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ACCOUNTING INFORMATION SYSTEM FOR MEASURING PERFORMANCE OF THE ORGANIZATIONS IN THE PUBLIC AND PRIVATE SECTOR

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Abstract

The aim of this research is to point out the differences between accounting information systems in the field of performance measurement of public and private sector organizations. The basis of the study is researching: relevant accounting regulations and domestic and foreign relevant professional literature. In addition, a comparative method was applied: a comparison of the development of accounting information systems for the public and private sectors was made and the specifics of performance measurement were pointed out.

Keywords: organizations, accounting, information systems, performance, measurement

Introduction

The modern business environment affects all participants, both in the private and public sector. Managers need to keep in mind contemporary trends such as: a reorientation to the service economy, global competition and time-based competition. Time is the new strong competitive factor for doing business globally. In this context, it is pointed out that many organizations are developing resource planning systems to integrate departmental functions and data around the world, which help them effectively direct and control their activities and be flexible to changes. For all this, a strong information base is needed, and it is precisely the accounting information system that is available to organizations in the public and private sectors.

Performances play an important role in tracking past achievements and providing the basis for planning and control decisions (Harris & Mongiello, 2001, p. 212). As Lovre & Jotić point out, when analyzing the efficiency in the public sector of transition countries, the choice of research methodology is essentially defined by the context of these countries' efforts to join the European Union. Modern accounting is widely recognized as a fundamental component of business management and is particularly important for measuring the performance of organizations.

The paper is organized as follows: The introductory section gives a brief overview of the research objectives, outlines the research methods, followed by the research results. The first part of the paper highlights the specifics of accounting in the private and public sectors.

Subsequently, the second part discusses the role of the accounting information system in measuring the performance of organizations in both the private and public sector. Finally, concluding considerations are given and in the end, a review of the literature used.

1. ACCOUNTING INFORMATION SYSTEM FOR THE PUBLIC AND PRIVATE SECTOR

Accounting is the science of recording business changes primarily of a financial nature and the skills of producing meaningful reports, that is, an information system for providing quantitative information to different interest groups that need to measure the performance of various organizations in the public and private sectors. As such, it has its own tasks to accomplish, and they differ in whether we look at accounting for the private sector or for public sector organizations. When considering the accounting system of information for the public sector, it is emphasized that accounting has its internal and external tasks (Škarić Jovanović, 2010, p. 5). Internal tasks are related to documentation and control, as well as providing the management of the company with the basics for planning the assets and profitability. External tasks relate to invoicing and providing information awareness. Namely, accounting informs different interest groups such as the owners, creditors, employees, regulatory bodies, etc. Namely, in order to adequately address accounting issues, a clear definition of users is a prerequisite.

Public accounting is a type of accounting information system used in the public sector. It seems entirely logical that because of the different objectives between the public and private sectors, it is necessary to look separately at accounting and standardization for the private and separately for the public sector. This need arises from different motives between the private and public sectors. The need to have a separate accounting system for the public sector arises due to different goals of public and private institutions. Public accounting, which provides information on financial position and performance for public sector institutions, is viewed in a budgetary context, as financial constraints are often a key concern of many governments.

Public sector financial accounting deals with how governments record and report on the results of financial management of their businesses. Financial statements are provided by a range of government entities: from large central government ministries to small local governments; in addition, there may also be quite significant state-owned enterprises. It is not easy for the public sector to build a universal input-output model. The basic problem is that the output is usually the provision of services and is not expressed in monetary units.

By researching the relevant literature, it has been concluded that there are many benefits to applying international accounting and auditing standards, both in the private and public sectors. The advantages of international accounting standards can be financial, economic and political. The fundamental economic function of accounting standards is to provide an "agreement on how to apply important business transactions" (Ball, 1995, p. 19). Further, it was concluded that the basic way to protect the public interest in the development, promotion and implementation of internationally recognized standards is to ensure the credibility of information for all stakeholders. It is particularly important to keep in mind that it is not clear that the quality of single financial reporting requires uniform accounting rules ('one size fits all'). As Ball (2012) points out in his paper, uniformity in the eyes of users may require accounting rules that differ between firms, locations and over time. Specifically, companies differ in many dimensions, such as strategy, investment policy, financing policy, industry, technology, capital intensity, growth,

size, political loupe, and geographical location, and of course, the types of transactions they enter into to a significant extent.

In his paper Penman (2013), explores how academics and regulators can approach the task of developing a conceptual framework for financial accounting policy. The paper explores this based on a brief history of accounting thought that summarizes the approaches taken in the past and assesses their impact. As Penman (2019) points out, market economies require tightly established property rights, together with independent courts, to enforce those rights. However, he further emphasizes that of equal importance are the high-integrity accounting systems that monitor our rights and obligations to one another.

Ball (2012) points out that it is expensive to develop a fully detailed set of accounting standards that would capture any feasible contingency, so that standards are not the only way to address the choice of accounting method. In this context, this author mentions a kind of "functional completion". It explains that, for example, in principle-based accounting, general principles are developed in advance and not detailed standards, and then they are adjusted to specific situations with the consent of independent auditors. Finally, he concludes that it is not acceptable in this regard that all accounting choices comply with uniform standards.

Business decision making requires high quality information. Decision-making information can be quantitative (financial and non-financial information) and qualitative information used to compile various reports. Understanding financial statements is critical to management's ability to make good decisions. The financial statements (balance sheet, income statement and cash flow statement) are prepared by the accountants and are created by the management by applying their decisions so that they actually show the performance of the manager through the published financial performance. It should be emphasized that the financial statements of profit-oriented organizations serve to analyze the financial performance of businesses.

2. ACCOUNTING INFORMATION SYSTEM FOR PERFORMANCE MEASUREMENT

Reforms, harmonization and standardization at the international level are necessarily driving a change in managerial approach in public sector organizations and the requirements are becoming increasingly complex for public sector accounting. Public sector accountants are increasingly required to apply a variety of financial and management accounting tools and, information that are more and more necessary are problem-oriented to address a variety of management problems.

In the view of public sector performance, most studies deal with the problem of defining and measuring the performance by external stakeholders. However, it is a difficult task to define performance in public sector, deriving from the complex role of the it. This author points out two models of performance measurement in the public sector in his paper : one-dimensional and two-dimensional. The first mentioned models measure the performance through indicators of a financial nature. The latter models, added to those previously described, introduce nonfinancial indicators along with financial ones (Diana, 43-44).

In many cases, as for many external users, budget documents are the most significant financial statements issued by the government. The budget also serves as a key tool for financial

management and control, and is a central component of the process that provides for state and parliamentary (or similar) supervision of the financial dimensions of the business. The essential purpose of the financial reporting system is to show how the government has managed its financial resources - income and expenditure, assets and liabilities. In other words, the public sector performance measurement system is mainly focused on efficiency in managing public funds.

If we look at measuring the performance of an entity, then it should be borne in mind that an accounting information system is essential for the effective functioning of the capital market. Effective performance measurement systems inevitably become a prerequisite for the survival of organizations in a modern and highly turbulent environment (Domanović, 2013, p. 31). Private sector entities develop and implement an accounting reporting system to manage profitability, liquidity and solvency as the target financial performances.

“Adopted in government and private sectors are the methodologies and practices which affect individual employee performance and organizations can be viewed through: (Begum et al., 2015, p. 75)

- two way communications,
- feedback system,
- introduction to technologies,
- recruitment and selections,
- packages and perks,
- organizational etiquettes,
- leave management system,
- employee benefits,
- job security and
- recruitment plans/pension plans.”

3. DEVELOPMENT OF ACCOUNTING PROFESSION IN THE REPUBLIC OF SERBIA

There is an opinion that it is impossible to develop a single accounting system because the rules and principles of accounting in a particular country are designed in a specific environment characterized by a specific economic, social, legal and educational system shaped over a long period of historical development, geopolitical arrangements, and cultural heritage. One way to unify the rules and principles of the "business language" is to identify the factors that cause differences between accounting systems and to take standardization efforts. However, the situation in which all business entities worldwide prepare their financial statements in accordance with uniform rules is desirable. Therefore, all signals derived from the global market will be interpreted more precisely.

Exploring the relevant academic literature, it has emerged that there are fundamental differences between the goals, roles and needs of the private and public sectors, and this has led to significant technical challenges when introducing private sector accounting in the public sector. Increasingly, the global nature of the business environment combined with the complexity of financial business has brought global accounting standards into focus. USA GAAP and IFRS are the prominent and most commonly applied accounting standards. Also, during the course of the research, the following findings came to light on the application of

international accounting standards in the Republic of Serbia. First, the situation is much better with the application of accounting standards in the private than in the public sector. Specifically, accounting standards (*IFRS*) for the private sector have been formally translated and published, while this is not the case for public sector accounting standards. However, accounting standards for the private sector are not up-to-date because many changes have taken place since their initial implementation and have not been implemented in our country. Another problem is their inadequate application due to insufficient education of accountants and insufficient knowledge of the application of standards. Furthermore, the Regulation on the Application of International Public Sector Accounting Standards, which serves as a basis for application, is insufficient and unclear as regards its content. Then, the regulation is incomplete, and finally, the application of accounting standards combines the application of the calculation and cash method.

CONCLUSION

The accounting information system for both the private and public sectors is a platform for managing the financial performance of organizations. The general conclusion is that work should be done to harmonize the regulations in the field of development of accounting standards, so that their implementation would make its full sense, which would certainly increase the efficiency in reporting on the management of funds in the public sector, i.e. the overall efficiency of public administration. With regard to the private sector, accounting information systems and the standards, should be adapted to meet the information interests of various recipients, such as investors, creditors, government bodies, etc. It is indisputable that the accounting information system is of prime importance for allocating capital to the companies that will use it most productively.

When considering the creation of accounting standards for quality financial reporting, both in the private and public sectors, it should be borne in mind that countries differ in how they manage their capital markets, labor and products, and in addition the capacity of state and political engagement in them. Then one wonders, has it ever or not been made clear that there is a unified optimal set of rules for all?

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BUSINESS MODELS FOR THE CIRCULAR ECONOMY – CASE OF ALBANIA**Brunilda Kosta**

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Abstract

Circular economy is a new model of economic development which aims at promoting economic growth and creates new jobs. To move up from a linear economy to a circular economy, fundamental changes in terms of innovation processes are fundamental. This article endeavours to give a general overview of the status quo of circular economy in Albania and recent developments vis-a-vis private sector advancement toward a circular business model. The literature argues that companies face several challenges during the integration of circular economy in their business model. To display how a circular business model works in Albania, a case study is developed. The analysis shows that the integration of circular business model gives space for idea generation and enables to reshape the old mind-sets. This leads to a gradual integration of circular economy principles into the business activity and gives tangible example on how to use it. However, the transition toward a circular business model is associated with several changes.

Key words: circular economy, business model, circular business model.

Introduction

Since the Industrial Revolution took place (in the late of 18th century), the widely used economic model has been the linear economy. This economic model is supposed to extract the virgin raw materials and then process them into products. Products are then re-laid to customers who fulfil their needs depending on the case and throw them away. In the best case, these disposed products are landfilled or incinerated with the purpose of recovering them or specific parts of the products (Ellen MacArthur Foundation, 2013). The philosophy of this model is “take-make-consume-dispose”. This is a simple landscape of how linear economy works. Contrary to this, a new economic model has flourished named circular economy (CE) which is also known as closed loop. Unlike the traditional economic model, CE aims to utilize as much as possible products, their components and materials (Ellen MacArthur Foundation, 2012). In simple words, the overarching goal of CE is to close the loop of materials. This will produce positive results on economic, environmental and social perspective. Thus, CE has been considering fundamental taking into account the rarity of sources. This is why the European Commission designed a framework under the initiative “Roadmap to a Resource Efficient Europe (COM (2011) 571)” *which aims to increase the sustainability of Europe’s economy, by 2050. This roadmap has written down milestones which will put Europe into a path of efficiency and sustainable growth.*

The necessity of CE is notable considering the increasing of consumption and the diminishing of non-renewable resources (EMF, 2012). Besides the continuous contribution on increasing knowledge in terms of using CE instead of linear economy,

still there is a gap on various target groups on how to systematically deploy a CE pattern. The Ellen MacArthur Foundation (2012) has been constantly organizing discussions on circular economy with the purpose of increasing knowledge and familiarizing the concept to various categories, including businesses, academics, policy makers, consumers, etc. All these discussions should address the main question related with the best way to maximize the use of materials (Kraaijenhagen et al., 2016).

The application of circular economy requires fundamental technological changes in a company, if not a new model of doing business (Stahel, 2014). However, the transformation process from a linear economy to a circular economy creates challenges for companies. The worse scenario is the demolition of internal capabilities of the company, its existent network and its business model. Besides that, this will affect the relationship with customers and partners, and all the components of business model will go through changes. Nevertheless, these challenges can be tackled through radical innovations and disruptive business models. The best examples to mention are Uber and Airbnb which through the use of sharing economy, are changing the value network. This is why sharing economy is seeing as a manner that facilitates this transformation process toward a circular economy. An effective transformation process requires a deep understanding of how to develop circular business models. This process will be accompanied with changes which should be effectively managed. This requires companies to involve in the process of circular business model, whose starting point is to design all building blocks of business models.

This papers aims at providing an overview of circular economy in Albania and showcase a good effort of transition from linear to circular business models. The concept of business model, circular business model and circular economy is elaborated. At the end, a case study is developed using Osterwalder approach on business models. This paper closes with come conclusions.

The concept of circular economy

The concept of CE is not novel. It has been increasingly drawing more attention but it gained its momentum in the late 70s (EMF, 2013b). Pearce and Turner (1989) are considered as firsts that introduced the concept (Andersen, 2007; Ghisellini et al., 2016; Su et al., 2013). They are widely known by their investigation of the linear and open-ended characteristics of economic systems. The elements of circular economy have been previously elaborated. For example, Stahel and Reday (1976) in their research report titled “The Potential for Substituting Manpower for Energy”, designed the vision of a loop economy also known as circular economy. They went further by elaborating the impact such a circular economy would have on economic competitiveness, job creation, increasing the efficiency of resources and preventing wastes. Later on, Stahel (1982) also stressed how important is for private sector to extend the product life through reuse, repair, reconditioning and recycling and this represent what is called circular economy.

