. This ensures a successful information support (Hinton, 2006) of the working processes in the organization in question, processes which are based on the local computer network and utilization of the organizational knowledge.

Accomplishment of such objectives is possible by selecting activities of top priority. Accordingly, priority number one is provision of the necessary hardware equipment needed for organization of the local computer network. The purpose of organizing it is making the hardware equipment compatible with the software applicative programs. This shall be followed by purchase of licensed operation systems and software applications, all in compliance with the international agreements and obligations undertaken regarding this field of operation. Further on, it may be the case to have to decide on some necessary development packages for computer support of the working and creative processes within the organization. These can be provided from domestic or foreign suppliers, or in case of some peculiar requests, they can be specially tailored by the organization's inside sources.

Computer accessories are also of great importance for the organization. They include printers, faxes, multifunctional devices enhanced with possibility to scanning and turning documents into digital form, as well as many other accessories that can be linked to and managed by means of the available local computer network. Other items that can be considered priorities are software system tools that allow distributed management of PCs and software in the local computer network, all sorts of services and management of the available resources or those managed by the respective local computer network.

Constant monitoring of the latest achievements and developments in the field of computer and communication technologies, as well as applying them, is preferable, provided it is appropriate for and matches the needs of the relevant organization. This also applies to software tools that make it possible to create and generate your own applicative programs customized to meet the organization's needs.

The question of security and safety must be addressed, too, in particular when talking about bigger organizations. These are organizations dedicated to research and introduction or adoption of new products or services. The above also covers organizations which have joined their forces and work together, usually when working on a joint project, when there is need of increased security measures, but at the same time enhanced synergy and sharing experiences and information.

## **The organization and its local computer network**

Local communication computer network means network equipment that allows inter-networking of a number of PCs, server computers, printers, adapters, pieces of software, a variety of mediums and gadgets located on a smaller area. Local computer network allows their inter-networking, which basically means possibility for the inter-networked items to inter-communicate. This is actually fulfillment of the primary prerequisite when talking about sharing digitalized documents and data.

Creation of the desired design and later generation of a local computer network,

(Kennet, Mansfield and Antonakos, 2010) presumes making use of the hardware components. It is basically networked hardware equipment which also enables the provider of the internet-based services and the organizational local computer network to inter-communicate.

The very beginnings of this sort of local network were by establishing modem-based communication with the provider, using some kind of hired telecommunication connection that can offer a lot of different rates of data transfer. A modem is a device allowing computer information to be communicated through a telephone line. This is done by turning digitalized data into an analogue signal. Telecommunication connections used nowadays are also digital, which is the reason why this type of modems is used. This type of connection with the current mobile telecommunication lines is also possible with the equipment used for wireless connecting. This illustrates the fact that the desired realization of a local computer network and its networking with the surroundings can vary in its configuration forms, which depends on the objectives the company wants to accomplish.

These connecting devices are additionally supplemented with the device called router which ensures interoperability and connectability of networks with diverse topologies, making sure they are optimized. In addition, it is necessary for the local network to own a variety of servers, with possibilities the servers to be used as per the needs of the respective company and its objectives, applying in the process the necessary hardware and software that is supposed to be available. Besides, we must mention that it is impossible to use any server or a computer that does not have an operating system.

Components that are a must for one local computer network are suitable hardware and software equipment. Hardware equipment comprises servers, personal equipment and communication equipment. Servers are in charge of carrying out the multitasking activities for the needs of the users of the local computer network. A simple example of the role of the server is the electronic mail. It is an applicative program designed to enable electronic communication among the users of a local computer network. In fact, there are many different types of applicative software, each of which having a definite purpose (e.g. enabling analytical calculations) and being simultaneously accessible by a majority of users.

Second type of hardware equipment is contemporary personal and mobile computers, as well as a variety of accessories, e.g. printers, all of which are easily accessible through the network. Hardware equipment additionally covers communication devices repeaters, which enable long-distance communication, bridges aimed at connecting segments from the local aerial network, switches and hubs, and the like. These are all pieces of equipment used for linking the devices in the computer network, thus allowing physical and topological implementation of the network in rooms and premises where there is need of networking the working stations.

Software applications and programs necessary for operation of the local computer network are: operating systems, web servicing software (which can be considered a platform, basis for supporting an organizational web), software that will be able to design and realize the operation of the web, and a server software for electronic mail. There is also earmarked (dedicated) operation software for devices that provide independent access to the local network via public fixed and mobile communication networks. There are many more pieces of software and network computer services used for the needs of administering and planning the respective local computer network, and capable of operating via various operating systems (Bacon and Harris, 2013).

## **Major network topologies used to support storage and distribution of organizational knowledge**

Computers in one local computer network can be connected in a variety of ways, thus allowing mutual communication. Connection methods available are multifold, one of which being Virtual Private Network, VPN, which ensures safe connection to a private network (Oz, 2008), using the internet access. Other type of useful connection is the dual-up connection that allows access to a certain local area computer network by using available access to telephone.. In the past, this used to be the only possible way to access external networks, and nowadays it is accomplishable by services offered by the telecommunication companies. Broadband communication is used for connections based on standards which require very fast networking, as a result of higher number of users of services such as broadcast of speaking, data, video content, and all that in the same network. Most commonly used way of connection is direct connection of the computers in the local computer network. There is also a possibility of using wireless connections to predefined distances, but it all depends on the technology being used.

Wireless connection means that data can be accessed, but there is no physical wire connection. Therefore it does not need to use fiber optic connection and wire networking, which means that implementation of this type of networking in an organization is costless. With a view to ensuring safe and confidential access, standards supporting wireless communication have been introduced. Those used in the local communication network are with smaller range. That is the reason why nowadays we can access the internet on our mobile phones.

By this way of networking in a local computer network, the organization can share the internet connection from all the active, presently online clients. Secondly, this allows sharing the address space available for the organization, as well as sharing various hardware devices and software which can be accessed from any networked computer. Sharing documents and files is another possibility, too.

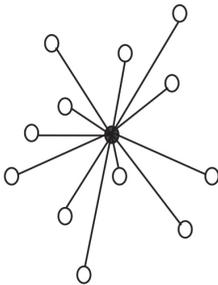
Efforts made in this area in the Republic of Macedonia are directed towards enhancement of the computer and communication infrastructure (The Government of the Republic of Macedonia, 2005). Endeavors are also made to apply computer and communication technology (ICT) in the day-to-day operations of the government bodies and its services, in economic subjects, healthcare, education and in facilitation of the citizens' access to services they need. On a broader level, internationally, investments are made in researches related to development of computer and communication technology. This is all due to the fact that future development is largely dependent on advances in and application of ICT which has only recently begun to be considered as a technological factor and a market (Servaes, 2003; Ducatel, Webster and Herman, 2000) of the highly competitive economies.

Nowadays, in order to achieve these goals, there are possibilities to create local area network choosing from a few topologies. They differ among each other by the manner in which networking devices are interconnected. Which possibility to use shall largely depend on the needs of the organization. Some networking topologies (Kenneth, Mansfield, and Antonakos, 2010) are as follows: star-like topology, direct connection between the computers (so called "mesh" topology, i.e. each one item connected to each one), connecting one computer to a number of computers (so called "bus" topology), tree-like (so called "tree") topology, and the ring-like topology.

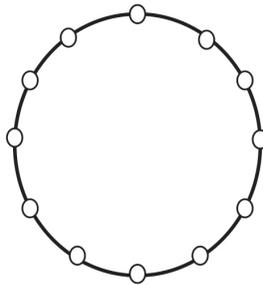
Star-like topology can be created using a gadget called “switch” which represents the central control point that is accessible for all computers networked in such a network. Connection is usually performed with a line drawn from the central device to the working station. In order to exchange information between two computers, a request for connection shall be sent, and after being connected, the transfer can be accomplished.

What is typical for this topology – one computer connected to all computers, as well as with tree topology – is that there is not one central control point, but all the users of the respective network get connected directly to the cable. In our country we initially used to apply the “bus” topology (one computer to more computers), What is interesting about this type of connection is that the cable itself is a kind of transmission medium. With “tree” topology the transmission medium ramifies, while in ring-like topology the transmission medium is linked in a ring shape, onto which working stations and devices are additionally connected.

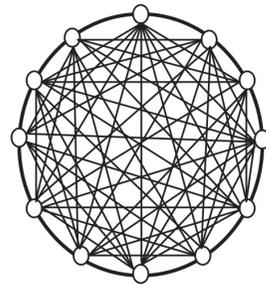
### Various types of network topologies used in the organizations



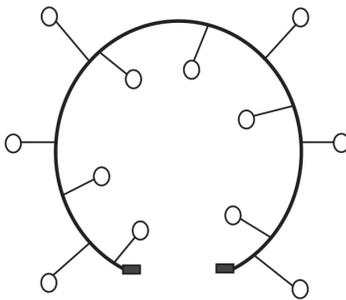
Star topology of the network



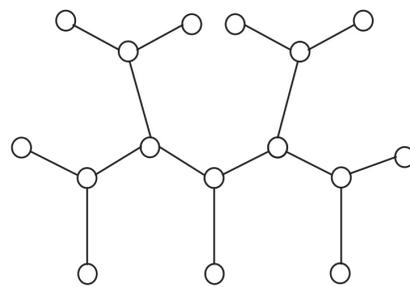
Ring topology of the network



Direct topology of the network



“Bus” topology of the network (One computer connected to more ones)



Tree topology of the network

Each network can be made up of a number of segments each of which containing one local area network (LAN). An independent segment of a local area network consists of one common medium to which a number of working stations are attached. Inter-connection of more segments can be realized by means of appropriate communication devices.

The development of a local network is largely dependent upon the needs of the organization where the local network in question will be implemented. That is why it is necessary first to make it consistent with the predefined organization’s strategies, which

will indicate the exact goals the network is supposed to reach, or, put in another way, the network's goals shall be in compliance with the organization's goals. Doing this means making research of the needs that the local network is expected to meet, taking into particular consideration the work-related requirements and those of the doers of the working tasks. The outcome of this research will determine the type of equipment needed and its configuration.

Major activities to be carried out so as to get successful operation of the local area network are as follows: storage and sharing of digital data (Agranoff, 2007), provision of protection of the network (Singh, 2012) both from unauthorized access and from undesirable activities having undesirable consequences, system management of the network and its components. This is particularly significant for, in case changes occur in the organization, it is most likely that they will have to be managed (Farmer, 2008) and this management would cover changes both in the organization and in the local configuration of the network and its components.

## **Management of the organizational networking**

Management of a local computer network covers a few important activities. These activities comprise: planning of the computer network and searching for the possibilities how to interconnect the organization's users (Heijden, 2009) and the providers of the internet services, provision of funds to purchasing the appropriate hardware and software equipment and actual choice and purchase of the equipment, consequent connection to the local computer network, installation and configuration of the servers and clients, i.e. personal users of the local computer network. Other equally important activities are those related to management and optimization of the servers and continuous monitoring of their operation. And last but not least to deal with is managing the records related to computers' hardware and software resources.

The very management of networked resources within one organization (Farrel, 2009), apart from the above mentioned, involves establishment of group policies. Other possible activities are installation and intervention in operating systems belonging to the clients, provision of a selective applicative software to clients belonging to one team, management of the necessary setting of the clients' and servers' installations and the like. Special attention must be paid to management of organizational data and documents.

Management activities important for administering the servers in the local network can be done by more servers performing similar activities, or by accessing each computer separately in the organizational local network. Also, there should be an option to administer the servers from the client's side by applying web based access. Another important activity is management of the space on the servers' disk and storage of the digital data (Powell, 2003) when and where needed. Particularly useful activity is making possible long-distance servicing by using the local computer network. In that way it is possible to install operating systems and computer configurations (be it settings or applications) that will later be available to the clients to use them (Lucey, 2005).

For organizations that want to be present on the internet, it is priority number one to be accessible at any time both by their employees and their clients. Therefore a local computer network can ensure networking among the computers in the network, as well as among the respective clients' stations and the internet.

This necessitates management of network protocols and servers, out of which major ones are “Transmission Control Protocol/Internet Protocol (TCP/IP) and Domain Name System (DNS). Protocols allow interconnection among computers, i.e. the former are used for development and implementation of computer-supported networks. Protocols ensure protection of the data transmitted by the network, as well as confidentiality of the operation of the local computers. Furthermore, they provide standards for safe internet-based communications, applying cryptographic safe servers which ensure confidentiality, check-up and integrity of the data. For these reasons, computers interconnected into one TCP/IP-based network need to have IP addresses. They can be provided either by direct, separate entering of the addresses, or by means of a protocol dedicated to that purpose.

The second server is Domain Name System (DNS), which makes it possible for the alphanumeric names of the clients’ computers to be associated with the “IP” addresses. This enables the computers to intercommunicate. Therefore, if wanting to achieve intercommunication, DNS server must be installed and configured.

Provision of a separate local computer network necessitates introduction of an appropriate protection of that network, i.e. a request to access it. Accordingly, an identification procedure of the network user is to be introduced checking the user’s eligibility to access the network. It can be achieved with: 1) authorization, a process defining and determining accurately what a particular user must or may do in the respective local network, 2) authentication, a digital check of something, for instance, of a digital signature, and 3) a password. Further on, depending on the network policy, it is possible to determine the scope of access to the network resources. A number of protocols can be used for this purpose.

Since the users of one network can operate or be organized in domains, inter-domains check up can be performed through building up mutual bonds. It is basically the matter of trust among the users allowing each one of them to access the other ones’ domain.

## **Knowledge management for support of the organizational networks**

Rapid and significant advancements and developments in the field of computer science and communication technologies has positively affected people’s own development, creating new possibilities for the organizations to gain access to many more services by means of the internet. This, in turn, allows the organizations to closely monitor the changes occurring both in the organizations and on the market. Hence the need of more sophisticated know-how which is a prerequisite for encouragement and support of the processes of research, creation, exploitation and transfer of knowledge. It is these organizational computer networks that are able to substantially contribute to fulfillment of these noble goals.

Greater significance should be given to where this knowledge is stored. This is not an easy task, having in mind that people are “prone to” learning, i.e. their knowledge tends to be constantly growing and upgrading. This knowledge can be drawn from other people’s previous experiences or by focusing our attention and interest on a particular area where there used to be or there is now a particular problem. This kind of approach can appreciably increase an organization’s knowledge, and therefore should be practiced whenever possible.

Nowadays there are a lot of ways of gathering and exploiting all sorts of knowledge, aided by the possibility to configure the respective computer and communication

technologies. Put in another words, there are excellent ways of documenting knowledge, which means good grounds for additional knowledge research and support. This, in turn, will lead to enrichment and broadening of both individual and organizational knowledge.

The proposed management of organizational networks which are commonplace in corporative operations nowadays makes possible knowledge exchange and share. This necessitates the process of knowledge categorization in separate knowledge bases. This process can be accomplished by direct communication, which can be even personal, or by application of a variety of computer and communication devices and tools.

All this generates basis for creation of more analyses and reports, for perfecting the process of trouble shooting and for coordination of the working tasks. This is the reason why there is need of special and dedicated configurations of working stations within the organizational computer network.

All these processes shall be accompanied by studying and getting familiar with the organizational competitiveness. Based on these results, organizational targets can later be defined and appropriately shared. This, in turn, necessitates cooperation among those in charge of reaching the above targets, who are invariably the team members.

This approach to work can be realized by application of an appropriate design and configuration, and by various network topologies. This actually means realization of the idea to take advantage of the opportunities offered by ICT for supporting knowledge management in the organizations. Guidelines for this can be items of software used to support knowledge documentation supplemented by documents management, further on taking advantage of the possibilities to learn online, as well as exploitation of a diversity of technologies and presentation of the material to share.

Option number 1) is convenient for management of documents (Aspirey and Middleton, 2002) that can be created by means of various applicative programs. Therefore each organization that wants to successfully organize, store and share its documents, necessitates this sort of a system. Its usability and usefulness is obvious in its capability to support everyday working processes that can be distributed via internet. In that way a digital library is being created that is fostered by activities related to the documents' "shelf life". The above activities could include inspection of the documents, their storage, their retrieval when needed, as well as their distribution to the authorized stakeholders.

The purpose of online learning, which is made possible by usage of computer and communication technology and organizational network, is to enable management, organizational sharing, monitoring and delivery of data to learn which are available via internet based servers. It is accomplished through web interactive interfaces, which allows users to access ready and prepared materials appertaining to the relevant issue. This approach is very useful for sharing knowledge and data both in the organization itself and outside it (Senge, 2007). The clients are given an opportunity to access data via the internet. Additionally, this allows realization of activities related to cooperation, access to data bases, data storage and their sharing with the users.

Introduction of this type of information systems postulates higher awareness of the opportunities allowing this way of operation. It is a must to get acquainted with and take advantage of the complexity of the organization and its surroundings. This entails developing cooperation among users with a view to realization of the tasks of improving transfer of knowledge, access to knowledge and proper usage of knowledge.

## Conclusion

Today's craving for knowledge stems from the necessity for an organization to be competitive and sustainable. This makes sophisticated approach to management, knowledge sharing, learning about the respective organization and its surroundings major priorities. This can be achieved by increment in the organizational knowledge. Accomplishment of these commitments presumes development and management of organizational network structures supported by today's computer and communication technologies. This can be realized by implementation of the proposed network topologies into the organizational reality. This will ultimately lead to interactivity and inseparability of ICT and the organization.

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## **PROBLEMS IN THE FUNCTIONING OF THE PENSION SYSTEM IN SOME COUNTRIES OF SOUTHEAST EUROPE**

### **Abstract**

Many countries in Europe and in the world are facing problems in the pension system. The problems that may arise in the pension system are as diverse as the industrialized countries and countries in transition and development. But these problems are less pronounced in industrialized countries than in the countries in transition.

Some of the factors that led to the emergence of problems in the pension system are the demographic factor, and the ratio of active workers to pensioners insured. Besides these two important factors, another factor that can cause problems is economic growth and rising unemployment.

This paper will analyze the pension systems of several countries of Southeast Europe, presenting a short history of the pension reform, and the problems that have arisen.

**Key words:** pension system, Southeast Europe, pension reform

### **Introduction**

Pension insurance is a fundamental element of social protection and security of citizens. Social security is provided by the state through its program of social security and social protection programs. Pension insurance is accomplished by way of contributions. The system of pension insurance is important in the context of social security of any individual or society in which it is located. Their financing is one of the facts that determine the living standards of every pensioner or his financial and social security. Maintaining the stability of the system of pension insurance is today one of the main problems for most countries in Southeast Europe and most countries in the European Union and the world.

The provision of pensions and the pension system face great difficulties and the main reasons for this are the growing number of pensioners compared to the number of employees, i.e. working population, whose revenue is necessary for retirement. These problems, in many countries, are largely resolved by reforming the pension system. For this purpose, it is necessary to make a complete investigation of the real situation in the country, the current conditions for taking new, modified steps, and the reasons that led to the need for reforming or changing their way of functioning (Bjelic, 2002: 57).

New terms of providing pensions opened the door to exit the crisis in which the pension system works on the principle of intergenerational solidarity. The solution for the crisis that endangers the functioning of the financing of pension payments on the principle of intergenerational solidarity can be made, primarily in flux in terms of number of employees and retirees as well as dwindling of workers in terms of the number of pensioners.

Regarding the problems of functioning of the pension system in a particular country, usually the main factors that have a key role in the problems of functioning of the pension system in a particular country are: high unemployment, presence of gray economy, expressed in non-restrictively regulations governing the right of retirement, consequences of economic and political developments in the country in the last ten years, which also reflected the functioning of the pension system, and the pension and disability insurance (Basic, 2004: 89).

Analyzed from the economic aspect, the pension system is an important area of economic life which is characterized by a net cash flow of payment and payment, and which extends throughout the year. Consequently, it is necessary to find the key institutional and economic factors that predominantly affect the establishment of the balance of the election of financing pension funds and payment of pension benefits.

Southeast Europe is a particularly interesting region for conducting research on the current state and trends of the development of the pension system, especially in terms of promoting certain issues and challenges that are currently arisen. First of all, it comes to countries that in the recent past have passed or still spend a period of transition, and countries that have managed to set up a stable structure of functioning of the pension system and thus provide an example to other countries. Therefore, it is particularly broad theme that within the paper will be viewed in a simplified way. The experience of the following countries will be considered in the paper: the Republic of Macedonia, Slovenia, Serbia, Bosnia and Herzegovina and Croatia.

## **Pension system: essence of functioning and future challenges**

Pension occupies a central place in the social security system in many countries. In European countries there are two basic models of retirement: a model of pension insurance (Bismarck model) and a model of universal pension (Beveridgeov model). In practice there are also mixed models that combine two basic models of pension insurance. In the first model, the pensions are insured on the basis of payment of contributions in working life, while the other model involves the provision of pensions of persons older than the determined age whose payment of pensions is done from the state budget and money for payment of pensions from the state budget. All outstanding issues such as an aging population and high unemployment, are directly endangering the functioning of the pension system. Faced with these problems, a number of European countries have undertaken significant reforms aimed at building a sustainable pension system. These changes and reforms taking place under the influence of the World Bank, which offered more-speed model for the establishment of financial balance and the creation of social security for pensioners (Van Horn, 2002: 12).

One of the dominant demographic characteristics of modern societies is the aging population. The development of medicine and science, and improving living and working conditions contribute to the continuation of human life. At the same time, in most societies there is a decline in the birth rate. The projection for the future shows that the duration of life will be longer, the aging process will be continuous and intense, while the birth rate will be low. In these conditions the insurance risk of old age becomes more and more significant on individual and societal level. Ensuring the reliable sources of income and decent standard of living after his life is important for each person. At the same time, demographic characteristics are important for the functioning of the pension

system as an aging population directly threatens this system regardless of the model of pension insurance.

Commonly adopted model of pension system, should be adopted through a process of reform within the countries where they observed certain problems of functioning pension system with three poles. The first pillar is the state mandatory pension insurance, which would continue to be financed by contributions of employees and employers. This first pillar actually represents the current financing system of the right of pension payment on the principle of intergenerational solidarity, etc. funds financed by the general distribution. The other pillar also would be a mandatory pension insurance, etc. additional pension insurance which is based on voluntary individual savings capitalization. The two pillars would be based on pension funds, whose financing works on the principle of capitalization.

The transformation of the pension system of systems that consist only of the first pillar to the construction of all three pillars of the new system can be divided into two phases. The first phase would include reform of the existing first pillar of the pension system, which would extend the conditions for retirement in parallel with the rationalization of the calculation of the salary. In this area, in the first phase it is commonly suggested: increasing the age limit for retirement and its equalization of men and women, increase the minimum period necessary for obtaining the pension insurance with appropriate proportional reduction of the pension for each year missing, reducing the use of beneficial length of service, minimizing the possibility of a temporary departure in retirement, determining the pension foundations since earnings over the whole of service, reducing the percentage for determining the amount of pension, changing the way of the revaluation of pension in terms of price growth and wages, gradually reducing risk in the amount of pension in the direction of their equalization (down), guaranteeing to all persons in an appropriate minimal pension (Schmahl and Horstman, 2002: 56).

The second phase of reform (improving the functioning) of the pension system shall encompass the following of a gradual transformation by creating a private insurance scheme which would be fully based on capitalization. The main proposal in this context would be the private insurance to be compulsory for all employees and new employees who are not at the end of service. It is assumed that this way of investing funds underlines the appropriate tax relief and exemption from the state. The rights based on private pension insurance would be determined solely on the basis of previously paid contributions and contributions realized through investment and not on the level of earnings as the largest practice of functioning pension systems. The funds would be managed separately by private agencies on a competitive basis, with precise and rigorous control by the competent state bodies (Vaughan, 2000:13).

The pension system, or the programs that are part of this system, represent the most important part of the social security system in almost all countries worldwide. National pension system depends on a number of factors, among which are the following: the tradition, the development and goals of the system and the level of economic growth and development. Demographic change significantly affects the functioning of the pension system is founded on the model of the current distribution. An aging population, which is characteristic of a number of European countries, threatens this system because it undermines optimal terms of number of employees and retirees. Despite this problem, an additional problem is the rising unemployment due to the economic crisis. In these conditions it is difficult achievement of social policy objectives of the pension, which requires quality reforming the pension system.

## **Functioning of the pension system in Southeast Europe: opportunities and perspectives**

In the nineties, the economic situation in Southeast Europe has significantly worsened, leading to a decline in employment over the years so that current revenues were insufficient to cover expenditure, with the payment of pensions already provided many years of donation from the state budget, as a guarantee for payment of the pension.

Pension funds in insurance organizations in developed countries are taking the biggest institutional strength of the capital market. For countries in transition, however, in common is that the early nineties of the last century, the pension system was a social category under state protection. Within the state there was a pension system operating on the principle of international solidarity. Changing the economic structure inevitably causes problems in the pension system. It happened to perform high unemployment as a result of the termination of employment of a number of factories and enterprises, due to high costs for pension and disability insurance, as well as evasion of income tax, more employers resorted to payment of earnings "on hand."

### ***The functioning of the pension system: the case of the Republic of Croatia***

In Croatia, the pension system is based on compulsory pension insurance which in the late eighties and early nineties of the last century was divided into:

- Fond of employees with 86% and 91% of insured pensioners,
- Fond of independent retailers with 6% and 2% of insured and pensioners
- Fond of individual farmers insured with 8% and 7% pensioners.

The decline in industrial production, the closure of enterprises and the growth of unemployment in the 90s are the reasons that the ratio of the working population and retirees in 1998 was 1.48: 1 contrast ratio of 4:04 from 1980. Lack of funds from pension funds is compensated by the state budget which in 1999 amounted to 14% of GDP. There was a notable decline in pension benefits, which in the period 1987-1990 year amounted to 75% of the average wage, while in the period from 1979 to 1998 had fallen to 47% of average earnings (Bejakovic, 2000: 17-18)

Because of these problems the Republic of Croatia has acceded to reform the pension fund. The former approach of calculating pension - from ten best year's income, and indexation of pension compensation - pension harmonization with the rise in earnings was abolished. The law stipulates that the base for calculating the pension fee /it cost/ is the income during the entire length of service so that pensions also grow 50% in terms of earnings and 50% on the cost of living.

The next step in reforming the pension insurance was after 1999, when the Croatian parliament adopted a new concept of reform, which is based on three pillars:

- Mandatory pension insurance
- Mandatory capitalized pension insurance
- Voluntary pension insurance based on individual calculations.

The second and third pillars are regulated by law. The application of these acts had been planned in 2000 and the reform started in 2002. However, due to poorly developed national economy, there was a delay in this process.

The first pillar pension insurance “pay as you go” system is the basis on which current employees fund the pension benefits of current retirees through the payment of contributions. In the second pillar of compulsory pension insurance are included all employees younger than 40, and for those who are 40 to 50 years of age, membership in the Fund is voluntary. The contribution is 5% of gross earnings. The third pillar represents voluntary pension insurance in Croatia is completely voluntary. The individuals who choose to access independently make their choice.

### ***The functioning of the pension system: the case of the Republic of Slovenia***

Like other countries that emerged from the breakup of Yugoslavia, Slovenia has gone the way of transition, but reforming the pension fund began earlier. However, the reform has not been implemented to the end, because it had not passed on the application of the second and third pillar pension insurance. The reform of the pension insurance is aimed at tightening the conditions for retirement, modification of the pension insurance principle of calculation of the pension and its increase.

Based on data from 1992, when the Law on Pension Insurance was adopted, the age limit for retirement was 58 for men and 53 years for women and pensions were to be financed from the budget of 4% of GDP (Puljus, 2003:23).

In the period from 1993 to 1999, the government of the Republic of Slovenia, with the help of the program PHARE, Ministry of Labor, Family and Social Security and the World Bank worked on changes to the system of pension insurance.

Act of 1999 pointed to sharper conditions for retirement, so that working men involved, according to this law can retire with 63 years and women 61 years. Besides the age, certain requirements had to be met in terms of service for which contributions are paid, which is at least 15 years of service and a maximum length of service is 40 years for men or 38 for women. The amount of the pension is determined based on the average of 18 best net incomes in the valorization coefficient which decreases annually by 1.5% for each year of service.

Through reforming their pension insurance, the Republic of Slovenia has turned to compulsory pension insurance - the first pillar.

### ***The functioning of the pension system: the case of the Republic of Serbia***

In the second half of the eighties and first half of the nineties of the last century there was a crisis in the social security of the Republic of Serbia, so the state had to undertake appropriate measures. In 1970 year it had to cover costs of the gross national income which amounted to 6.3% while in 1990 the figure was 13.7%. The crisis is particularly amplified in the nineties when the civil war broke out, leading to the disruption of the current economic situation in Yugoslavia.

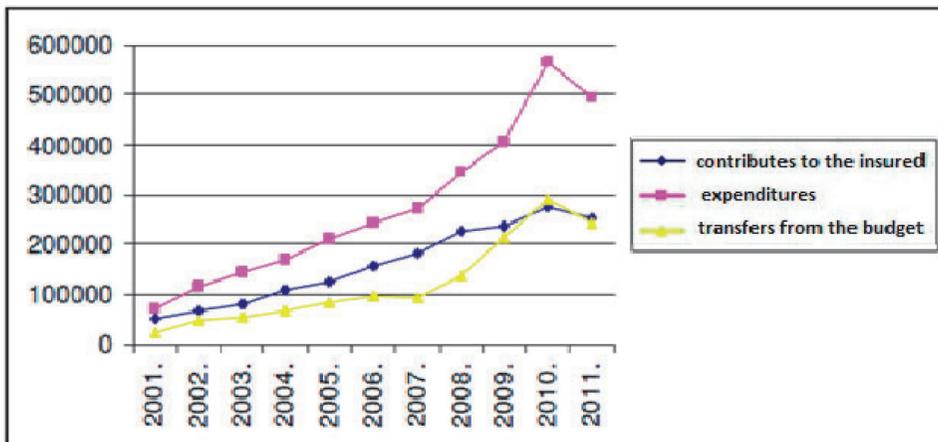
For that period it is characteristic that there was an increase in the number of pensioners. Only in 1991 in the Republic of Serbia 120 501 people retired. The proportion of the

working population and the number of pensioners in 1981 was 6.6: 1 while in 1990 the difference was reduced to 3.18: 1st what is most worrying is that there is a constant trend of decline in employment in 2001 and increase in the number of retirees. In fact, the problem is that employees now cannot earn enough to settle the necessary funds for the payment of the pension, and for that reason the state donated 40% of the necessary funding to the fund for pension and disability insurance. Particularly lax requirements for retirement (especially disability) and the large presence of corruption influenced the increase in the number of pensioners, mainly disability pensions. Besides increasing the number of retired, changed and their structure. Namely, the number of old age pensioners is relatively lower compared to other countries and 45% of the total number of pensioners. On the other hand, the number of disability pensioners is 30%, and family 25% of the total number of pensioners, which is above the usual indicators in other countries. For comparison, we can say that in most countries the number of pensioners is 60-80%, the number of disability pensions 10% of the total number of pensioners while others are family pensioners.