There are various definitions about the circular economy. However, Ellen MacArthur Foundation has provided the most recognized definition as “an industrial economy that is restorative or regenerative by intention and design” (2013b). Geng and Doberstein (2008), define the circular economy as the “realization of a closed loop material flow in the whole economic system”. Webster (2015) comes with an addition describing that “a circular economy is one that is restorative by design, and which aims to keep products, components and materials at their highest utility and value, at all times”. Bocken et al. (2016) gives another

definition of circular economy by framing it as “design and business model strategies that are slowing, closing, and narrowing resource loops”.

The circular economy has been increasingly drawing more attention not only in academia but in policy making as well. In academia, there is plethora of researchers that have been writing about circular economy and its specific areas include circular business model (Bocken et al., 2016), closed loop value and supply chains (Guide and Van Wassenhove, 2009; Wells and Seitz, 2005), etc.

Special attention to the concept has been provided by Ellen MacArthur Foundation which has published a series of reports (EMF, 2014, 2013a, 2013b). Besides its research work, this foundation has been serving as a platform for businesses, policy makers, and academia to discuss and provide solutions on various aspects of circular economy.

On the policy level, the concept has attracted enough attention. Governments are equipped with more knowledge about circular economy and they are endeavouring to integrate circular economy in their legal and institutional framework. A good example worth mentioning is Germany. It integrated the concept into its national legislation in 1996 (Su et al., 2013). Now, circular economy is on European Union’s agenda and specifically its specific concerns are included in the EU’s 2015 Circular Economy Strategy (European Commission, 2015).

The concept of business model

The traditional economic pattern (take-make-dispose) is endeavoured to get overcome with a new economic model called circular economy. This later has been drawing a lot too much attention. The goal of circular economy is to throttle and close resource cycles (Bocken et al., 2017) so to ensure sustainable development. To achieve such a result, stakeholders including businesses and policymakers, should build and execute circular economy strategies. To develop circular strategies, literature suggest using business model, which is a novel business concept (Bocken et al., 2016). There is plethora of definitions about business models but a wide accepted definition lacks.

Osterwalder et al. (2005) defines business model as a “conceptual tool containing a set of objects, concepts and their relationships with the objective to express the business logic of a specific firm”. Osterwalder and Pigneur (2010) have designed all the component of a business model into a canvas with nine parts.

Amit and Zott (2001) state that “a business model depicts the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities.” Teece (2010) explains that “a business model articulates the logic and provides data and other evidence that demonstrates how a business creates and delivers value to customers”. Besides various ways of defining business model, as a sum all of them derive to the economic value creation and economic value capture. Business model concept was initially utilised in innovation management literature and strategic management literature. If this concept bonds with sustainability (Stubbs and Cocklin, 2008), they could give companies sustainable advantage (Lüdeke-Freund, 2010). Circular Business Models (CBM) is a kind of sustainable business model (Adams et al., 2016; Bocken et al., 2014; Geissdoerfer et al., 2018) that unlike linear business model, involve a broader range of actors in its value chain. Besides the increasing attention circular economy and business models are taking, there is a lack of studies on this CBM so far. Even the existed ones, mostly tackle the conceptual nature of concepts (Lewandowski and Mateusz, 2016). The absence of such evidence creates difficulties

in clearly understand how CBM can be built and executed in companies (Evans et al., 2017). This gap creates necessity of putting more efforts to explore the way companies are making the transition from linear to circular business models. Consequently, this will open the discussion of impacts such a transition might have on traditional production and supply chain and beyond (environmental and social impact).

Circular economy in Albania

Albania and the European Union (EU) have signed the Stabilization Association Agreement (SAA) in June 2006. The SAA entered into force in April 2009; the document reflects Albania's path towards EU membership. The Republic of Albania has been awarded the official candidate status for accession to the European Union (EU) in 2014. The aspiration to become member of EU “obliges” Albania to gradually align legislation with the *EU Acquis*, including the area of environment and especially waste management.

Albania does not have a strategy on circular economy. Instead, a strategy on integrated waste management has been drafted and not yet approved. The issue of *waste management* has been theoretically an important point included into the government agenda. However, concrete steps toward this issue, has been rarely taken. The Albanian government for the first time drafted a National Waste Management Strategy in 2010. The latest “National Integrated Solid Waste Strategy” which is still draft and not yet approved, is designed for the period 2018-2033 and is quite far improved and aligned with the EU Waste Framework Directive (WFD). This draft strategy is the main document regarding municipal waste management, non-municipal and hazardous waste in Albania. The strategy purpose is to first provide evidences that Albania has the full capacity to align with the EU policies (Chapter 27 on the Environment) in this area and secondly to update policies and the National Plan for Integrated Waste Management. The strategy is planned for a five years’ term and contains objectives and measures that depends on domestic and foreign financial sources.

The document has been designed considering the infrastructural developments that have been taking place in the sector during the last 7 years, both undertaken from the central and local government. Besides the local context, the draft strategy has been referring to other countries which have gone through the same pathways to become a EU member. As a conclusion, it is worth highlighting that the strategy considers the importance of waste management according to the principle of the circular economy in order to have a complete protection of natural resources and enhance the efficiency of the use of products.

The strategy points out several ambitious objectives Albania has pledged to achieve under the indicated timeframe. In addition of the strategic orientation, Albania has designed a solid legal framework in alignment with EU standards. Several laws and directives have already converted that strategic orientation into a legal framework, including a law No.10463, date 22.09.2011 “On the integrated waste management”.

Besides the positive steps undertaken from the Albanian government in terms of legal and institutional framework, a wide gap is seen between legal steps and reality. There are several reasons that cause this situation starting from shortcomings in resources, capacities, technical knowledge and environmental education.

Case Example

Case selection and methodology

To study the existing CBM in Albania, a single case study method was selected. This is the most appropriate approach to answer a depictive research question (Yin, 2014). The case study presented in the next section, is a consolidated company in the meat processing sector which has been in recent years endeavouring to transit from a linear business model to a circular business model. Due to previous collaboration, the owner was willing to give us access to the case and respond to our specific questions. Most of the data was collected during a two hours' interview with the owner. A semi structured instrument was utilised to get the desired data. In addition of primary data through the face-to-face interview, secondary data were gathered utilizing the company website and some materials the company shared with us.

Case description and analysis

Company A is established in and operated in the meat processing sector, in Albania. It manufactures and sells processed intestines and products of animal origin in Balkan countries and beyond. Since 2007, the company has been heavily investing in development and modernization initiatives. A significant amount of the company profit is regularly reinvested in purchasing the cutting edge technology. The company is supplied by domestic and foreign suppliers. Three years ago, the company was facing with huge amount of waste, which came as a results of low standards of quality of raw materials (animal intestines and other products of animal origin), especially from the domestic suppliers. The company invested even in technology of its suppliers so to have a sustainable quality along the supply chain. However, besides the progress still the company was facing with wastes from animal intestines. Due to the very delicate nature of animal intestines (e.g. sometimes they lack the perfect size as per the standards of the external clients, sometimes animal haze has holes which made them not useful for the production process), the company was obliged to “throw them away” causing economic damage. Under these circumstances, the owner and his elder son, decided to tour on Europe and see how these concerns are managed by other businesses which operate in the same sector. They acknowledged that the best practises were over there in Europe but new technological investments were required thus to bring this innovative idea to Albania. The best practises use the waste from animal intestines to produce another final product. The company invested on innovation technology and reduced its wastes with 80 % to produce another product, that of pet food. All this latter is sold to Belgium.

Figure 1 lays out the analysis. The company owner was familiar with the concept of ecosystem thinking. During the interview, most of the time was spent talking about value proposition for various actors. This was a starting point of the concept design. Value creation for customers was discussed widely. Besides them the revenues streams took a good part of the discussion. In all, the canvas business model presented is simple but it seems it works well. In addition, revenue models took a considerable part of the discussion. Besides all parts of the business model canvas, the benefits of such a CMB were elaborated. It first reduced wastes with 80 percent which were previously landfilled. Second, it creates new jobs. Third, it reduces the negative effect into environment.

Figure 1: Business Model Canvas

Key Partners	Key Activities	Value Proposition	Customer Relations	Customer Segments
Technology providers, suppliers, logistics, businesses in Europe.	Concept development, process design.	Increase in the reuse of the wastes to produce another final product, due to a new technological production process.	B2B customers, platform for customers.	Other sellers in Europe.
	Key Resource		Channels	
	Technology and employees' capacities.		Direct	
Cost Structure		Revenue Structure		
Update and buy new technology		Pay per product		

Conclusions

Albania is making progress to align the legislation with the EU requirements in terms of the waste management. However, a strategy on circular economy is not in place. No financial instruments to support businesses to shift from linear to circular economy do exist. Businesses are endeavouring to close the loop depending on the need or only sporadically. There is a lack of knowledge among institutions, business representatives and businesses itself on the benefits and framework of circular economy. There are some efforts of businesses to transit toward a circular economy. However, this requires investment in technology and often changes in activities, resources of the organization and distribution channels.

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BUSINESS DECISIONS AND THE RELATIONSHIP WITH FAMILY BUSINESS PERFORMANCE

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Abstract

The first part of the article discusses the basics of business decision-making in family firms; the second part summarizes the findings of studies on family firms relating to performance measurement. Thereafter, a case study of a family firm in Serbia is presented, with a special accent on the evaluation of financial performances. The article concludes with certain suggestions for future research.

Keywords: family business, managerial decision, business performance, measuring

Introduction

It is widely known fact that in global economies, families are among the most important shareholders in business organizations. (Hernández-Trasobares & Galve-Górriz 2017). The research on a family business is relatively young if viewed as an academic area of research being prompted as the research topic by the efforts of proactive practitioners of family businesses, being directed to articles based on practices and case studies (Poutziouris et. al., 2006).

There are several definitions of a family business, but somehow there seems to be a consensus that the family firm is a family business when family members own a majority of the shares, are involved in governance, form part of the managerial board and are characterized by the desire to transfer the company to the next generations (Mazzi, 2011). Mazzi (2011) in his research identified the relationship between family ownership, control, management and firm performance, with a particular focus on financial relations. What is especially interesting in this study is the reconstruction of the existing theoretical framework, and systematization of the existing knowledge, making the difference between widely confirmed findings and those that are not clearly substantiated. In addition to him, Cheng (2014) considered the prevalence and conflicts of the agencies within family businesses, then evidence of family business premiums, the manifestation of an agency conflict between majority and minority shareholders in family businesses, the quality of earnings and the disclosure of businesses, and finally the determinants of ownership and control of the family. He particularly emphasized in the paper that the unique characteristics of family businesses affect the nature and scope of agency problems, which also vary depending on the type of family business.

More recently, research on family businesses has progressed considerably. There is a new academic and practical issue, new theories, as well as numerous publications that have given the full meaning to the progress of this segment of the research. Thus, due to the above, this research discipline leads to the formalization of concepts related to family businesses.

1. Decision-making in family business

In today's, modern and highly competitive environment, we must not ignore the fact that family businesses are often neglected ownership form, regardless of being present all around us, from small shops to micro, small, medium and large enterprises, supporting the work of many economies. As family businesses expand from their entrepreneurial beginnings, they face unique challenges in terms of performance and management. In some cases, it seems that their managers have an intuitive sense of good decision making. The reality is that good decision-making rarely happens intuitively. To begin, decisions can be divided into different categories, each according to the respective roles of the owner; a board member; an employee (or manager); and, finally, a family member in an organized setting such as a family council. Consistently good decisions can only result from accumulated and well-judged information. Managerial decisions can also be categorized based on three interrelated business processes: planning, guidance and control. The correct realization of each of these activities culminates in the creation of business value. Thus, with family firms, it is possible to adopt the rule for group decisions: for one person, one vote. As with any other decision-making process, the suitability of voting must be defined, and this depends on the forum and the rules of each family for "who will have a vote." For example, a small family may have a family council consisting of the entire family whose members are older than 16. Some families only give the voting right to members of the family of bloodlines and exclude spouses, while others include spouses. Larger, extended families can elect representatives into the more formal family council.

Family businesses can go under for many reasons, including family conflicts over money, nepotism leading to poor management, and in fighting over the succession of power from one generation to the next. Regulating the family's roles as shareholders, board members, and managers is essential because it can help avoid these pitfalls. No statistical difference in financial performance is present when the heirs take over the business. The firms' financial performance is positively influenced by both direct and indirect ownership (pyramidal ownership structures within family business groups). González et al. (2012) find that no statistical difference in financial performance is present when the heirs take over the business. The firms' financial performance is positively influenced by both direct and indirect ownership (pyramidal ownership structures within family business groups).

Family and business-oriented decisions are found to emerge in four areas: board of directors, succession, human resources and strategic process. The research results have shown that family businesses can achieve successful business results using a combination of family and business orientations in their decision (Bascoa, 2011). Reformulating CEO succession planning is complicated due to the intertwining of management and ownership (Sharma, 2004). Further, it is interesting to note that Benson (1990) also found that only 30 percent of family businesses succeed in subsequent generations.

The issue of governance is inseparable from the consideration of agency theory. Most of the studies of family businesses are based on a framework of conflicts among agency issues. The nature and scope of the problems are affected by the unique characteristics of family firms also depending on the firm type. (Cheng, 2014).

2. Measuring family business performance

Measuring profitability goals is a critical part of achieving stakeholder understanding and alignment of the goals. Numerous business performance studies of family businesses have shown that within the context of an integrated performance measurement system, financial metrics is dominating and in particular the use of the financial indicator Return on equity - ROE. In addition, the researchers expressed concern about the assumption that financial goals are the only goals or even the primary goals of family businesses. Of course, non-financial measures are also used as part of an integral performance measurement system, such as: development of staff through formal education and training, adaptation to the needs of clients, environmental protection, customer satisfaction, quality of services and products, quality of life at work, family time, family loyalty and support, good reputation in the business community, providing capacity for the development of children.

In line with the increasing use of non-financial performance measures by public and private organizations, researchers increasingly emphasize the choice, use and consequences of these measures. Although this emphasis has produced a variety of study information as a product of various research projects, researchers face a constant challenge in terms of how to expand the horizon of research studies on non-financial performance measures, all for the purpose of increasing the understanding of measurement practices and benefits thereof, and also to provide the answers to many of the practical issues that arise in organizations. In addition, it is important to note that for an adequate evaluation of business performance, it is important that the company is properly determined according to core business activities and the products that are being produced or the services provided.

It is a known fact that different variables can be implemented into the measuring system of family firms, and used in a practical environment. One of the divisions that can be encountered in relevant literature is the division into organizational performance and market performance. The organizational performance is characterized by the monitoring of indicators such as: the quality of the products of the family business, the development of new products and services so that the company can attract and retain talents, client satisfaction, relationships between managers and employees, and finally, relations among employees with the perception of righteousness. The marketing performance of family businesses is based on the following indicators: marketing, growth in sales revenue, the profitability of the company in relation to total capital, and in relation to own capital, and its market share; and all this is especially important for gaining competitive advantage.

One of the performances often appearing in the literature as an indicator of performance was productivity. Patterson and West (2004) point out in their paper that productivity is a good indicator of efficiency in that sense, precisely because it directly reflects the influence of management practices. Hassan et al. (2006), point out that productivity is a business performance of a variable character.

In management and related field such as finance, a family business is a rapidly growing area of research. This is due to the growing comprehension in the academic community that most companies around the world are family-controlled, systematically different from other

firms with the differences manifesting in the relative performance. Put differently, family jobs are important - highly, and for so many people (Amit, 2013).

3. Case study: The business operations and performances of the family business "Apejron company"

"The Apejron company" was founded in Belgrade in 2014. Considering that this is a family business that has suffered changes in the legal form several times, so de facto experience of people running the company stretches for 30 years. The activity of the business is sale in the fields of crystals, ceramics, glass, dishes, small home appliances and products for beauty and health.

The brands represented are Sharp, Valira, Pyrex, Macht, Arnica, Elisabeth of Bavaria. The areas of business activities are in the territories of Serbia, Macedonia, Montenegro, and Bosnia and Herzegovina. Types and methods of sale are predominantly personal managerial, i.e. cooperative, trade union, as well as Internet sales.

The strategic goal of the company is to deepen the implementation of business activities and to expand the network of associates-customers, managers and end-users in the territory of the Balkans, for which there is a complete infrastructure, a large number of warehouses, a number of representative offices, the latest automatic data processing, aggressive international and domestic marketing.

A lot of effort has been invested in each product in order to increase its value, that is, meet the highest criteria in terms of quality, functionality and longevity, and provide the support that does not stop at the moment the warranty expires. The most common way of selling in the "Apejron company" is managerial sales followed by the trade union as well as Internet sales.

The organization carries out a selection of managers who have crossed the confidentiality limit, that is, those who are "mature", ranking them in primary managers. Primary managers, or confidential managers, have their own network of acquaintances, friends, people who have a share in their total sales, and they as such require their percentage-calculated earnings after the sale.

Primary managers are the main ones responsible for the company if their customer does not pay the goods. For this reason, the company collects customer information through managers, and these are mainly basic data that will continue to serve for statistical purposes. Since managers are responsible for the outstanding debts of their customers, they will directly bear the costs. Therefore, it is necessary to collect the relevant data of the primary managers and make their "files" beforehand. These are types of data that are valid, and through them, one can get to the person, or start litigation if there is a reason for this.

Sale through the trade unions is organized through institutional organizations such as schools, faculties, hospitals, police establishments, cooperatives, etc. As for trade union sales, when the contract is concluded, the employer, or the director of the institution, is responsible. The information that a trade unionist collects is the name, surname, the working position, the type of product sold, the product code, the amount of the item rate, and the full price.

Internet sales require information that is filled through the Internet, or through a site that identifies them in a protected database, such as name, surname, address, postal code and place, telephone, email, data containing payment by debit, or credit card. Multilevel sales are a form

of sales where the levels of customers are pyramidally set. Managers who play the role of sellers sell to the sub-levels with a lower percentage of earnings. There can be more levels of sales.

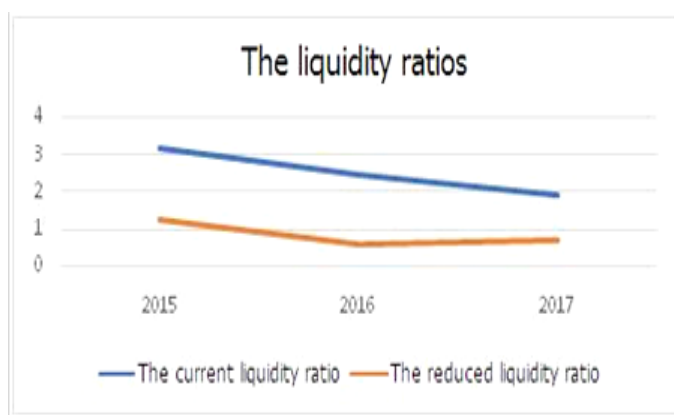
Below are the results of application of selected financial ratios (ratio analysis as a commonly used management technique) for the three-year period (from 2015-2017) for Apejron company based on financial data from publicly released financial statements downloaded from the Business Registers Agency (www.apr.gov.rs).

Table 1. Liquidity ratios (2015-2017)

Name of the ratio	2015	2016	2017
Current liquidity ratio	3,2	2,49	1,9
Reduced liquidity ratio	1,26	0,6	0,7

Source: www.apr.gov.rs (11.6.2019)

Figure 1. Liquidity ratios (2015-2017)



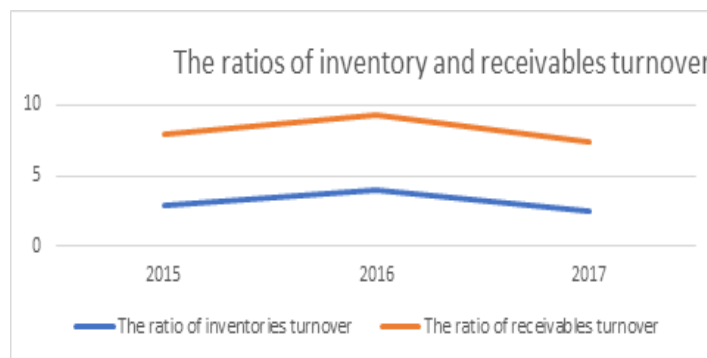
Source: Table 1

For the current liquidity ratio, as can be seen from the data provided (Table 1, Figure 1), each dinar of current liabilities for the observed years is covered by RSD 3.9 of current assets in 2015, then by 2.49 dinars of current assets in 2016, and finally, by 1.9 dinars in 2017. Liquidity was extremely high in 2015, and subsequently declined in 2016, followed by in 2017. "Although in practice two is taken as an orientation standard, a current liquidity ratio higher than 1.5 is considered acceptable" (Knežević et al., 2019). Reduced liquidity ratio was the highest in 2015 and then in the next two years it indicated a decrease. "The approximate norm of reduced liquidity ratio is one, which was the case in 2015, but not in 2016 and 2017, on which the financial management should pay particular attention to in order to avoid problems in the area of liquidity.

Table 2. Ratios of inventory and receivables turnover (2015-2017)

Name of the ratio	2015	2016	2017
Inventory turnover ratio	2,9	4,03	2,53
The ratio of receivables turnover	7,88	9,32	7,36

Source: www.apr.gov.rs (11.6.2019)

Figure 2. Ratios of inventory and receivables turnover (2015-2017)

Source: Table 2

The inventory turnover shows a significant increase in 2016 compared to 2015, followed by a fall in inventories in 2017. The situation was similar with the trend of receivables turnover, which was increasing in 2016 compared to 2015, and in 2017 there came the decline.

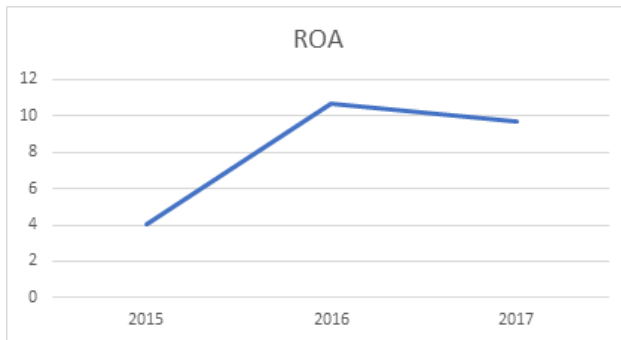
Table 3. Return on Assets – ROA (2015-2017)

Name of the ratio	2015	2016	2017
ROA	4,025%	10,69%	9,7%

Source: www.apr.gov.rs (11.6.2019)

Analyzing the *ROA* of this company, we can see that in 100 monetary units of average business assets engaged in 2015, 5.5 monetary units of net profit were generated, in the following year 10.69 monetary units, and in 2017, 9.7 monetary units. The ROA showed a significant increase in 2016 compared to the previous year and then it declined slightly (Table 3, Figure 3).

Figure 3. Return on Assets - ROA



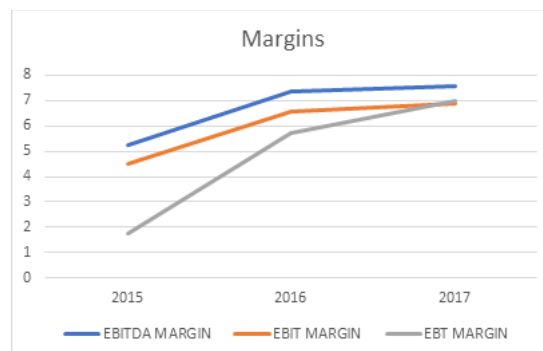
Source: Table 3

Table 4. Margins (2015-2017)

The margin name	2015	2016	2017
EBITDA Margin	5,22	7,35	7,57
EBIT Margin	4,49	6,59	6,88
EBT Margin	1,76	5,7	6,97

Source: www.apr.gov.rs

Figure 4. Margins (2015-2017)



Source: Table 4

As pointed out by Knezevic et al. (2019), the EBITDA margin is a good indicator of the company's financial health because it evaluates the company's performance without having to include the effects of financial decisions, accounting decisions or different tax environments. As can be seen from Figure 4 and Table 4, all three margins - EBIT margin, EBITDA margin and EBT margin show a growth trend, which is a great image for the stakeholders of this company, given the importance of these rates for sustainable business.

Based on the indicators presented, it can be seen that 2016 was a very good year in terms of financial performance of Apejron company. The margins show an upward trend in all three years, which is a good image for investors and creditors. Attention should be paid to the liquidity of the company in the future, especially because of the level of reduced liquidity ratio which was below the orientation (experiential norm) in two years (2016, 2017).

Conclusion

In order to be successful as the company and the family grow, so does the family business need to fulfil two very complex and intertwined challenges: achieving sustainable business performance and retaining the commitment and willingness of the family to continue being the owner. For this, it is necessary to have an effective decision-making system, as well as adequate management of business performances, especially of those that are of a financial nature. In addition, it is important that the family business has an executive director.

Measuring business performance is vital to identify the activities needed to determine how different strategies and behaviours affect the outcomes of family businesses. The intention is to grow the field of research of family business, which is especially important for evaluating the way academic researchers and practitioners apply it in measuring the business performance of family businesses. The purpose of this is to find ways to improve the systems of measuring performance of family businesses through academic research. In that context, particular attention should be paid to the financial metric, which seems to be fairly representative.

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ENGLISH LANGUAGE TEACHING IN CHINA: THE GAOKO ENGLISH EXAM REFORM

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1. Abstract

In response to an escalating demand for English proficiency brought about by the rapid economic, social, and cultural development in China, there has been a massive drive to expand and improve English language teaching (ELT) since the mid-1980s. Since the 1980s, China has represented one of the major growth areas in the world for English language education, and studying English has been a priority among its foreign language educational policies. As English has gained more popularity in China, some have noted the potential value of English as a means to greater educational access and social mobility. Despite the influence of communicative language teaching and other language teaching approaches from outside the country, ELT in China has retained some of its essentially “Chinese characteristics”. As for the future of ELT in the PRC, given the growing importance of English and the enormous energy and enthusiasm in the PRC for learning the language in both the formal and informal contexts, ELT will continue to flourish. After all, for many individuals and for the country itself, English is a bridge to the world.

China's modernization began with foreign language learning. Therefore, it can be said that the attitude of foreign languages has always been a harbinger of China's internationalization. The decision did not show confidence, but revealed a certain degree of cultural indulgence. The college entrance examination may still be the most important indicator of college admission, but it does not emphasize English, rather than seizing the opportunity to make it less based on exams, more emphasis on practical proficiency, and will reduce the hard work of schools and students in learning English.

2. Key words

English language teaching (ELT), Gaokao English Exam reform, the Gaokao in China, Communicative language teaching (CLT)

3. Definition of the problem in the focus

3.1 Reform background

Since the last century, the national college entrance examination has undergone many reforms. From 1972 to 1976, the university recruited workers, peasants and soldiers by means of “voluntary registration, mass recommendation, leadership approval, and school review”.

In 2014, it was planned to introduce the 2017 college entrance examination reform plan. Authoritative release: The English test exit from the college entrance examination is misunderstood. The English test will carry out social examinations, and multiple exams a year is the direction of reform, but this does not mean that the English test will be withdrawn from the college entrance examination. Among them, Zhejiang and Shanghai have adopted 3+3 policies, which became the first batch of reform pilots. (State Council on “Deepening Examination Admissions Implementation Opinions on Institutional Reform” [2014] No. 35)

3.2 Reform process

Since the resumption of the college entrance examination in 1977, China's reforms to the college entrance examination have never stopped. From the national unified test papers to

multiple national examination papers, from single selection to multiple admissions, and the evolution of the college entrance examination system in the past 37 years, it has been controversies changing and moving forward. In 2014, with the official release of the “Implementation Opinions of the State Council on Deepening the Reform of the Examinations and Enrollment System”, the various ideas for the reform of the college entrance examination in the new century have gradually become clear, and a more comprehensive and systematic college entrance examination reform is gradually unfolding. (State Council on “Deepening Examination Admissions Implementation Opinions on Institutional Reform” [2014] No. 35)

In the first few years of the resumption of the college entrance examination, foreign languages were not included in the total scores in many provinces and cities, but as an important reference for admission.

In September 1984, English was officially included in the college entrance examination subject. In the decades that followed, English became an essential test subject.

In November 2013, the report of the Third Plenary Session of the 18th CPC Central Committee was introduced, and the reform of the college entrance examination was included in the important content of “deepening the comprehensive reform of the education field”, and “more than one year of social examinations for subjects such as liberal arts, foreign languages, etc.” The reform measures for the college entrance examination were clearly put forward.