In 2003, the Law on pension and disability insurance was adopted, was significantly amended in 2005. A significant shift in the development of insurance in Serbia occurred with the adoption of the Law on voluntary pension funds and pension plans in 2005, which entered into force in 2006, when it introduced voluntary pension insurance. Today the Republic of Serbia has two systems of insurance: compulsory pension insurance and voluntary pension insurance.

Despite the economic self-sufficiency, the public pension system and disability insurance, the average pension benefits (pensions) are not sufficient to cover the minimal subsistence of the majority of pensioners.

**Chart 1.** Expenditure on pension and disability insurance contributions of insurers and transfers from the budget (in thousands of dinars) 2001-2011



**Source:** Republic Fund for Pension and Disability Insurance, <http://www.pio.rs/cir/> (accessed 8 August 2015)

The predicted values (described in figure 2) may be valid only under the assumption that the factors that acted in an observation period continue to operate the same way without significantly adding additional factors.

This forecast is a warning that in the future there will be even greater difficulties related to the proper functioning of the existing public system of pension and disability

insurance, if appropriate changes are not made.

In September 2013 the number of employees, not taking into consideration the employees in the army and police in Serbia decreased to 1,705,256 persons, which is comparable with the number of employees in 1976. Average number of pensioners in 2013 was 1,711,699, although at the end of the year reached 1,722,649 persons. Relative to 1976, the number of pensioners increased by 3.9 times. Belgrade and Novi Sad have a particularly favorable relationship for the benefit of employees, compared to the rest in Vojvodina and in the Republic of Serbia, the cities of Novi Sad and Vojvodina have a relatively favorable opportunity for financial sustainability if the same would spin and split off from the rest of Vojvodina and the southern part of Serbia.

Reforming the pension system in Serbia started, but to establish a stable economic pension system a lot of work remains to be done. Almost fifty years after the end of World War II until the early years of the twentieth century in Serbia there was a system of compulsory pension insurance. The initial programs of reform of the pension system aimed at stabilizing the pension funds, payment of overdue pensions and providing regular, monthly payment and reimbursement.

The model of pension reform "three bulb" was created by the World Bank, and is accepted by countries in all continents. The model is particularly acceptable in Southeast European countries that pass through the transitional period.

The process of reforming the pension system in the Republic of Serbia, as in most countries in transition, is going in the direction of combining the pension system. In the first phase of the process is twofold: further reform of the mandatory pension insurance and introduction of voluntary pension insurance in the form of the third pillar. In the second phase when the conditions are met, realistically expected introduction of mandatory private pension insurance, etc. second pillar.

In Serbia there are currently about ten pension funds managed by ten companies. The assets of the voluntary pension funds at the end of 2013 were 19 billion dinars (about 165 million) at the end of the third quarter of 2013 were 4.4% (800 million dinars) higher than in the past quarter, while growth last year was 26%. The total number of users of voluntary pension funds which pay benefits until the end of September 2013 was 183,547. They have a total of 244 306 contracts signed for membership in voluntary pension funds in the third quarter the number of users increased by 2878.

In the Republic of Serbia, in fact the formation of several pension funds benefits the maintenance of the pension system, thereby increasing competition. The voluntary pension insurance needed developed economy, developed capital market that also omitted in this country. The economic crisis has happened, and as an active participant in the financial market, pension funds have remained immune to the adverse developments throughout the past years, so in 2008 the average contribution of the voluntary pension funds was negative.

The improvement of the pension system is a precondition for economic progress. It is necessary to build a new system, economically sustainable, which will increase individual savings and will intervene to improve economic development. At the same time, there is great dissatisfaction among citizens over the continuation of life, because it increases unemployment, which is problem that the state must take into account in the future. The economic prospects of the development and sustainability of the pension system in this country are looking to further economic and legal equilibrium in order to provide secure payment of the pension.

## ***Functioning of the pension system: the case of Bosnia and Herzegovina***

The first forms of pension insurance in the area of Bosnia and Herzegovina appeared in the late nineteenth century. In the recent past, through the Law on Fundamental Rights of Pension and Disability Insurance in 1982, basic solutions have been set (Gnjero, 2007:25):

- Basics of the pension system, where the workers were to be provided compulsory insurance under the principle of solidarity and expired labor demand, in order to provide material and social security in case of reduction or loss of work ability, age, and compensation in case of death of family members;
- Basic rights of pension insurance:
  - Entitled to a pension based on age;
  - Right on schedule another suitable job, position, retraining, additional training and the right to adequate compensation;
  - Right to disability and family pension and allowances;
  - The right to compensation in case of physical damage.
- Special conditions for national liberation fighters or recognition of time spent in the war as a special experience.
- Determining pension plan depends on the amount of pension benefits.
- Implementation and use of pension and disability insurance.

The latest amendments to the legislation to the Law on Pension and Disability Insurance Fund were done in 1998. This Law is the grace of amending the Pension and Disability Insurance in Bosnia and Herzegovina (Vukovic, 2005: 15).

Through the mentioned Law, changes have been made in the pension and disability insurance. Significantly reduced the requirements for retirement, or moved the boundary of years. The boundary pension is set at the 55 years for women and 60 years for men. Also the percentage of the amount for pension benefit decreased to 85% in 2000 and 75% by 2005. Changes to the basis of the mentioned Law have been made through the abolition of the rights having a social character, such as the right to protection of foreign assistance and care, the right to part-time on the basis of disability and so on. All changes are intended to make the pension and disability insurance of Bosnia and Herzegovina financially durable. In recent years, the goal is somewhat achieved, given that the payment of retirement allowance is regular and transfers of the budget intended to cover the deficit of the Institute for Pension and Disability Insurance are reduced. However, to make the realization of long-term financial durability of the system is necessary to implement a comprehensive reform in the longer term, which will include the introduction of the principle of individual capitalization, new forms of pension insurance, voluntary pension insurance.

The lack of existence of the relationship between the insurance premiums, etc. paid contributions received pension benefits, and uncertainty in the complicated way of calculating the pension, led to the contribution to be understood as a tax. Moreover, there is a difference between what the employee was willing to pay, driven by the expected income and what had to make based on the law. Such a difference is a sort of invisible income, however this condition causes three phenomena that are directly associated with jeopardizing the economy of Bosnia and Herzegovina (Lovrinovic, 2002: 45):

- Reducing employment
- Reducing the current salary
- Employment becomes more expensive.

Based on the foregoing, it can be concluded that the current pension system has a negative impact on employment in Bosnia and Herzegovina, where employment growth has been one of the main macroeconomic objectives of each country in general. Also, the system acts to reduce the current pay, and it directly reduces the standard of living and at the same time entertains the national economy as a whole. In Bosnia and Herzegovina, the development of the pension system is largely determined by:

- Demographic movement
- The development of the national economy
- Legislation.

In this country there is a decrease in the birth of infants, which makes the country incapable to meet the average level of reproduction, which requires replacement of generation requiring 2 to 2.1 newborn per one woman. The decrease in the birth of children is a consequence of the economic crisis and military developments in the country. However, the awnings will continue in the future, what happens in other countries in transition, regardless of movement in economic development. When it comes to mortality, it is growing after the war, but the duration of life in general is growing, not only in this country but also in other countries in transition.

The low levels of pension benefits indicate small payments of contributions and avoid paying them or work illegally.

The main conclusion is that the way of investing the collected funds for pension and disability insurance must be changed. Moreover, it is the responsibility shifted to policyholders. So, the risk of the venture would be adopted individually.

To ensure the development of the new pension system is necessary to ensure very formal, legal, institutional and other assumptions, such as:

- Preparation of a consistent strategy for pension reform, a document subject to public debate;
- Identification of interest groups such as pensioners, unions, tax authorities, etc.;
- The establishment of expert groups to reform the pension system.
- Identifying the legislation is necessary to adapt, and thus be harmonized and amended in accordance with the achievement of efficiency of the pension system.
- The establishment of supervisory and regulatory authorities for a new pension system.

### ***Functioning of the pension system: the case of the Republic of Macedonia***

With the adoption of the Law on amendment to the Law on Pension and Disability Insurance, in March 2000, in the Republic of Macedonia was established multi-pillar pension system. As one of the main reasons for introducing the new system are the difficulties in the functioning of the current pension system and pension insurance, which will be particularly pronounced in the coming years as a result of poor demographics. During

the years 1997-98, two employees financed pension compensation to a pensioner, and in 2000, 1.4 employees.

The newly established pension system in the country, besides the system of intergenerational solidarity, includes the system of fully funded pension insurance and consists of three pillars:

- Compulsory Pension Insurance which operates on the principle “pay as you go “,
- compulsory pension insurance which is based on capitalizing on savings and
- Voluntary pension insurance is based on capitalizing on savings and can now be obtained under the offer of insurance companies.

Regarding the analysis of the pension system of the countries in Southeast Europe, particularly the countries of former Yugoslavia, the following data shows:

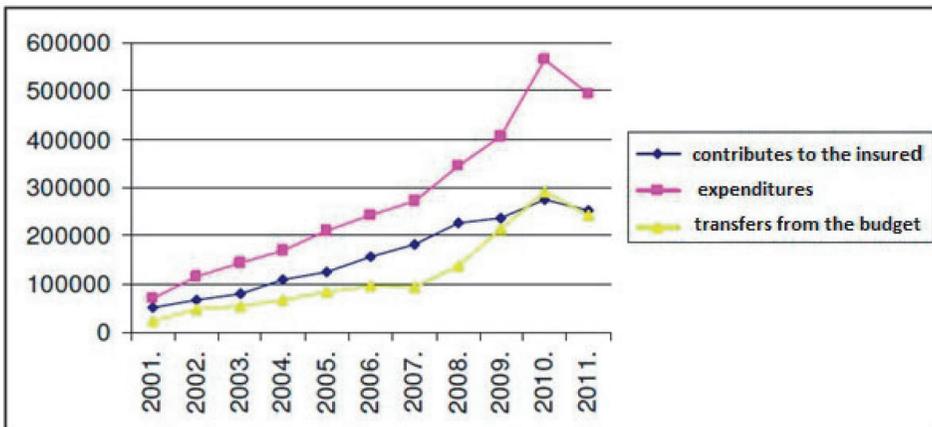
- In most countries, the percentage of disability pensions in relation to the total is above the EU average ratio of 10% while in some countries the figure is doubled: 18.60% in Serbia, Bosnia and Herzegovina 20%, Republic Srpska 16%, and Montenegro 26 % and 24.70% in Croatia.
- When it comes to the differences in terms of the average pension which is significant in terms of the average wage in the countries of former Yugoslavia the following information are obtained: pensions over 50% of salary - Slovenia (56.60%), Montenegro (55.51%) and Macedonia (57.17%); pensions below 50% of salary - Serbia (46.30%), Croatia (40.00%), Bosnia and Herzegovina (40.80%), Bosnia and Herzegovina - Republic Srpska (40.80%), Federation of Bosnia and Herzegovina (44.40%).

These percentages reflect the social sensitivity in these countries.

In terms of the share of contributions to the inflow of funds, they move in a range of 53-88%, respectively:

Lowest in Macedonia 53.4%, Serbia 58% and Croatia 61% in Slovenia and Montenegro, a little more - about 66% and 70% in Bosnia and Herzegovina far the most: Republic Srpska 78.4% in the Federation of Bosnia and Herzegovina as 88%.

**Chart 2.** Average pension in the countries of former Yugoslavia



## Conclusions

Pension insurance is subject to discussion and analysis in almost all countries in the world as a stable pension system is one of the prerequisites of economic growth and development. Therefore, it is important to have confidence in pensions, regardless of whether the system can provide the revenue that would be sufficient for socially acceptable standard of living and proper funding.

The process of globalization has engulfed the pension system as an essential element of the economy (public finance). It is in this segment that used to be considered that there is no alternative in its financing, but it suggests that the maturity of time contributes to the emergence of new solutions and new concepts. As one of the solutions are pointed to partial or complete privatization of the pension system.

The problem of an aging population, the decline in fertility leads to unfavorable terms of number of employees and the number of pensioners. If to all this is added the economic crisis in the last decade, causing problems in the functioning of the national economy, it affects the increase in the contribution and the issue of payment of pensions. These aspects contribute to irregular payment of pensions and increasing impoverishment of pensioners due to small amounts of pensions often does not provide coverage to their existential needs.

All these reasons suggest that the countries of Southeast Europe, most of which were developed in detail in this paper, it is necessary to reform the pension system because the existing becomes financially unsustainable which also points to the need to introduce additional pension fund and voluntary pension insurance.

The following parameters are analyzed in this paper:

- striving to reduce public spending and the budget deficit
- solving the problems of aging of the population
- Prevention of early retirement
- the need for a wider range of insurers.

In this paper I analyzed the historical and current condition of the pension system of the countries of Southeast Europe. The states (especially in transition) go through a transformation of its system of financial, demographic and economic reasons. Also mentioned is that each country should, through its characteristics, shape its pension system and to impose the use of a mixed pension system as standard (as specified by the World Bank) for better circulation of the internal situation in this domain.

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**EMOTIONAL PROCESSION OF ARTICLES CONTENTS IN THE  
MACEDONIAN MEDIA**

**Abstract**

Macedonia will remember 2015 as a year of long term political crisis. It was a year of intensive activity against the actual Government. There were “opposition bombs”, disclosed incriminating phone calls, strikes in education, mass protests, camping in front of the Government and the Parliament, police action against terrorist in Kumanovo, migrant crisis .... The understanding of the start and the end points of the crisis largely depend on individual perception created as a result of personal experience and experience mediated through offline networks, online networks and media.

Beside diversity of the events in surrounding there is also a difference in style of processing or living own emotions (feeling them, expressing them, understanding them). This research focusses on how students process emotions provoked by news /media stories on the events connected to the above mentioned critical political events. Students from Faculty of Philosophy, University “Ss. Cyril and Methodius” voluntary accepted to take part in this research.

Two research instruments were used: questioner for the evaluation of the media content and their influence on respondent’s emotions and Emotional Processing Scale (EPS) for nature of processing emotions. The research design provides quantitative and qualitative analysis.

This study showed that anger, fear and rage are dominantly provoked by negative emotions which are unprocessed or there is avoidance of coping with them (the two unhealthy ways of emotional processing).

**Key words:** Emotional processing, Media and emotions, Media stress, Emotional processing scale

**Introduction**

**F**or Macedonia year 2015 will be remembered as a year of political crisis of enormous proportions. It is a year of “opposition bombs”<sup>1</sup>, disclosed incriminating phone calls,

strikes in education, mass protests, camping before the Government and the Parliament of the country, police action against terrorist in Kumanovo, migrant crisis.... Political crisis in this article relates to the period from releasing the first “bomb” by opposition to the signed “Agreement from Przino” between the major political parties with the mediation of the international community.

In this exhausting list of events, Macedonia stood before the challenge to “provide” mutual understanding, coexistence, cooperation and tolerance among its citizens. The media is one of those factors that are extremely important in building these processes. They as promoters of social cohesion and dialogue between different groups in society have any impact on the formation of attitudes and beliefs of the people, as well as their perceptions of other social, cultural and political groups and communities. (Declaration of the Committee of Ministers on the role of community media in promoting social cohesion and intercultural dialogue *Adopted by the Committee of Ministers on 11 February 2009 at the 1048th meeting of the Ministers’ Deputies*). The aim of the study is twofold. First, to realise students attitudes regarding the media coverage of the major events that shook and threatened the stability of Macedonia and second to understand how students differ in their style of “being” or living their emotions (feeling, expressing, processing emotions). The research focus is exactly on the way that citizens process emotions of listening and watching the various contents of the articles in the Macedonian media.

## The nature of emotions

Emotions are complex multi dimensional inner processes which have three components: affective, cognitive and conative. These three components are cultural and corporeal/embodyed and they arise in social relationships (Wirth & Schramm 2005)

There are many theories which try to explain the nature of emotions. All of them can be organized in four groups according to their focus (Wirth & Schramm 2005).

First group of theories assumes that physical reactions (in particular mimicking/or physiological) are the basis of emotional processes. Some of the theories which belong to this group are: James’ theory of emotions (Southworth 2014), Izard’s Discrete Emotions Theory and **Tomkins’s Affect System** (Lucas & McManus 2015).

Second group of theories attributes great importance to physiological factors, too, but focuses more strongly on the subjective experience of emotions. Thus, Mandler (Christenfeld & Mandler) assumes that the perception of changes in the environment leads to physiological arousal and that a semantic analysis of this situation is what determines the subjectively experienced emotion. Even more decidedly, Weiner (1985) describes in his attribution theory of motivation and emotion how specific emotions develop as a result of a multi-step process. The causal ascriptions play key role in attribution theory with its three properties: locus, stability, and controllability.

Third group of theories (cognitive appraisal theories) are more than a result of physiology; they depend on cognitive judgments or personal interpretation of situations. Such are: Arnold’s theory of emotions (Reisenzein 2006), Lazarus’ Appraisal theory (Eysenck & Keane 2015); Scherer’s Component Process model (2005) Ortony, Clore, & Collins Cognitive Structure of Emotions (Steunebrink, Dastani, and Meyer 2009). This groups of theories moved direction from feeling theories (James-Lange theory) and behavior theorist (Canon-Bard theory) toward cognition and it became dominate approach in contemporary explanation of emotions.

Perspectives on emotions from evolutionary theory were initiated in the late 19<sup>th</sup> century with Charles Darwin who argued that emotions actually served a purpose for humans, in communication and also in aiding their survival. Evolutionary-biological approaches form a fourth group of emotion theories and beside Darwin includes theories of McDougall, and Ekman. These theories claim that there are basic emotions from which others are their derivatives (Wirth & Schramm 2005). These evolutionary-biological approaches of emotions claimed that certain emotions are basic, evolutionarily they are “the first ones” and they cannot be further dissected. Beside basic emotions there are others which are mixed (or complex) and they have two or more basic emotions which make them “younger” from an evolutionary point of view. Plutchik’s psychoevolutionary theory of emotion is one of the most relevant classification, and according to this theory there are eight basic emotions: fear, anger, joy, disgust, trust, anticipation, expectation, surprise. Primary emotions can be understood in terms of polar opposites. Other (or secondary) emotions are mixed and they occur as combinations of the primary emotions. For example “love” is derivative (mixture) of following two basic emotions: “joy” and trust”. (<http://www.adliterate.com/archives/Plutchik.emotion.theorie.POSTER.pdf>)

### ***Methods of emotion research***

Scherer (2005) suggests that only the assessment of all components involved can offer a comprehensive and accurate depiction of an emotion episode. This suggestion entails that in the ideal study, all of the following emotion components should be measured: (a) changes in the appraisal processes (at all levels of the nervous system), (b) responses produced in the neuroendocrine, autonomic, and somatic nervous system, (c) motivational changes brought by the appraisal process, (d) facial, vocal and bodily indications, and (e) nature of the subjectively experienced emotional state that relates to the above component changes.

Considering the variety of definitions, there cannot be a single standard method of emotion research and measurement (Lopatovska & Arapakis 2010).

Table below summarizes approaches which provide techniques that can be used in emotion researches. Some aspects of one approach is better than another and some of them have lack of information in particular areas.

**Table 1** Selected approaches to emotion research

Approach	Possible insight	Privileges	Silences
<i>Observation</i>	Short term emotion dynamics	Emotions (feelings)	History
<i>Interview</i>	Construction of authenticity	individualism	Real-time emotion
<i>Autobiography /participation</i>	Rational-emotional interplay	subjectivity	Objectivity
<i>Discourse</i>	Diversity of meanings/ emotions	Dominant text	Non partially discursive
<i>Social structures</i>	Power and emotional tension	History and culture	Interaction and transience
<i>Non-traditional data</i>	Non rational knowing	Humanism/ romanticism	Objectivity/closure

**Source:** Thorpe R, Holt R (2007) The SAGE Dictionary of Qualitative Management

Beside mentioned techniques it seems advantageous to use the experimental setting for emotion research. A corresponding emotion induction can be accomplished in such a way that the experimenter creates the emotion-evoking condition (Wirth & Schramm, 2005).

### ***Emotion and memory***

Long-term memories are influenced by the emotion experienced during learning as well as by the emotion experienced during memory retrieval (Buchanan, 2007). Studies about the relation between emotion and memory can be classified grossly into four domains of research: 1. the recall of one's own emotional (media-mediated) experiences; 2. the recall of emotional media content; 3. the effect of emotional content on the recall of the program context and, 4. the recall effects of *specific* emotions, which only recently have been investigated (Wirth & Schramm, 2005).

### ***Emotions as effects of media exposure***

Media research in the 1980s and 1990s continually drew on fundamental research on the psychology of emotion.

Wirth and Schramm, (2005) presented researchers with a background in media psychology (Mangold, 1998, 2000a, 2000b; Mangold, Unz, & Winterhoff-Spurk, 2001; Schwab, 2001; Scudder, 1999; Unz & Schwab, 2003; Unz, Schwab, & Winterhoff-Spurk, 2002; Wirth, Schramm, & Böcking, 2004) and pointed that those researchers refer to Scherer's Cognitive-Appraisal Theory.

Researches in domain of media domains showed that development of emotions during media reception do not differ fundamentally from everyday situations *not* influenced by media (Scherer, 1998). The result of this multi-step appraisal process produce specific response patterns (physiological responses, motor expression, action tendencies, feelings) or specific media emotions. A politician's proposition does not itself have to be articulated angrily but can nevertheless evoke or induce anger on the basis of the evaluation by the recipient according to his/her own goals and values. In this kind of emotional processes we are talking of emotion induction. A second prototypical class of emotional processes during media reception is emotional contagion. Here, the recipient only perceives the emotional expressive behavior of a media person and imitates it without understanding in detail how the emotional expression of the media person may have developed. The processes underlying this motor imitation of emotional expressive behavior (e.g., automatic laughter as a response to the laughter of a media person) are not yet fully explained (Scherer, 1998). A third category is *empathy* or *empathic sympathy* with the media person. Here, the recipient him/herself is not affected by the event that evokes the media person's emotion (Wirth & Schramm 2005).

Empathy has become an important construct in mass communication research. Empathy is a complex concept with affective as well as cognitive components (Wirth & Schramm 2005). Cognitive empathy is the understanding of other persons and the rational reconstruction of another person's feelings in the sense of taking over that person's perspective. Affective empathy, in contrast, is a relatively "primitive" process of sympathizing with other individuals. Affective empathy occurs when, for example, the recipients sense more or less the same emotions they have observed in a media figure.

## Model of 'Emotional processing'

Rachman (1980, according to Baker et al 2007) presented the concept of emotional processing. He wrote, "emotional processing is regarded as a process whereby emotional disturbances are absorbed, and decline to the extent that other experiences and behaviour can proceed without disruption". If emotional disturbances are not absorbed, then quite diverse emotional problems may ensue. (1980, according to Baker et al 2007)

This is the model on which the item selection for the emotional processing scale was initially based. It was published in an article "An emotional processing model for counselling and psychotherapy: a way forward" (Baker et al 2007). It is a system based model in which a negative emotional event is seen as a central phase and the expression of emotions is seen as an output.

Elements of emotional processing are: *Input Event* (emotions start with an event), *Emotional Experience* (the meaning attributed to an event determines the type of emotion experienced), *Emotional Expression* (this describes how the individual gives bodily expression, verbal or motor expression, to emotional experiences), *Labelling* (automatically and usually unconsciously, individuals feel an emotion as a psychological whole and 'label' the psychological state), *Linkage* (linking emotions felt by an individual to causal events may again be consciously or unconsciously achieved), *Awareness* (this describes the extent to which an individual is consciously aware of their emotions or the physical sensations that make up the felt emotion) and *Blocks in the System* (different problems may occur if there is some kind of deficit or blockage in the system).

Emotional processing scale which is used in this research comes from the mentioned model of Emotional processing. This scale was translated on Macedonian language with any adjustments and its metric characteristic has been checked.

## Research

### *Research question*

The research question of this study is to explore are there any connection/s between nature/intensity of media exposure and nature/type of evoked emotions in the critical period of time and their further processing. In the context of research question some concrete issues were first analyzed:

- a) Diverse way of informing about the political events
- b) Different intensity of media exposure
- c) Different intensity of personals activity in media sphere
- d) Different types of personas activity in media sphere
- e) Attitudes toward media ethics, media objectiveness, civic media and media freedom
- f) Media capacity to direct respondent's tendencies
- g) Valence of evoked emotions
- h) Types of evoked emotions
- i) Ways of emotional processing

## ***Hypotheses***

The general hypothesis predicted that *informing by the media is connected with person's emotions* so it can be said that:

- I. Diverse way of informing about events is connected with person's emotions.
- II. Intensity of media exposure is connected with person's emotions.
- III. Intensity of respondent's activity in media sphere is connected with the person's emotions.
- IV. Attitudes toward media professionalism (media ethics, media objectivity, civic journalism and freedom of media) is connected with emotions.

## ***Sample***

The convenience sample consisted of 88 students from Faculty of Philosophy, University "Ss. Cyril and Methodius" in Skopje, who voluntarily accepted to take part in this research, from the second and third year of study, between 20-23 years.

## ***Instruments***

### *Emotional Processing Scale (EPS)*

This version of scale has 25 items. Each 5 of them are organized in one of the following dimensions: Suppression (excessive emotional control), Signs of Unprocessed Emotion (intrusive and persistent emotional experience; the results of poor emotional processing), Unregulated Emotion (inability to control emotion), Avoidance (evading emotional triggers), and Impoverished Emotional Experience (poor emotional intelligence, emotionally unaware).

### **Questionnaire**

Concerning the goal and problem of this research original questioner has been constructed. This questionnaire consisted of the following elements: a) Recall of the memory (introduction in the questioner contained key information for the period of interest), b) direct /mediated informing about the political events; c) Media exposure (frequency of exposure on media in critical period), d) Media activity (intensity and type of personal activity in media sphere during critical events), e) Media professionalism (perception of the respondents about how the media in Macedonia were ethic, objective, free and have civil dimension while reporting on critical events during the designated period); f) Media capacity to direct respondent's tendencies (toward self or toward others); g) Type and intensity of the evoked emotions regarding media reporting about critical events; h) Emotional processing. Questionnaire in paper form was filed by the students.

## ***Time of memory recall***

Students have been asked to recall their memories about the before mentioned period of political crisis. Memory recall was done in introductory part of the questioner. Namely, based on the media published articles (source: [www.utrinski.mk](http://www.utrinski.mk); [www.time.mk](http://www.time.mk)

/09.02.2015-02.06.201/) the following short description of this period was presented to the students:

On the 9.02.2015 opposition announced first “bomb” which aimed to find the “abuses and crime” of government. The publication of bombs lasted several months. Meanwhile following events happened:

21.02.2015: Formation of high school plenum which continue its activities until the end of the school year; 9.05.2015 police action to break the armed terrorist group in Kumanovo settlements “Divlje naselje”; 16.05.2015: The opposition camp called “Camp of Liberty” was settled before the government. The camp was open and there were activities for two months; 19.05: Camp of supporters of the government was settled in front of the Parliament. The camp was open and there were activities for two months; 02.06.2015: Agreement signed by the leaders of four political parties Gruevski, Zaev, Ahmeti and Thaci, and mediated by Commissioner Hahn in the presence of US Ambassador Bailey EU Ambassador Orav.

### ***Time of research conduction***

Research has been conducted four month after the last critical event and it started at the beginning of November 2015 and lasted until the middle of the same month.

### ***Media in Macedonia***

Considering number of active print outlets, radio stations, television stations, Internet news portals, the statistic says: Print: 7 dailies, 4 weeklies, 30 periodicals; Broadcast: 5 public service broadcasters and 65 commercial broadcasters: 5 TV stations and 4 radio stations with national coverage (digital terrestrial multiplex); 5 TV stations provide national satellite coverage; 17 TV stations and 16 radio stations provide regional coverage; and 25 TV stations and 56 radio stations provide local coverage.

([https://www.irex.org/sites/default/files/u105/EE\\_MSI\\_2014\\_Macedonia.pdf](https://www.irex.org/sites/default/files/u105/EE_MSI_2014_Macedonia.pdf))

## **Results**

### ***Descriptive analysis***

#### **Diverse way of informing about the political events**

**Table 2** Percentages of answers to the question about the way of informing about the political events

	I was direct observer/ participant	I get the information through media	I get the information through online social media networks	I get the information through direct contacts
Yes	19,3	89,8	84,1	64,8
No	80,7	10,2	15,9	35,2
Total	100%	100%	100%	100%

The percentage of respondents who were direct observer/participant in critical events is 19.3%; almost all respondents received information about critical events through media and social networks. Also the percentage of face to face collection of information is very high (informing through direct contacts with friends, colleagues, neighbors, etc.)

### Different intensity of media exposure

**Table 3** Percentages of answers to the question about media exposure intensity

	I watched TV	I listened to the radio	Reading newspapers	Follow online media	I am informed by social networks
every day	29,9		1,1	35,6	71,6
5-6 days a week	8,0	2,3	1,1	4,6	4,5
3-4 days a week	24,1	4,6	4,6	10,3	6,8
1-2 days a week	34,5	41,4	50,6	31,0	14,8
Never	3,4	51,7	42,5	18,4	2,3
M	2,74	4,43	4,32	2,92	1,72

Informing through social networks is the most frequent way- above 70% of the respondents said that are on social networks every day. Listening to the radio and reading the newspaper are the less favorable way of informing.

### Different intensity of person's activity in media sphere

Activity in media sphere means: calling in live TV shows or radio shows that treat critical events; writing letters to newspapers about critical events, or writing comments on electronic editions of electronic and printed media; commenting, giving answers, "like" "share" online in the media and social networks ... all that was related to critical events during the designated period.

**Table 4.** Percentages of answers to the question about the intensity of activity in media sphere:

	Percentage
Very active	2,3
Active	10,2
Less active	22,7
Passive	64,8
Total	100,00

Only 12,5% of the respondents show some kind of activity (active/very active) in the media space. The others 87,5% remain less active or passive in that manner.

### Attitudes toward media professionalism: media ethics, media objectivity, civic media and freedom of media

**Table 5.** Frequencies of the answers on the question about media ethics, media objectivity, freedom of media and civic media :

	Ethics	Objectivity	Civic	Freedom
Fully	12,8	8,1	18,4	9,2
Partially	66,3	54,7	59,8	41,4
not at all	20,9	37,2	21,8	49,4
M	2,08	2,29	2,03	2,40

Situation with media freedom is the most critical issue. Almost half of the respondents answered that there is no freedom in the media. Representation of the public interest in the media space probably is the best among these four characteristics considering media professionalism.

### Media capacity to direct tendencies for activation

Respondents were asked about the direction of personal behavior evoked by the media. Does it go toward self (existing need to turn on itself, to be alone with oneself, to isolate, not to share with others, to keep quiet); does it go toward other (existing need to be with others, to share, to be open to conversation, debated, argued, argue ... ) or neither one.

**Table 6.** Percentage of respondents regarding direction provoked by media

Direction provoked by media	Percentage
Toward self	3,4
Toward others	52,3
Neither one	44,3

The highest percentage of respondents answered that media news make them turn their direction of action toward the others. Media are not provoking actions toward self in this case.

### Valence of evoked emotions

To see what is the valence of provoked emotions the following question was given to the respondents: "What kind of emotions was provoked when you heard, seen, read in the media about critical events in the highlighted period?"

**Table 7.** Valence of evoked emotions

Provoked emotions	Percentage
Mainly positive	1,1
Mainly neutral	23,0
Mainly negative	75,9

As can be seen from the Table 7, almost 80 percentages or respondent answered that the media coverage of critical events provokes negative emotions.

### Types of provoked emotions

In this section the respondents were asked about the type of emotion that media succeed to provoke

**Table 8.** Distribution of percentage according to provoked emotion

	Constantly	Often	Rarely	never
Fear	14,8	31,8	35,2	18,2
Anger	18,2	46,6	27,3	8,0
Rage	18,2	39,8	27,3	14,8
Love	3,4	8,0	21,6	67,0
Sublime feelings	2,3	11,4	18,2	68,2
Pride	1,1	13,6	23,9	61,4
Joy	1,1	9,1	22,7	67,0
Malice	5,7	5,7	27,3	61,4
Woe	3,4	11,4	27,3	58,0
Contempt	10,3	24,1	36,8	28,7

The data show that *anger*, *rage* and *fear* were the most present (provoked) emotions during media coverage of critical events. Almost two third of the respondent answered that *anger* is the emotion that was provoked *constantly* or *often* during the critical period. Emotions that in most cases never appear are *sublime feeling*, *love* and *joy*.

#### 3.1.8 Way of emotional processing

The table that follows shows the Emotional processing in the crisis period. The minimum and maximum score that can be possible for each EPS scales are 0 and 45.

**Table 9.** Mean of Scores on EPS scale (Emotional processing scale)

Emotional Processing Scale (EPS)	M
Suppression	19,59
Unprocessed	25,49
Unregulated	16,07
Avoidance	24,06
Impoverished	19,44
Sum EPS	103,84

*Unprocessed emotions* and *avoidance* are more frequently used ways of processing of all emotions (mostly negative from the crisis periods). *Unregulated emotions* are the less frequent.

### Testing the hypotheses

All the significant relations according to testing the hypothesis are in the Table no.10.

**Table 10.** Significant relations between variables

	Media capacity to direct personal tendencies	Valence of evoked emotions	Types of evoked emotions	Ways of emotional processing
Diverse way of informing about the political events	No relation	No relation	Noncategorized <b>Direct observation and participation</b> is connected with: <b>Anger</b> ( $X^2=12,291$ , $p<0,01$ ) and <b>Rage</b> ( $X^2=9,967$ , $p<0,05$ ) <b>Direct contacts (of-line social networks)</b> is connected with emotion <b>Joy</b> ( $X^2=12,646$ , $p<0,01$ ) and <b>Malice</b> ( $X^2=11,569$ , $p<0,01$ )	Noncategorized <b>Direct observation and participation:</b> <b>Unprocessed</b> ( $Z=2,078$ , $p<0,05$ ) Categorised: <b>Unregulated</b> ( $F=2,504$ , $p<0,05$ ).
Different intensity of media exposure	<b>Watching TV</b> ( $X^2=13,680$ , $p<0,01$ );  <b>Online Social networks</b> ( $X^2=9,414$ , $p<0,01$ ).	<b>Watching TV</b> ( $X^2=19,382$ , $p<0,01$ );  <b>Online media</b> ( $X^2=7,819$ , $p<0,05$ ).	<b>Watching TV:</b> <b>Anger</b> ( $X^2=9,137$ , $p<0,05$ ), <b>Rage</b> ( $X^2=11,162$ , $p<0,05$ ) and <b>Woe</b> ( $X^2=8,139$ , $p<0,05$ ); <b>Online media:</b> <b>Rage</b> ( $X^2=14,861$ , $p<0,01$ ); and <b>Contempt</b> ( $X^2=10,165$ , $p<0,05$ ); <b>Online Social networks:</b> <b>Contempt</b> ( $X^2=8,034$ , $p<0,05$ ).	<b>Watching TV:Unprocessed</b> ( $Z=4,251$ , $p<0,01$ ) <b>Unregulated</b> ( $Z=-2,378$ , $p<0,05$ ) <b>Impoverished</b> ( $Z=3,406$ , $p<0,01$ ) <b>Sum EPQ</b> ( $Z=2,957$ , $p<0,01$ ); <b>Online media:</b> Unprocessed ( $Z=-2,243$ , $p<0,05$ ); Social networks: <b>Unprocessed</b> ( $Z=-3,058$ , $p<0,01$ ), <b>Impoverished</b> ( $Z=-2,469$ , $p<0,05$ ), <b>Sum EPQ</b> ( $Z=-2,483$ , $p<0,05$ ).

<i>Different intensity of person's activity in media sphere</i>	No relation	(X <sup>2</sup> =48,341,p<0,01)	<b>Woe</b> (X <sup>2</sup> =37,691,p<0,01); <b>Contempt</b> (X <sup>2</sup> =22,794,p<0,01).	<b>Unprocessed</b> (F=3,865, p<0,01)
<i>Attitudes toward media ethics, media objectivity, civic journalism and media liberty</i>	No relation	<b>Objectivity</b> (X <sup>2</sup> =13,420,p<0,01)	<b>Non - objectivity:</b> <b>Anger</b> (X <sup>2</sup> =15,501,p<0,05); <b>Woe</b> (X <sup>2</sup> =24,457,p<0,01); <b>Ethics:</b> <b>Joy</b> (X <sup>2</sup> =15,570,p<0,0); <b>Non civic:</b> <b>Fear</b> (X <sup>2</sup> =24,015,p<0,01); <b>Civik:</b> <b>Love</b> (X <sup>2</sup> =14,741,p<0,05) <b>Joy</b> (X <sup>2</sup> =13,722,p<0,05); <b>Non liberal:</b> <b>Fear</b> (X <sup>2</sup> =13,248,p<0,05).	<b>Objectivity:</b> Unregulated Kruskal Wallis test (X <sup>2</sup> =6,209,p<0,05)

### *Testing the first hypothesis*

The first hypothesis predicted that diverse way of informing for the events is connected with person's emotions. Testing first hypothesis shows that:

- Informing by the direct observation and participation about the political events is connected with: Anger(X<sup>2</sup>=12,291, p<0,01) and Rage(X<sup>2</sup>=9,967, p<0,05), and more frequently unprocessed and unregulated way of emotional processing, so, it can be said that respondents who were informed through the direct observation and participation- they have reported about the anger and rage more frequently, as they have reported that unwanted feelings kept intruding, repeatedly experienced the same emotion over the time, difficult to control what they said and reacted too much to what people said or did.
- Informing through direct contacts (offline social networks) is connected with the emotion Joy(X<sup>2</sup>=12,646, p<0.01) and Malice(X<sup>2</sup>=11,569, p<0,01). Informing about political events through offline social networks (direct contacts) means to feel joy and malice more frequently.
- Diverse way of informing for the events is not connected with person's tendencies (toward self or toward other) and is not connected with the valence of the emotions.

These data partially confirmed the first hypothesis which predict that diverse way of informing for the events is connected with respondents emotions, which mean that way

of informing is important for the type of emotions and way of their processing, but not important with persons tendencies and valence of the emotions. The ways which make difference on persons emotions are informing about political events through direct observation/participation and direct contacts with other people. Direct observation/ participation means unwanted filings like anger and rage (both negative filings) more repeatedly and more uncontrollable; direct contacts (offline social networking) means filing negative but also positive emotions.

### *Testing the second hypothesis*

The second hypothesis predicted that intensity of informing by the media is connected with person's emotions so negative emotions will be more evoked by more intensive exposure on media coverage.

Testing the second hypothesis shows that:

- watching TV is connected with persons tendencies toward others (respondents have tendencies to share, to argue, to communicate); negative valence of the emotions; experiencing anger, rage and woe more frequently; unprocessed, unregulated and impoverished way of emotional processing.
- informing by online media means more negative unprocessed emotions like rage and contempt.
- informing by online social networks means directing the persons tendencies toward others, experiencing contempt more frequently and unprocessed and impoverished way of emotional processing.

These data fully confirmed the second hypothesis that predict that intensity of informing by the media is connected with person's emotions so negative emotions like anger, rage, woe and contempt will be more evoked by more intensive exposure on TV, online media and online social networks. Intensive media exposure will be connected with reporting about unwanted feelings kept intruding, repeatedly experienced the same emotion over the time, difficult to control what they said, reacted too much to what people said or did, and sometimes even unable to work out if felt ill or emotional.

### *Testing the third hypothesis*

The third hypothesis predicted that **Intensity of personals activity in media sphere is connected with person's emotions** so negative emotions will be more evoked by more intense activity in media sphere.

Testing the third hypothesis shows that:

- Activity in media space is connected with more negative than neutral emotions.
- Activity in media space is connected with emotions woe and contempt more frequently
- Activity in media space is connected with repeatedly experienced the same emotion over the time

These data fully confirmed the third hypothesis.

### *Testing the fourth hypothesis*

The fourth hypothesis predicted that attitudes toward media professionalism (media ethics, media objectivity, civic media and freedom of media) is connected with person's emotions so negative emotions will be more evoked by more negative attitudes towards media professionalism.

The study showed these significant correlations:

- Attitudes toward media objectivity go with lack of emotions.
- Attitudes toward media non-objectivity go with more negative emotions, experiencing anger and woe more frequently and unregulated emotional processing (difficulty to control the emotions)
- Attitudes toward media ethics go with experiencing joy more frequently
- Attitudes toward civic media go with experiencing love and joy more frequently
- Attitudes toward non-civic media go with experiencing fear more frequently
- Attitudes toward no freedom in media go with experiencing fear more frequently

This data confirmed the fourth hypothesis.

## **Discussion**

The research question was: "Is there any connection between nature/intensity of media exposure and quality/nature/type of evoked emotions and their further processing. This question come up from the political background which started from 9.02.2015 when the first "opposition bomb was activated" and ended 02.06.2015 with signed agreement between leaders of main four political parties (Macedonian, Albanian, opposition and position) mediated by international relevant subjects.

Research was conducted in November, four months after the last critical event and it included 88 students. The questioner was filed from the students in group on their regular classes. This research was based, and it supported the framework of cognitive appraisal theories which highlighted the cognitive judgments or personal interpretation of situations and noted that appraisal of a situation causes an emotional, or affective response (Wirth & Schramm 2005).

As this research was based on the events that already have been finished it is in the range of studies about the relation between emotion and memory and it can be classified in the group of studies based on the recall of one's own emotional (media-mediated) experiences (Wirth & Schramm 2005).

The fear was the most dominant emotion provoked by the media mediated way of informing about the critical political events. Emotional responses to news coverage of negative events do not happen in a vacuum. There is nothing to doubt that the events that cause destabilization of national security will lead to the emergence of unpleasant and negative emotions among citizens. Findings of this study showed that those respondents who took active participation in critical events experienced anger and rage and demonstrated unprocessed and unregulated way of coping with emotions.

We live in mediated world and the way media represent the reality can be a relevant factor for emotional experience of events that occur in the real world. Emotional responses on television news' exposure leads to increase of negative emotions (anger, rage and woe) and unprocessed, unregulated and impoverished way of emotional processing. The results show that those emotions were dominant among the respondents.

The presence on social networks in the critical period lead to the emergence of negative emotions (rage, contempt). It directed the tendencies toward others and stimulated unprocessed and impoverished way of emotional processing.

## Notes

<sup>1</sup> The political opposition in Macedonia publicly announced wiretapped telephone conversations of politicians from home and abroad and called them “bombs” that would “crash” the country’s government.

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## **THE DEPENDENCE ON GLOBAL MEDIA OF FOREIGN POLICY REPORTING OF THE MACEDONIAN DAILY NEWSPAPER VECHER (2013-1983)**

### **Abstract**

This paper is founded on the hypothesis that the reporting of foreign policy by the Macedonian daily newspaper Vecheh in 2013, is greatly influenced by the global media. The 1983 media materials are radically different due to the fact that there was little to no influence from such media giants. We begin the study by using the method of quantitative content analysis. The data analyzed was gathered over a four month period, using the issues printed from the years 2013 and 1983. The most frequently used sources of information in 2013 were foreign national and regional media, while the most quoted source of information in 1983 was the Yugoslav news agency Tanjug. International reports from the leading Macedonian newspaper in these two different time periods are mostly geared toward information about actual events that were happening on the northern continents and regions of the Earth.

**Key words:** global media, the newspaper Vecheh, international flow of information, the Republic of Macedonia.

### **Introduction**

The paper aims to explore the direct and indirect dependence on global media of foreign policy reporting of the Macedonian daily newspaper Vecheh in two different research period – 2013 and 1983. In this research were analyzed published materials in foreign policy sections of the newspaper Vecheh by using a historical perspective and comparison of two different time periods, the current style of international reporting on the media front versus the methods of sharing information for foreign events that were popular during the 80s of XX century. The newspaper Vecheh was one of the two daily newspapers publishing on national level in the Socialist Republic of Macedonia. During the communist period, it was the most circulated Macedonian print media. In 2013, the newspaper Vecheh is one of the leading Macedonian national newspapers, a tabloid that has bigger daily circulation and readership on the Internet in comparison with the influential print media.

This research initiates from the assumption that the reporting of foreign policy events from the newspaper Vecheh in 2013 is under heavy influence from the global media giants Reuters, Associated Press, Agence France Presse, CNN, BBC, Al Jazeera and Russia Today. Based upon information collected from the 2013 editions, in contrast with the 1983 issues, in which relied very little on such foreign media. Empirical research in a

distance of three decades provides us with an opportunity to compare the difference between reporting styles from two historical time periods, in which two different social, political and media systems exist. The Socialist Republic of Macedonia during the 80s of the XX century was a republic within the SFR Yugoslavia, which practiced the politics of non-alliance and of peaceful coexistence in international relations, as an important form of strategic foreign policy (Djunov, 1989). Today's aspirations of the Republic of Macedonia have changed, and the foreign policy interests of this Balkan country are directed solely towards the European and Euro-Atlantic integration (*The Ministry of Foreign Affairs of the Republic of Macedonia a; The Ministry of Foreign Affairs of the Republic of Macedonia b*).

The beginning of 80's as a research period was chosen because it still represents the Cold War period. In 1983, there were severe tensions between the Eastern and the Western bloc countries, especially evident in the Lebanese civil war, the martial law in Poland, and the shot down of the Korean Airlines flight by the Soviet Union. It was period in which five major news agencies (Reuter, Associated Press, United Press International, Agence France Presse and TASS) had dominant role in the international flow of information. According to Johan Galtung, the world was divided in two parts – center and periphery (Galtung, 1971). These findings stress communication division of this world at the center of focus, which includes the countries of the developed North of the Earth, and periphery (Mowlana, 1985). At the beginning of 80's, the UNESCO Special Commission lead by Sean MacBride published the report "Many Voices, One World". Besides other topics, in this document were highlighted actual affairs regarding the global media's reporting of negative topics related to the southern continents and regions of the Earth (UNESCO, 1980). In this period of time, international reporting of global media and their influence on national and local media in the world was burning question for intellectuals, politicians and journalists.

Contrary to this, 2013 is the year in which the research is conducted. It is period that reflects the current development of international reporting. In 2013, the world media market become more competitive, with new informative television networks and news agencies established by undemocratic regimes of the Russian Federation, China and part of the Arab countries. Their influence in foreign policy reporting is growing in different parts of the world. On the other side, the current development of international reporting in the developed countries of the world is characterized by cutting back coverage of international affairs in the main newspapers and television networks. Robert McChesney in his book "The Political Economy of the Media: Enduring Issues, Emerging Dilemmas" tries to outline that U.S. journalism has growing problems in international reporting. "Between 2002 and 2006, the number of foreign-based newspaper correspondents shrank from 188 to 141 (excluding the Wall Street Journal, which publishes Asian and European Editions)" (McChesney, 2008: 119).

Chris Paterson gives claim that with the emergence of Internet, we have not seen any significant or major changes at the top, where the same global media have continued to dominate.

"We are left with a picture of an online news world (in the English language) where only four organizations do extensive international reporting (Reuters, AP,

AFP, BBC) a few others do some international reporting (CNN, MSN, New York Times, Guardian and a few other large newspapers and broadcasters), and most do no original international reporting” (Paterson, 2007: 63).

Nick Davies in his book “Flat Earth News: An Award-winning Reporter Exposes Falsehood, Distortion and Propaganda in the Global Media” underlines that foreign policy reporting, but also all other sections in editorial offices years ago, faced a constant reduction.

“In 1994, Professor Franklin calculated that 7.000 BBC jobs had been cut in the previous eight years. At least ninety more went in 1996. In 1997, a further cut of 25% was announced for the following five years. In March 2005, the new director, Mark Thompson, proposed another 13% in cutbacks, including 12% of the jobs in BBC News and 21% of jobs in Factual and Learning” (Davies, 2009: 67).

Taking into consideration this theoretical background, the empirical research includes all printed issues of the daily newspaper Večer using the following dates: from 1 to 7 September (the first week of September), from 8 to 14 October (the second week of October), from 15 to 21 November (the third week of November) and from 22 to 28 December (the fourth week of December) 2013 and 1983. This period of research was chosen as an effort to obtain reliable results. Identical dates give the possibility to make effective comparison from historical perspective. On the other hand, the fourth-months period excludes the possibility for key impact of a larger international event on the obtained empirical results. With these criteria on board, the period between September and December was randomly chosen. In order to obtain scientific results, this research applies the method of quantitative content analysis.

The main research question in this paper is: How big is the direct and indirect dependence on global media of international reporting of the newspaper Večer? In order to obtain accurate results for the research question, in this paper were analyzed sources of information on media content placed in foreign policy sections, continents and regions that are subject of interest in published textual content, items of those published articles related with the southern continents and regions of the Earth, and journalism genres of all articles published in foreign policy sections.

## **Foreign policy reporting of the Macedonian daily newspaper Večer in 2013**

During the research period of 2013, in the foreign policy sections of the newspaper Večer were published 294 articles and 207 photographs for international actualities. A vast majority of the media content were published all noting an unnamed source of information – journalist who created it or media sources from which these materials were provided. The foreign policy sections of the newspaper Večer are consisted of 194 articles, or 66% of the written material, and 205 photographs, or 99% of the photo content, with unstated or unnamed source of information.

**Table 1.** Sources of information on media content for international events published in the newspaper Večer in 2013

<i>Source of information on media content placed in foreign policy section of the newspaper Večer</i>	Text		Photography		Other media content	
	N	%	N	%	N	%
Global media						
BBC	4	1,4%	0	0%	0	0%
Reuters	3	1%	0	0%	0	0%
Agence France Presse	2	0,7%	0	0%	0	0%
Associated Press	1	0,3%	0	0%	0	0%
CNN	1	0,3%	0	0%	0	0%
Total:	11	3,7%	0	0%	0	0%
Foreign national and regional media						
Other foreign national media	37	12,6%	0	0%	0	0%
DPA	3	1%	0	0%	0	0%
Washington Post	2	0,7%	0	0%	0	0%
Guardian	2	0,7%	0	0%	0	0%
Total:	44	15%	0	0%	0	0%
Unstated source of information	194	66%	205	99%	0	0%
Other source of information (local media, state institutions, international organizations, NGO's, etc.)	36	12,2%	2	1%	0	0%
More than one source of information	9	3,1%	0	0%	0	0%
Total:	294	100%	207	100%	0	0%

Smaller part of the textual content is published according to professional standards of journalism. In these cases, the most used source of information in articles are foreign national and regional media, represented by 44 texts, or 15% of the total number of textual material dedicated to foreign policy events. Also, for the period September – December 2013, in the newspaper Večer are published 11 texts on international events with global media as sources of information, which represents 3, 7% of the whole written material placed in foreign policy sections.

There are different research results when it comes to the continents and regions, which are a subject of interest in the published articles. A significant majority of the textual content in the newspaper Večer are connected with actualities that took place in the developed countries of the northern continents and regions of the Earth. These parts of the world are present within 244 articles, or in 83% of the total number of written material for international events.

**Table 2.** Continents or regions which are a subject of interest in published articles for international events in the newspaper Vecher in 2013

Continents or regions which are a subject of interest in published articles	Text	
	N	%
Northern continents or regions of the Earth		
Balkan Peninsula (including Turkey)	113	38,5%
Europe (including Russia)	62	21,1%
North America (USA, Canada, Mexico)	31	10,5%
Asia	26	8,8%
Middle East	12	4,1%
Total:	244	83%
Southern continents or regions of the Earth		
Africa	15	5,1%
South America	5	1,7%
Central America and the Caribbean	4	1,4%
Australia, Oceania and New Zealand	1	0,3%
Total:	25	8,5%
More than one continent or region	25	8,5%
Total:	294	100%

The conducted empirical research shows that the newspaper Vecher is not interested in actualities from abroad that occur on the southern continents and regions of the Earth. Gatekeeping process from the editorial staff neglects international events from these parts of the world, which is evident from the results that only 25 articles, or 8,5% of the total number of texts, are related with the southern continents and regions of the Earth.

From the processed data using the method of quantitative content analysis, it can be concluded that the articles published for the southern continents and regions of the world refer to negative topics. Editorial office of the newspaper Vecher covered mostly negative items in the 2013 printed editions, which is evident from the fact that 20 articles, or 80% of the written material for these parts of the world, treat military and political conflicts, organized crime activities, natural disasters, different forms of inequalities and other negative topics.

**Table 3.** Items of articles related with the southern continents and regions of the Earth, published in the newspaper Vecher in 2013

Items of the published articles related with the southern continents and regions of the Earth	Text	
	N	%
Positive items		
Other positive items (those positive items not listed as a separate class in the exemplar document)	2	8%
Economic, political and cultural development of society	1	4%
Ecology and environmental protection	1	4%

Bilateral and multilateral agreements, meetings and conferences, establishing and further development of regional and international organizations	1	4%
Total:	5	20%
Negative items		
Military and political conflicts (international military conflict, internal military conflict, political conflict)	6	24%
Other negative items (those negative items not listed as a separate class in the exemplar document)	6	24%
Terrorism	4	16%
Organized crime	2	8%
Natural disasters (floods, earthquakes and other)	1	4%
Economic, political, social, information and other forms of inequality	1	4%
Total:	20	80%
Total:	25	100%

**Table 4.** Articles for international events published in the newspaper Večer in 2013, divided on journalistic genres

Published articles for international events divided on journalistic genres	Text	
	N	%
Shorter informative genres		
News	186	63,3%
News in brief	28	9,5%
Informative report	27	9,2%
News in series	19	6,5%
Photo-news	1	0,3%
Total:	261	88,8%
Longer interpretative, argumentative, dialogic and belletristic genres		
Commentary report	4	1,4%
Belletristic report	3	1%
Article	1	0,3%
Total:	8	2,7%
Texts that contain elements of different genres	25	8,5%
Total:	294	100%

The research conducted also discovered that journalistic texts in the 2013 editions can be inserted in the shorter informative genres. During the research period are published 261 texts from the shorter informative genres, or 88, 8% of the textual content from foreign policy sections. From the longer interpretative, argumentative, dialogic and belletristic genres are published only 8 texts (2, 7% of the textual content).

## Foreign policy reporting of the Macedonian daily newspaper Večer in 1983

In the research period of 1983, in foreign policy sections of the newspaper Večer, there were published 475 articles, 17 photographs and 1 unit of other media content (charts, graphs, caricatures, maps, etc.) for international events. All photographs and other media content for actualities from abroad are placed in the printed editions with unstat-ed or unnamed source of information, or more concretely, with unnamed journalist who created the content, or media from which it is taken.

The most employed source of information on textual content is the Yugoslav news agency Tanjug, from which are provided 198 articles, or 41, 7% of the total number of published written material. Global news agencies Associated Press, Reuter, Agence France Presse, United Press International and TASS are used as source of information in 141 texts, which represents 29, 7% of the textual material.

**Table 5.** Sources of information on media content for international events published in the newspaper Večer in 1983

<i>Source of information on media content placed in foreign policy section of the newspaper Večer</i>	Text		Photography		Other media content	
	N	%	N	%	N	%
Global media						
Associated Press	39	8,2%	0	0%	0	0%
Reuter	37	7,8%	0	0%	0	0%
Agence France Presse	36	7,6%	0	0%	0	0%
United Press International	27	5,7%	0	0%	0	0%
TASS	2	0,4%	0	0%	0	0%
Total:	141	29,7%	0	0%	0	0%
Foreign national and regional media						
Other foreign national media	15	3,2%	0	0%	0	0%
Xinhua	3	0,6%	0	0%	0	0%
New York Times	2	0,4%	0	0%	0	0%
Washington Post	1	0,2%				
Total:	21	4,4%	0	0%	0	0%
Editorial staff of the Večer newspaper						
Journalist, editor and contributor of the newspaper from Macedonia	1	0,2%	0	0%	0	0%
Total:	1	0,2%	0	0%	0	0%
Yugoslav national media						
Tanjug	198	41,7%	0	0%	0	0%

Total:	198	41,7%	0	0%	0	0%
Alternative media						
Inter Press Service	1	0,2%	0	0%	0	0%
Total:	1	0,2%	0	0%	0	0%
Unstated source of information	96	20,2%	17	100%	1	100%
More than one source of information	15	3,2%	0	0%	0	0%
Other source of information (local media, state institutions, international organizations, NGO's, etc.)	2	0,4%	0	0%	0	0%
Total:	475	100%	17	100%	1	100%

During the communist period in 1983, the newspaper Vecher was oriented toward reporting actualities from the northern continents and regions of the world. As much as 387 articles, or 81, 5% of the total number, refer to events that took place within Europe, Asia, North America, Middle East and Balkan Peninsula. For actualities from the developing countries or the Third world countries, which are situated mostly on the southern parts of the Earth, are published 71 articles, or 14, 9% of the textual content.

**Table 6.** Continents or regions which are a subject of interest in published articles for international events in the newspaper Vecher in 1983

Continent or region which is a subject of interest in the published articles	Text	
	N	%
Northern continents and regions of the Earth		
Europe (including Soviet Union)	173	36,4%
Asia	84	17,7%
North America (USA, Canada, Mexico)	55	11,6%
Middle East	51	10,7%
Balkan Peninsula (including Turkey)	24	5,1%
Total:	387	81,5%
Southern continents and regions of the Earth		
South America	26	5,5%
Africa	21	4,4%
Central America and the Caribbean	19	4%
Australia, Oceania and New Zealand	5	1%
Total:	71	14,9%
More than one continent or region	17	3,6%
Total:	475	100%

The events from neighboring Balkan countries are present with only 24 articles, or 5, 1% of the total amount. This means that some of the basic rules of journalism had been

breached by the editorial staff. However, it should not be forgotten that during this period of time, Yugoslavia was a non - aligned country, with different foreign policy priorities from neighboring countries. During the research period of 1983, Greece and Turkey were part of the Western bloc, and Bulgaria and Romania were members of the Warsaw Pact, while communist Albania was the most isolated country in Europe.

Empirical results show that majority of journalistic texts presented only those international events with negative topics, creating a specific media reality for the actual situation in Central and South America, Africa, Australia, New Zealand and Oceania. In 1983, Gatekeeping had been constantly feeding the newspaper Večer with negative items, which were covered in 52 articles for the southern continents and regions of the world, or 73, 3% of the total number of texts for these parts of the globe.