On August 29, 2014, the Political Bureau of the Central Committee held a meeting to review and approve four important documents such as the “Implementation Opinions on Deepening the Reform of the Examination and Admission System”.

On September 3, 2014, the “Implementation Opinions on Deepening the Reform of the Examination and Admission System” was officially released.

(State Council on “Deepening Examination Admissions Implementation Opinions on Institutional Reform” [2014] No. 35)

3.3 Reform measures

On September 4, 2014, as one of the major measures for the comprehensive deepening reform of the central government, the implementation of the state's implementation of the examination and admissions system reform was officially released on the 4th, which is the most comprehensive and systematic examination of the admissions system reform since the resumption of the college entrance examination.

The reform of this round has made major adjustments from the examination subjects and the admissions mechanism of colleges and universities. The high school will no longer divide the liberal arts, and the total score of the college entrance examination will be composed of two parts. Part of it is the scores of the three subjects of language, mathematics and foreign language in the national unified college entrance examination, and the score of 150 points remains unchanged. Among them, the foreign language subject provides two test opportunities, and one of them can be counted in the total score. (State Council on “Deepening Examination Admissions Implementation Opinions on Institutional Reform” [2014] No. 35)

4. Main concepts (terminology)

4.1 English Language Teaching (ELT)

English Language Teaching (ELT) is based on the idea that the goal of language acquisition is communicative competence. It adopts concepts, techniques and methods in classroom for recognizing and managing the communicative needs of the language learners. English language

teaching may refer to either: Teaching English as a foreign language (ELT) , Teaching English as a second language (EST) .

4.2 Communicative language teaching (CLT)

Communicative language teaching (CLT), or the communicative approach, is an approach to language teaching that emphasizes interaction as both the means and the ultimate goal of study. According to CLT, the goal of language education is the ability to communicate in the target language. This is in contrast to previous views in which grammatical competence was commonly given top priority. CLT also focuses on the teacher being a facilitator, rather than an instructor. Furthermore, the approach is a non-methodical system that does not use a textbook series to teach English, but rather works on developing sound oral/verbal skills prior to reading and writing. [4]

4.3 The National College Entrance Examination (Gaokao)

The Gaokao, it is the National College Entrance Examination, referred to as the “Gaokao”. It is a university entrance examination for qualified high school graduates or candidates with equivalent academic qualifications in the mainland of China (excluding Hong Kong, Macao and Taiwan Provinces). It is one of the most important national exams.

5. Methods of investigation

5.1 Desk research

Secondary research (redirected from Desk research) involves the summary, collation and/or synthesis of existing research. Secondary research is contrasted with primary research in that primary research involves the generation of data, whereas secondary research uses primary research sources as a source of data for analysis.[1] Common examples of secondary research include textbooks, news articles, review articles, encyclopedias and meta-analysis.

5.2 Content analysis

Content analysis is a research method for studying documents and communication artifacts, which might be texts of various formats, pictures, audio or video. Social scientists use content analysis to examine patterns in communication in a replicable and systematic manner.[2] One of the key advantages of using content analysis to analyse social phenomena is its non-invasive nature, in contrast to simulating social experiences or collecting survey answers.

5.3 Primary sources

In the study of history as an academic discipline, a primary source (original source) is an artifact, document, diary, or any other source of information that was created at the time under study.

6. Context of the problem (reasons for its research)

In China, English education has been one of the most important topics in China since it was reopened. English proficiency is widely recognized as a national asset and personal asset. As a Chinese, both national leaders and our people believe that English education plays a vital role in the modernization and development of the country.

Seeing English as a dominant position in historical facts, China has initiated various policies to adapt to it rather than resisting it to promote internationalization. Examinations at all levels of schools in China also include English proficiency tests. English is widely used in professional propaganda in academia. With the proposed changes in the college entrance examination (China National College Entrance Examination), the general phenomenon of learning English with great choices may gradually disappear.

7. Interpretation (explanation)

English teaching in our country has successfully cultivated millions of English talents. English teaching has penetrated into the whole process of school education, and English training institutions in social education have emerged one after another. However, there are some problems in English teaching in China, the most prominent of which is “dumb English” and the “time-consuming and inefficient” phenomenon of English learning. These problems have caused people's attention and thinking.

In China, English learning lacks a rich, natural and authentic language environment. Students take learning tasks and learn English for exams and other similar purposes. The result of this kind of learning is often to cater to the needs of the exam, and to input the language out of context, sometimes causing misunderstanding of the language knowledge.

Most teachers and learners over-emphasize “memory” learning, emphasizing the accumulation of English knowledge such as words and grammar rules, and how learners use this knowledge to communicate, which is the main cause of “dumb English” and “time-consuming and inefficient”. The “test-oriented teaching” that is common in English teaching further exacerbates these problems.

In the Chinese college entrance examination English, the spoken part is not mandatory. It is mainly a test for candidates who are preparing to apply for foreign language colleges and foreign language related majors. Since the students taking the oral test are only a small group, there is almost no oral or communicative English teaching in the English teaching in China. But it is undeniable that both teachers and students are increasingly aware of the importance of communicative English teaching.

As the second batch of colleges and universities for the reform of the college entrance examination, Beijing has also announced the new college entrance examination program. Among them, from the 2018 candidates, the English listening scores remain unchanged at 30 points, which is separated from the unified examination. The computer test is carried out, and the test is conducted twice a year. It is arranged in December of each year and March of the following year. The scores of the listening scores and the written test scores are included in the scores of the college entrance examination. From 2021 onwards, English will be increased in speaking, and the oral and listening tests will total 50 points. The total score will remain unchanged.

8. Discussion

8.1 *The sounds of Gaokao English Exam reform*

The reform initiative has won strong support from the general public. In a survey of more than 220,000 respondents on December 9, 2013 in Phoenix Online, when asked about their views on the Beijing college entrance examination reform, 82.82% of respondents expressed support, and only 13.55 % is opposed. Similarly, when asked whether to support the reduction of the English language score and improve the Chinese score, the support rate was 82.79% and the opposition rate was 13.01%. [3]

In contrast, the program disagreed with education experts, and they disagreed with whether it was a good idea to pay less attention to English skills. The decision sparked heated discussions among those who suspected that reform would reduce the burden of learning English, or whether alternative tests reflect students' English skills and help students learn English better. An important aspect of the reform is how and how to test it, as suggested by New York University Shanghai President Yu Lizhong. The Ministry of Education has increased the complexity of the debate by removing English from the college entrance examination as an indicator of Chinese cultural confidence.

Most debates focus on whether or not the reform could relieve the burden of gaokao and how to distribute time to study the native language and a foreign one (English). Hu Ruiwen, [3] who is based at Shanghai Institute for Human Resources Development and a member of the National Education Advisory Committee, said such a change would be a signal to students that they should pay more attention to their mother tongue than a foreign language. To him, students now spend too much time studying English. There is a need for them to learn their native language well. He believes the changes will help students better to learn the Chinese language. Cai Jigang, [3] a professor at Fudan University's College of Foreign Languages and Literature and chairman of the Shanghai Advisory Committee for College English Teaching at Tertiary Level, opposes any plan to reduce the status of English language in the college entrance exam because it fails to take into account China's demand for foreign-language ability—as a means to accept the challenge of globalization and the internationalization of higher education. He worries that Chinese students may no longer work hard on English, which will have an adverse effect in the long run.

8.2. The sounds of CLT teaching in China

The past few decades have witnessed the need for thousands of English talent in China's modernization programs. Recognizing that traditional grammar translation methods and listening and speaking methods have not helped much in building learners' communicative skills, Chinese EFL teachers began to introduce CLT into English teaching in middle schools and universities in the early 1980s. In most schools, learning English at the beginning encourages students to develop communicative skills through meaningful drills and communication activities.

Recent attempts to introduce CLT into EFL teaching in China have provoked a great deal of comment and debate. Whereas some accounts have emphasized the value of adopting CLT in China, others have noted the importance of Chinese traditional ways of teaching and learning. However, the majority of accounts have focused on the need to adapt CLT to the demands and conditions for language learning and teaching in China.

Within this heated debate on English teaching methodology, the study of Chinese students' response to CLT deserves particular attention. Do they enjoy activities involving communication and real use of language? Are they receptive to the teaching techniques that may be new to them? Do they agree that real-language activities emphasizing language content are more effective than non-communicative activities that stress formal correction? Do they believe that such activities are helpful to them as language learners?

8.3. Personal discussion

In my opinion, the purpose of learning a language is to use it in our real life and to communicate with people. In recent years, the more and more Chinese people have realized the importance of spoken English in our daily life. Especially when you are abroad, you need to use your language communicative skill to communicate with people, rather than just discussing English grammar or vocabulary. However, I don't mean that grammar and words are not important. I just think that we really spent too much time learning grammar and memorizing words. On the contrary, we just spent less time practicing oral communication. This proportion is unbalanced. Therefore, it is time to seriously face the necessary for CLT.

9. Conclusion

How to take advantage of the actual situation of English teaching in China to avoid weaknesses, using English teaching methods with Chinese characteristics is a problem that English educators in the new era must face and think about.

Recently, whether it is the college entrance examination English reform or the introduction of the CLT teaching method, it has been reflected from different levels that the traditional rote learning style of thinking and learning has not been able to truly meet the needs of learning English. We should understand English in the practical environment, so that students' thinking and communication skills can be improved along with language learning. To enable students to acquire a foreign language, master the culture and ideas behind them, expand their international vision, and get an overall improvement in overall quality, truly returning to the essence of language.

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THE EFFECT OF DISCUSSION PART OF PEER INSTRUCTION ON STUDENTS' RESPONSES

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Abstract

The purpose of the study is to show how the discussion part of peer instruction changes students' answers during the class. Peer instruction is an active learning method developed by Eric Mazur (1997). Peer instruction can be defined as a method in which students are actively interested in the education process by discussing within a peer group and helping each other within the group. The discussion part is important for this method because students transpose their knowledge and they provide interaction at this part of peer instruction. The implementation carried out during the class, and it was seen that the correct answers of the students increased after the discussion like the previous studies. This study covered the answers of 20 students to 5 questions about trigonometry in a mathematics lesson. The present study indicates that the discussion section is an important part of peer instruction and it affects the students' responses positively.

Keywords: Peer instruction, peer group, active learning method, discussion.

Introduction

Peer instruction (PI) is an active learning method that was developed by Eric Mazur in 1997 [1] at Harvard University. PI was applied firstly in a physics course then it pervaded and was used by other branches.

Peer instruction can be defined as a method in which students are actively involved in the education process by discussing within a peer group and helping each other within the group. (Crouch & Mazur, 2001; Mazur, 1997; Nicol & Boyle, 2003)

The importance of students' active role during learning has been stressed by various studies. Bishop (1985), Clement (1991) and Jaworski (1992) claimed that in order to provide effective learning, there should be an interaction among the students, the learning material, and the teacher. This interaction has a significant role, especially from a constructivist perspective. Oslen and Kagan (1992) reported cooperative learning as an activity which depends on the social interaction and exchange of information between students working in groups and each student is accountable for his own learning. Actually, peer interaction can have a great impact on academic achievement and motivation as well.

The impact of peer instruction has long been concerned with knowledge transmission from students with the correct answers and the right reasons to their classmates during discussions. (DiCarlo & Rao 2000). [2]

In the model of peer instruction, students learn and teach themselves while their friends in a similar social group help them to learn. For this reason, it is thought that the information learned can leave more permanent marks on the students and give students the power to comment. Peer instruction; fast, fun and supportive. Therefore, it has a positive effect on the success of students. Students reach information by doing and living. Since knowledge and skills are students' own work, they also affect permanence in a positive way. (Akay 2011) [3].

The PI method was usually defined as a teaching method which peers help each other one-to-one, learning from each other, sharing their achievement for a common aim (Graybeal & Stodolsky, 1985; Hooker, 2010; Mynard & Almarzouqi, 2006; Yardim, 2009). According to Lasry, Mazur, and Watkins (2008) the peer instruction method is crucially beneficial for the students to improve interactive skills during the lectures for better attention towards the specified concepts and approaches.

To determine the effect of student discussions, Brooks and Koretsky (2011) [4]. investigated the relationship between student reasoning before and after peer discussion. Students recorded an explanation for their answers to concept tests before and after discussing them with their peers. Each explanation was then analyzed for both depth and truth. The quality of explanations from students who had answered correctly on both the first vote and the revote developed following peer discussion. Although these students had the correct answer initially, they gained a more in-depth comprehension of the concepts after peer discussion. Even though student explanations develop after peer discussion, the actual quality of the discussion appears variable. James and Willoughby (2011) [5]. recorded 361 peer discussions from four different sections of an introductory-level astronomy course. When they compared students answers with the recorded conversations, they found that 26% of the time students answers implied comprehension, while the quality of conversations suggested otherwise. Furthermore, in 62% of the recorded conversations, student discussions included incorrect ideas or ideas that were unanticipated.

Implementation of Peer Instruction

The application is implemented in the class as follows: The first step is to give a short lesson about the concept that students learn. This short course can be given in class or with pre-class materials. Upon entering the students grip, the trainer offers a concept test. A concept test is a question that often tests the concept presented in the course, in the form of multiple choice questions. The students take the question one by one (no discussion) and give the answers. The third step is that the trainer quickly analyzes the results and then chooses what to do. If less than 30% of the students answered the question correctly, the instructor should revise the concept by extending a short course and present a new concept test on the same concept and start again in step 2. The students answered the question correctly, and the trainer can be sure to skip the rest of these peer training steps, make a brief explanation of the answer (or call on a student to explain), and then move on to the next topic. In this process, the course time will be recorded for a subject that students find more challenging. If more than 30%, but less than 70% of students give the correct answer, the class will enter into peer discussions. While

instructors vary the exact implementation of this process—sometimes eliminating the individual voting process, sometimes using colored cards or a show of hands instead of clickers—the general process is an adaptation of the think–pair–share technique. (Knight, Brame 2018) [6].

The concept test proceeds as follows:

1. Given questions
2. Students are given time to think
3. Each student gives his or her answer
4. Students discuss their responses with peers
5. Students give revised responses
6. Teacher collects answers
7. Teacher explains correct answers (Adam P. Fagen, Catherine H. Crouch, Eric Mazur, and Jessica Watkins 2007) [7].