**Table 7.** Items of articles related with the southern continents and regions of the Earth, published in the newspaper Večer in 1983

Items of the published articles that are related with the southern continents and regions of the Earth	Text	
	N	%
Positive items		
Bilateral and multilateral agreements, meetings and conferences, establishing and further development of regional and international organizations	7	9,9%
Development of democratic political system and respecting human rights	4	5,6%
Other positive items (those positive items not listed as a separate class in the exemplar document)	3	4,2%
Economic, political and cultural development of society	2	2,8%
International aid	1	1,4%
Independence, establishment of sovereignty , struggle against neocolonialism and imperialism	1	1,4%
Ecology and environmental protection	1	1,4%
Total:	19	26,7%
Negative items		
Military and political conflicts (international military conflict, civil war, political conflict)	28	39,5%
Other negative items (those negative items not listed as a separate class in the exemplar document)	13	18,3%
Economic and financial crises	5	7,1%
Terrorism	2	2,8%
Natural disasters (floods, earthquakes and other)	2	2,8%
Organized crime	1	1,4%
Poverty and diseases	1	1,4%
Total:	52	73,3%
Total:	71	100%

When it comes to genre affiliation of the published texts for international events, in printed issues of the newspaper *Vecher* were published 450 texts from the shorter informative genres: news, news in brief, news in series, informative report and photo-news. This number shows that 94,9% of all texts can be classified in these informative genres. International reporting in 1983 was built on the idea of creating information for actual events, in most cases, putting them in journalistic structure of the genre news.

**Table 8.** Articles for international events published in the newspaper *Vecher* in 1983, divided on journalistic genres

Published articles for international events divided on journalistic genres	Text	
	N	%
Shorter informative genres		
News	254	53,5%
News in brief	116	24,3%
News in series	62	13%
Informative report	16	3,7%
Photo-news	2	0,4%
Total:	450	94,9%
Longer interpretative, argumentative, dialogic and belletristic genres		
Commentary report	5	1%
Article	4	0,8%
Belletristic report	1	0,2%
Total:	10	2%
Texts that contain elements of different genres	15	3,1%
Total:	475	100%

## Discussion

This empirical research obtains scientific findings about the dependence of global media on international reporting of the Macedonian newspaper *Vecher* in two different time periods, political systems, media systems and societies. The editorial office of the newspaper *Vecher* shows a high level of unprofessionalism, arising from unstated sources of information in published articles and photographs for international events. If we take into account these results, a serious problem has arisen in determining the dependence of global media. It is impossible to discover the proportion of quantitative usage of these types of media in foreign policy reporting.

The core of international reporting by the newspaper *Vecher* in 2013 and in 1983 is composed of textual material. During the 80s of XX century, the major source of information is the Yugoslav news agency Tanjug, thus global media input have small impact on the reporting of international events. Despite the use of domestic media as a sure source of information in 1983, there was a large difference in 2013, where the primary focus was put on the use of foreign national and regional media. At the same time, the share

of global media in international reporting is very small to small in both periods of time. These media appear as sources of information in 3, 7% of the total number of articles in 2013, and in 29, 7% of the journalistic texts for international events published within the articles of 1983.

Despite these profound results, some of the obtained data are a clear flag giving obvious proof of the heavy, but indirect dependence of global media in the newspaper Vecher. This negative characteristic of international reporting is explicitly present in 2013 and in accordance with the absence of correspondent staff in the printed media from abroad.

There is significant imbalance of published articles related to different parts of the world. International reporting of the newspaper Vecher follows the major events in “elite” countries and regions of the globe, while actual happenings from the Third world countries and developing countries are usually neglected. This is especially reflected by the current journalistic reports. The quantitative content analysis shows a margin of 10:1 in favor of the northern continents and regions of the globe. This means that for every 10 texts covering international events within Europe, the Balkan Peninsula, Asia, Middle East and North America is published only one article concerning the events from the southern continents and regions of the world.

The media agenda of international reporting formed in 1983 shows more equal and impartial information. In foreign policy sections of the newspaper Vecher you will note the proportion of 5:1 in favor of the northern continents and regions of the Earth. In 1983, the SFR Yugoslavia still remained firm in its foreign policy priorities – membership in the Non-Aligned Movement, close bilateral relations with developing and undeveloped countries and strong support to the politics of coexistence in international relations and of decolonization of the Third world. On the other hand, foreign policy reporting of the leading Macedonian newspaper in 1983 shows that editorial staff seems redirected towards other priorities – gathering information and analyzes topics from the northern continents and regions of the world, mainly events that occurred inside the Eastern and the Western bloc countries. This can be another indicator of the great indirect influence of global media for the newspaper Vecher.

Another research results are tied within this claim. Military and political conflicts, terrorism and other negative topics are mostly elaborated in those articles connected with the southern continents and regions of the world. In 2013, in foreign policy sections of the newspaper Vecher you will note the proportion of 4:1 in favor of negative topics in those articles that cover international actualities from Africa, Central and South America, Australia, Oceania and New Zealand. In 1983, 73, 3% of the published texts of the Macedonian newspaper presented some negative topics concerning international events from these parts of the world. At the same time, positive themes were covered within 26, 7% of the written material published in foreign policy sections. In regard to the other questions posed within this research, the main conclusions formed by the report “Many voices, one world” of UNESCO prove to be valid points in the examination of the newspaper Vecher.

Quantitative analysis proposed within this paper, shows similar results in terms of articles genre affiliation. In 1983, editorial attention appears to be focused on news articles from the shorter informative genres, and from them were constructed 88, 8% of the total number of articles. From this aspect, we conclude that the reporting of foreign policy by the newspaper Vecher during the 80's of XX century was strongly connected to news agencies. The research highlights similar scientific results for the 2013 printed issues. Shorter and informative journalistic genres are mostly represented in foreign pol-

icy sections of the newspaper Vecher. From this perspective, the quality of foreign policy reporting seems to be on same level in both research periods.

## Conclusion

The dependency upon global media concerning foreign policy reporting for the newspaper Vecher can partly be noted through obtained results. The direct dependence from such media in the 1983 editions is small, due to the fact that they are rarely used as sources of information within the textual content. During the research period of 2013, it is impossible to discover the direct dependence from global media. Almost all photographs and most of the textual content in 2013 are published with unstated source of information, which confirms the disrespect of journalistic standards for structuring the media material.

Empirical results indicate a heavy indirect dependence on global media of international reporting of the Macedonian newspaper Vecher in both research periods. A vast majority of texts are related to novelties that occurred on the northern continents and regions of the world. Central and South America, Africa, and Australia, New Zealand and Oceania are mostly excluded from the constructed media agenda, so it is impossible to discover constructive information concerning these continents and regions. At the same time, the great influence of global media can also be seen through the majority of texts using negative topics as a focal point for the southern continents and regions of the Earth. The attention from editorial staff in both research periods usually is directed towards military and political conflicts. The unbalanced international reporting is particularly noticeable within the 2013 printed issues. The editorial offices of this Macedonian newspaper have been concentrated in reporting on “elite” nations, those with the highest level of social development. One of the clearest examples for this is the fact that the global media are founded within the biggest or most developed countries in the world (USA, Great Britain, France, Russia, Qatar, etc.), and their mode of data collection, processing, creating and disseminating of information is conducted also within these regions of the world.

The fundamental conclusion for the foreign policy reporting of the newspaper Vecher in both research periods is that there is no in-depth journalism. Even more, we can see further regression of the international reporting during the research period of 2013. Media reports covering international events are taken by other unknown media. The materials presented by correspondent staff concerning that of foreign policy sections are absent, and the main attention of this newspaper has given way mostly to those novelties taking place in the most developed countries. The fundamental journalistic standards are not respected in a majority of published articles within both research periods. Finally, all of these empirical results lead to the heavy indirect dependence on global media of international reporting of the Macedonian newspaper Vecher.

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## **“CITIZENS FOR MACEDONIA” – FROM CITIZEN MOBILIZATION TO DEMOCRATIZATION?**

### **Abstract**

During its 25 years of independence, the Macedonian society has faced democratic turmoil many times. Still, there is a general belief that since the beginning of 2015, Macedonia has entered in its biggest social and political crisis. Following the release of the wiretapped conversations by the president of the largest opposition party in Macedonia – SDSM, Zoran Zaev, a group of citizens and party activists occupied the space in front of the Macedonian Government, asking for resignation from Prime Minister Nikola Gruevski. Protestors claimed that the Macedonian Government has lost its legitimacy to govern, and asked for immediate rebuilding of the Macedonian institutions. These actions have created the biggest political cleavage in Macedonian history.

The main purpose of the paper is to examine current and future movement related outcomes, and its capacity to push for power change. Secondly, the paper defines the genesis of the movement and classifies it as type of social/political movement. Lastly, it portrays possibilities for larger citizen mobilization for wider social restoration of Macedonian society in the future.

From a theoretical perspective, the paper presents cutting edge literature review analyzing contemporary concepts of social movements and citizen mobilization. Regarding the methodological approach, I apply a combination of thorough document analysis and in-depth interviewing. Five in-depth interviews were conducted with movement stakeholders.

**Key words:** democratization, movement, mobilization, Macedonia, citizens

### **Introduction<sup>1</sup>**

**B**ridging social movement literature and literature on democratization has not been done frequently throughout the past in the fields of Political Science and Sociology. Requoting the words of Sidney Tarrow, initially quoted by Donatella della Porta in the introductory chapter of her path-breaking piece *Mobilizing for Democracy: Comparing 1989 and 2011*, “Most scholars of democratization have either ignored movements altogether or regarded them with suspicion as dangers to democracy, while most students of social movements have focused on fully mature democratic systems and ignored the transition cycles that place the question of democratization on the agenda and work it through to either democratic consolidation or defeat” (Tarrow, 1995: 221-2 in della Porta, 2014: 1), it is quite clear that combining these two theoretical strands is likely to add value to the studying of a particular movement, in this specific case, the Citizens for Macedonia (hereinafter CfM) movement.

After briefly presenting the methodological approach and the main research questions which are addressed in this paper, I move towards a brief summer of the history of formal democratization of Macedonian society, which I argue that came from above, following a specific pattern of elite transformation.

Furthermore, I try to stress the peculiarities of CfM, and explain from a theoretical perspective why this particular collective action should be considered a social movement. I base my arguments on the theoretical inputs of della Porta and Diani, highlighting the distinctive theoretical elements of social movements.

I then briefly turn towards the main political outcomes of the movement, taking into consideration that many activities are still ongoing, and that the final contours of the outcomes will surely change as time passes by. I particularly focus on activists' impressions regarding the influence of CSOs and parties on state institutions, the international community and the wider public respectively. The results of the Przhino agreement can be considered a focal point.

In the last section of the paper I take into consideration activists' observations related to the possibilities of wider supra-party possibility for mobilization of Macedonian citizens, which will ultimately lead towards one of the paths of democratization from below as suggested by della Porta. I close by briefly focusing on the conclusions from the research.

## **Methodology and main research questions**

My main methodological approach while exploring the movement-related peculiarities can be defined as dominantly narrative and sociological, to a certain extent introducing elements of Process Tracing Analysis (PTA). Regarding the theoretical concepts, I rely mostly on recent democratization and social movement literature which dominantly focuses on citizen mobilization. As far as the data collection tools are concerned, I acquired my data via thorough document analysis and open ended in-depth interviews with activists and key informants.

I conducted five in-depth interviews with representatives from different groups of activists, trying to cover multiple angles of the happenings. By the time I performed the fifth interview I had already reached the concept which is referred to as "saturation of knowledge" (della Porta, 2014: 242), since similar information and perspectives started to become redundant. The first interviewee is an activist coming from the civil society, continuously taking part in organization and execution of movement related activities. The second interviewee is a member of the Student Plenum that also partly participated in the movement and had two speakers during the 17<sup>th</sup> of May protest. The third interviewee is a member of a central body of SDSM, the largest participating political party which had a pivotal role within the movement. The fourth interviewee comes from academia, but he is also closely collaborating both with one of the SMOs and with SDSM. Lastly, the fifth interviewee holds a Ph.D. in Political Science, and is a freelance expert who gave a relatively objective external view of the incidents.

The three central questions which are examined in this paper are the current outcomes and possible future developments related to the movement, and its capacity to push for power changes; the genesis of the movement and its localization in theory; as well as the possibilities for wider citizens' mobilization which can possibly lead towards a complete restauration of Macedonian society, following a path of democratization from below.

## From Formal Democratization to Shallow Democracy

Former studies on the processes of democratization of societies in Southeast Europe have, more or less, been divided in regards to the fact whether democratization emerged "from below" (della Porta, 2014), or it was mainly dictated by elite transformation and adaptation including newly established elites (Stepan and Linz, 1996; Higley, Pakulski and Wesolowski, 1998). Regarding the *democratization from below*, della Porta distinguishes three most common paths that single out the substantially important roles of protests and social movements, which are applicable both to societal transformations in Eastern Europe during 1989/90 and democratization processes in the MENA region in 2011/12. She labels as *eventful democratization* those processes where protests performed by social movements are very important. Her second category is named *participatory pacts*, and it refers to cases where social movements dominantly use bargaining strategies to achieve democratic reforms. The third type of processes have been given the name *participated coup d'état*, signaling out specific societal transformations in which elites engage in the activity of manipulating mass protest events in order to gain power over conservative groups (della Porta, 2014: 296-297). Moving to the *elite transformation approach*, which can also be referred to as *democratization from above*, acting as an antonymic balance to democratization from below, the process of democratization is much more elite-driven and citizens' participation is not in the primary focus of the societal change. Focusing specifically on Eastern Europe, theory recognizes two dominant ways of creation of consensually-unified national elites: a *direct transformation*, and a *transformation through a settlement of basic disputes among the elites* (Daskalovski, 1999: 17). Based on the arguments by Higley and Pakulski (1992), Daskalovski defines direct transformation as an epilogue of party elites being able to acknowledge the counter-productivity of communist ideology, embrace democracy and create space for accommodation of new emerging elites (Daskalovski, 1999: 19). On the other hand, the transformation through a settlement of basic disputes among the elites, is recognized by the literature as a relatively rare and exceptional event when "national elite factions suddenly and deliberately reorganize their relations by negotiating compromises on their most basic disagreements" (Burton and Higley, 1987: 295).

One of the main arguments that I try to bring forward in this paper is that although Macedonia was formally democratized during the late 80s and early 90s of the previous century following a process of democratization from above, mainly driven by former socialist and new emerging, dominantly nationalist elites, this process resulted just with a formal and extremely shallow democracy, lacking functional and democratic institutions as well as participatory decision-making among multiple centers of power. Shallow democracy can be defined as an environment which "allows limited power sharing and restricted participation in decision making" (Meighan, 2001: 297). This form of democracy allows sharing of just small portions of power, tightly limited and controlled by those in power, which also have the space and opportunity to withdraw all elements of power-sharing and confine it only to marginal activities. Shallow democracy increases the probability of malfunctioning which leads towards "cynicism, fatalism and a strong impression that democracy does not work" (Ibid: 297), a description which largely resembles the current environment in Macedonian society. Furthermore, I want to stress the idea that the activities of the CfM coalition are one of the last remaining mechanisms which could result with essential and deeper democratization of Macedonian society, re-

sembling a type of democratization from below that might eventually lead towards a complete restauration of Macedonian society, finally completing the transition from shallow to deep democracy. This argument raises the need for definition of deep democracy. This democratic environment, conversely to the previous one, allows more power-sharing, as well as agenda-setting. Deep democracy does not boil down to the number or range of items among which power is shared, but it also takes into consideration the levels of decision-making (Ibid: 297).

Taking into consideration the limited time and space, but also attempting not to lose the focus of this writing, I will briefly describe the formal democratization of the Macedonian state during the late 80s and early 90s of the 20<sup>th</sup> century, subsequently moving towards assessment of the current situation in Macedonia. The current diagnosis will act as a type of introduction to the following section which stresses the core of this research – the definition of CfM and its location within a certain theoretical framework provided by social movement literature.

The formal democratization of Macedonia, which began during the late 80s of the previous century, is inseparably tied to the process of gaining independence. Macedonia's independence formally started to coin by introducing the Declaration for Sovereignty of Socialist Republic of Macedonia (DSSRM, 1991) which was enacted by the Assembly of SRM on 25<sup>th</sup> of January 1991. Following the first multiparty parliamentary election which were held on 11<sup>th</sup> November 1990, SRM had started the process of democratization of institutions, migrating from a single party assembly to a multiparty representative legislature which contained variety of political parties and independent MPs. This legislature unanimously<sup>1</sup> adopted the previously mentioned Declaration, this being one of the rare moments in the short Macedonian history when a wide cross-party consensus has been reached regarding a certain issue. Apart from all elected MPs voting in favor of the Declaration, all extant political parties backed the Declaration (Makedonska Nacija, 2010). The text of the Declaration vividly stressed the determination for independence introducing the wording "...independence and territorial integrity of the Macedonian state, as well as the right to self-determination of the Macedonian people, including the right to secession" (DSSRM, 1990: Article 1). This paved the way towards the referendum which formally sealed the Macedonian independence. The referendum was held on 8<sup>th</sup> September 1991, when 75% of the Macedonian citizens ran for the ballot boxes to cast their vote, answering the referendum question "Are you in favor of a sovereign and independent state Macedonia, with the right to participate in future alliance with other sovereign Yugoslav states?" (Referendum report, 1991: 1-2). Out of the 1.132.981 citizens which participated in the referendum, 1.079.308 citizens voted "YES" clearly stating the citizens' will for an independent and democratic country.

However, not all went rosy for the young post-Yugoslav state. The problems related to the international recognition, the economic sanctions imposed by the southern neighbor, as well as the lack of capability to deal with minority dilemmas, just announced what was going to be a long and painful 25 years path towards eventual deep democratization of Macedonian society. The formalization of the democratization process in Macedonia was a type of compromise between the direct elite-transformation model, combined with the settlement of disputes model. Both the old and the new emerging Macedonian elites opted for democracy in comparison to the old regime (see more Daskalovski, 1999). Still, the failure of the Macedonian institutions during this period is even more visible from a time distance of over 25 years. This was clearly pointed out by one of the interviewees:

“...Gruevski managed relatively easy, in a short period of 2-3 years, to literally occupy all state institutions and to suffocate them without any resistance whatsoever. This obviously proves that the authoritarian tradition and the system which has been corrupt by various cliques has much deeper roots than the ruling of VMRO-DPMNE and Nikola Gruevski... Thus, we are battling a heritage deeply enrooted in history...” (IV 4, 2015).

Regarding the current state of failed and shallow democracy in Macedonia, which eventually led to the creation of the CfM movement, it is more than enough that one takes into account the recent report triggered by the crisis – the Recommendations of the Senior Experts’ Group on systematic Rule of Law issues relating to the communications interception revealed in Spring 2015, colloquially known as the “Priebe Report”. This document surgically notates the main spheres of concern, categorizing them in 5 areas: the interception of communications, judiciary and prosecutions services, external oversight by independent bodies, elections and the media (European Commission, 2015: 2), which leads us to the conclusion that all main pillars of a normally functioning democratic state are dangling. This undoubtedly explains the deep reasons behind the emerging of the CfM movement.

## “Citizens for Macedonia” – Initiation and Categorization in Social Movement Theory

On February 9<sup>th</sup>, after a longer period of announcements, the President of the largest party in opposition – SDSM, Zoran Zaev, released the first package of series of wiretapped conversations involving high-ranked public officials, members of the opposition, prominent journalists, as well as ordinary citizens. This led towards a string of reactions from parties in government, primarily by the leading ones in the coalition – VMRO-DPMNE and DUI, representatives of the international community, university professors and intellectuals, all of them engaging in the endless debate regarding the sources of the released materials, their authenticity, the main reasons and timing of the unveiling, further dividing the already polarized and cleaved Macedonian society.

### *I’ve got soul but I’m not a soldier<sup>2</sup>*

The promotion video launched on YouTube, starting with the lyrics from the popular song *All These Things That I’ve Done* (<https://www.youtube.com/watch?v=yMNoO-cANQKE> 2015), performed by *The Killers*, announced the grand citizens’ protest scheduled for 17<sup>th</sup> of May, which officially presented the CfM platform to the wider public. The CfM movement represented a coalition of more than 70 NGOs, over 15 political parties and thousands of unaffiliated citizens. As highlighted in the headline of the declaration which was compiled by the activists, the movement represents a “citizen and non-partisan coalition for reintroducing human dignity and protection of the Macedonian Constitution” (Citizens for Macedonia, 2015). But how was this non-typical network of entities perceived by the actors themselves, which were involved in the movement from different perspectives and performing different roles?

One of the core questions which often appears in Political Science and Sociology, and which at first glance creates an impression that it has a relatively straightforward answer, is the dilemma “What is a social movement”? Still, the specificities and distinctive characteristics of social movements cannot be easily answered, since the definition of this

social process is everything but simple, straightforward and with clearly set boundaries. A good starting point for providing the answer to this rather complex question, is turning towards Mario Diani's reflections (see more in Diani, 1992; Diani, 2003; Diani, 2004 and Diani and Bison, 2004). A synthesis of his thoughts will lead towards defining social movements as "distinct social processes, consisting of the mechanism through which actors engaged in collective action and are involved in conflictual relations with clearly identified opponents, are linked by dense informal networks and share a distinct collective identity" (della Porta and Diani, 2006: 20). It is clear that the CfM platform can be easily located within this overarching and widely encompassing definition.

### ***The conversations are stapled, edited and remastered<sup>3</sup>***

Regarding the *conflictual collective action*, della Porta and Diani stress the engagement of social movement actors in political and/or cultural conflicts aiming towards opposition or promotion of social change (Ibid: 21). In the case of the CfM movement, a clear opposition towards an almost decade-lasting irresponsible governing by Nikola Gruevski is visible in the information obtained by the interviewees. They describe the reasons behind the creation of the movement as a "...need which came out from the general state in which Macedonia found itself, meaning the extensive and concerning breach of human rights..." (IV 1, 2015), and as a "...challenge for unification against a political regime whose functioning and methods exceed the limits of all democratic practices, even extremely broad defined..." (IV 4, 2015). In regards to the conflict, which building on the theoretical inputs of Tilly (1978) and Touraine (1981: 80-84), della Porta and Diani define as "an oppositional relationship between actors who seek control of the same stake – be it political, economic, or cultural power – and in the process make negative claims on each other – i.e., demands which, if realized, would damage the interests of the other actors" (della Porta and Diani, 2006: 21), the social movement activists involved in the CfM platform particularly stress the political power, aiming to deprive the current establishment from their positions as soon as possible, making a clear distinction between "us" and "them" and identifying "them" as a clear target towards which claims and grievances are articulated: "...so we have a common enemy, we have an evil which is terrorizing us, and we should get rid of our personal frustrations and vanities, and we should sit together, and create a joint strategy..." (IV 2, 2015).

### ***SOROSoids and communists<sup>5</sup>***

Moving to the *dense informal networks*, which act as distinctive points between social movement activities and numerous occasions when collective actions are brought forward usually between specified entities (della Porta and Diani, 2006: 21), the CfM movement resembles a coalition of numerous SMOs and individuals which cannot be exhaustively enumerated. Using the words of one of the interviewees "...I treat this as a movement. It was not...this...their structures, NGOs, legal persons blablabla...that's nonsense. In general, it was a movement..." (IV 2, 2015). Still, one cannot neglect the dominant position of the biggest political party in opposition – SDSM within the informal network of multiple actors. This strand could be detected in the responses of the majority of interviewees: "...SDSM was not supposed to lead the movement, and they (NGO representatives, I.S.) were not supposed to consult and council the party. There was sup-

posed to be a relationship of equality, and SDSM should not have left in the end...when already both groups of actors entered the story called political party and civil society... that is why I say that some things are disputable..." (IV 3, 2015); "...I think that the platform ended at the moment when SDSM stepped out and said that 'we are not a part of the platform anymore because we are entering the government'...now, this is slightly complicated. I think that it (the platform, I.S.) ended. So, apparently they cannot function without the party. Look, they basically do not exist anymore. Now they might have even renamed themselves into 'We Deserve Better', or this is one of their activities...it doesn't matter..." (IV 2, 2015); "...SDSM had to allocate more space for a wider spectrum of stakeholders. Although the movement was consisted of party activists, members of NGOs and non-affiliated individuals, and although there were numerous debates, discussions and other brainstorming activities, still, I think that a much wider pallet of people could have been included in generating ideas about how to fight the regime..." (IV 5, 2015). On the other hand, it must be noted that all known participating actors kept their autonomy and independence, engaging in the exchange of resources, coordination of activities continuously discussing about issues directly referring to the collective action. Additionally, the principle that "...no single organized actor, no matter how powerful, can claim to represent the movement as a whole..." (della Porta and Diani, 2006: 21) was never violated. A solid proof for this claim is the fact that SDSM, undisputedly the most powerful actor within the movement, formally left the platform as soon as the arrangements from the Przhino agreement(s) were put into motion (Telma, 2015). A more vivid picture regarding the structure, the density and the organizational and resource-sharing relationships between the actors within the informal network(s), can be obtained by prospective performing of social network analysis (SNA), as a very suitable methodological approach for measurement of these movement particularities (see more about SNA in Caiani, 2014 and Diani, 2003b).

### *#WeAreComing #WeAreStaying #Resignation<sup>6</sup>*

Lastly, these theoretical and classificatory reflections which should help in definition and characterization of the CfM movement, should be rounded with a final reference to the *collective identity*, as the third and last distinctive element of a social movement. One can speak of a social movement process only if the actions are accompanied by a development of collective identities (della Porta and Diani, 2006: 21). The concept of collective identity is usually correlated to recognition and creation of relatedness (Pizzorno, 1996). This concept is strongly visible within the CfM platform. Previous quotations from interviewees stressed common beliefs that those in power almost equally underrepresent all movement actors concerning their values, morals and visions regarding how modern Macedonian society should be shaped. Quoting one of the activists "...for them (CfM, I.S.) to be analyzed as a concept, we should firstly define the concept. In this autocracy... let's call it a modern autocracy, it can be said that in this particular moment the civil society actors and the political parties must come together..." (IV 2, 2015).

Setting clear boundaries regarding what is and what is not a social movement is never an easy and naïve task. This difficulty becomes even greater when one has to make a distinction between social movements and other different forms of collective actions. It is very likely that no social movement compared *stricto sensu* to each of the above mentioned characteristics will fully fit within the framework which represents the "pure

type” of social movement. Taking into consideration the above mentioned peculiarities of the CfM platform, I would personally define this collective action as a social movement.

### **Current movement outcomes – From Przhino to early elections**

Social movement outcomes focus on social and political changes which resulted from collective mobilizations and protest activities. Contemporary social movement literature usually distinguishes three broad types of social movement outcomes: biographical, cultural and political outcomes (Bosi, Giugni and Uba, forthcoming: 4). Regarding the CfM, this section focuses only on the political outcomes of the movement, bearing in mind that not all events can be covered and explained in detail. Furthermore, taking into consideration the current unravelling of events, one must also acknowledge that a new wave of political outcomes is likely to follow in the near future. Within the typology of social movement outcomes, political outcomes are defined as “those effects of movement activities that alter in some way the movements’ political environment” (Ibid: 4).

I will make an attempt to frame the most significant political outcomes taking into consideration one of the critical open-ended questions which was posed to the interviewees, asking them to categorize the level of pressure which CSOs and political parties, as two different entities within the movement managed to exert over the state institutions, the wider public and the international community respectively. A wider consensus can be reached that the most significant political implications regarding the CfM movement were born from the Przhino agreement. This was also clearly stated by all interviewees.

#### *“Frying” in Przhino<sup>7</sup>*

After long and tiring negotiations between the leaders of the four biggest parties in the Macedonian political arena – VMRO-DPMNE, SDSM, DUI and DPA, on 2<sup>nd</sup> of June 2015, a political agreement brokered by the Head of the EU Delegation to Macedonia and the US Ambassador to Republic of Macedonia, was signed by all participating parties (Agreement, 2015). After continuous failures for implementation of several agreed provisions, pressured and facilitated by the international representatives, the party leaders signed a protocol to the Agreement on 15<sup>th</sup> of July 2015 (Annex to the Agreement, 2015), shaping the final version of the document (Protocol to the Agreement, 2015).

Interviewees are convinced that the movement played a substantial role in influencing crucial stakeholders which shaped the final text of the accord. Distinguishing between CSO and parties, their impression was that CSO representatives dominantly influenced the international community: “regarding the external...the international community, EU and the others which are involved in this process, there was a significant influence by the NGOs...” (IV 1, 2015), “...I think they (CSOs, I.S. 2015) dominantly influenced the international community, because they had extensive meetings with international community representatives and they listened to their arguments...” (IV 2, 2015), “...the civil society, which is traditionally...this civil society, which organized these activities... is traditionally pro-European and pro-American...because they are their main donors... they had blogs, columns, statements, or attitudes which were directly communicated and through which they pressured the international community...” (IV 3, 2015), “...in the initial phase, in that first phase, especially within this informal coalition, know I am referring to that period somewhere...March-April, on the eve of the 17<sup>th</sup> of May protest,

the civil society exerted much greater pressure over the international community in comparison with the political parties..." (IV 4, 2015). Another common observation is that the political parties in opposition managed to impose a general pressure over all entities, primarily by releasing the materials from the wiretapped conversations: "...the releasing of the 'bombs' by the opposition contributed in the creation of a better perception in the eyes of the undecided voters, some of which knew what was happening even before, but they needed the audio materials to convince themselves..." (IV 3, 2015), "...we cannot overlook the fact that the opposition, as the major force, played a serious part in the pressure which the international community imposed over the state institutions..." (IV 2, 2015), "...there was a general continuous pressure imposed by the political parties in opposition..." (IV 1, 2015), "...I think that the political parties dominantly pressured the public, most likely because of the 'infrastructure' which the biggest party in opposition SDSM, has on its disposal..." (IV 4, 2015).

### *The people will decide*<sup>8</sup>

One of the issues agreed upon in Przhino, which from this perspective is very like to be timely effectuated, are the early parliamentary elections scheduled for April 24<sup>th</sup> 2016. Although preceded by the appointment of the special prosecutor and her team, introduction of intra-party ministers, and additional deputy ministers, as well as the prospective new Government which should be appointed 100 days before the early elections, there is no much space for optimism among the interviewees: "...I am not sure about the elections to be honest...I think that VMRO-DPMNE and Gruevski still control the main pillars of society which can enable them to forge the elections..." (IV 5, 2015). Even those who believe in change, coming from the party base of the largest party in opposition, are not very sure that change of power will lead to substantial change by default: "...If it is not a strategy, but simply a hunch about how civil society and the parties should act, then it will be detected very soon and it will have negative repercussions on the campaign which should lead towards regaining power...and even if we obtain power, this may have negative impact on real democratization of society. If this was not done on purpose we will easily recognize it, and it will tamper the real prosperity of our country, even if we come into power recently..." (IV 3, 2015). Still, one of the interviewees has the impression that party activists are extremely optimistic: "...a large number of party activists are persuaded that there is going to be an institutional and relatively peaceful transfer of power and unravelling of the crisis...At least for now, they are convinced that this will happen..." (IV 4, 2015). The varying answer from the respondents add to the uncertainty on the eve of the early elections in approximately half a year from now. Only an analysis from a proper time distance can provide sufficient facts regarding the influence of SMOs over election results.

### **Mobilization for restauration? The optimistic pessimists...**

There is maybe one thing which is less certain than the election results in late April – the potential for future citizen mobilization which has the impetus for profound changes of Macedonian society. Regarding this last issue which is treated in this paper, I asked my five interviewees whether they believe that Macedonian society has the potential for a wide supra-party citizens' mobilization leading towards a complete change of values and

restauration of Macedonian society, which will ultimately lead towards a certain path of democratization from below. The received responses stretched across the two poles on the scale, moving from eternal optimism to entrenched pessimism. This was also a way to test the potential for protest cycles and waves in a Tarrowian sense, referring to “a phase of heightened conflict and contention across the social system that includes: a rapid diffusion of collective action from more mobilized to less mobilized sectors; a quickened pace of innovation in the forms of contention; new or transformed collective action frames; a combination of organized and unorganized participation; and sequences of intensified inter-actions between challengers and authorities which can end in reforms, repression and sometimes revolution” (Tarrow, 1994: 153), basically, initial sparks of what infected Macedonian society during the process of plenumization, a series of activities by university and high school students, professors as well as concerned parents, which suddenly went off waiting for the epilogue of the CfM – this “bigger brother” which overarched all these mobilizations.

### *#IProtest<sup>9</sup>*

Optimism was very present in the response of an activist who was substantially involved in movement activities: “...My impression is that the citizen capacity still exists and I think that the real role of the civil society will follow after this situation changes...this means that it will be a long-lasting process...the authority and the power which were built during this period should be used in the future...” (IV 1, 2015). Unfortunately, this cannot be said about the other interviewees. The interviewed activist who is also a member of the central body of SDSM sees the only solution in a wide front headed by SDSM but on strictly horizontal principles: “...citizens’ potential is on machines...in severe clinical condition...Is there a possibility for something bigger? The very moment when the leadership of SDSM opens the front and starts standing side by side with other stakeholders in a certain ‘peer to peer’ relationship, then, maybe we stand a chance...” (IV 3, 2015). One of the two interviewed academics draws a parallel with neighboring Serbia, highlighting Djindjic’s efforts as wasted, together with his life, unfortunately: “...if a change of power occurs, and if the new political elites show an extremely strong will, and if many sacrifices are made...maybe...but there are too many if, if, if...I am general relatively skeptical from this perspective...” (IV 4, 2015). The Student Plenum member does not see any kind of possibilities for sharp improvement, at least not in the next 4 years: “...In the next 4 years I don’t think that there is a possibility for something like this to happen... If a mobilization is initiated by young people which are still not profiled in the public, and which are not related to a first, second, third, fifth or tenth organization or side, and in this case, and I stress once again, there is a possibility, but there is a possibility of 2% for a mobilization to happen. But currently, I don’t see a probability for something like this to happen...” (IV 2, 2015). Lastly, a lot of pessimism can be heard in the voice of a young and over-educated mother of two young children: “...just for their sake, I hope that there is some kind of possibility...but I know that it won’t happen, simply, it is obvious...I don’t care that my life has gone to hell, I cannot live with the fact that there is a high risk that their lives will be wasted as well...” (IV 5, 2015).

## Conclusions

Starting from the main research questions which were addressed, I will try to derive some general conclusive remarks, which taking into account the qualitative research design and the dynamic involvement of events, must not be taken for granted.

Beginning with the political outcomes accompanying the movement, it is rather clear that the collective action left an eternal blueprint in Macedonian society – something which by any means can never be forgotten or disregarded. This is particularly visible through the conclusion of the Przhino Agreement, a process during which the movement actors played a serious role. As for the capacity of the movement to produce change in power, the rather ambiguous responses by the interviewees can only lead to the conclusion that time can be the appropriate “judge”.

Closing with the central topic which was object of research, the mobilization from below, unfortunately the level of dominant pessimism in the voices of the interviewees can only lead me towards thinking about “failure from below”. If the several percent lamented by some of the activists accidentally come to life, and Macedonian society enters into the much wanted and expected process of democratic restauration, in that case we would most probably witness a combination of possible paths ranging between *eventful democratization* and *participatory pact*.

## Notes

<sup>1</sup> I would like to express my gratitude to the 5 interviewees for devoting part of their valuable time and energy to provide me with valuable insights and reflections.

<sup>2</sup> All 120 elected MPs voted in favor of the Declaration

<sup>3</sup> Lyrics from the song *All These Things That I've Done* performed by *The Killers*

<sup>4</sup> A sentence frequently used by PM Nikola Gruevski. Derived from the Macedonian: „Снимките се сечени, лепени и монтирани“.

<sup>5</sup> Wording frequently used by journalists and public figures supportive of the Government to stigmatize government challengers. In Macedonian: соросоиди и комуњари

<sup>6</sup> Hashtags used on social media but also depicted on placards during the protests on 17<sup>th</sup> of May, and later during the encampment. In Macedonian: #Доаѓаме #Остануваме #Оставка

<sup>7</sup> Przhino is the name of the neighborhood where the political negotiations took place. The political agreement was given the colloquial name “Przhino Agreement”. The name of the neighborhood derives from the Macedonian “пржи” which is a verb with the meaning “to fry”.

<sup>8</sup> One of the most popular statements frequently repeated by PM Nikola Gruevski. In Macedonian: Народот ќе одлучи

<sup>9</sup> The name of an informal contentious group which continuously organized protests. The hashtag has been frequently used during their events. In Macedonian: #Протестирам

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## **THE ROLE OF THE INTERNET AND SOCIAL MEDIA AMONG YOUNG POPULATION IN CONTEMPORARY SOCIETIES**

### **Abstract**

Young population in the twenty-first century is a generation with the best technical and technological conditions for education, personal development and success. Completely aware of the digital technologies, this generation accepts the innovations and the new developments, trying to keep pace with the trends. They are flexible and fully opened to the future horizons. The Internet can be massively found into all spheres of life. However, do young people know how to use properly the benefits of the new social media? Is the awareness of young people at a sufficiently high level for them to use digital tools, to engage themselves in solving the social problems that affect them? Are young people sufficiently educated and involved in the processes of electronic engagement?

There are many national youth studies which lead to the conclusion that it is necessary to improve key competences and skills of young people out of their everyday educational environment. The reason for this is to enable better usage of their potential and all of the benefits of technologies, as well as to raise awareness among them to use the advantages of advanced new technologies for involvement in solving social issues that have an influence on them. It is necessary to enhance the development of young people through a combination of knowledge, skills and technologies that will motivate them to upgrade and promote themselves, and also to exploit suitably the potential and the benefits of new technologies and social media.

**Key words:** Internet, digital technologies, social media, electronic engagement

### **Introduction**

Nowadays, the young population is very well educated in the field of information and computer technologies since their early age. The new generations have already accepted the new technologies and new developments in the digital tools and now are using them in all the fields of everyday life, trying to keep up with the trends. Digital competence is the most recent concept describing technology-related skills. In recent years, several terms have been used to describe the skills and competence of using digital technologies, such as ICT skills, technology skills, information technology skills, 21st century skills, information literacy, digital literacy, and digital skills. All of them refer to the ability to use digital systems and tools such as: computers and other hardware, software applications, and also accessing, creating, communicating, integrating and organizing information. While there is no standard definition, digital skills can be understood as the ability to locate, organize, understand, evaluate, create and share information using digital technology (A Report of the International ICT Literacy Panel, 2002).

The reality is that without basic digital skills, people cannot participate fully in today's society. But that doesn't mean that they are using digital technology to access core services or to improve their life chances. Similarly, we assume all young people are digital natives. But although they may manage their social lives using Facebook or SnapChat or WhatsApp, many cannot fill out an on-line form or create CV in simple text editor. So whilst people may technically know how to use a mobile phone applications or a digital interface in one area of their life, it doesn't mean they can apply that knowledge to do the other things that the society increasingly expects them to be able to do (Neaman2015). Furthermore, we all need to know how to use digital tools, find good quality information, be critically aware of the strengths and shortcomings of such information, be able to make sense, interpret and apply that information for our needs, then communicate our findings and, potentially, also develop both confidence and creativity in using and engaging with tools and resources.

The growth in use of tablet computers, mobile phones and other portable and personal technologies means that young people can engage with learning 24/7, and may have high expectations regarding responsiveness. Distinctions between formal and informal modes of communication (as well as types of learning) are increasingly blurred, and this can be a challenge. The range of resources available to the students is much broader than the information provided just by their institution, and students need support in developing the skills to analyze the quality of resources for themselves and to be aware of protocols around, for example, fair use and copyright. Some students, comfortable with technologies, are increasingly seeing themselves as creators, not just as consumers, and it will be to the benefit of all to engage at that level (All Aboard, 2015).

## **The role of the internet and social media in everyday life**

The internet can be massively found in all spheres of life, mass-adopted technology easily used by hundreds of millions around the world. The internet is the decisive technology of the new information age, and with the explosion of wireless communication in the early twenty-first century, the humankind is now almost entirely connected, although there are great levels of inequality in bandwidth, efficiency and price. At the heart of these communication networks the internet ensures the production, distribution, and use of digitalized information in all formats. A study published by Martin Hilbert in *Science* (Hilbert and López, 2011) states that 95 percent of all information existing in the planet is digitized and most of it is accessible on the Internet or other computer networks. Our society is a network society established on personal and organizational networks motorized by digital networks and internet. This contemporary society is a global network society with a specific social structure resulted from the digital revolution and some major sociocultural changes. These changes are primarily focused on the process of individuation and the weakening of community in terms of space, work, family and attribution in general. The process of individuation is produced by the new forms of organizing, economic activities, political and social life, shifting toward a reconstruction of cultural and personal relations based on individual interests, values and projects. But individuation does not lead to isolation or an end of community. Sociability is reconstructed as networked individualism and community through a quest for like-minded individuals in a process that combines online interaction with offline interaction, cyberspace and the local space (Castells, 2014). Networking is a form of organization based on the individual or collec-

tive, creating the new network society, new culture and new social structure relying on the digital technologies.

A lot of academic researches and studies have shown that internet is not isolating people and reducing their sociability. It is evident that the use of internet empowers people by increasing their personal freedom, feelings of security, and feelings that have positive effect on personal well-being and happiness. The use of internet is significant for all ages, especially young people between the age of 16 and 26. At this point in time, the most important activities on the internet are not only social networking, chatting and e-mailing, but also e-commerce, marketing, online education, distance learning, cultural activity, media and entertainment distribution, fashion and health applications, and social activism.

The usage of information and communication technologies in everyday life in Republic of Macedonia is measured every year by the State Statistical Office of Republic of Macedonia. The information received for the first trimester of 2015 shows that 70,4% of the users of internet is a population aged from 15 to 74 years, from whom 94,7% are students. The same research shows the huge increase in the use of mobile/ smart phones for browsing on internet outside of their home or at work, and also the growth of 2% in broadband internet connectivity in the households (69% in 2015 compared with 67% in 2014). There is a Program for development of information society in Macedonia coordinated by the Ministry of Information Society and Administration that has a target number of 80% which is the part of Macedonia's population that has broadband internet access. This program has a focus on the expansion of online trading and stimulation of e-businesses, as well as rise of electronical public services and price reductions of roaming. The main point is to ease the access on internet for everybody, and especially to stimulate the youth for free, wise and creative use of all the electronic services, applications and features online.

Since 2002 (creation of Friendster, before the breakthrough of Facebook) a new socio-technical revolution is emerging on the internet: the rise of social network sites and social media. That is where now all human activities are present, from personal interaction to business, to work, to culture, to communication, to social movements, and to politics. Social Network Sites are web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system (Boyd and Ellison 2007). There is a great diversity of social networking sites by social media, countries and cultures. Facebook continues to be the most popular social media site, but its overall growth has slowed and other sites continue to increase their usership since 2013. Every other social media platform measured saw significant growth between 2013 and 2014 (Pew Research Center, 2015).

Facebook, started for Harvard-only members in 2004, is present in most of the world, but QQ, Cyworld, and Baidu dominate in China, Orkut in Brazil, Mixi in Japan, etc. In terms of demographics, age is the main differential factor in the use of social networks showing that it's not only a teenager's activity. Females are as present as males, except when in a society there is a general gender gap.

Other social networks, such as Twitter, Instagram, Pinterest and LinkedIn are urged to expand, including not only professionals and graduates, but also a variety of demographic groups. These platforms are chosen for all kinds of activities, through social networking and personal friendships, to education, career and lifestyle, becoming a significant trend

for the society in global. All these sites are tailored by users themselves, built on specific criteria of grouping, on different levels of interconnecting, becoming a self-presentation of a real person connected to real people. These self-constructed virtual societies are making very close connection with real life networks. The need of being with others is leading people to build these hybrid networks (connection between virtual and networks in life) with people who they already know, family, friends, co-workers, and also making new friendships with people with same interests. This is a different kind of sociability facilitated and dynamized by stable, long-lasting connectivity and social media networking on the web. The time spent on social networking sites is not just about friendship or interpersonal communication, but people do things together, share, act and make things as in a real society, although the personal dimension is always there.

The young population has the combination of knowledge, skills, values and motivation to make positive changes in the contemporary society using the potential and benefits of the new digital technologies. The youth should be socially aware and eager to continuously improve their life standards in the community in which they live, but also in the society as a whole. The access to digital tools, information and shapes of creating and spreading an opinion, idea or theory, is not an issue in this era of internet and social networking. But still, there are three main questions that are arising: (1) Do young people know properly to use the benefits of the new social media? (2) Is the awareness of young people at a sufficiently high level for them to use digital tools to engage themselves in solving the social problems that affect them? (3) Are young people sufficiently educated and involved in the processes of electronic engagement?

## Research

There are a lot of youth studies for improving key competences and skills of young people out of their everyday formal educational environment. Research reports have documented in great detail how the rise of social media has affected such things as work, politics and political deliberation, communication patterns, as well as the way people get and share information about health, civic life, news, communities, teenage life, parenting, dating and even people's level of stress.

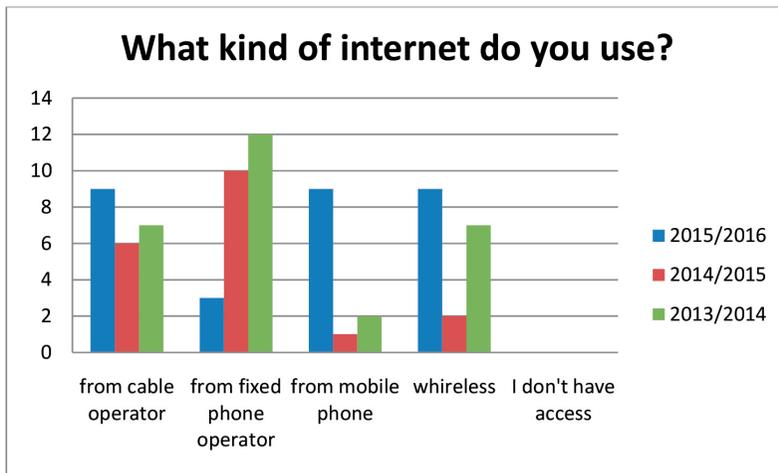
In 2013, the Academy of young researchers from Macedonia made a research within the Project for strengthening the capacity of the non-government sector, Youth perspectives through process of researching. Considering the information received from the research, it is obvious that we should start with basic education about what constitutes electronic citizen participation, how it is implemented and which are the benefits for citizens and society (government, NGO and private sector) (Janceska 2013). From the findings of this survey it is clear that young people do not take advantage of the options that are available while they are still away from implementing new technologies and tools. Hence, it is extremely important to implement alternative instruments for explaining and enclosing the idea of e-participation and e-democracy. This research is suggesting conducting a combination of educational workshops and a Guideline for electronic engagement for the Macedonian youth. It is obvious that there is a need for young people to get closer to the idea of basic digital media culture, and also to understand the theory and practice of electronic engagement.

Inspired from these findings and from the actual popularity of the digital and social media, a survey named: *General Knowledge of Internet and Microsoft Office*, was imple-

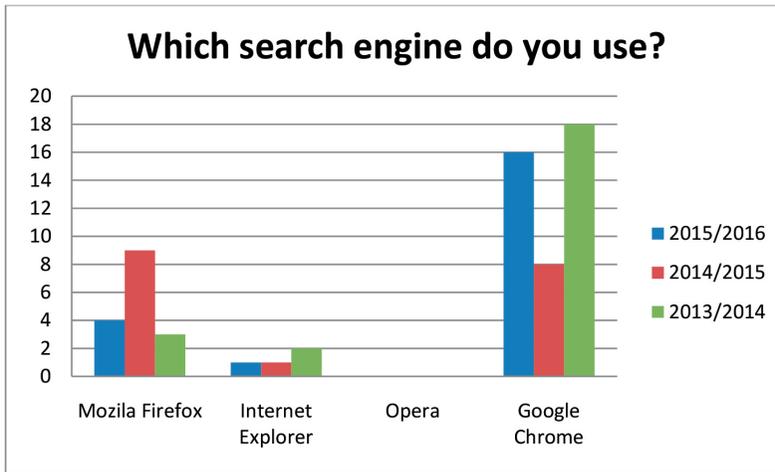
mented at MIT University, Skopje. This analysis was expected to prove that: students know how to use digital technologies, regularly use internet for different purposes, communicate online, and that the use of social networks is in high increase. The objective was students of the first year studies who are enrolled to the course of Informatics which is an elective course at a university level. The survey was held every September from 2013 to 2015 on the introduction class of the mentioned course. The instrument of the survey was an anonymous questionnaire on paper. It was composed of 12 questions: six of which refer to access and use the Internet, and the others six to the basic knowledge of the program package Microsoft Office. The figures reported here are based on analytical and comparative analysis of five of the questions from the year 2013 to 2015. The results are represented with adequate charts followed by legends and explanations.

On the first question: “What kind of internet do you use?” the proposed answers were: from cable operator, from fixed phone operator, from mobile phone, wireless or I don’t have access. The numbers show that all of the students have access to internet, but during the three years of research the types of internet connection varies. In 2013 and 2014 the internet access from fixed phone operator (line) dominated, and in 2015 the access from mobile phone is in drastic increase, as shown on the chart 1. This is explained by the mass popularity and sale of mobile phones, especially smart phones which have a really simple access to Internet and phone applications.

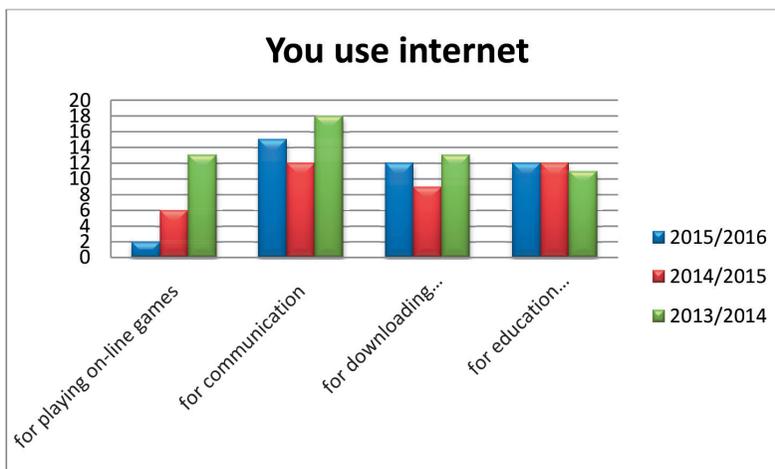
**Chart 1.** Comparison of the values from the years 2013, 2014 and 2015



The second question was: “Which search engine do you use?” with suggestions: Mozilla Firefox, Internet Explorer, Opera and Google Chrome. The chart 2 is showing that every year there are no users of the search engine Opera, but constantly high use of the search engine Google Chrome. This indicates the popularity and common use of Google and all of its products and applications among young population.

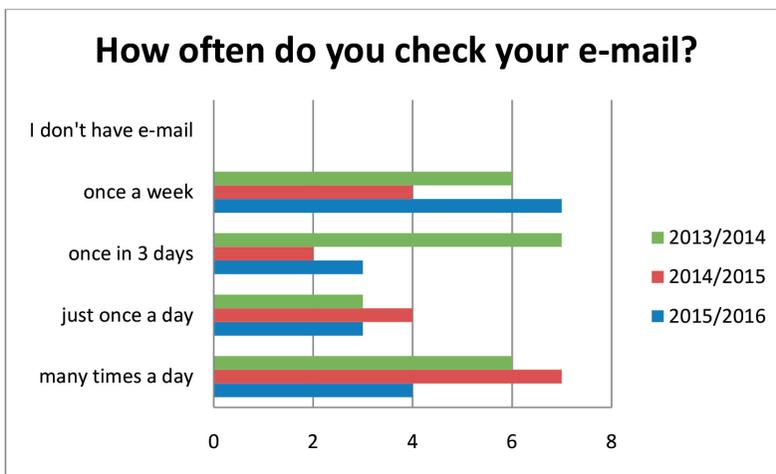
**Chart 2.** Comparison of the values from the years 2013, 2014 and 2015

The next question was: “You use internet for ...“ with proposals like: for playing on-line games, for communication, for downloading movies/music or for education (learning/ books/ tests). The figures shown on the chart 3 below, leads us to two conclusions. First, the drastic fall of the interest for playing on-line games, which is a surprise because there are a lot of new kinds and ways to play computer games with advanced options for playing on-line. And second conclusion is the continuously high level of the purpose of internet for communication. This confirms the statement mentioned previously that the Internet is not isolating people and reducing their sociability, on contrary, the virtual life becomes more social than the physical life. In all three years of the research the students are equally using internet for education purposes (on-line learning, e-books, tests) and for downloading movies and music.

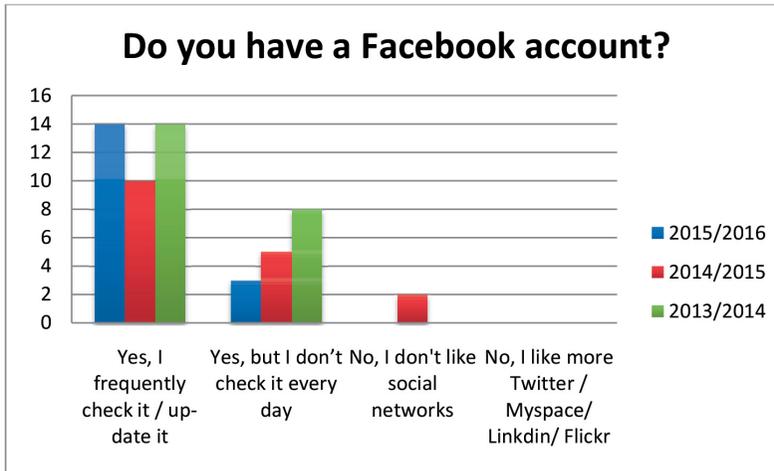
**Chart 3.** Comparison of the values from the years 2013, 2014 and 2015

Because the internet is mostly used for communication the next question spontaneously arises: “How often do you check your e-mail?” As the chart 4 represents, all of the students have an e-mail address, but the frequency of checking differs during the years, starting from “many times a day” or “once in 3 days” in 2013, to increasingly high “once in a week” in 2015. The logical explanation of this drastic change is that the young people are frequent users of the social networks, which facilitates messaging option. They use these networking features not just for chatting and connecting with friends, but also for sending and receiving text documents, photos, videos or other files. The e-mail providers will continue the process of broadening their services implementing some new features for interconnection of the users. It’s only a matter of time when social networks will overcome the simple e-mail providers.

**Chart 4.** Comparison of the values from the years 2013, 2014 and 2015



The last question used for this analysis is: “Do you have a Facebook account?” Every year the students answered that they have a Facebook account, but the frequency of their use of this social network is different. In 2013 one third of the answers were “Yes, but I don’t check it every day”, and in 2015 almost all of the students said “Yes, I frequently check it and update it” (referring to the profile they have on this social network).

**Chart 5.** Comparison of the values from the years 2013, 2014 and 2015

None of the students answered that they like more other social networks, like Twitter, Myspace, LinkedIn or Flickr. This indicates the huge popularity of Facebook among young population (students) in Macedonia and the fact that updating and reviewing profiles on social networks have become a normal daily routine.

## Conclusion

It is evident that the use of the internet empowers people by increasing their personal freedom, feelings of security, and feelings that they have a positive effect on personal well-being and happiness.

Since 2002 a new socio-technical revolution is emerging on the internet: the rise of social network sites and social media. The social networks today are where all human activities are present, from personal interaction to business, work, education, culture, communication, social movements, and politics.

The young population has the combination of knowledge, skills, values and motivation to make positive changes in the contemporary societies using the potential and benefits of the new digital technologies. The youth should be socially aware and eager to continuously improve their life standards in the community in which they live, but also in the society as a whole.

In conclusion, the research represented in this paper showed that young people are electronically engaged and they connect on internet from their mobile devices when and wherever they feel the need. They are aware that digital tools can help them and ease their everyday life, especially in education and communication. They use the social network features not just for chatting and connecting with friends, but also for sending and receiving text documents, photos, videos or other files. The results point on the very frequent daily use of the social networks, mainly Facebook, usually for updating personal profiles or pages.

The suggestion is that the educational programs should be readjusted including more digital tools and skills for encouraging electronic engagement, like: technical, information and digital literacy skills, and relational or social skills. The courses and classes not

only in the area of information technologies, but in every educational field, should adopt new programs and applications that will keep the students' attention, and will introduce the concept of e-engagement, e-participation and e-learning. Students should realize that we live in a digital era, era of new technologies, so they should use the maximum of all the digital tools, internet access and virtual world.

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## **TOURISM DEVELOPMENT IN THE EAST REGION OF MACEDONIA: ECONOMIC PERSPECTIVE**

### **Abstract**

The paper clarifies tourism influence on the regional development of Macedonia in terms of basic economic parameters and tourism indicators. It gives an overview of tourism importance as a source of the economic development in the East region of Macedonia. A comparative analysis is given of the East region with other statistical regions from economic perspective. In this line, different types of statistical tests (Levene, Bonferroni and Tamhane tests) are applied. They are based on the available sources of secondary data addressing GDP and tourism flows (arrivals and overnight stays). The aim of the paper is to determine the influence of the East region by calculating the presence of significant differences between its average values of the variables compared to other regions. Finally, the paper gives recommendations for further development of the region in tourism manner, mainly by boosting the event tourism development.

**Key words:** Tourism development; Regional development; East Region; Event tourism.

### **Introduction**

The variety of changes in the surrounding initiated a creation of a new ambient and challenges in front of all parties involved in tourism policy. This raised the issue of defining innovative presumptions and general directions for the tourism development. Regardless the nature, tourism has major economic and social affects at regional and local levels. So, some regions were highly positively influenced by tourism impacts. For example: mainly coastal (Emilia-Romagna in Italy), mountainous (Valais in Switzerland), urban and historic (Ile-de-France in France) or regions with exceptional natural resources (Quebec in Canada, Arizona in the United States). Additionally, regions with different profiles can also benefit from the tourism growth. Consequently, they can be rural, promoting green tourism, leisure and nature activities (Queensland in Australia); very remote (Greenland in Denmark) or regions undergoing industrial restructuring (Nord-Pas-de-Calais in France).

The study clarifies tourism contribution to the economic development of Macedonia by elaborating the case of the East region. The main objective is to make a comparative

analysis of the planning regions with an emphasis on the East region. The intention is to determine the influence of this region over the regional and economic development by calculating and comparing the differences with other regions. For this purpose, the paper is structured in several sections. After the introductory part, Section two presents a brief review of the literature on tourism, economic and regional development. Section three poses some background materials in terms of legislation relevant for the regional development of Macedonia, as well as some stylized facts on the East region. Section four encompasses the methodological framework, while the main analyses, discussion and results are posted in Section five. Concluding remarks and some valuable recommendations are noted in the last section of the paper.

The paper gains additional value since it enriches the poorly developed academic work in Macedonia addressing regional tourism contribution, with certain exceptions (Petrevska, 2012; Petrevska and Manasieva Gerasimova, 2012; Petrevska and Nestoroska, 2015). Yet, some valuable contribution is noted in the work of Dimitrov and Petrevska (2012), Jeremic (1971), Marinovski (1998), Panov (1972), Petrevska and Dimitrov (2013) and Stojmilov (1993) whereas the issue of the rural tourism in Macedonia is explained by applying different approaches and attitudes that result in a territorial division of regions, counties, zones and local areas. However, only a few studies underline the necessity of introducing the planning process to the tourism flows in Macedonia (Petrevska, 2011) in the line of enhancing their modest development and creating preconditions for further advanced promotion (Petrevska and Koceski, 2013).