Catherine H. Crouch and Eric Mazur (2001) analyzed student responses to all ConcepTests throughout the entire semester and found that, after the discussion, the number of students responding correctly to a ConcepTest increased significantly as long as the first percentage of correct answers to a ConcepTest was between 35. % and 70% and determined that the first percentage of correct answers is around 50%, while development is greatest.

Lasry (2009) [8] planned a crossover study in three algebra-based introductory physics courses ($n = 88$) to test whether peer discussion or other metacognitive processes, such as reflection or time on an assignment, explained the learning gains associated with the peer instruction method. Students voted on a question individually and then were assigned one of three tasks: peer discussion, silent reflection on answers, or distraction by a cartoon. All groups were asked to vote again. The learning gains were highest when students engaged in peer discussion. These results indicate that the improvement observed after peer discussion is not due to another metacognitive process.

Researches indicate that during the second response on the same ConcepTest students chose the correct answer more often than during the first response (Crouch 2001) [9].

Many researchers report that the frequency of correct answers increases after peer discussion (Crouch and Mazur, 2001; Knight and Wood, 2005; Mazur, 1997 & Smith, 2009).

Figure 1 illustrates the alteration of students' responses that during discussion change from an incorrect answer to the correct answer. Catherine, Crouch & Mazur (2001)

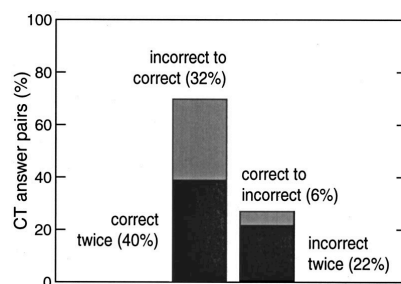


Figure 1. Change of answers

Purpose of the Study

The purpose of study this is to investigate how the discussion part of the peer instruction method changes students' responses during the class.

Research Question

1. How does discussion change the response of students during the class?

Methodology

In this section, research model, data collection tools, data collection, data analysis techniques are included.

Research Model

In this research, the effect of discussion part of peer instruction used in mathematics on the success of the student was investigated.

In this study, five Trigonometry concept tests were performed and after each question, first and second responses were taken and the differences between the answers were examined.

Data collection tools

In this study, as a quantitative data collection tool; five trigonometry concept test has been used. The questions that asked at the university entrance exam of Kazakhstan were selected by the teachers.

Example

$$\frac{(\sin 10^\circ + (\sin 80^\circ)(\cos 80^\circ - \cos 10^\circ))}{(\sin 70^\circ)}$$

Data Collection

The application was carried out with the participation of 20 students were 15 years old and boys from the 9th class in trigonometry in a mathematics course in the school in Almaty city of Kazakhstan. The students were asked about the five trigonometry questions, the mathematics teacher had previously chosen the questions asked to enter the university entrance exam of Kazakhstan.

Students were informed about peer education. At the beginning of the lecture consisting of two lessons, lasting 40 minutes each, we had a brief explanation of the topic. Peer instruction was held as follows: Firstly, the concept test question was given to the students then they had 2-3 minutes to solve the test then students gave the answers. After those students were given 2 minutes to discuss the questions and the second answers of the same questions were taken. Finally, the teacher explained the question.

Results

Table 1. The results of correct and incorrect answers before and after discussion.

Number of questions	First responses		Second responses		Percentage of change	Percentage of change of correct answers
	Correct	Incorrect	Correct	Incorrect		
1	6-%30	14-%70	9-%45	11-%55	%15	%50
2	7-%35	13-%65	8-%40	12-%60	%5	%14.2
3	10-%50	10-%50	16-%80	4-%20	%30	%60
4	12-%60	8-%40	19-%95	1-%5	%35	%58.3
5	8-%40	12-%60	18-%90	2-%10	%50	%83.3
Total	43-%43	57-%57	70-%70	30-%30	%27	%62,7

The results of students' answers to five trigonometry questions in math course indicated that the discussion part of peer instruction has a positive impact to change their responses from incorrect to correct. As analyzed by Catherine, Crouch and Mazur (2001), the percentage of change was the greatest when the correct response was between %35 and %70. In general, the discussion is an important part of peer instruction and has a beneficial effect among peers. It is seen that the increase in the 3rd, 4th and 5th questions is proportional with the first correct answers to these questions. The least change in the table is seen in question 2 and the most change is seen in question 5. The less change in question 2 may be caused by the difficulty of the question or the students who solve the question correctly may not be able to transfer the solution to their classmates in a success. The most change in the 5th question can be that the students who have solved the question correctly can successfully transfer the correct answer to their peers.

Discussion

The present research examined the impact of the discussion part of the peer instruction method on 9th class students at ALBIL (Almaty Lyceum Bilim Innovation for Boys). The application was carried out at a mathematic course in the topic of trigonometry. In each question we asked, after the discussion section, there was an increase in the second answers according to the first answers in the correct answers. The reason for the increase in the second answer is that the students can successfully transfer the correct answer to their peers because they have a positive effect on each other by providing peer interaction in the discussion part. The results showed the discussion section of peer instruction changed students' responses positively. This finding indicated similar results with the previous studies (Brooks and Koretsky 2011; Catherine H. Crouch and Eric Mazur 2001; Lasry 2009;).

Conclusion

Peer instruction is an active learning teaching method developed by Eric Mazur(1997). Peer instruction contains seven steps. In the model of peer instruction, students learn and teach themselves while their friends in a similar social group help them to learn. The most important step of this method is the discussion part because students share their knowledge with classmates in the discussion part and interaction between students is provided in this section. The application of peer instruction during the class indicated peers affect each other positively. The increases of correct answers after discussion proof that discussion part is significant for peer instruction method.

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TEACHING SACRED MUSIC IN THE PRIESTLY SEMINAR OF BISHOP Ján VOJTAŠŠÁK IN SPIŠSKÁ KAPITULA IN SPIŠSKÉ PODHRADIE IN SLOVAKIA

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Abstract

Education in the field of sacred music in Spišská Kapitula in Spišské Podhradie in Slovakia started 200 years ago, the paper describes to the expert community the beginnings of this education, its greatest expansion as well as the violent termination by the totalitarian regime. After the fall of the Iron Curtain in Europe, education in sacred music has resumed and is now continuing according to the pattern set out 200 years ago. Sacred music was taught to the applicants so that graduates could teach in elementary schools according to the reform introduced by Maria Theresa in the Austro-Hungarian Empire. Currently, under ISCED education, graduates of this study can teach music and sacred music at elementary schools at elementary art schools and at the same time hold the post of organist, cantor or “regenschori” in Slovak temples and churches.

Key words: Music, Sacred music, Lector, Cantor, Education.

Introduction

Spišská Kapitula, known also as Little Spiš Vatican, is a former village situated next to Spišské Podhradie, which is since 1948 part of the town of Spišské Podhradie. The town is located on the st. Martin’s Hill opposite to Spiš castle. It was developed from Spiš priory which was established in 1198 by Imrich the King. The territory of Spišská Kapitula consisting of one street with canonical houses on both sites with double baroque roofs. The street extends into the square on the west, where are situated Bishop's residence, Cathedral of St. Martin, the Priestly Seminar of Bishop Ján Vojtaššák of which the Lectors Academy was part. There is also the statue of st. Ján Nepomucký on the square. During the Tatars plunder in 1241 Spišská Kapitula wasn’t protected by any walls. In years 1662-1665 high walls were built to protect against brigands and military invasions, which stay until today.^[1] Today is this area used for theology studies for theologians preparing for the priestly profession but also for a layman who studies social labour and lectors, who study music and sacred music.

Establishment of Priestly Seminar and Lectors Academy

The establishment of the Spiš priestly seminary is closely related to the establishment of the diocese. Although the Capitular School had been there throughout the Middle Ages and the Modern Age, led by a canon lecturer and a cantor from the time of Spiš's provost Matej (1234-1258), however, attempts to establish a priestly seminary began only after the diocese was established at the request of Empress Maria Theresa. (1740-1780) papal bull Fri VI. "Romanus Pontifex" of March 13, 1776. The obligation to establish a diocesan priestly seminary stems from the prescriptions of the Tridentine Assembly (1545-1563), which instructed each bishop to have his own diocese seminary. The need to set up a Spiš seminary was complicated by another important need, namely to establish a priesthood home for the elderly and incapacitated priests who lost their entitlement to their accommodation in Esztergom, as it was before the diocese was established. Because of the lack of a building suitable for the house for the old priests and for the seminary, Empress Maria Theresa, by decree of 29 October 1779, donated to the first Spiš Bishop Karol Salbeck the building of the

former Jesuit residence in Spišská Kapitula, and Jesuit property in Studenec and hardware shop in Vyšný Slavkov. According to the decree, the former Jesuit residence was to be kept from this property, in which clerics were to be placed, who were to return from the Buda Seminary to prepare for the priest's ordination¹

The expansion of theological, teacher and music education in Spiš

Maria Theresa as a mother raised 16 children, some of whom did not survive. She tried to elevate Hungary and tried to be educated. In this period the rational side prevailed and went hand in hand with faith. At that time, Hungary was illiterate and backward. Maria Theresa tried to make simple people able to read and write. In this area, she installed a bishop, in other words, asking for an investor. It was Ján Ladislav Pyrker, who came from Austria. He was very good-natured, kind and longed to elevate Hungary. The first specialized facility for the independent preparation of teachers in our territory was the Roman Catholic Teaching Academy in Spišská Kapitula - Institut Praeparandorum Scepusiensis, founded in 1819 by the above-mentioned Spiš Bishop Ján Ladislav Pyrker. The establishment of this institute is an extraordinary historical milestone of our education. It was also the first teacher academy in Hungary. Its mission was to elevate the level of education of teachers in the sphere of the Spiš bishopric and to consolidate the Christian faith of future teachers of church schools and organists and cantors in our temples.

The teaching of this Teaching Academy consisted of religious subjects, reading, writing, but also music, singing and acquiring practical teaching skills. At that time, the teaching academy had an excellent pedagogical standard. Initially, the teaching takes three years (1871), then four years (1883). Its activity lasted until 1949. It was supposed to educate simple poor people. Spišská Kapitula became a place where not only future priests but also teachers gathered to educate ordinary people. Juraj Páleš (1753 - 1833), the author of the first textbooks for the Spišská Kapitula Academy, was the first director and a prominent figure in his early days. *Ludimagister in ritibus et caeremoniis per annum occurentibus instructus* (Levoča 1820) a *Paedagogia slowenska pre triviálske školi Biskupstva Spišského* (Levoča 1820) i *Organizačného štatútu a Domáceho poriadku akadémie* (both 1819).² He was born on April 25, 1753 in Kľačno near Prievidza. He is one of the prominent representatives of Slovak life, who had an encyclopedic knowledge and mastered several languages. He graduated in philosophical and theological studies and was an important teacher and historian. He contributed to the development and improvement of the educational level in former Hungary and Slovakia. In the 1820s he intervened in two ways: 1. / As the organizer of the Slovak education system in Hungary 2. / As the author of the (very) First Slovak Pedagogical Textbook in Slovakia, written in Bernolák language. This textbook is about how to teach a teacher. It contains methods, ways and forms which the teacher should use when presenting his work. Pedagogy was first written in Latin to respond to church leaders before being translated into Slovak into the then Bernolák language. Juraj Páleš died of poor and undermined health in 1833. He left a great work, pupils who were faithful to him, and the history of pedagogy and theology tries to rehabilitate his personality to the place it belongs to. Other important professors of the Institute include Alojz Miškovič, a church historian, and Cornel Schimpl, a conductor and organizer of musical life.

Forcible termination of education of priests, teachers and teachers in Spiš

After the Second World War, when the Communists came to power, the Teacher Academy in Spišská Kapitula was "nationalized" in 1948 (Decree of the Education Trust of August 7, 1948) - and the church music ceased to be taught there. The priestly seminar was abolished by the state at that time, and instead of the priests, soldiers and policemen were taught in this school. In 1950 they

¹ The purpose of this building as a priestly home for the old priests and the preparation for future neo-priests is also revealed in the inscription on the marble board placed above the seminar gate: PRESBYTERORUM JUNIORUM EDUCATIONI EMERITORUM QUIETI AUGUSTAE MARIAE THERESIAE CLEMENTISSIMA DONATIONE CAROLUS PRIMUS SCEPUS. EPPUS DE SALBECK P.P. ANNO MDCCLXXX.

² Juraj Páleš was born on April 25, 1753 in Kľačno near Prievidza.

also abolished this state-owned teacher academy because the sacred premises did not suit the teaching of atheistic teachers.³

Renewal of Sacred Music Education in Spišská Kapitula

After 70 years of oppression, the successor institution, now the Bishop Ján Vojtaššák's Priestly Seminar in Spišská Kapitula - Spišské Podhradie, in the academic year 2018/2019 renewed the study of sacred music in the study program Teaching Music and Sacred Music, which takes place in bachelor and master degree in the field of study 1.01.03 Teaching arts and educational subjects. Currently in Spišská Kapitula this study program studies in the bachelor's degree 22 full-time students and in the master's degree 32 students, of which 24 full-time and 8 external. This is done in the Spiš Chapter so that current teachers can accomplish the desired task. Current students of sacred music in Spišská Kapitula, in addition to their studies, organize liturgical ceremonies, celebrated in the Spiš Cathedral of Sts. Martin in Spišská Kapitula, especially those that are transmitted by mass media to the whole of Slovakia.

Conclusion

Several more extensive studies have been carried out on the history of the Teaching Academy in Spišská Kapitula. The first history of the Institute was elaborated by its later administrator J. Szeman (Budapest 1912). The starting point for the full history of the school is the Roman Catholic Teaching Institute in Spišská Kapitula (Trnava 1931), compiled by Alojz Miškovič. More recent studies from the 1970s and 1980s come from Edmund Hleb and Jozef Janko and others. The historical building of the Priestly Seminary and the Teaching Academy currently provides both university education for priests and layman in the fields of theology, social sciences, and sacred music.

³ Porov.: DLUGOŠ, F. *Prenasledovanie veriacich Spišskej diecézy v rokoch 1948-1989*. Levoča : Nadácia Kňazského seminára biskupa Jána Vojtaššáka, 2002, s. 30.