## Literature review

The issue of discussing the relationship between the tourism and economic development is present in many studies. Some argue the conventional thinking (Stabler et al., 2010; Sharpley and Telfer, 2002), while others focus on local, place-based factors that influence the tourism development (Raina and Agarwal, 2004). Likewise, a focus is put specifically on the less developed world. Subsequently many assumptions appear about the role of the tourism-in-development, which in particular highlights the dilemmas faced by destinations seeking to achieve development through tourism (Huybers, 2007; Telfer and Sharpley, 2008). Some authors even endeavour a critical approach within a multi-disciplinary framework to relook at the complex phenomenon of tourism development (Babu et al., 2008; Ramos and Jimenez, 2008). In the last twenty years, large regional differences in the quality of life have emerged within many transition economies (Bartlett et al., 2010). Hence, much attention has been directed to tourism's economic potential (Butler et al., 1998; Hall and Jenkins, 1998; Jenkins et al., 1998). Some authors underscore the significant opportunity for product development as a means to rural diversification (Bessière, 1998). Others examine the contemporary issues and reasons for tourism development as a strategy for urban revitalization (Pearce and Butler, 2002) as well as for providing the basis for a better-informed integration of tourism in the regional development strategies (Sharma, 2004). Moreover, some discussions are towards various policy innovations as activities by regions in terms of tourism development, considering a continuous growth within the sector (Giaoutzi and Nijkamp, 2006). Additionally, as the tourism and regional development are closely linked, the regions and local authorities play a key role in formulating the policy and organizing the tourism development (Constantin, 2000).

Over the past decades, the rural tourism became very popular and currently has some

strong advantages on the international market. This is particularly important since the rural tourism has already played a key role in the development of some rural zones that were economically and socially depressed (Blaine and Golan, 1993; Chuang, 2010; Dernoi, 1991; Hall and Richards, 2002; Ploeg and Renting, 2000; Ploeg et al. 2000; Roberts and Hall, 2001; Simpson, 2008).

Furthermore, there is a relatively large body of studies that vary extensively in quality and accuracy, though they mostly address the economic impact analysis in the line of determining the tourism contribution (Babu et al, 2008; Crompton, 1993; Huyberg, 2007; Lundberg et al, 1995; Ramos and Jimenez, 2008; Stabler et al, 2010). In this respect, the economic impact analysis traces the flows of spending associated with the tourism activity in one region in order to identify the changes in the sales, tax revenues, income and jobs, due to the tourism activity. The principal methods being applied are visitor-spending-surveys, analyses of secondary data, economic base models, input-output models and multipliers (Frechtling, 1994). Due to the fact that the economic development represents just one process of a complex system known as human development, it means that the economic development inevitably leads to human development and the quality of life (Osberg and Sharpe, 2003). So, the human development or the increase of the human quality of life is the main goal of the economic development (Hayami and Godo, 2005; Kanbur, 2003).

This suggests that the achieved economic and human development may be measured and presented by various indicators (Cypher and Dietz, 2009; Grabowski et al, 2007; Soubbotina, 2004; Todaro and Smith, 2009):

- Value aggregate indicators: dynamics and speed of growth of the total production; gross domestic product (GDP); degree of the growth of GDP; degree of saving and index of investments or economic welfare etc.;
- Natural indicators: degree of infrastructural construction; degree of residential construction assistance; degree of biological nutrition of population etc.;
- Social indicators: nutrition, health, degree of education, social security, working conditions, housing, employment etc.

## **Background material**

In 2007, under the imperative to harmonize its laws with the EU, Macedonia adopted the Nomenclature of Territorial Units for Statistics (NUTS 3 level) and created eight statistical regions: Vardar, East, South-West, South-East, Pelagonia, Polog, North-East and Skopje (Figure 1). These regions serve as main units for the development planning. Moreover, they have been assigned the role of planning regions entitled for a planning process and implementation of a consistent regional development policy as well as for harmonization of the regional policy in Macedonia with the EU regional policy. Each of the planning regions has a Centre for development established for the purposes of carrying out professional tasks relevant for the development of that particular region.

**Figure 1.** Statistical regions in Macedonia

The East region is consisted of 217 settlements, out of which 11 are municipalities. According to the census of 2002, the total number of population was 181,858 inhabitants, while in 2014, 177,700 inhabitants were registered with a population density of 50.2. This region had an employment rate of 50.8% and unemployment rate of 20.1% (State Statistical Office, 2015: 34).

## Methodology

The study attempts to document some different views and paradigms on the tourism regional development in an in-depth manner. The objective is to give an overview of the tourism importance as a source of the economic development in the East region of Macedonia. In order to fulfill its main aim, the paper makes different types of analysis, generally as argued in Ciotir and Scutariu (2009). Furthermore, it follows some of the main factors presented in Table 1 as a precondition for identification of the tourism regional economic impacts.

**Table 1.** Tourism regional economic impacts

Factors	Resources	Changes	Parameters and standards
Prices	Fiscal	Direct, indirect and induced changes in economic factors	Unemployment
Employment	Financial		Inflation
Investment	Infrastructure	Multiplier effects	Average weekly earnings
Imports	Marketing		Interest
Expenditure	Trade		Exchange rates
Foreign exchange	Incentives		Multiplier, etc.

**Source:** Atherton (1992: 294)

The calculations are performed in the SPSS package and generally are based on the statistical Levene test to study the homogeneity of the variance. In case the significance level is  $\leq 0.05$ , the variance is not homogeneous, so we reject the null hypothesis. Then we apply the Tamhane statistical test to determine the presence of the differences between

the average values of variables in the East region compared to other regions in Macedonia. In case the significance level is  $\geq 0.05$ , the variance is homogeneous, so we apply the Bonferroni statistical test. In this line, the general hypothesis is:

$H_0$ : There are significant differences between the East region and other regions in Macedonia regarding the level of indicators addressing the economic and tourism development.

The calculations are based on the data obtained from the State Statistical Office of the Republic of Macedonia, spreading over the period 2008-2013. The data address the following indicators: gross domestic product (GDP) in denars; and the tourism flows in terms of total tourist arrivals and overnight stays.

## Analyses, results and discussion

Table 2 presents the summarized data (GDP, total tourist arrivals, nights spent, rooms and beds) for the East region for the sample period.

**Table 2.** Data for the East region, 2008-2013

Year	GDP (MKD den.)	Tourist arrivals	Tourist overnights	Rooms	Beds
2008	173,815	13,739	28,449	588	1,729
2009	170,486	12,680	27,509	598	1,718
2010	210,546	13,054	25,687	533	1,591
2011	224,455	13,615	28,852	544	1,606
2012	215,627	18,865	37,358	599	1,721
2013	223,425	20,747	42,222	620	1,826

**Source:** State Statistical Office (various years, various publications).

The calculations based on the GDP data are necessary to assess the differences between the East region and other regions in Macedonia in terms of the general development. Namely, the GDP expresses the level of social and economic development per capita per year for a region. In order to accept the suggested null hypothesis, we presume that the level of the economic development of the East region differs from other regions.

**Table 3.** Tamhane test (GDP)

(I) region	(J) region	Mean difference (I-J)	Std. Error	Sig.	95% confidence interval	
					Lower bound	Upper bound
E	V	-22213	24506.26	1.000	-8370.3707	5505.4364
	SW	23044	24506.26	1.000	-7874.8031	6001.0031
	SE	5604	24506.26	1.000	-9003.2207	6071.5864
	PE	-35175	24506.26	1.000	-10305.1531	3570.6531
	P	78538	24506.26	1.000	-9002.4707	4872.3364
	NE	51801	24506.26	1.000	-9810.8707	4075.0364
	SK	-140716	24506.26	.001	-19096.1207	-2800.1014

**Note:** East (E), Vardar (V), South-West (SW), South-East (SE), Pelagonia (PE), Polog (P), North-East (NE), Skopje (SK)

After calculating the Levene statistical test, we found out that the level of significance is 0.02 which is lower than the limit of 0.05 pointing out to non-homogeneity of variances of the sampled regions. Therefore, in order to compare the average value of the GDP from the East region to other regions in Macedonia, we apply the Temhane test and reject the null hypothesis. Based on Table 3 it can be concluded that the average value of the GDP in the East region significantly differs from the average values only of Skopje. Compared to the rest of the regions in Macedonia, no statistically significant differences are noted.

Furthermore, we test the homogeneity of dispersions for tourism flows i.e. tourist arrivals and overnights, by calculating the Levene test (Table 4). In both cases, the significance exceeds the limit of 0.05 thus pointing out to the homogeneity of variances and acceptance of the null hypothesis. Consequently, we apply the Bonferroni test. Table 5 presents the values of tourist arrivals and Table 6 the values of overnights.

**Table 4.** Test of homogeneity of dispersions for tourism flows

Tourism flows	Levene stat	df1	df2	Sig.
Arrivals	1.881	7	40	0.08
Overnights	3.329	7	40	0.07

**Table 5.** Bonferroni test (Tourist arrivals)

(I)region	(J)region	Mean difference (I-J)	Std. Error	Sig.	95% confidence interval	
					Lower bound	Upper bound
E	V	3289	3447.58	1.000	-147.2582	54.2582
	SW	-240358	3447.58	.001	-351.0250	-38.1862
	SE	-82117	3447.58	1.000	-138.7582	162.7582
	PE	-51652	3447.58	1.000	-162.1581	144.1502
	P	-13290	3447.58	1.000	-128.7581	81.7580
	NE	11469	3447.58	1.000	-118.6574	143.0007
	SK	-135966	3447.58	.001	-347.0144	-47.2973

**Note:** East (E), Vardar (V), South-West (SW), South-East (SE), Pelagonia (PE), Polog (P), North-East (NE), Skopje (SK)

Based on Tables 5 and 6 it can be easily concluded that the average values of tourism flows in the East region are significantly different from the average values of other regions in Macedonia. Particularly, the difference is extremely high when being compared to the South West region. This is logical since the South West planning region is the most developed region in Macedonia in tourism manner. The East region, along with the North East, Vardar and Polog region are one of the least developed regions in tourism manner. During the sample period 2008-2013, the East region registered an average of 15,450 tourists which is only 2.4% of the average total number of tourists in Macedonia. Moreover, the East region has a negligible role in the national tourism development since it has 9.8 times fewer tourists compared to the average of the Skopje region; 16.6 times fewer tourists compared to the average of the South West region and even fantastical 40.9 times fewer arrivals when being compared to the average number of tourists who visited Macedonia. This fact indicates that the East region has extremely low level of tourism development and must introduce more aggressive strategy for enhancing its modest development.

The same conclusion can be brought out when analyzing the tourist overnight stays. Namely, only 1.3-2% of total tourist overnights were noted in the East region during

2008-2013, or 1.5% on average (31,680). This fact is not surprising at all since it is in a direct correlation with the previous outcome where tourist arrivals have been analyzed. Once again it can be concluded that the tourism in the East region has an insignificant role due to the very low tourist nights spent. The difference from other regions is even bigger when comparing the average overnights. To be precise, the East region has 9.8 times fewer overnights than the average of the Skopje region; 39.5 times less compared to the South West region and incredible 68 times fewer overnights when being compared to the average overnights registered in Macedonia.

**Table 6.** Bonferroni test (Tourist overnights)

(I) region	(J) region	Mean difference (I-J)	Std. Error	Sig.	95% confidence interval	
					Lower bound	Upper bound
E	V	10147	6559.32	1.000	-128.2591	74.1592
	SW	-1219540	6559.32	.001	-393.2472	-48.1820
	SE	-259152	6559.32	1.000	-139.9845	122.7998
	PE	-139646	6559.32	1.000	-178.1009	128.1598
	P	-25061	6559.32	1.000	-134.6365	101.6523
	NE	25017	6559.32	1.000	-181.7001	113.2322
	SK	-278203	6559.32	.001	-380.8143	-97.7320

**Note:** East (E), Vardar (V), South-West (SW), South-East (SE), Pelagonia (PE), Polog (P), North-East (NE), Skopje (SK)

A lack of sustainability which is a precondition and a leading accelerator for tourism development is noted in the East region. Namely, this region is far below of being a well-established tourist center in Macedonia since it fulfills a very modest average length of stay. So, during 2008-2013, the average length of stay is between 2-2.2 days, or an average of 2.1 days per year for the observed period. When compared to the average of Macedonia, which is between 3.1-3.7 days (an average for the sample period of 3.4 days), it is 1.7 times less. The gap is even bigger (2.4 times less) when compared to the South-West region which is the most developed in tourism manner with an average length of stay of 4.9 days. Apparently it may be concluded that although the tourism is often seen as a 'sun-rise industry' is not among the strategic priorities of the East region. Despite the numerous potentials for tourism development in regional frames, particularly by creating positive background for practicing the event tourism, this region urgently needs to define some adequate tourism policy.

Based on Table 2, one may find some interesting notes regarding the accommodation capacity of the East region. This issue is important in the line of drawing concluding remarks whether the key tourism actors should carry out measures and activities for enhancing the tourism competitiveness of this region. During 2008-2013, on average the East region has 580 rooms, which is higher than only in the North East region and very similar to the Vardar region. Yet, if the data are compared to other regions, it can be concluded that on average, the East region has multiple times less accommodation capacity in terms of hotel rooms (1.8 times less than Polog; 3.8 times less than South East; 4 times less than Skopje; 5.7 times less than Pelagonia and even 27.8 times less than the South West region). The situation is similar when analyzing the data presenting hotel beds. On average, the East region encompasses only 2.4% of the total number of hotel beds in Macedonia. So with an average of 1,699 hotel beds it has similar hotel bed supply to the

Vardar region and 2.4 times bigger supply compared to the North East region which are the least developed regions in tourism manner.

## Conclusion

The tourism has a strong influence on the regional development, so the developing countries as Macedonia are exploring it as a chance for economic growth. The tourism development affects the regional development and is inter-connected with a variety of other activities, like new jobs creation, traffic development and higher prices of land, from agricultural to building land, and alike. The study allows an increased understanding of the way the tourism operates in the East region of Macedonia. It identifies the potential challenges Macedonia may face in its attempt to employ the tourism as part of a comprehensive regional development strategy. At the same time, it defines some strengths that can be brought up to the tourism planning. However, numerous constraints and opportunities for regional prosperity through tourism development arise in the case of the East region. It lacks a developed tourism product, so a way out is detected in introducing the event tourism.

The study also found that there are no substantial differences between the East region and other regions in Macedonia when addressing the GDP, with the exception of Skopje. As expected, only the Skopje region has a significantly higher value than the East region due to the intensive regional inequalities. Namely, per capita income in the capital city of Skopje is far above the rest of the country and is the main pole of development. While other regions have secondary towns that are poles for their development. None can compete with the capital. Consequently, this kind of mono centric pattern of development underpinned the huge differences in life quality among other regions.

Furthermore, the study found out that the East region differs extensively when addressing the tourism flows indicators. Specifically, the differences exist between the East region and other regions concerning tourist arrivals and overnights. The outcomes point that the region which is investigated registers significantly lower values than the majority of regions, with the exceptions of the Vardar and the North East region.

This increases the need for tourism businesses to collaborate within and across other seven regions, as it will require a number of destinations to build an experience that will justify any visitor making the trip. Beyond the tourism policy, the regional development policy generally can contribute to the innovation capacity of the region as a destination. The study in general recommends some potentials for developing the event tourism in the East region, which although being present are still insufficiently used. The reason for this lies mostly in the nonexistence of a tradition of the event tourism development, poor promotion of events that take place in the region, poor traffic network, lack of modern accommodation capacity and so forth.

There are only a few geographic areas in Macedonia, which are strongly affected by the location factors in the tourism development. This is a strong limiting element that inhibits the East region's development. With the governmental support in the past few years, generally in the line of capital investments in the infrastructure, the region notes an upward trend in the tourist arrivals, overnights and hotel accommodation supply.

Finally, the study concludes that the East region is not among the regions which outstands an intense tourism activity. It points out that the tourism must have a significant position in the regional programs and in the development strategy. It also needs to be de-

fined as a key opportunity for the region development. However, further more substantial tourism development, particularly to the East region depends on:

- Public policies directed towards specific investments, which is tailored according to the needs of the region;
- Efforts to increase the accommodation capacity and occupancy rate by developing the event tourism; and
- Significant efforts to increase the tourism income through subsidies or tax deductions as a precondition for regions' tourism development.

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# **MODERN APPROACH IN PROVIDING HUMAN RESOURCES IN THE ARMY OF REPUBLIC OF MACEDONIA**

## **Abstract**

The Human Resources Management is part of the overall management. The Human Resources Management involves sequentially performing a number of steps from securing employment or human resources until their leaving of the organization or system.

The Army of Republic of Macedonia is the armed force of the Republic of Macedonia. The main function of the Army is the defense of the sovereignty and territorial integrity of the Republic.

Human resources is the most important of all resources in the Army. Accordingly modern approach to providing of human resources is crucial for the effective and efficient functioning of the Army of Republic of Macedonia.

The paper gives an overview of the methods and procedures used in the provision of HR in the arm and opinions of candidates for effectiveness and efficiency in human resources providing Army of Republic of Macedonia.

**Key words:** management, providing, human resources, Army of Republic of Macedonia.

## **Introduction**

The Human resources management (HRM) is a segment of the overall management. HRM involves sequential implementation of the following functions: providing, development, activation and maintenance of HR in an organization or system.

Human resources providing (HRP) as a component of HRM is a function of harmonization of quantitative and qualitative needs of work organization with competencies of candidates and potential need of future providers of certain job functions.

The modern approach to HRP involves selection and employment of competent workers of free workplaces. The modern approach to HRP in the Army of Republic of Macedonia (Army) through used techniques and tools of selection enables appropriate selection of officers and soldiers in the Army.

The paper outlines the procedure and propriety of use techniques and temporal dynamics of HRP in the uniformed Army.

## General for the human resources providing

The first work of HRM in the organization is to attract high quality workforce whose talents will comply with the work to be performed.

The HRP as an initial component of the HRM means professionally accomplishing the following subfunctions:

- analysis of the work from the aspect of educational needs at the level of organization, sector and specific job, due to changed circumstances in the social and legal environment, as well as due to internal changes;
- planning HR in their quantitative and qualitative dimension; and
- staffing of each job or more complex task with competent and responsible employees. (Smilevski et al., 2007: 55-82)

Analysis of work provides information that can be used to write or update job descriptions or tasks, duties and responsibilities that make up the work. The information in an analysis of the work can also be used to make the specification of work. It presents a list of qualifications -such as education, previous experience and skills required to perform the work. (Gareth and Jennifer, 2010: 482)

The planning of human resources analyzes staffing needs and identifies actions needed to meet those needs. With some authors, planning and staffing are intertwined, so the steps in staffing are viewed as part of the broader process of planning. One of those steps is recruiting. Recruiting is a blend of activities designed to attract qualified job applicants in an organization. The three steps in a usual recruitment process are: advertising in the workplace, a preliminary contact with potential job candidates and initial examination to create a group of qualified candidates. Recruiting can be external and internal. External recruitment requires job applicants outside the organization, while internal recruiting requires job applicants inside the organization. (Schermarhorn, 2013: 293)

In modern conditions it is very important to pass from traditional recruiting to realistic view of the work. The realistic review of their work provides the job applicants with all relevant information about the organization both positive and negative. (Wanous, 1980: 34)

The selection represents selecting individuals who will be mobilized from the group of qualified job applicants. There are a number of steps in the selection process.

**Table 1.** Steps in the selection process

Selection process	Reasons for refusal
Examination of information about the applicant	Lack of qualifications or insufficient references
Interview or site visit	The total potential is low or unsatisfactory.
Testing for the employment	Unsatisfactory test result
Checking previous employment	Physically non fit to work, or did not pass a drug test or check biography

**Source:** Schermarhorn J., 2013: 294.

The steps may be less or more depending on the size of the organization, the number of job vacancies, the number of applicants, etc. But it is important to use all those steps or techniques of recruiting to ensure reliability and validity.

When talking about reliability and validity it can be concluded that the interviews are characterized by low reliability and validity especially for lower positions, in terms

of the tests. For these reasons, nowadays are more typical the behavioral and situational interviews in order to increase the reliability and validity of the interviews. (Schermarhorn 2013: 295)

Employment tests are often used to show the intelligence, attitudes, personality, interests, skills and even ethics. There are many types of tests available. Among the most significant are: tests for biographical data, test evaluation, test sample for working, tests physical durability etc.

In certain organizations for specific work to implement health and physical examinations, and even certain exercises for cleverness and endurance.

It is important that the organization take appropriate techniques for selection of job vacancies and to implement relevant persons

## **Human resources providing in the army of the Republic of Macedonia**

HRP for the effective and efficient functioning of the Army involves: analyzing the work, planning, recruiting, selection, choice and employment of people in the Army.

Analyzing the work in the Army is performed in accordance with the functions of the defense system, the responsibilities it has under the the Army within the framework defense system, the assessment of the threat about the territorial integrity and sovereignty to the Republic of Macedonia and obligations arising from participation for NATO membership.

Planning is based on systematization of the Army and free workplaces in the existing systematization. Planning and staffing of planned human resources in the Army is performed in: internal and external way. The internal way is performed through internal redeployment of staff. New employments are done in accordance with positive norm which refers to the processes of recruitment, selection and choice of reported candidates.

Recruiting begins with determining the specific needs of human resources in the Army and announcing job advertisements or announcing an internal advertisement for filling of vacant or emptied positions.

The selection is based on the applicants of job advertisements. Internally filling, the selection is performed by the available human resources.

The choice and employment in the Army is performed according the education, psycho-physical ability and work experience. In employment, ethnic and gender representation is taken into account.

The employment in the the Army is performed from the available human resources. Records of the available human resources are kept in information systems for recording human resources: Ministry of Internal Affairs, Employment Agency and the Ministry of Defence. Additional information HRP obtained from educational institutions and other entities. (Law on Military Service, Official Gazette, No.36 / 2010, III (Article 30-37) and IX (74-76)

HRP in Army is performed in accordance with the Law on Defence, Law on Military Service, Law on the Military Academy, the Rulebook on the manner of conducting the procedure for admission of candidates for officers or NCOs professional soldiers and civilian personnel in service the Army, the Rulebook to perform the selection of persons for professional soldiers in special units of the Army and etc.

The first steps in the long process of providing human resources in the Army is performed through the Ministry of Defense and through the Military Academy "Mihajlo Apostolski" in Skopje.

Providing candidates for professional soldiers and NCOs is performed through the Ministry of Defence (MoD). Under the Law on Defense every youth citizen of the Republic of Macedonia introduced in military records in MoD under the age of 26 years can apply for voluntary military service. (Defence Law, Official Gazette no., 185/2011, Article 4 and 62.) Voluntary military service in the Army lasts 3 months and it is performed in the Training Command and doctrines in the barracks "Aleksa Demnievski Bauman" in Veles. For admission to the professional soldiers entry, the requirement is such that the candidate has completed military service in the Army.

Once the needs appear, MoD announces advertisement for admission of candidates for professional soldiers. The procedure for admission of candidates for professional soldiers is performed in 4 phases. The first phase includes administrative review of the submitted documents; the second phase includes conducting health examinations; third phase includes testing the candidates who continue with the procedure of general knowledge tests and performance of tests for physical readiness and last phase includes selective course for admission. (Rulebook 165/2014)

Providing NCOs are carried out through an internal competition within the Army under classifying and NCOs vacant positions. On the internal competition the right to apply is given to professional soldiers who meet specific conditions.

Providing officers is performed through a competition for admission of candidates for the first cycle of studies, student cadets each year as announced by the military Academy and their 4 year apprenticeship. The number of candidates who enroll and financed from the state budget is determined by the Government on the proposal of the Minister of Defence. After completing undergraduate studies in the same order they are allocated in units and establishments of the Army. (Law Military academy 83/2009, article 22-24).

## **Criteria and procedures in the process in provision of human resources in the army of the Republic of Macedonia in 2015**

To see the appropriateness of the procedure and the methods and techniques of HRP in the Army we will consider public advertisements for admission of candidates for officers and soldiers in 2015. This year MoD announced public announcement for 125 professional soldiers in the Army twice. Public announcements lasted 15 days. The first started on January 14, 2015 and ended on January 29, 2015, and the second started on September 13, 2015 and ended on September 28, 2015. Advertisements were published in daily newspapers Vecer and Koha. Applicants who applied had to fulfill the following general and specific conditions. General conditions are: to be citizens of the country; to be adults and to have special health and physical abilities. Special conditions: to have completed high school education; have completed voluntary army service and to be no older than 26 years on the date of application.

In the same period MoD through the departments of defense of the territory, performs an administrative review of the submitted documents. In the application Interested candidates should submit the following documents: questionnaire; personally filled out a questionnaire with a statement of moral, material and criminal liability for the given data; certificate of completed high school education; a certificate of citizenship; birth certificate; certificate that has not been imposed a security measure ban on performing profession, activity or duty; confirmation of the completed voluntary army service and medical certificate for general health from personal doctor. (Rulebook, no.01-4108 / 2014)

The competitions were reported total 1030 or 850 interested applicants who passed the first stage of administrative review. Since the process of HRP of the second competition is still in progress, we will present a time funnel steps of selection of the first competition.

For candidates who competed in the first competition health examinations were conducted in February in Military Medical Center in Skopje.

Testing of the candidates who continue with the procedure of general education tests and conducting physical readiness tests were conducted in March. General education tests were conducted at the „Ilinden“ barracks in Skopje, while tests for physical readiness (running, swimming, etc.) were realized on the sports fields in the City park in Skopje and swimming pool Boris Trajkovski in Skopje.

The next phase of the selective course lasted from April 17, 2015 to May 11, 2015 in the barracks “Ilinden” in Skopje.

Last phase of the HRP was security vetting the candidates who meet the conditions those mentioned previously. (Law on Classified Information, 4/2004)

After completion of the security vetting commission proposes to the Minister of Defence a list of candidates who meet all the required conditions. The minister has discretionary right to choose from a list 125 candidates. The Minister is obliged to respect the principle of positive discrimination.

From the list of candidates who meet the conditions for admission to professional soldiers by the Minister 125 are elected on September 2, 2015, and on September 8, 2015 Independence Day of the the Republic of Macedonia they were formally admitted into the Army. (Decision 04-4877 / 1 of February 9, 2015)

The process of providing candidates for professional soldiers lasted approximately 8 months and covers all stages of the modern way of HRP. The process is conducted Commission for conducting the procedure for admission of professional soldiers in the service of Army.

In terms of providing officers for the Army this year Military Academy announced a competition for admission of 26 candidates officers for the Army. The competition lasted three days, from 04 to 06 August 2015th. Applicants who applied were to fulfill the following general and special conditions. General conditions are: to be citizens of the country; to be not older than 21 years; having passed state, international or school graduation in high school or final exam completed high school education; completed a four year period and be psychophysically capable. Special conditions: not to be pronounced a security measure ban on performing profession, activity or duty; to meet the security criteria under the Law on classified information and successful, to pass a physical ability. (Military Academy, a competition, July 24, 2015).

The Military Academy performed an administrative review of the submitted documents. In the application, interested candidates should submit the following documents: application, application form, certificates for all 4 years of high education, a diploma for passing the final exam, a certificate of citizenship, birth certificate and certified by a competent court, that it was a security measure ban on performing profession, activity or duty in the competition were reported 124 candidates.

In the first phase was created a ranking list which valued the success of all the years of high school with a maximum 45 points, matura exam subjects (2 external and 2 internal) maximum 40 points, project task with a maximum of 5 points. Review documents the Commission did for receipt of documentation and data processing.

Psychophysical condition was determined by specialist examination and evaluation of military medical commission in the Military Medical Center in Skopje, the Rulebook on standards to assess the special health and physical ability to serve in the Army. Psychophysical condition was performed in the following disciplines: long jump from place, zhib on the shaft, abdominal lifting and running. Maximum points are 10, but with the condition to earn a minimum 5. Checking the psychophysical ability was conducted by Commission for the verification of the competence (physical ability)

The ranking of candidates is performed by Competition Commission. A condition for the selection of candidates for are 60-100 points. Admission Commission bulletin board Military Academy announced the results. The candidate who is not satisfied with the results has the right to appeal to the Competition Commission within 24 hours. After that the Competition Commission prepare and publish a preliminary ranking list. The dissatisfied candidates after a preliminary ranking list had the right to appeal to the Dean's administration within 24 hours. The decision of the Dean's administration is final. After that the Academic Council of the Military Academy prepares draft list of candidates who meet the conditions for admission and submit it to the Minister of Defence. Minister of Defence makes the final decision which candidates from draft list will be admitted. The minister has discretionary right to select from the list 26 candidates. The Minister is obliged to respect the principle of positive discrimination. (Military Academy, a competition, July 24, 2015).

## Analysis of research results for the human resources provision in the army of the Republic of Macedonia in 2015

From applicants for admission professional soldiers and the MoD for admission of cadets of the Military Academy at random under the principle of availability is conducted a telephone survey of 110 applicants. Among the applicants there are selected and not selected in the respective competitions. The respondents were asked three questions:

1. How do you assess the positive regulations for admission of candidates for professional soldiers in the Army or the admission of cadets of the Military Academy?
2. How do assess the process of selection of candidates for professional soldiers in the Army or the admission of cadets of the Military Academy?
3. In which step do you think are the most noticeable weaknesses?

**Table 1.** Assessment feedback on the positive standard for the admission of HR in the Army

Applicants	Very good		Good		Weak		Total	
	number	%	number	%	number	%	number	%
soldiers	27	29,7	59	64,8	5	5,5	91	82,7
cadets	14	73,6	5	26,4	0	0	19	17,3
Total	41	37,3	64	58,2	5	4,5	110	100

Respondents evaluate the positive standard for the admission of professional soldiers and cadets Military Academy dominant assessed as good. Good assessed 58.2%, very good 37.3% and weak 4.5%. Separately analyzed candidates for professional soldiers predominantly assessed as good by 64.8%, while candidates for cadets Military Academy dominant assessed as very good by 73.6%.