FOURTH INDUSTRIAL REVOLUTION AND GENERATED SYSTEM CHALLENGES
MARGINALIA ON ECONOMIC, LEGAL AND ECONOMIC ISSUES

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Abstract

Why does each revolution surprises the entire „wide world“, except ideologists and creators, accompanied with disbelief, confusion and ignorance of expectations and risks? Cognitively, functionally, in a beneficiary way, in all respects and possible and impossible context and statement, actors in a variety of ways understand, use benefits and protect themselves from unfavorable outcomes that can potentially generate such (revolutionary) changes.

The fourth industrial revolution in a highly complex and multifunctional way combines and changes the cognitive and functional domains in various areas and fields that will legally generate essential changes not only in technological, social, economic and legal performances, but also serious implications for the natural environment and social upgrade as a whole. Essentially, generating of revolutionary changes and innovations is, as a rule, closely linked to curiosity, talent and knowledge, all aiming to maximize the targeted performances of employment, production and incomes - earnings by reducing employment and "decreasing" costs, with growth of productivity and competitiveness that enables suppliers to increase incomes and results while reduction of sales prices.

Innovations generated by the Fourth industrial revolution, bring business and yield-financial benefits to all involved parties, but also produce numerous complications and unwanted effects on a global, as well as individual level. The development of technology induced by this industrial revolution leads to a worrying decrease in employment in traditional sectors and branches, given that generated jobs in new areas are not close to compensating for the decrease in employment caused by innovations and the application of new technologies.

In addition to the addressed challenges, special attention should be paid to sociological, psychological, cultural and, above all, legal and institutional aspects of the Fourth Industrial revolution if the level of effective and efficient change management in new, substantive and systemically changed circumstances is to be achieved. These circumstances specifically address the issue of inevitability of sophisticated postulation of new legal institutes and propositions in order to avoid the risks of potentially endangering of natural and legal order due to egoistic aspirations and the goals of strategists and creators of technological changes.

Key words: industrial revolution, economy, law, employment, result, regulation.

FOURTH INDUSTRIAL REVOLUTION: WHAT IT MEANS AND WHICH ATTITUDE TO TAKE?

We are living on the verge of a technological revolution that will fundamentally change the way we live, work and relate to each other. According to its level, scope and complexity, this transformation will not be similar to any change that the human race has already experienced. We still do not know how it will unfold, but one thing is clear - the answer to this must be integrated and all-inclusive, including all actors of global governance, from public and private sectors to academic and civic communities.

The fourth industrial revolution brings along many challenges that will escalate very quickly. We will mention only a few of them. Robots are expected to replace humans in manufacturing processes completely, in the period from 1995 to 2002, 22 million manufacturing jobs have disappeared, and in China alone, 15% disappeared due to technology. Of course, technological changes, i.e. automatization, also bring positive changes. It took people 82 years to solve the problem of production planning, and since 2003 it only takes one minute. Today, a factory that employs 140 workers, would require 2000 workers in 1980 for the same level of productivity. There is a lot of talking in the world about global social income, new educational and training programs to help people who stay without job to be taken care of as quickly as possible. The fourth industrial revolution will require the cooperation of governments, businesses, academic institutions to respond adequately to these changes. We can be ready to meet these implications only with timely planning and involvement of all stakeholders.

However, besides technological challenges, there are other challenges before the people, like increasing growth of populism and the fragmentation of society, climate change, rapid population aging, gender equality, economic inequality. These are just a few of the threats we are facing. The question remains can technology help or harm us to resolve these disputes?

INDUSTRIAL REVOLUTION THROUGH HISTORY

The first industrial revolution used water and steam power to mechanize production. The second used electrical power to create mass production. The third used electronics and information technology to automate production.

Today, the Fourth Industrial Revolution is built on the Third, digital revolution that has emerged since the middle of the last century. It is characterized by the merge of technologies leading to erasure of boundaries between physical, digital and biological spheres.

There are three reasons why today's transformations are not only an extension of the Third Industrial Revolution but also the arrival of the Fourth: 1. speed, 2. Scope and 3. impact on systems.

The speed of current breakthroughs has no historical precedent. When compared to previous industrial revolutions, the Fourth one is developing at an exponential rather than linear pace.

HOW TO RECOGNIZE THE FOURTH INDUSTRIAL REVOLUTION?

The Fourth Industrial Revolution disrupts almost every industry in every country. The scope and depth of these changes are heralds of transformation of all systems of production, management and governments.

More than a billion people are connected by mobile devices, unique processing power, storage capacity and access to knowledge, and their possibilities are unlimited.

These possibilities will be multiplied by emerging technological innovations in areas such as: artificial intelligence, robotics, autonomous vehicles, 3D printing, nanotechnology, biotechnology, science on materials, energy storage and quantum computing.

Already, artificial intelligence is all around us, from self-driving cars and drones to virtual assistants and programs that translate or invest. In recent years, impressive progress has been made in the field of artificial intelligence, driven by exponential growth of computer power and availability of vast amount of data, from programs used to discover new drugs to algorithms used to anticipate cultural interests.

Meanwhile, digital technologies in production interact with biological world on a daily basis. Engineers, designers and architects combine computer design, material engineering and synthetic biology that develops symbiosis between microorganisms, our bodies, products we consume, and even the buildings we inhabit.

GOOD AND BAD SIDES OF THE FOURTH INDUSTRIAL REVOLUTION

Like the revolutions that preceded it, the Fourth Industrial Revolution has the potential to increase global income levels and improve the quality of life for population around the world. So far, those who have most benefited from it are consumers who have been able to afford it and access the digital world. Technologies have enabled new products and services to increase efficiency and satisfaction in our lives.

Ordering of a taxi, scheduling of flight, buying of product, online payment, listening to music, watching of a movie, or playing a video game - all of this can now be done remotely. In the future, technological innovation will bring us long-term gains in efficiency and productivity. This will reduce transport, communication and exchange costs, and make logistics and global supply chains more effective. All this will open up new markets and lead to economic growth. At the same time, a new revolution could bring greater inequality, especially because of its potential to disrupt the labor market.

As automation replaces labor, part of the workers would have to be laid off or relocated, which could increase the gap between capital incomes and incomes from labor. On the other hand, it is possible that replacing workers with technology will cumulatively result in an increase in safe and useful jobs. At this point, we cannot predict which scenario will happen, but history tells us that the outcome is likely to be some combination of these two examples.

In the future, talent, more than capital, will be a critical factor in production. Because of this, the market will split into lower-skilled, low-paid, and highly skilled workers with good wages. All of this will lead to an increase in social tensions.

In addition, and it is a key economic issue, inequality is the biggest social problem associated with the Fourth Industrial Revolution. The biggest beneficiaries of innovation tend to be the providers of intellectual and physical capital - innovators, shareholders, investors. Wealth will increase, while poverty will rise at the same time.

Technology is one of the main reasons why income has stagnated or went down for bigger number of population in high-income countries. Demand for higher education workers has increased, while demand for workers with lower education and lower skills has went down. All of this explains us why workers are disappointed and why they fear that their incomes and incomes of their children will continue to stagnate. This also explains why the middle class around the world feels dissatisfaction and injustice.

Dissatisfaction can also be caused by the deep roots of digital technologies and the dynamics of information sharing that is typical for social media. More than 30% of global population now uses social media platforms to connect, learn, or share information. In an ideal world, these interactions would provide an opportunity for cross-cultural understanding and cohesion. However, they can also create and spread unrealistic expectations about what constitutes success for an individual or group, as well as offer opportunities for expansion of extreme ideas and ideologies.

IMPACT ON BUSINESS

The acceleration of innovations and their change is difficult to understand and predict. New technologies are a source of constant surprise, even for those well informed. Indeed, there is clear evidence in all industries that the technologies supporting the Fourth Industrial Revolution have a strong impact on business.

Many industries see the introduction into new technologies as creating of new ways to meet existing needs, which significantly disrupts the value of existing industry chains. The changes start with agile, innovative competitors who, thanks to access to global digital platforms for research, development, marketing, sales and distribution, can overthrow well-established executives faster than ever, improving the quality, speed or price at which the value is delivered.

The major changes on the demand side are happening as: increasing transparency, consumer engagement and new patterns of consumer behavior (due to access to mobile networks and data). All of this is forcing companies to adapt to this and to change the way they design and deliver products and services.

A key trend is the development of platforms that combine supply and demand, which are easily used on smartphones and create completely new ways of consuming of goods and services. They reduce barriers for companies and create wealth for them. These new platforms are constantly transforming into many new services, creating new businesses or enhancing existing ones.

Generally speaking, there are four main effects that the industrial revolution has on business: 1. customer expectations, 2. product improvement, 3. innovative collaboration, and 4. organizational forms.

Consumers are now at the epicenter of economy and everything spins around improvement of the way how they will be served. More than ever, physical products and services can be improved with digital possibilities that increase their value. New technologies are making assets more durable and resilient, and companies are receiving feedback through analysis and data.

The world of consumer experiences, data-based services and asset performances require new forms of collaboration, especially having in mind the speed at which innovations take their tribute. The appearance of new platforms and other new business models means that new forms need to be re-designed.

Overall, the inexorable changes from simple organizations (the Third Industrial Revolution) to innovations based on technology combinations (the Fourth Industrial Revolution) is forcing companies to reconsider how they do business. Business leaders and employees should understand the changing environment, stay up-to-date with their operational teams and ruthlessly and constantly monitor innovations.

IMPACT ON GOVERNMENTS

New technologies and platforms will enable citizens to engage more and more in the work of governments, to present their opinion, and even to outsmart the control of public authorities. At the same time, governments will adopt the power of new technologies to increase control over the population, based on pervasive surveillance systems and the ability to control digital infrastructure.

Overall, the governments will increasingly face the pressure to change the current approach to public engagement and policy-making, just as their central role of policy-making is decreased due to new sources of competition, redistribution and decentralization of power that new technologies allow.

Finally, the adaptability of governing systems and public authorities will determine their survival. If they prove that they are able to cope with the world of constant changes, it will enable them to maintain their competitive advantage. Unless they can evolve, they will face the increasing problems.

This will be particularly evident in the area of regulations. Current systems of public policy and decision-making have evolved with the Second Industrial Revolution - when decision-makers had time to study specific questions and develop necessary answers and appropriate regulatory framework. Such an approach is no longer feasible.

As the Fourth Industrial Revolution has a rapid pace of changes, legislators are proving more and more that they are unable to cope with them. Then, how could they sustain the interests of consumers and public, while supporting innovations and technological development at the same time? They could achieve this by embracing agile management, just as the private sector is increasingly adopting agile responses about software development and business in general.

This means that regulations must constantly adapt to the new, rapidly changing environment. It is important for them to really understand what it is that they regulate. In order to do this, governments and regulatory agencies should cooperate with companies and civil societies.

The Fourth Industrial Revolution will also deeply affect the nature of national and international security, as well as the probability and nature of conflict. The history of armed conflicts and international security is a history of technological innovation, so this is no exception today.

As this process unfolds, new technologies such as autonomous or biological weapons are becoming easier to use, so individuals and small groups will join the states to cause mass harm more and more. This new vulnerability will lead to new fears, but, at the same time, progress of technology will create the potential to reduce the degree of impact of violence through the development of new forms of protection (for example, greater precision in targeting in military industry).

IMPACT ON PEOPLE

The Fourth Industrial Revolution will change not only what we do, but also what we are. It will affect our identity and: our sense of privacy, our notion of ownership, our consumption patterns, the time we devote to work, our leisure time, how we develop our careers, how we cultivate our skills, how we meet people, how we care for relationships, change our health. This list is endless.

Technologies will also affect our collaboration and empathy. Our connection to smartphones is a special case for observation. Being *online* and available all the time can deprive us of most important things in life: time to pause, think, and engage in meaningful conversations.

One of the biggest individual challenges of the new age is privacy. Tracking and sharing of information about our lives is an essential part of the new way of connecting with people.

Debates about problems such as the impact on our inner lives and lack of control over our data - will only intensify in the years to come.

The revolutions that take place in biotechnology and artificial intelligence redefine what it means to be a human being by changing the current boundaries of life, health, intellect and abilities. Revolutions force us to redefine ethical and moral boundaries.

SHAPING OF FUTURE

Neither technology nor disorders that come with it are an external power over which humans cannot have control. We are all responsible in decisions we make every day as citizens, consumers and investors. In this way, we should understand the opportunity and power we have over shaping of the Fourth Industrial Revolution and to direct it towards future that reflects our common goals and values.

In order to do this, we should develop a comprehensive and globally shared view of how technology is affecting our lives and reshaping our economy, society, culture and environment. We need to think strategically about the forces of disorders and innovation that will shape our future.

When we take all of this into account, in the end, it all comes down to people and values. We need to shape a future that is good for all of us by putting people on the first place and by empowering them.

In its most pessimistic, inhumane form, the Fourth Industrial Revolution could really have the potential to robotize mankind and deprive us of what is essential to a man. But, on the contrary, as a complement to the best parts of human nature (creativity, empathy), it can also raise mankind to a new level of collective and moral consciousness based on common sense of destiny. It is our duty to make every effort that the latter prevails.

INSTEAD OF CONCLUSION

Of the many different and comprehensive challenges our civilization is facing today, one of the most significant and most intense is the understanding and shaping of new technological revolution. The New Technology Revolution, or as others call it the “Second Machine Age” (Massachusetts Institute of Technology (MIT) Professors Erik Brynjolfsson and Andrew McAfee, 2014), Industry 4.0 (Hannover Fair, Germany, 2011) and more and more common name the Fourth Industrial Revolution (Klaus Schwab, World Economic Forum, 2015) is a turning point, that is, digitization of almost most aspects of our lives, if not all of them.

There is great uncertainty about the development and adoption of new technologies. It is still unknown how the transformations resulting from this industrial revolution will develop. Their complexity and interdependence imply that all the actors of the society - governments, businesses, academia, and civil society - have responsibility to work together to better understand and respond adequately to emerging trends. Mutual understanding is essential if we are to shape a collective future that corresponds to all common values and goals. There needs to be a comprehensive and globally shared view of how technology is changing our lives and those of future generations, and this is already being worked on. The changes are so profound that, from the perspective of human history, there has never been a time of greater imbalance, between possible prosperity or potential danger.

As digital technologies containing hardware, software and network components become more sophisticated and integrated, their impact on society is bigger and bigger, and the role they play in global economy becomes more and more important. The emergence of new technological breakthroughs covering broad fields such as artificial intelligence, robotics, internet stuff, self-driving cars, 3D printers, nanotechnologies, biotechnology, scientific materials, energy storage and quantum computing will not only change the way we work, but also interaction between us and the ways we live. While many of these technologies are still in the early stages of development, some have reached the tipping point, where technologies complement each other in a fusion that will affect not only physical, but also biological and digital domains.

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HOW DO ECONOMIC OPENNESS AND R&D INVESTMENT AFFECT ECONOMIC GROWTH? PANEL DATA REGRESSION FOR 28 EU COUNTRIES

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Abstract

Research and Development (R&D) is considered widely as a foster of economic growth and as a crucial investment to sustain long-run development. Countries invest in R&D to develop new technological products that create competitive advantages in the market and as a consequence of it is innovation. Economic openness provides the possibility that new technologies can move to neighbors' countries. In this way, the paper aim is to investigate the relationship between R&D, economic openness and real gross domestic product growth using data for 28 EU countries over the period 2000-2017. Using dynamic panel GMM estimation the results show that economic openness is the main driver of economic growth for EU countries. Research and development expenditure is insignificant. In accordance with these findings, to achieve the EU's target of 3 % of GDP to spend in research and development in 2020, it is recommended to study the effectiveness of R&D tax incentives in order to provide sustainable economic growth.

Keywords: R&D, trade openness, economic growth, EU

1. Introduction

The role of research and development (R&D) has gained special attention among economists and policy-makers that consider investment in knowledge as a precondition for achieving a high growth rate. Investment in research and development contribute to the creation of knowledge, products, and technologies that become a fundamental creator of the competitive advantage of companies and countries on the world market (Lucas 1988). In the neoclassical growth theory (Solow 1956), the long-run economic growth is affected by an increase in capital, labor and introducing new ideas and technologies. But this framework of economic growth does not include the impact of trade on economic growth. The importance of knowledge as the main driver of economic growth is emphasized in the new growth theory. The two most important features of new growth theory are the endogenous growth theory (Romer 1989) that treats technology progress as a product of economic activity and the evolutionary approach that considers technology as the main driver of economic growth. Investment in R&D has a positive influence on innovation that improves the technology, consequently increasing living standards all over the world and mainly in developed countries that adopt more quickly new technology and spend more on innovation. Those firms that invest in R&D, it is expected to create new ideas and new products by reducing the cost of production and operating in an efficient way and being more profitable. The positive effect of R&D is not only for firm level but there are positive spillover effects among firms that operate in the same industry or geographical region. In 2000, the European Union introduced the Lisbon strategy to make the Union the most competitive and dynamic knowledge -based economy in the world and to provide sustainable economic growth. The importance of the Lisbon strategy was to speed up the transition towards a knowledge-driven economy in which the contribution of education, training, research and innovation contribute efficiently to growth (Ivan-Ungureanu and Marcu 2006). The R&D intensity in the European Union (EU) in 2017 was 2.07% that is much lower than the United States (2.76% in 2015). Also, the Europe 2020 strategy has putted the target of 3% of R&D intensity

in the EU (Eurostat 2020). Given the great importance of R&D and trade openness for development the aim of this paper is to investigate the impact of R&D and trade openness on economic growth for 28 European Union (EU) member states in the period of 2000-2017. Also, it is investigated the impact of the financial crisis. The empirical results by using dynamic panel model GMM show that trade openness has a positive and significant effect on economic growth. The research and development expenditure has a negative influence on growth but insignificant. The financial crisis during 2008-2009 impair economic growth that is consistent with the literature.

The remaining paper is organized as follows. The next section presents the theoretical background and empirical studies concern to R&D, trade openness nexus economic growth. The following section presents data and methodology in the study. The empirical part quantifies the impact of gross domestic expenditure on R&D on growth and the impact of trade openness. The last section summarizes the main finding and includes some policy recommendations.

2. Literature review

The relationship between research and development and economic growth is studied by a wide variety of authors both in theoretical and empirical studies. There are several approaches to the modern theory of economic growth since the middle of the twentieth century. The first view is the neoclassical growth theory known as the Solow- Swan model that attempts to explain long-run economic growth with capital accumulation, population growth as the main driver of growth. The model is based on the assumption of exogenous technological progress (Swan 1956; Solow 1956). On the other hand, Romer (1989) considers knowledge as the main driver of production function and economic growth. Also, he emphasizes that countries that are more open to international trade have more opportunities to invest in research and development consequently the number of patents for these countries will increase. Steger (2005) criticized the growth models of economic growth with the focus of R&D because these models are used to explain the economic growth for industrialized countries. The first generation of R&D -based growth model suffered from the scale effect, according to which the long-run growth rate is associated with the size of the economy. Apart from scale effect, a second generation of R&D -based growth models have been developed that do not spur by the scale effect, known as non-scale growth models. The latter growth models explain the powerlessness of public policy to promote growth. There are also empirical papers that found a positive impact of R&D on economic growth and total factor productivity in the long-run (Blanco, Gu, and Prieger 2016; Nekrep, Strašek, and Boršič 2018). The increase of economic growth in the entire region can be caused by coordinated R&D incentives in a region across states or when multistate arrange policy cooperation. The study by Inekwe (2014) in sixty six developing countries shows that R&D spending has a positive influence on economic growth for upper middle -income countries but for countries with a low level of income, the role of R&D spending remains insignificant. Pokrivčák and Záhorský (2016) conduct a study in CEE countries and examine that the investment in research and development spur economic growth in the Czech Republic, Poland, Romania, and Slovenia.

However, (Pop Silaghi et al. 2014) examine the influence of R&D expenditure by sector of performance. They conclude that private R&D expenditure enhances economic growth, but the role of public R&D expenditure remains insignificant. The government should implement policies such as tax credits, subsidies in order to spur innovative activity in firms and through direct spending on education and training. Also, the support from the government would be in the form of grants for firms that come with new ideas and present an exceptional innovation. Contrary, Szarowská (2016) investigate the impact of R&D in 20 EU countries for the period 1995-2013 and conclude that government R&D expenditure are the main driver of economic growth. Business expenditure on R&D during the study period are insignificant. Also, the role of higher education R&D expenditure spurs economic growth only after the financial crises. Furthermore, Coccia (2012) found a strong correlation between public and private R&D expenditure. In case when R&D spending on the

business enterprise sector exceeds R&D spending of government sectors, labor productivity tends to growth. But in developed countries private R&D expenditure tends to be greater than public R&D expenditure, vice versa in countries with lower GDP per capita, public R&D spending tends to be higher than private R&D one. Countries, in which R&D intensity is mainly funded by government R&D expenditure are more displayed to have a lower economic performance. Finally, Köhler, Laredo, and Rammer (2012) mentioned that despite the fact that there are a lot of studies on the impact of R&D tax incentives, but there is a lack of studies that investigate the effectiveness of R&D tax incentives.

3. Data and methodology

The empirical model that is used in this paper is based on the work of Barro and Sala-I-Martin (1997), who identify that the main driver of economic growth is the level of technological development of leading countries. The most commonly used data to explain the level of the country involved in innovation activity is the share of research and development expenditure in GDP. Also, trade openness is used as explanatory variables that effect economic growth. General government final consumption expenditure as a percentage of GDP, gross fixed capital formation as a percentage of GDP are used as the control variables. A dummy variable is included in the model to investigate the impact of the financial crisis during 2008-2009. The real GDP growth rate is used as a proxy for economic growth. The data for both dependent and independent variables are gathered from World Bank data. The econometric model is used to measure the influence of R&D and trade openness on economic growth. The basic dynamic panel model is as below:

$$GDP_{it} = \beta_0 + \beta_1 GDP_{it-1} + \beta_2 GERD_{it} + \beta_3 OPENNESS_{it} + \beta_4 GFC_{it} + \beta_5 GEXP_{it} + \beta_6 DUMMY_{it} + \varepsilon_{it}$$

It is suspected that some explanatory variables to suffer endogeneity problem with respect to economic growth. Trade openness is suspected to have a bidirectional causality with economic growth and the residual term may exhibit correlation with regressors. The generalized method of moments estimator for panel data by Arellano and Bond (1991) is employed to deal with endogeneity problems and unobserved heterogeneity among countries in the study. Empirical evidence is based on unbalanced annual panel data for 28 EU countries for the period 2000-2017. Correction of the residuals and endogeneity problems is corrected by instrumenting GDP_{it} with lagged values of GDP, in the same manner, values that lagged of one period behind of trade openness is used to instrument the corresponding trade openness variable that endogeneity shows that trade openness is endogenous variable (p -value= 0.000).

Figure 1 shows the evolution of EU-28's R&D intensity grew between 2000-2017 and explain the share of R&D performance in each of the four sectors (business, government, higher education, non-profit sector). As it is shown the share of business R&D is higher compare to other sectors, and its R & D expenditure rose from 1.15% of GDP to 1.36% which means an overall increase of approximately 18%. Apart from business R&D expenditure, investment in higher education composes the second most important sector that achieved an increase of 21.6 % from 2000 to 2017. Government R&D expenditure is decreased by 0.04% that means the share of research and development expenditure on GDP is reduced during years.

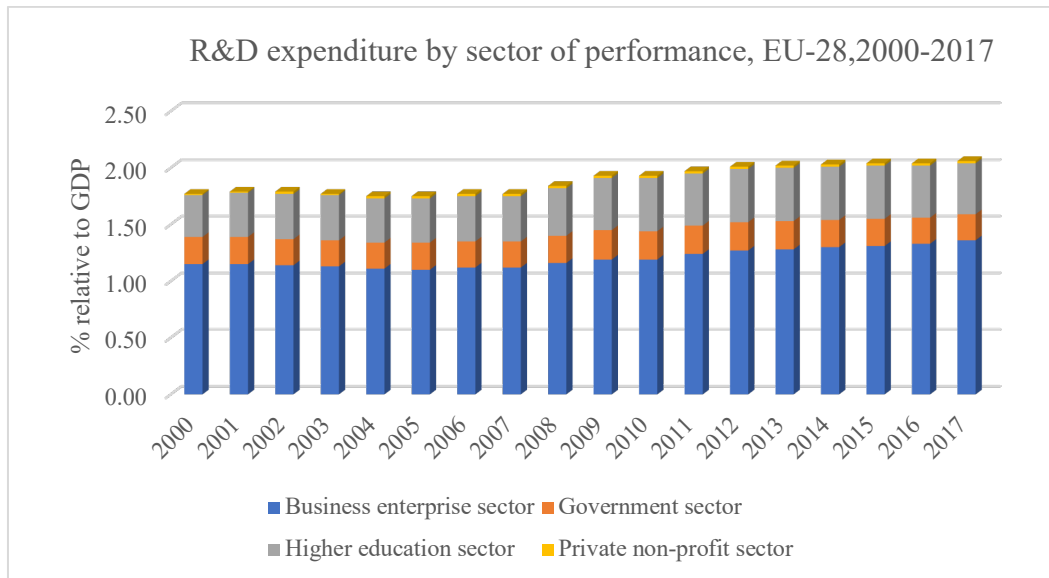


Figure 1 Research and development expenditure by sector of performance

Source: Eurostat

4. Empirical results

The dynamic panel data model requires that all data should be stationary. Therefore, the panel unit root tests are applied to all variables. Using the Phillips-Perron test, support the hypothesis of a unit root in research and development expenditure. Additionally, all other variables are stationary in level. Table 1 reports the descriptive statistics of all variables used in the analysis.

Table 1 Descriptive statistics

	GDP	GEXP	GFC	GEARD	OPENNESS	DUMMY
Mean	0.02367	0.197529	0.223054	0.014336	1.136673	0.119914
Median	0.024505	0.193625	0.219677	0.012345	0.98126	0
Maximum	0.251173	0.27935	0.372865	0.039138	4.163892	1
Minimum	-0.148142	0.122517	0.115442	0.002225	0.456091	0
Std. Dev.	0.036643	0.027559	0.040816	0.008711	0.630021	0.32521
Skewness	-0.334096	0.513176	0.651241	0.793945	2.006049	2.339987
Kurtosis	8.793277	3.115389	4.319811	2.709135	7.946894	6.475539
Jarque-Bera	661.7495	20.75644	66.90477	50.70831	789.3992	661.2238
Sum	11.05377	92.24598	104.1664	6.694887	530.8265	56
Sum Sq. Dev.	0.62571	0.353924	0.776317	0.035363	184.9677	49.2848
Observations	467	467	467	467	467	467

The empirical results are presented in table 2. As it can be seen, the role of research and development has a negative effect on economic growth but not significant. The role of gross fixed capital formation is positive and significant it means that purchasing new or existing fixed assets by government, businesses and households is the main driver of economic growth. The effect of the financial crisis that began in the United States in late 2008 has affected and European Union countries. The spillover effect of financial crises has affected all economic sector of EU The empirical results show the negative effect of financial crises on economic growth as it expected. Based on the results the economic openness is the most significant factor that enhance growth. Trade openness is the promoter of structural changes on the economy, enhancing processes and importing technological advances from neighbors which allow domestic resources to be used in a productive way and foster the increasing integration of economies around the world.

Overall, the dynamic panel model has a value of R-square of 52%, meaning that approximately 52% of the time variation in the dependent variable real GDP growth rate is explained by the time variation in the explanatory variable of our model.

Table 2 Regression results using first difference GMM estimation

Variable	Coefficient
GDP _{it}	0.354*** (0.053)
GEXP _{it}	-0.154** (0.068)
GFC _{it}	0.199*** (0.038)
D (GERD _{it})	-0.099 (0.194)
OPENNESS _{it}	0.0039** (0.001)
DUMMY _{it}	-0.051 (0.004)
C	0.004
No. of countries	28
No. of observation	503
Hansen test	0.195
AR (2)	0.696
No. of instruments	8

Notes: Standard errors in brackets. *, ** and *** denote significance levels of 10%, 5% and 1%.