**Table 2.** Assessment feedback on process for admission of HR in the Army

Applicants	Very good		Good		Weak		Total	
	number	%	number	%	number	%	number	%
soldiers	23	25,3	43	47,3	25	27,4	91	82,7
cadets	12	63,1	7	26,9	0	0	19	17,3
Total	35	31,8	50	45,4	25	22,8	110	100

Respondents evaluate the process of Professional Soldiers and cadets Military Academy dominant is assessed as good. The process for good rated 45.4%, a very good 31.8% and 22.8% weak. The difference between the three assessments is more even in terms of responses to the first question. Separately analyzed candidates for professional soldiers dominant process for admission was assessed as good by 47.3%, while candidates for cadets Military Academy dominant is assessed as very good by 63.1%.

**Table 3.** Responses to the perceived weaknesses in the HRP in the Army

Applicants / Answers	Soldiers		Cadets		Total	
	number	%	number	%	number	%
providing documents	0	0	0	0	<b>0</b>	<b>0</b>
health examinations	0	0	6	31,6	<b>6</b>	<b>5,4</b>
physical examinations	16	17,6	0	0	<b>16</b>	<b>14,5</b>
tests	20	21,9	3	15,8	<b>23</b>	<b>20,9</b>
deciding	24	26,4	6	31,6	<b>30</b>	<b>27,3</b>
selective course	22	24,2	0	0	<b>22</b>	<b>20,1</b>
Other	9	9,8	4	21,1	<b>13</b>	<b>11,8</b>
Total	<i>91</i>	<i>82,7</i>	<i>19</i>	<i>17,3</i>	<i>110</i>	<i>100,0</i>

The table shows that more applicants highlight weaknesses that are typical, but the step of decision recognizing as dominant. Of the total number of respondents 27.3% were in favor of the decision, for the tests 20.9%, the selection course 20.1%, the physical examinations 14.5%, the health examinations 5.4% and other weaknesses 11.8%. Separately analyzed for the candidates for professional soldiers the decision is dominated with 26.4% and selective course with 24.2%, while in the candidates for the cadets of the Military Academy are equally as dominant weaknesses deciding and medical examinations with 31.6%.

## Conclusion

HRP function in the Army is complex and contains all steps of modern HRM in the area of HRP. Recruit funnel HRP professional soldiers is of two stages. The first phase begins with basic human resource development through voluntary military service in the Army for 3 months and the second phase begins with: administrative check of required documents, health examinations, psychological tests, a selective course, security vetting and discretionary right to decide. The period of recruitment funnel is 8 months.

The recruitment funnel HRP for cadets Military Academy begins with an administrative check of the required documents, the ranking of the success achieved from high school and passed the graduation exam, health examinations, psychological tests and discretionary right to decide. The period of recruitment funnel is one month.

The positive normative and the process of HRP in the Army are good. HRP in the Army will be more effective if modernized the steps of: health examinations, psychological tests and decision making by maximum use of the merit system of responsible persons in the most important feature in modern HRM.

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## **CUSTOMS ETHICAL ISSUES: THE CASE OF THE REPUBLIC OF MACEDONIA**

### **Abstract**

Customs Administrations throughout the world perform a number of vitally important tasks on behalf of their respective Governments. Fulfilling those tasks Customs officials face a range of ethical issues regarding professional integrity. Integrity can be defined as a positive set of attitudes which foster honest and ethical behavior and work practices. It involves developing and maintaining a positive set of attitudes and values which give effect to an organization's aims, objectives, and the spirit of its integrity strategy. It is, therefore, a prerequisite for the proper functioning of a Customs Administration. Customs Administrations play a key role in trade facilitation, revenue collection, community protection and national security. The lack of integrity and presence of corruption can severely limit Customs capacity to effectively accomplish its mission. It can distort trade and investment opportunities, undermine public trust in government administration and ultimately jeopardize the well being of all citizens.

The subject of the study is the presence of ethical issues regarding professional integrity in Customs Administration. The goals of the study are to detect and analyze the current situation and identify solutions which fit the culture, needs, resources and operating environment of the country. The results of the study provide an introduction to the nature of the corruption problem in customs and describe some important considerations to take into account when framing an effective anti-corruption strategy for customs.

**Key words:** customs, Customs Administration, ethical issues, integrity, corruption

### **Introduction**

**B**roadly speaking, integrity can be defined as a positive set of attitudes which foster honest and ethical behavior and work practices.

The special position of the Customs authorities within the international trade supply chain, requires a high degree of professional integrity on the part of Customs officials.

To assist Customs authorities to deal with ethical issues regarding integrity, the World Customs Organization (WCO) has produced a number of helpful tools for use by its members. In addition, WCO has spent a considerable amount of time promoting the concept of integrity within Customs. These efforts resulted in the adoption by WCO members of what is now known as revised Arusha Declaration on Integrity in Customs. The Declaration commits Customs Administrations to maintain a high standard of integrity throughout their management and operational spheres by the introduction of national integrity programs.

Integrity in customs also play its part from a trade facilitation perspective. A Customs Administration suffering from a lack of integrity will normally be less effective and certainly inefficient resulting in little or no trade facilitation due to mismanagement, bad governance and flourishing corruption. It thus remains imperative or all stakeholders in the international trade environment to fully support all efforts to introduce a culture of integrity throughout the goods supply chain.

## **Customs ethical issues: the case of the Republic of Macedonia**

In many developing countries, high levels of corruption drastically reduce the effectiveness of key public sector agencies. Customs Administrations are no exception and are frequently cited as among the most corrupt of all government agencies. Given the vitally important role customs plays in revenue collection, trade facilitation, national security, and the protection of society, the presence of corruption in customs can severely limit a nation's economic and social prospects and national development ambitions.

Over the past few years, Macedonian customs has seen significant progress, particularly with the introduction of the integrated border management and a separate functional central system of video surveillance at the border crossings and customs checkpoints, which operates continuously. In addition, new bylaws were adopted that lay down the standards for conduct of customs officials in different circumstances and a mobile system of internal control was also introduced.

But still there are some figures that indicate that the customs remains a high risk area in terms of corruption (European Commission 2011).

### ***Forms of corruption***

The customs services operating at entry and exit points from and into the Republic of Macedonia which control the passengers, their luggage and various goods transferred through the boundaries of the Republic of Macedonia have been identified as high-risk points in terms of vulnerability to corruption. Although it is indisputable that most of the customs operations are covered with prescribed procedures, problems still tend to appear during the practical implementation of the procedures. This is especially the case when it comes to allowing entry to the country of heavy vehicles with a load exceeding the statutory maximum, or products with short shelf-life or delicate products that can lose weight during transport.

Cross-frontier goods flows are of three types: imports, exports and transits. All have to comply with customs requirements. Private operators prepare a legal document called the *customs declaration* in which they customarily give consignment details, including the nature of the goods, their quantity, their origin, their value and their destination. They may also be required to produce a number of documents such as invoices and origin certificates to support this information. The declaration is the key document in customs release and clearance as it establishes a legal relationship between the operator and the customs. The following text concentrates on customs processing of imports, as this is more comprehensive and complex than for export or transit.

There is an impression of inconsistency in terms of implementation of the existing procedures which in itself raises doubts that certain actions are taken by the customs officials to obtain personal gains. There has been a long-standing perception of existence of

corruption among the customs officials.

The practices observed in the Republic of Macedonia show that each step of the customs clearance procedure can present an opportunity for a corrupt act. While all such acts involve the use of public office for private gains they vary in nature. They may be of three forms (OECD Development Centre 2001):

**- *Routine corruption: private operators pay bribes to obtain a normal or hastened completion of customs operations.***

Observing Macedonian customs (Customs Administration of the Republic of Macedonia 2014) identified some examples of practices that fall under the category of routine corruption. For instance, the initiation or completion of actions by officials will be delayed until a favor is given or promised. Officers use different “techniques” to create these delays: the files of those who have given bribes are attended first; officers turn out being absent or elsewhere when the requested action is much needed; the hearing of seizure cases is prolonged; etc. Another situation of routine corruption is when officers create or threaten to create excessive difficulties in the customs clearance process. Those will conduct examinations in excessive detail, ask for documents difficult to produce, threaten to stop the operations or to send the merchandise for further controls, etc. Situations in which officers threaten to submit exaggerated assessments or audit findings coupled with recommendation for punitive measures to extort certain sums have also been observed.

**- *Fraudulent corruption: operators try to pay less tax than due or no tax at all, by not accomplishing properly the customs clearance process. They pay bribes to buy customs officers’ blind eye or their active co-operation.***

Observing Macedonian Customs (Customs Administration of the Republic of Macedonia 2014) exposed a number of typical smuggling techniques. The most frequent technique is misdeclaration: importers provide erroneous information on their customs declaration regarding the nature of the merchandise, its quantity, its origin or its value. Operators also try to obtain abusively concessionary or exemptions notifications. As these are much lighter than for commercial operators, smugglers abuse customs procedures for passengers to pass in important quantities of merchandise. Goods are taken out of warehouses without the due accomplishment of customs procedures. Goods meant for transit are dropped in the country, etc.

**- *Criminal corruption: operators pay bribes to permit a totally illegal, lucrative operation (drug trafficking, weapon trafficking, etc.).***

Corruption also accompanies other illegal activities, such as money laundering, drug trafficking, weapon trafficking etc.

### ***Problems and risk factors for occurrence of corruption***

The key problems observed in the operation of the customs, which is seen to be vulnerable to various forms are related to:

Consistent compliance with the prescribed procedures and determining the rules for action in specific circumstances such as in cases of passive bribery, collecting relevant evidence of corrupt conduct, self-assessment of high-risk processes.

The Customs Administration of the Republic of Macedonia has made significant strides in setting the standard operating procedures for the customs offices in all segments under its authority. However, the absence of effective, systemic controls over the strict application of the standardized procedures by the customs officers creates space for corruption.

The lack of firm guarantees for consistent implementation of the operating procedures creates legal and factual uncertainty among the citizens and the customs employees alike. This problem is particularly evident in the cases of disregard of the turnaround time for certain customs procedures, thus creating space for arbitrary decision making. This in itself brings suspicion of existence of corruption, nepotism or any other conflict of interest situation for the purpose of generating illegal personal benefits.

### ***Lack of assessment of the risk of corruption in the Customs Administration in all its activities and work processes.***

There is no effective system of assessment of the corruption risk points in the operating system of the customs authorities. Such assessments are likely to significantly narrow down the corruption space and allow for introduction of mechanisms for oversight and control for effective prevention, but also detecting of the cases of corruption.

In this respect, institutional and individual integrity must be systematically created, upgraded and monitored as part and parcel of the necessary professional and technical capacities of the customs service. It is therefore essential for the Customs Administration to continuously improve its capacities for monitoring and control over the operation of the customs officers and make the system of integrity effective.

### ***Insufficiently developed system of communication and cooperation with the public.***

The degree of negative public perception of the customs services is partly a result of the lack of communication with the public, which has to be urgently addressed through various forms of direct and objective information-sharing with the citizens and establishment of effective cooperation with the civil society organizations.

## **Measures and activities to prevent corruption**

Attempts to deal with corruption in the past have often been frustrated by well-intentioned but totally ineffective calls for the adoption of industrial countries' standards of administrative honesty, effectiveness, and efficiency. To effectively tackle the problem of corruption in customs, a comprehensive and sustainable approach that addresses the underlying causes and consequences is required. There are no quick fix solutions. Rather, a pragmatic and situation-specific approach is necessary—one that draws on the lessons learned from previous efforts around the world and that takes into account the fundamental issues of motive and opportunity. Landmark documents, including the Arusha Declaration drafted by the WCO, the IMF Integrity Paper and the conclusions of the Working Group on Customs Ethics in Central and Eastern European countries, have convergent views on needed measures to prevent corruption. These institutions recommend the following changes in customs administration:

#### Organization of Customs Operations:

- define targets and standards of service quality;
- segregate functions strategically and build checks and balances;
- frame customs procedures so as to reduce to a minimum the inappropriate exercise of discretion;
- computerize customs operations;
- minimize the requirements of information and documentation from traders.

#### Staff Rules:

- develop a code of conduct and explain its implications to customs officers;
- define corruption and related offences in legal texts and in the customs internal rules;
- set corresponding sanctions at a reasonably dissuasive level (including in internal disciplinary measures the possibility of dismissal).

#### Internal Culture:

- promote customs service standards and ideals;
- Develop an “esprit de corps”, based on a sense of loyalty and pride in the customs service. Information Production and Investigation:
- give line-managers the prime responsibility for identifying weaknesses in working methods and in the integrity of the staff;
- set up internal audit mechanisms;
- conduct regular external audits;
- set up an internal affairs unit with the specific task of investigating all cases of suspected malpractice, in complement to internal audit;
- allocate examinations of customs officers randomly;
- take measures to allow feedback from private operators;
- follow the employees’ assets, by organizing disclosure.

#### Human Resource Management:

- adopt an objective recruitment process, immune from interference, based on knowledge and standards of personal ethics;
- adopt an objective promotion process, immune from interference, merit-based and jeopardized by inappropriate behavior;
- relocate regularly the staff;
- provide professional training to customs officers throughout their careers, including on ethics and integrity issues.
- provide a remuneration sufficient to afford a decent standard of living, including, in certain circumstances social benefits such as the health care and housing facilities.
- set up incentive payments.

#### Relations with Customs Brokers and the Business Community:

- facilitate access of private operators to information on regulations and procedures;
- organize liaison committees with the business community;
- make appealing against customs decisions, with, in the final instance, recourse to independent adjudication, possible.

In addition, all three study papers link the reduction of corruption with broader policy measures, at the national level. Import tariffs should be reduced where possible and the number of rates limited. Administrative regulation of trade should be reduced to an absolute minimum and exemptions to the standard rules should be as few as possible. Additionally, the customs administration should enjoy sufficient autonomy and should notably be insulated from the interference of politicians, whose influence should be limited to definition of the customs mandate. It is important to outline these elements of remedial action, answering to a diagnosis of organizational defects and those characteristics of the broader environment that are conducive to widespread corruption, but much additional information and guidance is required to set up a full-fledged strategy.

The Arusha Declaration and the IMF Paper identify several essential conditions for successful reform. Both stress the importance of “a firm commitment at the highest political and administrative levels” (Arusha Declaration) or in the terms of the IMF Paper “a clear and unequivocal commitment from the Government”. The IMF paper goes further and points out three supplementary conditions: an atmosphere where importers and exporters will come forward and discuss the decisions that are being made and the existence of an independent judiciary and a free press.

Analysis of the Macedonian customs operating environment complements these assertions. In the light of the identified problems and risk factors of corruption there are several activities and measures (State Commission of Prevention of Corruption 2011) to be taken:

- Strengthening the capacities of the internal control and creating a system of regular and extraordinary controls over the work of the customs officers in order to ensure that the standard operating procedures are consistently respected and implemented;  
Improving the capacities of the internal control unit, together with the measures to strengthen the individual integrity, are the main drivers for consistent compliance with the standard procedures and the established deadlines. Therefore, it is necessary to strengthen the controls at border crossings and customs checkpoints; implement continuous training for effective implementation of the Code of Conduct for the Customs Officials and undertake all the legal measures to detect and punish the cases of corruption.
- Implementing a system for corruption risk assessment in the customs services, with measures to strengthen the individual and institutional integrity;  
Customs Administration should assess the risk of corruption in all aspects of the customs operations, with measures to strengthen the individual and institutional integrity. That will contribute to preventing the possible forms of corruption, while helping to improve the organization of work and the utilization of the existing resources.
- Introducing a more efficient system for communication with the public.  
The introduction of a more efficient system of communication with the public will allow for the institutions to open for the citizens and publicize all the necessary documents for all customs services. In this manner, conditions will be created for more efficient service delivery to the citizens, improved cooperation in identifying the bottlenecks in the work of the customs services as a source of corruption, as well as more active cooperation by the citizens in recognizing and preventing corrupt behavior.

## Conclusion

Customs plays a central role in every international trade transaction and is often the first window through which the world views a country. The implications of corruption in customs on a nation's capacity to benefit from the expansion of the global economy are obvious.

Analysis of the Macedonian customs throws up three key conclusions.

The first is the need to recognize the main forms of corruption. They are:

- routine corruption, in which private operators pay bribes to obtain a normal or hastened completion of customs operations;
- fraudulent corruption, in which the trader or agent seeks "blind eye" or active, collusive customs treatment in order to reduce fiscal obligations or enlarge external earnings;
- criminal corruption, in which criminal operators pay bribes to permit a totally illegal, lucrative operation (drug trafficking)

The second highlights the need to identify those points in the customs process that afford special opportunities for customs to seek irregular payments and for traders and agents to offer them.

Customs legislation should be clear and precise. Import tariffs should be moderated where possible. The number of duty rates should be limited. Administrative regulation of trade should be reduced to the absolute minimum and there should be as few exemptions to the standard rules as possible. Customs procedures should be simple and consistent. Automation is a powerful tool against corruption, and its utilization should have priority. This is of utmost importance in the international trade environment today and the benefits of a proper system far outweigh the cost of development and installation.

Finally, the analyses of the Macedonian customs underlined several activities and measures to prevent corruption:

- Strengthening the capacities of the internal control and creating a system of regular and extraordinary controls over the work of the customs officers in order to ensure that the standard operating procedures are consistently respected and implemented;
- Implementing a system for corruption risk assessment in the customs services, with measures to strengthen the individual and institutional integrity;
- Introducing a more efficient system for communication with the public.

These Study should draw intergovernmental and global business attention to this crucial economic, political and social problem of customs corruption. The government need to perceive and correct customs malpractices which diverge from primary political aims to encourage inward investment, reduce the cost of imported goods and enhance export performance. They should be encouraged to take a critical look at the ways in which customs corruption can undermine and frustrate economic development.

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**IMPLEMENTATION OF CORPORATE ENTREPRENEURSHIP AS  
A MEANS OF BOOSTING OPERATION OF ENTERPRISES IN THE  
TOURISM SECTOR IN THE REPUBLIC OF MACEDONIA**

**Abstract**

Tourism is a particular service sector, most complex socioeconomic phenomenon and one of the fastest growing sectors in the global economy that cares for realization of tourist needs. Between the dependencies on tourism products is a direct consequence of the characteristics of the tourist offer. On the other hand, the tourist offer creates the final products that are offered to customers. Of special importance is the study of factors that are influencing the tourist offer. The improvement of operations and the increase of the efficiency of the operations is a challenge for any enterprise. Basics of the successful operation of every enterprise are the constant establishing of new methods and forms of work. The development and establishing of the concept of corporate entrepreneurship in operation allows constant establishing of new forms of work, encouragement of teamwork and entrepreneurial concepts of behavior of the enterprises. In the applied part of the paper a survey will be conducted among the enterprises in the field of tourism for knowledge and implementation of the concept of corporate entrepreneurship. The aim of the research consists of the understanding the real situation in terms of implementation of this new concept of operations for enterprises in the field of tourism. On the basis of the received results, the possibilities offered by this concept will be indicated. The contribution of this paper consists in expanding the literature in this area and implementation of the concept of corporate entrepreneurship in enterprises in the field of tourism in order to improve their operation and meet the needs of consumers of tourism services.

**Key words:** tourism, corporate entrepreneurship, tourism offer, tourists.

**Characteristics of tourism**

**T**ourism is a modern phenomenon that has influenced through the whole life in society. Tourism is a set of relations and occurrences arising from the travel and stay of

foreigners in one place, if it does not mean permanent settlement and if it is not bound for performing of economic activity (Hunziger and Krapf, 1942). As massive phenomenon, tourism is in interaction with almost all activities in society, encouraging economic development, regional development, employment, standard of living and educational structure of the population, the withholding of innovation and new forms and ways of working. According to the World Tourism Organization, tourism is representing the sum of the activities of people during their trips and accommodation in a place outside of their usual residence, without interruption it, but no longer than a year, mostly for leisure or for business and other reasons (WTO, 1998).

The basic condition for the development of tourist activity is the individual, human and his needs. The needs of the tourist encourage individuals, entrepreneurs take certain actions to generate tourism offer through the establishment and development of enterprises in the tourism sector. Tourism happens because of humans. The term tourism means travel, movement, change. Tourist offer at any time should meet the needs and demands of tourists that are constantly changing. For this reason, tourism offer should be complete and meet the needs of tourists that are resulting from travel, stay in a particular place and recreation for the period of stay.

Tourism is the branch that stimulates economic development and has a major role in the creation of the labor market and the establishment of enterprises in the tourism sector. Forecasting of tourism data is contained in the publications of the World Tourism Organization, under which in the tourism sector 9 million persons are employed from member states of the European Union and that represents 6% of the total number of employees with participation of 5.5% of GDP (WTO, 1998). Entrepreneurship as a fourth factor of production is driving the process of creating a tourist offer and contemporary forms of entrepreneurship as corporate entrepreneurship are allowing increased efficiency of enterprises and creation of the optimal travel offer. Tourists increasingly are seeking quality offer that highlights the culture, the heritage of a place, but also enables fulfillment of all the tourist's desires. Application of the concept of corporate entrepreneurship in tourism expresses orientation of the entrepreneur towards the approach of innovative management to the operation as a means of gaining competitive advantage and achieving optimal tourist offer.

Tourism includes all activities associated with temporary short-term movement of people to destinations outside the place where they normally live and work and their activities during their stay in those destinations (Burkart, and Medlik, 1974). In short term spoken, tourism is associated with travel for recreation or leisure which is realized through the following four subjects: tourists, business entities or enterprises, the state of the host and the local community. All persons participating in the realization of tourist services or in the creation of the tourist offer, from the entrepreneurs, managers in tourism to travel companions are affecting the quality of the tourist offer. The concept of corporate entrepreneurship involves a situation in which companies apply new ways of working, new ideas within enterprises and entrepreneurial philosophy that covers the entire operations (Covin and Miles, 1999).

### **Corporate concept of entrepreneurship in the tourism sector**

Tourism represents a separate sector in the true sense of the word that has all the features of the service activity. Contemporary working conditions and global environment

surrounding are imposing new concept of operations by encouraging entrepreneurial behavior of enterprises, innovation and flexibility in operation. Dynamic developments in the tourism market, the changes in all segments of operations, competition in the tourism market and the demands of tourists is forcing the enterprises in the tourism sector towards continuous generating of their knowledge. The difference between the traditional concept of representation of entrepreneurship in tourism, according to which the entrepreneur is the sole owner of the overall activities that are realized as a result of the possession of capital and courage for taking on risk, corporate entrepreneurship is characterized by the enterprises as the driving force of all activities. The needs of establishing new services and products that are boosting the development of corporate entrepreneurship in tourism, it forces enterprises to think about the possibilities of expanding the offer by introducing new products and services. Because of that, many enterprises respond to the rapidly changing technical requirements and consumer demand through entrepreneurial behavior (Antonicic and Hisrich, 2004). The basis for creating and maintaining a competitive advantage consists in the ability to create an appropriate organizational structure that fosters entrepreneurial behavior and dedication to innovation and flexibility towards changes and market demands. The contemporary model of entrepreneurship or corporate entrepreneurship represents a development strategy, a way of gaining and retaining a competitive advantage and advancing of the operation of enterprises in the tourism sector. Enterprises that are participating in the creation of the tourist offer, acting entrepreneurial have implemented an innovative culture of behavior and always ready to introduce changes in the organizational structure as well as changes in the mindset of all employees, owners, managers and employees in the enterprises. Corporate entrepreneurship involves activities inwards that contain news in the operation, new resources, new customers, new markets or different, new combinations of resources, consumers and markets (Ireland, Covin and Kuratko, 2009). This contemporary concept of entrepreneurship extends the notion of entrepreneurship and understanding of the entrepreneur as a person who from the individual - entrepreneur and owner of the enterprises is requiring applying flexible organizational relations based on teamwork, innovation and new ways of working. According to the Commission of communications through European Union and the promoted concept "Working together for the future of European tourism", stand out five essential components for the development of the tourism industry:

- Information,
- Training of staff,
- Quality,
- Sustainable development,
- New technologies.

### **Preconditions for applying the concept of corporate entrepreneurship at enterprises in the tourism sector**

The representation of the concept of corporate entrepreneurship in enterprises from the tourism sector depends on the existence of certain conditions that facilitate the way of practicing this concept. The basic condition for the application of this concept is the existence of an innovative organizational culture. The existence of organizational culture that encourages innovation provides certain conditions for applying this concept. Corporate

entrepreneurship applies to those enterprises from the tourism sector that support innovation, teamwork and value the place and role of the staff in supporting and implementing the concept of development in operations. The rapid development of technology rapidly creates competitive enterprises that promote products in order to win over consumer's competitive enterprises. Enterprises have the courage to be first to market in existing conditions (Suarez and Lanzolla, 2005). In terms of tourism enterprises the developing conception in the operations is contained in the continuity of monitoring of the work processes, evaluation of products and services that are offered to tourists or consumers, to evaluate their needs, providing conditions to meet the needs on time, creating an appropriate teamwork and continuous training of employees. Innovative employees who implement the concept of corporate entrepreneurship carry the concept of corporate entrepreneurship, organizational conception, development of new products, processes, services and ways of working that promote the work of enterprises. Important preconditions for boosting the development conception of the work is the existence of the entrepreneurship management that supports open communication and provides resources for research and development. The identity of enterprises that implement corporate entrepreneurship varies according to five main elements: autonomy, innovation, reactivity, competitiveness and risk-taking (Dess, Ireland, Zahra, Floyd, Janney and Lane, 2003).

The introduction of the concept of corporate entrepreneurship depends on the thinking and decisions of the entrepreneur of the management of enterprises. They are the carrier's of the concept of work and therefore if they want the enterprises to be successful they should implement market principles in operation based on continuous improvement of operations and knowledge of all employees.

The application of corporate approach in operations within enterprises in the field of tourism depends on representation of the following concept of work:

- Defining of specific, transparent and clear objectives in operation,
- Defining the vision and mission of the enterprise,
- Flexible, highly motivated management,
- High motivated teamwork,
- Procurement of information technology,
- Implementing of a flexible organizational culture,
- Implementing a process of continuous learning and
- System feedback.

Managers who understand the value of employees in meeting the needs of tourists and realization of tourist offer actually recognize the concept of corporate entrepreneurship. Tourist sector represents a very dynamic market with high potential for growth primarily as a result of consumers – tourists who are constantly on the move. Therefore, enterprises should constantly adjust their conception of work and behave enterprising. It means to apply original working process and adapting to the challenges of the processes of globalization and economic integrations. Each company must be able to simultaneously run three important things: to promote, to expand and innovate (Drucker, 2005). These enterprises are currently found in the new development stages that are characterized with discovering of new possibilities of work, using contemporary technology of meeting the needs of tourists and changing in the approach to employees.

## Research methodology

The application of the concept of corporate entrepreneurship through representation of teamwork, the establishing of changes in operations, constant training of management and employees and the establishing of innovations in the work of enterprises in the tourism sector in the Republic of Macedonia is the subject of practical research that was conducted in 45 enterprises from the tourism sector. Practical research was conducted in the period from of January 1<sup>st</sup> 2015 to June 30<sup>th</sup> 2015. Through the method to a questionnaire which is consisted of fifteen questions from the surveyed 45 enterprises of the tourism sector in the country, 35 have shown interest and responded to questions.

## Survey results

According to the results from the survey conducted among enterprises in the field of tourism and the total number of observations received for each question, is concluded that the sample consists of 35 enterprises, whereupon on the first question – Who are the users of the services and products that you are offering?, the majority of the surveyed enterprises or exactly 32 said that their customers are only domestic tourists.

The second question – Do you understand the concept of corporate entrepreneurship? The majority of the surveyed enterprise or 23 enterprises responded that they do not understand and 12 enterprises responded that they understand.

On the question – Does the owner of the enterprise have attended any types of training for improving? The majority of surveyed enterprises or 21 enterprises responded that they have attended training and 14 companies responded that constantly receiving training.

To the fourth question – What type of training has attended in the last five years? The examined were the owners of the enterprises were in the previous question have stated positively. With that 8 enterprises stated that they had attended training for protection from work, 3 enterprises have attended training for foreign language and 2 entrepreneurs have attended training in financial management.

The fifth question – Does the management is planning training for improving of employees and what type of training? - 19 entrepreneurs have spoken positively and 16 entrepreneurs are not planning training. From the entrepreneurs who are planning to conduct training for staff training, 12 enterprises will conduct a training for learning foreign language, 3 enterprises will conduct training from the field communications and 4 enterprises training from the field of catering.

The sixth question – Does in the enterprise are allocated funds for training and improving of the employees?, the majority of companies surveyed responded negatively or 32 enterprises provided funds for training and only 3 enterprises or only 8.5% allocate funds to implement training for the employees.

The next question – Does the enterprise established a list of products and services offered to consumers and it does to specify which?, the majority of enterprises are declared positive, regarding only 30 enterprises or 85% of the surveyed companies established lists of products and services in the form of menu, lists of arrangements for tours, brochures, promotional material, flyers with recorded products and services, 15% or 5 enterprises did not established a list of products and services.

On the question – Do you accept innovations in the operation?, 32 enterprises have stated that they accept innovations and only 3 enterprises have pleaded that they did not

accept any innovation in operations but they work on the established way of working.

From the received answers of the eleventh question - Source of funding of the innovation in the enterprise? It's concluded that the financing of innovations is usually carried out with loans for which is stated from 25 enterprises and 7 enterprises establish innovations financed with their own funds.

On the question – In which segment of operations commonly are imposed innovations?, 32 enterprises that stated that they accept innovations in operations majority of the enterprises or 25 enterprises have stated that they establish innovations in information technology and 7 enterprises purchased new equipment.

The next question – Do you think that the success of the operation depends on the establishing of new products and services?, managers of 17 enterprises have stated that they believe that the success of the operation depends on the establishing of new products and services and 18 enterprises have stated that they do not think that the success depends of establishing new products and services.

On the question – Do you think that the success of the operation depends on the representation of teamwork? The majority of the enterprises or 28 enterprises stated that they think the success of the enterprises of the tourism sector depends on practicing teamwork and only 7 enterprises stated that the teamwork will not impact on operations.

The fourteenth question – In which way continuously is pursuing the improvement of operation? 13 enterprises have said that they introduced new business processes in the operation, 7 enterprises have said they introduced new products and services, 6 enterprises stated that they perform continuous staff training, 5 enterprises by practicing teamwork and 4 enterprises by increasing staff motivation.

The last question – Do you think you're better than competing enterprises and why?, the majority of the enterprises or 23 enterprises have stated that they believe they are better than competing enterprises due to the establishing of new products and processes in operation and 12 enterprises think that they can't compete with rival enterprises.

## Conclusion

The tourism sector is very dynamic market with high growth potentiality for growth primarily as a result of consumers – tourists who are constantly in motion. So enterprises in this sector should constantly adjust their concept of work and behave enterprising. The improvement of operations and the increase of the efficiency of the operations is a challenge for any enterprise. Basics of the successful operation of every enterprise are the constant establishing of new methods and forms of work. The development and establishing of the concept of corporate entrepreneurship in operation allows constant establishing of new forms of work, encouragement of teamwork and entrepreneurial concepts of behavior of the enterprises. On the basis of the received results from the conducted survey for understanding the real situation in terms of applying the concept of corporate entrepreneurship in enterprises in the field of tourism, it can be concluded that the majority of surveyed enterprises accepts the establishment of innovations, new forms of work and new business processes and the same are financed by borrowed money credits. Enterprises from the area of tourism sector do not fund for training of employees and most of them do not know the meaning of the term corporate entrepreneurship. Therefore, enterprises that decide its operations to the corporate model based on entrepreneurship have the opportunity through the establishment of learning programs for substance, meaning and

application of the corporate concept of operations, practicing programs for continuous training of management and employees and establishing a fund to financing, training and improvement of employees for applying the original process of organizing the work and to be ready to adapt to the challenges of establishing new forms and methods of organization of business activities.

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**CONTEMPORARY CHALLENGES AND REAL OPPORTUNITIES  
FOR DEVELOPMENT OF ENTREPRENEURSHIP IN TERMS  
OF COMMUNAL WASTE MANAGEMENT IN REPUBLIC OF  
MACEDONIA**

**Abstract**

The aim of this paper is to set up an analysis of the real terms for development of the idea of entrepreneurship in accordance with the possibilities of communal waste management on the territory of Republic of Macedonia. It's a question of specifics of communal waste management in the Republic of Macedonia in whose basis is too hard to penetrate. However, through the application of appropriate methodological framework will be made conclusions that are particularly important for principled explanation of the essence of causality that are related to the current conditions of communal waste management in this country.

Communal waste management (control), in all its stages is a matter that affects both the public sector and the private sector. Consequently, the idea of development of contemporary models of management through strategic use of available human resources will enable the setting of solid base of a competitive business in a new area for the private sector in developing countries. The same, especially for Republic of Macedonia, a country with lack of developed opportunities for effective and efficient communal waste management, unlike the developed countries. Therefore, and on the basis of already conducted research framework worldwide, this paper will promote the idea of encouraging the entrepreneurship in order to improve the existing terms, whereas until now the public sector was most affected.

By applying qualitative methodological framework, or rather content analysis of theoretical aspects, review of the prepared reports in domain of this problem and comparative analysis of the opportunities against contemporary challenges, efforts will be made to get a solid basis for the establishment of an appropriate approach of communal waste management within the Republic of Macedonia as initial requisite and incentive for development of entrepreneurship in this area.

**Key words:** management, communal waste, strategic approach, entrepreneurship, challenges

**Introduction**

Communal waste is generating in daily human activities. In the communal waste management important is the collection, transportation and disposal to the city dump. Due to the constant increase of the total quantities of waste product, efficient program is required for collection and transport, which can retain costs in constant growth. The constant increase in the total amount of waste products produced by industry and population require substantial changes in the traditional model of waste management. Waste

management includes measures and special regulations which are modulated by international standards and current regulations in our country. These measures and regulations are applied starting from the creation of the waste, its collection, transportation until its delay (dislocation, recycling). In the new integrated industrial ecosystem consumption of energy and raw materials must be optimized and generation of waste minimized. Future activities concerning waste should be directed towards its recycling and reuse, which will achieve significant economic and environmental effects (Črnjar, 2002: 44).

The main objective of the communal waste management points to the need to ensure a high level of protection of life and health by protecting the environment. Consequently, the encouragement of new, contemporary forms of waste management, such as entrepreneurship, should be based on respect of the principles and regulations for protection of the environment or protection of people's life and health in bottom line.

The immediate concern of this paper is to find out optimal conditions for communal waste management by highlighting the potential of the private sector, and by integrating essential ideas that represent innovation for society and found applicability in modern living conditions and action, especially in the field of waste management. To fulfill this interest will be achieved several objectives that lead to achieving the ultimate goal, respectively (Koneczny et al., 2007: 67)

- minimizing the space that could possibly be contaminated by collection and transportation of communal waste;
- achieving some economic impact by achieving savings in communal waste management in the Republic of Macedonia;
- providing an opportunity for development of the entrepreneurship which presents guide for economic growth and development of a country;
- inducement on public-private partnership within the communal waste management.

Communal waste management is process of collection, transport, processing, recycling and disposal of waste product, especially those produced by human activities, and the object is to reduce their impact on human health, appearance and hygiene on the environment. In the last few decades a growing tendency is to consider as basic objectives of waste management also its impacts on the natural environment and the possibilities of obtaining new sources of raw materials from waste. By promoting new opportunities of inducing private waste management on an individual basis or through cooperation between the public and private sectors in the Republic of Macedonia will be created favorable conditions for setting strategies for managing communal waste at a level that the long-term basically meet the needs of modern lifestyles, primarily to promote sustainable development and protection of human health and environmental protection.

## **Management (leading) of communal waste**

Origination of the waste is result of the overall economic activity of each country, so it is in direct connection to the national economy. Due to the large quantities of virulence to the environment, waste is considered one of the most important environmental problems of the modern world. Man with his activities is a decider in the initiated change towards the environment. All those activities are related with the satisfaction of life needs. Large number of them are created artificially, and the main question which

arises is whether it is needed so many different products, which after their use will become waste.

The problem of communal waste is expressed in all the cities of our planet, and the price of its solution is estimated in the billions of dollars. The inadequate treatment of communal solid waste and its uncontrolled and unorganized delay and also disruption of the landscape characteristics of the space, inevitably leads to pollution of ground and surface water, soil, the air, but also a danger to public health. From this perspective, the management of municipal solid waste is a particular social process that affects all generations, present and future (Isoski, 2006: 116).

Communal solid waste by definition includes household waste and other waste which by its nature and composition is similar to household waste: hazardous waste industry, commercial institutions (including hospitals) and industry, administrative institutions, craft cooperation, construction waste (raw, mixed waste from construction site), garden waste, green waste from parks and the oddments of cleaning the streets (Neši, 2010: 45). In a society, the origination of communal solid waste depends on the level of industrial development, living standards, lifestyles, social environment, consumption and so on. In terms of solid waste management, primary responsibility has the local government. It is a complex task which requires appropriate organizational capacity and cooperation between numerous stakeholders from the public and private sector.

Effective and efficient waste management means promoting opportunities for continuous public participation in making decisions that affect a certain area. In fact, management of waste in all its stages largely depends on the commitment of the currently competent service. Consequently, whether it is public, private company or public-private partnership the established legislative - legal framework should be respected and constantly evaluating of the new (non) satisfaction of the public in order to have real insight into the situation and in activities that in future should be taken further.

Furthermore, the application and implementation of the local planning for waste management shall be in accordance with the National Strategy for Waste Management of the country for which we talk about waste management (in this case the Republic of Macedonia).

### ***Planned management of communal waste – incentive of entrepreneurship***

Setting a plan / system for integrated management of municipal waste initially points to the need for drawing up plans for management of communal waste, both at the level of the region and at the level of municipalities covered in individual regions. The planned communal waste management, will greatly contribute to solving particular current problems that occur on the territory of the region (Markovic, 2007: 69-70):

- Waste management is inefficient and environmentally unacceptable;
- Waste Landfill on the territory of the region are mostly landfills that do not fulfill even the minimum measures of protection, which is necessary in the shortest procedure to be repaired and rehabilitated; and
- Rural areas in the territory of the municipalities are mostly omitted of the cycle of waste collection. As a result, especially in the villages, there are local landfills often placed on objectionable locations.

The planned waste management at regional and local level aimed at establishing sustainable management of communal waste, while embracing the formulas for resolving string of tasks and to provide detailed actions that stakeholders should take over in order locally to achieve the vision and goals that are pretend nationwide by setting up strategies for municipal solid waste. All that has the need to coordinate action on a range of stakeholders - local government, households, enterprises, private sector, NGOs and individuals. The local government has a central role in the planning and creation of a sustainable system for communal solid waste in the municipalities in accordance with the established legislative framework (Blagojević et al., 2005: 54). Consequently, the incentive of the entrepreneurial spirit in managing communal waste is necessary to indicate the need for full coordination between local authority and the company in order to invest effort to solve all occurred problems and challenges.

Through planned communal waste management company acts more effectively in the process of minimizing the negative impact of waste on the environment, and also impacts on improving the efficiency in utilization of the resources.

A key objective of the plan for waste management is to contribute to sustainable development of the region through the establishment and development of the system of waste management that will control the occurrence of waste, will reduce the impact of the production of waste to the environment, improve efficiency of the resources, and will allow proper flow of waste until its final relocation regional landfill, stimulating investment and maximizing the economic opportunities that arise from the waste. For this purpose the company which aims to promote entrepreneurial spirit in the process of managing communal waste, aims to: (Trajkovic, 2006: 13):

- provide a system of waste management, developed according to the most acceptable options for Environment;
- Develop principles and plan activities for waste management on medium and long term, in accordance with the legal requirements;
- provide sufficient flexibility in methodical solutions for incorporation of improved technology to treat waste because of ensuring optimally utilization;
- influence on raising public awareness of the future challenges in the implementation of plans for waste management at local level, and promote the active participation of all interested parties to satisfy the objectives.

Entrepreneurship, as a process of continuous innovation, creating new ideas within the organization, taking responsibilities for proper actions as well, is in constant evolution which still follows a certain continuity. In times of transition, which is still felt in certain regions of the world, the owners of small and medium enterprises, besides being entrepreneurs also are managers or involved in the process of creating policy of the enterprise. In a new area of creation entrepreneurial potential, such as communal waste management, planning and the mutual coordination with the already-existing institutions, as well as respect for established strategies and regulations, are the first steps that need to be taken (Strubler, 2010: 178).

## Development of entrepreneurial potential in communal waste management: standings and opportunities in the Republic of Macedonia

Entrepreneurship represents inspiring guide on improvement of the process of communal waste management, locally, regionally and nationally. That's the only way to expect creating of new ideas and designs in the process of the waste management which are beneficial to all citizens in order to improve their living and promoting sustainable development and environmental protection.

The best way to promote entrepreneurship in communal waste management is by encouraging cooperation between public and private institutions in this domain. Consequently, in that way waste management will be more efficient and economical to the citizens of the municipality and the company. In that respect, crucial importance has improvement of the infrastructure, which is one of the main tasks of the municipal sector (JLY – Finnish Solid Waste Association, 2015).

In Macedonia, currently, the services of waste collection primarily are supplied by municipal public communal utilities (JKP). Entirely, about 70% of the population in Macedonia is beneficiary of regular waste collection (in rural areas the percentage is about 10%). The practice of waste disposal does not comply with any technical or environmental standards. The majority of public utilities are faced with a shortage of funds due to the low rate of receivables and / or low prices for services related to the waste. Consequently, it is necessary to actualize the additional, entrepreneurial ventures in this area in order to improve the real situation.

**Table 1.** Received and deposited quantities of communal waste  
JP Communal Sanitation – Skopje

Month	JP Communal sanitation - Skopje		Index
	Transported waste in tons		
	2013	2014	
January	9.411	10.082	1,07
February	8.794	9.772	1,11
March	10.156	11.433	1,13
April	11.810	11.562	0,98
May	11.605	12.854	1,11
June	10.772	12.152	1,13
July	12.575	12.996	1,03
August	11.777	13.314	1,13
September	11.831	13.579	1,15
October	12.818	13.011	1,02
November	11.580	11.682	1,01
December	10.142	10.947	1,08
Total:	133.271	143.384	1,08

**Source:** Veljanoska GD (2004) Report on the overall operation of DRISLA - SKOPJE LTD. Batinci, Studenicani, p.7.

Based on the enclosed information in the table num.1 is conceived that in the capital of the Republic of Macedonia there is a real opportunity to engage additional company form the private sector in order to improve the situation with the communal waste management.

The first step in promoting the entrepreneurial aspect of communal waste management, which is realistically feasible in the Republic of Macedonia, is to promote the concept of public-private partnership. It covers the use of a common policy between the company and public (local) authority, concerning the different phases of managing with the waste. For this purpose it is necessary to make an agreement that will be based on the current strategy for waste management. That agreement can be terminable, in order to allow analysis of the new upcoming situation through continuous evaluation to ensure improvement of the existing conditions in this domain.

Clients of the company which operates based on promotion of the entrepreneurial aspects will be the citizens of the region, public institutions and waste companies. The company realizes the following operations:

- Waste Management
- Organization
- Counseling about waste management
- Full service for industrial capacity and companies.

Regarding the function that the municipalities have about management with the solid waste, they have the right to make decisions but also to act as operator-proprietor. However, compared to other functions or management of facilities for collection and treatment of waste, practical work, daily evaluation and improvement of the situation, for all this responsible is the enterprise that is actually a private partner.

Entrepreneurship in this domain is observed by promoting advanced, top technology which the company should apply in waste management, and which will also allow (Trajkovic, 2006: 115-122):

- Exploitation energy from the burned waste
- Heat utilization
- Biogas utilization from waste disposal
- Composting of sludge from sewage.

This is the only way to promote sustainability in the management of communal waste which also will improve the actual conditions in terms of health, environment and proper use of the available resources. All of this permits the company to have a financial benefit and turnover of the entire procedure of quality or efficient and effective management of communal solid waste, which is actually the main purpose to begin any entrepreneurial venture.

Regarding the possible obstacles that the company could confront while managing the communal waste, it usually means appearance of competition or new enterprises in this area which leads to minor quantity of received waste. Furthermore, the quantity of waste in the region declines, so additional future perceptions of modernization and sustainability of the company should be taken. All this is reflected in the additional conceived projects of the company that are not always found understanding among investors and the banking sector. This is related to the real situation in Republic of Macedonia, where we don't have enough waste for the emergence of potential competition. However,

by proper communal waste management, or by applying a strategic approach in achieving these procedures, entrepreneurship is a particularly attractive tool for promotion and implementation of waste management in the Republic of Macedonia by engaging the private sector.

## Conclusion

Inadequate treatment of communal waste and its uncontrolled and unorganized disposal violates the landscape characteristics of the space, inevitably leads to pollution of groundwater and the surface water as well, to the soil, the air but also represents a danger to public health. By that point of view, waste management is particularly important process in terms of environmental protection and represents a special social interest. This is particularly related to the countries that still do not have enough good implementation of the Strategy for waste management at national level.

In this paper were presented excellent indicators that can be useful for the future experience of the Republic of Macedonia within the communal waste management. It's a question of promoting aspects that point to the importance of expanding the branch of entrepreneurship in this domain, especially through the expression of public-private partnership promoted at local, regional and national level.

In Republic of Macedonia there are terms for development of entrepreneurship, either of aspect of the waste quantities available in the municipalities or of aspect of insufficient efficiency and effectiveness of the public communal utility. Consequently, it is necessary to promote further strategic framework that will cover the entire process of communal waste management to a higher level by involving the public integrity, as well as maximum exploitation of the available resources offered by the society, in order to stimulate long-term benefit for all involved parties.

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**EFFICIENCY AND EFFECTIVENESS OF HUMAN RESOURCES  
IN THE PROCESS OF CUSTOMS AND FREIGHT FORWARDING  
OPERATIONS IN THE REPUBLIC OF MACEDONIA**

**Abstract**

The main subject of the theoretical framework of this thesis is interpreting the challenges which are facing human resources in the field of customs and freight forwarding operations, with particular reference to the real situation in the Republic of Macedonia. Therefore, firstly theoretical views on this issue will be worked out, and further on expert opinions and statements refer to effectiveness and efficiency of the implementation of the customs and freight forwarding procedure in the country by the human factor.

Besides this, a summary for application of positive indicators in the customs and freight forwarding operations will be enclosed as well, aimed at encouraging efficiency and effectiveness by the human resources, i.e. the long term achievement of positive results in the business sector in this domain. In this context, also it will be mentioned a normative-legal analysis of the positive legal provisions which regulate this area.

The setup of modern models of management (managing) with the human resources is motivated by the quality of the offered services during the carriage of certain goods ( forwarding services), and the need for regulation of commodity and money turnover, customs control, customs clearance of goods and preventing illegal export (customs operations).

Only through a synchronous relationship between the forwarding and customs operations, i.e. procedures that are undertaken by the human resources, it will be prevent appearance of barriers in the professional relationship that would reflect negatively on the image of companies/institutions and foster a development of positive competition. Consequently, promoting new, modern trends in the management with human resources will allow fostering long-term efficiency and effectiveness in the mutual cooperation.

The conclusions will be obtained by conducting qualitative research, i.e. application of qualitative methodological framework through the method of analysis of the contents, comparative analysis, systematization and generalization.

**Key words:** human resources, customs operations, forwarding operations, efficiency, effectiveness

**Introduction**

**C**reating the conditions for efficient and effective operation of human resources within the enterprise covers a different range of actions that need to be realized. The main

directions in most cases which are set up by the responsible manager for human resources, point out the need for continuous opening of new jobs, the appropriate choice of candidates, and as well determination a fair remuneration system in order to motivate workers highly. In fact, one of the main tasks of the managers is continuously motivating their employees in course of consistently fulfilment of the job's obligations, and as well their personal needs and priorities related to the workplace (Loncharevikj et al., 2007: 43).

In conditions of more express competitive power, the employees of one enterprise, consciously or unconsciously are exposed to different motivational strategies, and sometimes manipulative games aimed at maximum utilization of their capacity. In this case, the main purpose of the persons responsible for increasing the level of efficiency and effectiveness of employees is to set the correct parameters for the implementation of this ratio within the company, thus including employees in each segment of the operations, but also ensuring them prosperity, their own and as well on the company (Mashikj et al., 2009: 323).

The Republic of Macedonia is a country located in the central part of the Balkan Peninsula, thus automatically present central forwarding route for all its neighbours. As the main problem is pointed out that this country do not has sea exit, which means one kind of forwarding is not used at all, but it is not a crucial point to develop this activity, which in general is of huge importance for our country. Based on these data, it is recognizes the importance of the forwarding companies and customs operations in this country.

Taking into consideration this practice within the society of the Republic of Macedonia, especially in the area of customs and forwarding operations, the managing with the human resources is a crucial step that is necessary to be taken over in every enterprise of this domain in order achieving results of highest level.

Within a globalized world where labour continually circulate, exchange experiences and acquire certain practices by adding to existing, it cannot be expected to set a single and unified sketch for fostering activity efficiency and effectiveness that would be equally useful for any type of working environment. Moreover, everything that motivates employees in one company does not mean that it will be appropriate for another one.

The same applies to employees who work in various work units within the same company. (Loncharevikj, et al., 2007: 45). Consequently, in the field of customs and forwarding operations, the human resources are a key factor for improving the real situation regarding the quality of the service given to the customer and as well in terms of respecting the existing regulations which is of crucial importance for the functioning of the business of this domain.

The purpose of this thesis is to show the possibilities of encouraging efficiency and effectiveness of human resources in customs and forwarding operations in the Republic of Macedonia. In this way it is expected to improve the output policy of enterprises operating in these frameworks and as well improvement of the coordination between the private sector and state (public) institutions, and also improvement of the mutual services.

### **Managing with the human resources: efficiency and effectiveness encouraging**

The human potential is a determinate factor for success in market conditions for all activities. The human potential is of huge importance for achieving the strategic goals. The human resource management aimed establishment of closer cooperation in the rela-

tions development between managers and employees and between employees in general. Only thus can be expected promoting of efficiency and effectiveness in the undertaken working steps. The managing with human resources has the task to provide staff to achieve the objectives of the enterprise. Every employee has a certain obligation toward the company, particularly regarding the level of fulfilment the job's obligations. Consequently, the management is directly responsible for encouraging motivation among employees i.e rewarding and valorisation of their labour, realized obligations and undertaken responsibilities, and as well problems solving.

Within the company, the human resource management aims to promote: a strategic partnership, a partnership for developing working tools, partnership for realizing control on legality and administrative or operational performance of employees (Armstrong, 2006: 9).

As per Armstrong, "The management of human resources is a strategic and coherent approach to the management of the most valuable resources in one organization - the people who work there and who individually contribute to the achievement of organizational goals" (Armstrong, 2006:9)<sup>4</sup>. The human resource management is part of the science for the organization, particularly a part of science for the management that emphasize the study of the aspects of employment, recruitment, mobilization, effecting, motivation, communication and all other aspects related to the development of human resources in the organization (Mani, 2002:145).

The notion managing with human resources is a phrase that the last ten years increasingly appeared in the scientific literature. The human resources management means a scientific discipline, a managing function in the organization and practice related to people in the same organization. In some countries and among some authors the human resources as a term caused some resistance, and for that reason the recognition of this form of resource led to the realization that people are the most important resource in the realization of the purpose and therefore should be given bigger attention in the form of study and its research.

The promotion of efficiency and effectiveness in human resources will be achieved by (Dessler, 2007:32):

- Work analyses;
- Planning of job positions;
- Choice of job applicants;
- Guidance and training (mentoring) of new recruits;
- Performance evaluation
- Evaluation plan (self-evaluation);
- Providing motivation and benefits to employees;
- Solving of conflicts
- Training and development of staff;
- Creating a commitment among employees.

### **Furthermore, it is especially important:**

- Encourage employees to the values and leading principles that are accepted and incorporated while managing people;
- Promoting strategies for human resources that define the direction in which human

resources management intends to go;

- Adoption of policies for human resources which are basic guidelines that define how these values, principles and strategies should be applied and implemented in specific areas of human resource management;
- Processes for human resources consist of formal procedures and methods used for strategic human resources plans to take effect;
- Practices for human resources consist of informal approaches used in people management;
- Programs for human resources that provide strategies, policies and practices of human resources management to be implemented according to the plan.

### **Aspects of customs and forwarding operations**

The customs duties are public tax (indirect tax), charged by the country through customs authorities at the entry of goods in its customs territory (imports) in their exit (export) or transition (transit) of goods across its customs territory. Furthermore, they represent an essential tool for the protection of the national legislation against the foreign competition and the primary regulator of the flow of international trade regulations. The customs duties are accepted as the only international instruments to protect national legislations. Each member of the World Trade Organization has an obligation under its definition of customs legislation and other segments of the economic system, to follow the principles of: 1) non-discrimination 2) multilateralism 3) liberalization. The definition of the customs duties is characterized by: 1) generalization - because it contains the types of customs duties according to the criteria - direction of movement of goods, and does not express anything about the complex nature of customs duties 2) one-sided - because it is only defined as a public duty, indirect tax, and thus express only the fiscal nature of customs duties, i.e. the WTO (World Trade Organization) explicitly prohibits the introduction of customs duties with an exceptional fiscal character (Kozomara, 2005: 56-59).

According to their function, purpose and calculation method, customs duties are divided into several categories. Thus, according to the direction of movement of goods, there are the following types of customs duties: import, export and transition (transit) customs duties. The import custom duties are the most important duties, because the export duties are applied in specific, rare cases. The transition customs duties represent a historical category, because they are not applied since the Barcelona Conference (1921).

Forwarding (expeditious) - a contract for commercial services in which one contracting party – a forwarder undertakes because of transport of certain goods to conclude on its own behalf and on behalf of the principal (client) a transport contract and other agreements necessary for the performance of the carriage, and as well to perform other routine matters and actions, and the client is obliged to pay a fee (commission) (Ilieski and Ognenovska, 2007: 36-39).

Forwarding is organization of delivery of goods, i.e. the delivery of merchandise to the client in the most efficient and safest way. The international forwarding, however, represent an economic activity that contributes to the efficient implementation of foreign trade affairs.

The forwarding companies associate with national forwarders associations who adopt general working conditions in order to regulate the legal and economic position of the forwarding.

The forwarder obligation is to conclude, on its own name and on behalf of the client, one or more contracts for transport and to fulfil all additional activities related to the performance of its main obligation.

The responsibility of the freight forwarder may occur in case of not fulfilling the obligations stipulated with the forwarding contract or with the additional order form of the client, or if the obligation is performed improperly or partially. The forwarder is liable for damages that results from non-performance or incomplete performance of the undertaken obligations, unless if proves that the failure or partial failure of these obligations occurred due to conditions that in any case excluded his fault. Also, the forwarder is liable for selection of the carrier and other persons with which he concluded contract for realizing the order form, but is not liable for their work, unless if that liability has undertaken with contract. The forwarder who will entrust the realization of the order form to another forwarder, instead of personal realization, is liable for the work of other one (Gjurovikj, 1990: 115).

By hiring a forwarder, the foreign trade company is free from the care for the delivery of goods. The forwarding company will ensure maximum effective transport because it knows transport services very well. The forwarding company carry goods for a larger number of clients, by which provides carriage discounts and in same time provides savings for the foreign trade company.

Within the international trade, two forwarders are engaged. One responsible for export and another for import. The task of the export forwarder is organization of delivery to the place of delivery, while for the import forwarder obligation is accepting the mails and organizing their delivery and arrival at the agreed destination.

## **Involvement of human resources for achieving effective and efficient customs and forwarding operations in the Republic of Macedonia**

The Republic of Macedonia is a particularly interesting area for analysis of the impact of customs regulations and forwarding operations in terms of effectiveness and efficiency of human resources in order to create a realistic picture of the overall created atmosphere and the impact of this phenomenon on increasing the forwarding company profitability. The conjuncture which is typical for this country and also sets it apart from others in the region is the pursuit of regular implementation of European legislation, which is reflected in the whole framework of action in this domain, but also has an impact on the legal, political and economic-social aspect. Consequently, the achievement of positive results in this area can be achieved only through accepting the importance and also the impact of human resources, in the work process and action within the enterprise and as well in terms of communication with clients and state institutions which are responsible for sanctioning violations of certain legal provisions or failing to meet the specified regulations.

On the other hand, it is especially important to recognize the internal situation of the forwarding companies and customs authorities within the Republic of Macedonia. The internal synchronization and respect of the way of functioning of the forwarding company and customs authorities, in accordance with established positive legal regulations, represents a particular challenge but also the key to efficient and effective cooperation.

Namely, the human resources of the forwarding company are requested to demonstrate a high level of knowledge of customs regulations for import or export of certain

goods and to coordinate the same in accordance with real possibilities of the company without creating a “vacuum” of space for possible mismanagement and at the same time circumventing those rules. All this is necessary for the purpose to facilitate adjustment of the conditions dictated by foreign companies in order to set up a transparent and reliable cooperation. Exactly this is the most important field of activity of human resources and must function seamlessly, with mutual synchronization between the staff and the business acting with foreign clients and associates.

The customs administration in Macedonia implemented and realizing a series of projects that are expected in the future to facilitate the work of customs officers and trade companies. The goal of all additional activities is to reduce the corruption level, less customs fraud and more efficient working. That’s why this is one of the aspects that will help to raise efficiency and effectiveness level of the work of human resources in these services.

The application of these modifications will allow faster work of the staff of the Customs and economic operators but also will help them to work more efficiently and on more economical way. The ultimate goal is to offer more quality service using a greater expertise. The customs strives to be the best service for citizens and businesses, and to achieve this it must work continuously to strengthen the capacity of human resources.

## Conclusion

The Republic of Macedonia has a key place on the Balkan Peninsula on the basis of its geographical position, where strategically it is necessary to determine continuously improving of conditions for the revitalization of its routes, but also to affect on the simplification of their transits and border procedures, and thus it will multiply the effect of its position.

Focusing the customs regulations to the process of adjusting the legislation with the European Union, i.e. European customs regulations, is particularly important because it contributes a lot for improving the real situation regarding the continuous improvement of the established customs functioning system. All these contribute to daily customs operations reliefs which ultimately leads to raising the competitive position of forwarding companies in different economic markets, as well on domestic market.

The main problem that appears in forwarding and customs operations is mutual non-coordination of human resources and unclear vision about the mission and vision of the institution/company. Consequently, this inefficiency is reflected in further contact with colleagues and clients, particularly in the coordination between the departments of customs authorities and forwarding companies.

Based on the abovementioned analysis, is recognizing the importance of human resources within the forwarding companies and customs state institutions. Thereat, the fulfilment of various roles of the responsible persons for managing human resources has a positive impact on the improvement of work in the whole organizational system. That leads to the realization of operational and longer-term targets which ultimate purpose is realizing the strategy of the institution. Moreover, in order to encourage efficiency and effectiveness of human resources, it is necessary to pay attention to the following:

- A request, employees to act in order to achieve the set goals, but not constant insistence and emphasis on it, because it can suppress the individualism and, even more, the creativity (the collective to be treated as subject, not just as an object).

- Emphasizing the positive strengths and achievements, not just the failures and mistakes.
- Creating a work environment where everyone feels like a part of the team. This creates preconditions for taking the best from each employee, the best he/she possess, certainly for achieving the strategic objectives.
- To create such a work environment in which will be create impression that by achieving the general, common objectives will be also realize our individual ones, not otherwise.
- Carrying out a participatory management.
- While planning and realization of any activity in the institution, each employee can express the own opinion. On such a way, each employee will be create an impression that his/her opinion is valuable, too.

The efficient and effective operations of the human resources within the customs authorities and forwarding companies could contribute to facilitate the coordination between these institutions and also to improve the transparency level of shared information and availability thereof. Also, it can lead to easily goals fulfilment of these institutions in terms of adaptation to European legislation and regulations in the area of customs and forwarding operations.

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