5. Conclusion

The paper aim is to examine the impact of research and development expenditure and trade openness on economic growth for 28 EU countries in the period 2000-2017. The relevant literature shows that there is a lack of studies for the European Union that have studied the impact of R&D and trade openness on growth during recently years. The GMM applied on dynamic panel data and estimation are based on Arellano-Bond estimator (1991) with robust standard error, consistent with panel-specific autocorrelation and heteroskedasticity. The GMM estimator remove the individual effects and due to the fact that some variable can suffer from endogeneity problems, GMM method deal with. Hansen test shows that there is no correlation between instrumental variables and residuals. Also, the number of instruments is less than the number of countries. The autocorrelation problem is tested with Arellano-Bond test for first and second lags. The test shows that the null hypothesis of no serial correlation in the residuals could not reject. The results show that the R&D expenditure has a negative effect on economic growth but insignificant. The negative effect is related to the fact that the EU Lisbon Strategy set a goal of devoting 3% of GDP for research and development in 2010, which was not achieved. In 2010 the level of R&D reached 1.9% and in 2017 is 2.06 % remaining far a way of the level of 3% that is decided on Lisbon. The governance of research and innovation policies should revise in order to enhance innovation by using R&D tax incentives as a policy tool to support business R&D that compose the largest share of total research and development.

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RELATIONSHIP BETWEEN GOVERNANCE AND HUMAN DEVELOPMENT IN EUROPEAN COUNTRIES: PANEL REGRESSION ANALYSIS

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Abstract

This paper tests the relationship between governance and human development in EU-27, using panel data for 2002-2017 time interval. The literature suggests a direct link between human development and good governance. Thus, the study is interested to note if a good governance lead to better living standards or there exist an inverse direction relationship. This study considers all six proxies that define Good Governance: Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. The proxy of living standards is based on the values of Human Development Index, an index widely used, composited from life expectancy, education and per capita income indicators.

The main focus of the paper is to confirm two hypotheses. Firstly, it tries to examine whether the above-mentioned relationship is positive and secondly, whether the causality direction of these two variables is bi-directional. Therefore, the Granger Causality test is employed to find out the causality direction of these two main variables.

Keywords: Good Governance; Human Development; Granger Causality, EU.

JEL classification: H11, O15

Introduction

A broader aspect of development is the human development, which included the quantitative and qualitative dimensions. Human development, being the end and the goal of development, is measured by the Human Development Index (HDI), an index provided from United Nations of Development Program. Beside the monetary component, HDI includes the non-monetary ones. This index, as represented in Figure 1, is the geometric mean of life expectancy, education and gross national income index. The health dimension is assessed by life expectancy at birth, the education dimension is measured by mean of years of schooling for adults aged 25 years and more and expected years of schooling for children of school entering age and the standard of living dimension is measured by gross national income per capita. (UNDP, 2019).

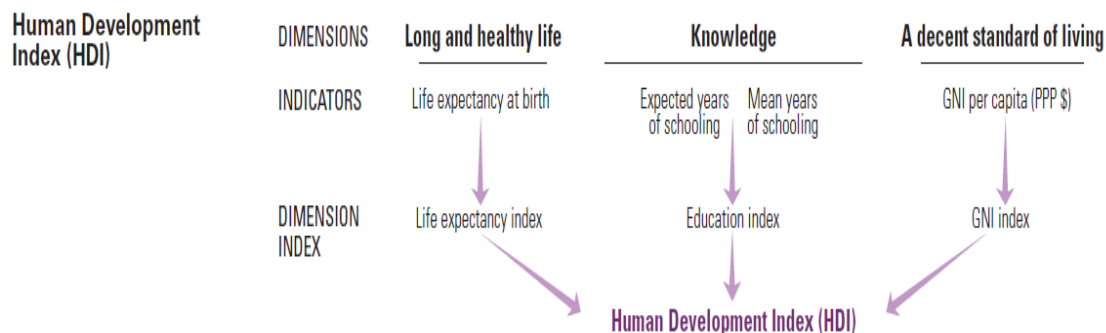


Figure 1. Graphical Presentation of Human Development Index Calculation

Source: UNDP, Human Development Index, <http://hdr.undp.org/en/content/human-development-index-hdi>

Although, highly criticized, Human Development Index is widely used while understanding its relationship with other important variables, such as good governance (Work, 2002; Pradhan, 2011; Blunt, 1995; Santagata et al., 2019), inequality (Stiglitz, 2012; Ogwang, 2000; Grimm et al., 2010; Martínez, 2012; Permanyer and Smits, 2019), corruption (Akçay, 2006; Qizilbash, 2001; Hysa, 2011; Ortega et al., 2014; Rothstein and Holmberg, 2019), poverty (Hall and Patrinos, 2004; Anand and Sen, 1997; Laçaj and Hysa, 2018; Cosgrove and Curtis, 2017; Fukuda-Parr and Yamin, 2017), etc.

Some studies find a positive relationship, even though the strength is discussable in some cases. For example, the study of Hysa (2014), measures the correlation between inequality and HDI for a group of 151 countries, confirming a positive relationship but a weak one. To sum up, we can find similar results for other correlations too.

The other important aggregate variable taken in the study to find out its’ relationship with the HDI is the Good Governance. A widely used definition of Good governance, is that of Holzen and Kim (2002). They define Good Governance as “the paradigm shift of the role of governments”. Good Governance is composed by six proxies defined as Voice and Accountability, Political Stability and Absence of Violence/Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. While understanding the level and the quality of governance, many researchers have used Good Governance Indicators (GGI). GGI is a subjective term describing management of public resources in the most efficient and optimal way. This indicators help understanding the countries position from year to year and to make comparison among each other.

Table 1.

Good Governance, its’ components and indicators.

Governance Issues	Governance Components	Indicators
The process by which governments are selected, monitored and replaced.	1. Voice and Accountability	- Extent of citizens participation in selection of governments;
	2. Political Stability and Absence of Violence/Terrorism	- Civil liberties, political rights; - Perceptions that the government in power will be destabilized by possible unconstitutional means.

The capacity of the government to efficiently formulate and implement policies.	3. Government Effectiveness 4. Regulatory Quality	<ul style="list-style-type: none"> - Perceptions of quality of public service provisions, quality of bureaucracy, competence of civil service servants, independence of civil service from political pressures, credibility of government's commitment to policies; - The incidence of market unfriendly policies such as price controls.
The respect of citizens and the state for institutions that govern economic and social interaction among them.	5. Rule of Law 6. Control of Corruption.	<ul style="list-style-type: none"> - Success of the society in developing an environment in which fair and predictable rules form the basis economic and social interactions; - Perceptions of the incidence of crime, effectiveness and predictability of judiciary and enforceability of contracts; - Perceptions of corruptions.

Source: World Bank, Worldwide Governance Indicators, <https://databank.worldbank.org/source/worldwide-governance-indicators>

As both variables are prone to development and enhancement, it is expected a positive and a strong relation among Human Development Index and Good Governance Indicators. In the study of Keser and Gökmen (2018) done for 33 member and candidate countries of European Union, for the period of 2002-2012, a positive relationship was found for Human Development Index and three components of Good Governance (Government Effectiveness, Regulatory Quality and Rule of Law). Sebudubudu (2010) in his study confirms once more that good governance is central to a country's progress by being positively correlated to human development but also having an inverse relationship with the poverty rates for the case of Botswana.

Hence, this study will focus on the available components of good governance and their correlation to the human development for the European countries. It is quite important to see if again this relationship is positive and strong enough for the developed countries.

Performance of European Union Countries

European countries have been the group of countries that have cooperate and work hard for the quality and the development of their societies. Often these countries have been as "good examples" of "examples to be followed" for most of the developing countries, especially for those which aspire the EU integration. As shown in the figure 2, the group of European countries, EU-28, is having a positive trend regarding the human development index. This index varies from 0.78 in 1996 to 0.88 in 2017 (the maximum value of HDI is 1.00) The data shown in the figure are the aggregate data of 28 countries, and thus they show the mean. It is

important to underline the fact that these data show the mean of all these countries and that the latest joint countries in EU have lower performance than the rest.

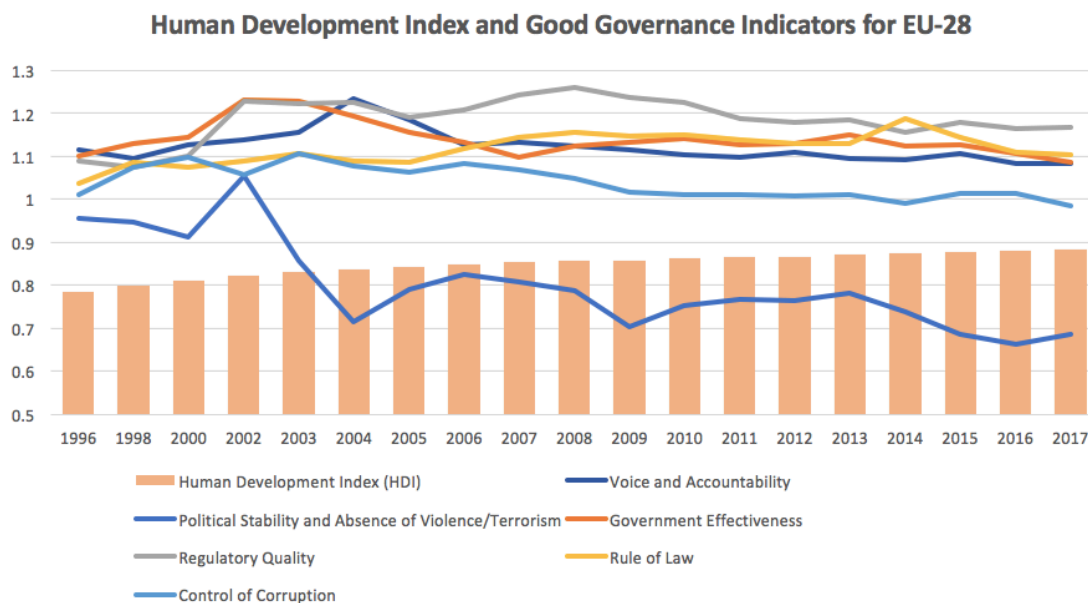


Figure 2. Human Development Index and Good Governance Indicators for EU-28

Source: UNDP and World Bank databases

Components of the Good Governance are showing slightly different figure. Political stability (and absence of violence and/or terrorism) indicator is quite separate from the other indicators. It shows a decreasing trend from 1996 to 2017. In 2002 it reaches its peak, a value of 1.06 but then it significantly decreases, and in 2016 it reaches the lowest value, that of 0.66. The five other indicators are similar to each other showing the same trend (without many fluctuations). Even though the mean of each indicator is between some range (generally above 1.00, excluding the political stability indicator), the values per country might differ a lot. For example, Bulgaria, Romania and Croatia are often showing negative signs and countries such as Austria, Denmark and United Kingdom are having values more than 2.00, showing better position and relatively high performance of these countries in the good governance and its' dimensions.

3. Methodology

Data employed for empirical analysis are extracted from World Bank (WB), Database of World Governance Indicators (WGI). For empirical analysis, are used data belonging to the period of 2002 to 2017 and studying 28 European countries. As proxies for good governance or government effectiveness are used variables such as voice and accountability, political stability and absence of violence/ terrorism, government effectiveness, regulatory quality and rule of law (Kaufmann, Daniel, Aart Kraay and Massimo Mastruzzi, 2010). Human capital on the other hand is measured by human development index (HDI), and index widely used nowadays in research. HDI is a composite index that is designed to measure human development. There are three key areas or dimension included in this index: a long and healthy life, being knowledgeable and having a decent standard of living. Good governance is a complex

phenomenon and difficult to be measured. The six proxies used in this paper are generally used from other researchers as well (Rindermann, Kodila-Tedika, & Christainsen, 2015) and they represent different aspect of good governance. The form of these variables taken into consideration in this research paper are estimate, which indicate that each country is given a score in units of a standard normal distribution which ranges from -2.5 to 2.5. Table 2 presents the descriptive statistics of main variables.

Table 2.

Descriptive statistics of good governance and human capital proxies

Descriptive Statistics of the used variables					
	HDI	Government effectiveness	Political instability	Regulatory quality	Voice and accountability
Mean	0.858346	1.143024	0.761609	1.204279	1.124346
Median	0.861500	1.087683	0.796740	1.179294	1.122603
Maximum	0.938000	2.353998	1.755193	2.047448	1.800992
Minimum	0.724000	-0.359750	-0.473777	-0.041146	0.299219
Std. Dev.	0.044798	0.603074	0.416320	0.432302	0.335867
Skewness	-0.414711	-0.209415	-0.254324	-0.170235	-0.428240
Kurtosis	2.552209	2.412751	2.684449	2.236258	2.571568
Jarque-Bera	16.58451	9.711896	6.688175	13.05213	17.11943
Probability	0.000250	0.007782	0.035292	0.001465	0.000192
Sum	384.5390	512.0748	341.2009	539.5168	503.7072
Sum Sq. Dev.	0.897081	162.5729	77.47502	83.53778	50.42466
Observations	448	448	448	448	448

Source: Compiled by authors

Table 3 shows a correlation matrix among variables. As it is shown in the table all variables are positively correlated with each other. We observe high correlation values, especially between variables such as rule of law and control of corruption with all other governance variables expect political stability. Human development index also has a positive relationship with all governance variables. Correlation of HDI index and other governance variables have all values higher than 0.7 except political stability, which is relatively low, compared to other variables, 0.3294. Therefore, there is a positive relationship between human development index and voice and accountability, political stability and absence of violence, government effectiveness, and regulatory quality, rule of law and control of corruption.

Table 3.

Correlation between good governance indicators and human capital

Correlation Analysis							
	Voice and accountability	Political stability	Government effectiveness	Regulatory quality	Rule of Law	Control of Corruption	HDI
Voice and accountability	1.0000						
Political instability	0.5894	1.0000					
Government effectiveness	0.9055	0.5670	1.000				
Regulatory quality	0.8813	0.5311	0.8743	1.0000			
Rule of Law	0.9326	0.5780	0.9392	0.9099	1.0000		
Control of Corruption	0.9182	0.5409	0.9420	0.8929	0.9493	1.0000	
HDI	0.7591	0.3294	0.7635	0.7066	0.7996	0.7703	1.000 0

Notes: $N=392$

Source: Compiled by authors

To give a better view of the relationship between governance variables and human development index a Scatterplot analysis is conducted as indicated in figure 3. As HDI increases good governance variables also increases. These six scatterplot graphs show graphically the correlation between human development index and each of the governance indicator. In the x-axis, we have placed the index of human development and in the y-axis, indicator of good governance. The result indicates a clearly a strong and positive correlation, if we draw a 45 line we can see that most of the data will be concentrated on that line except political stability and absence of violence which appears to be very spread.

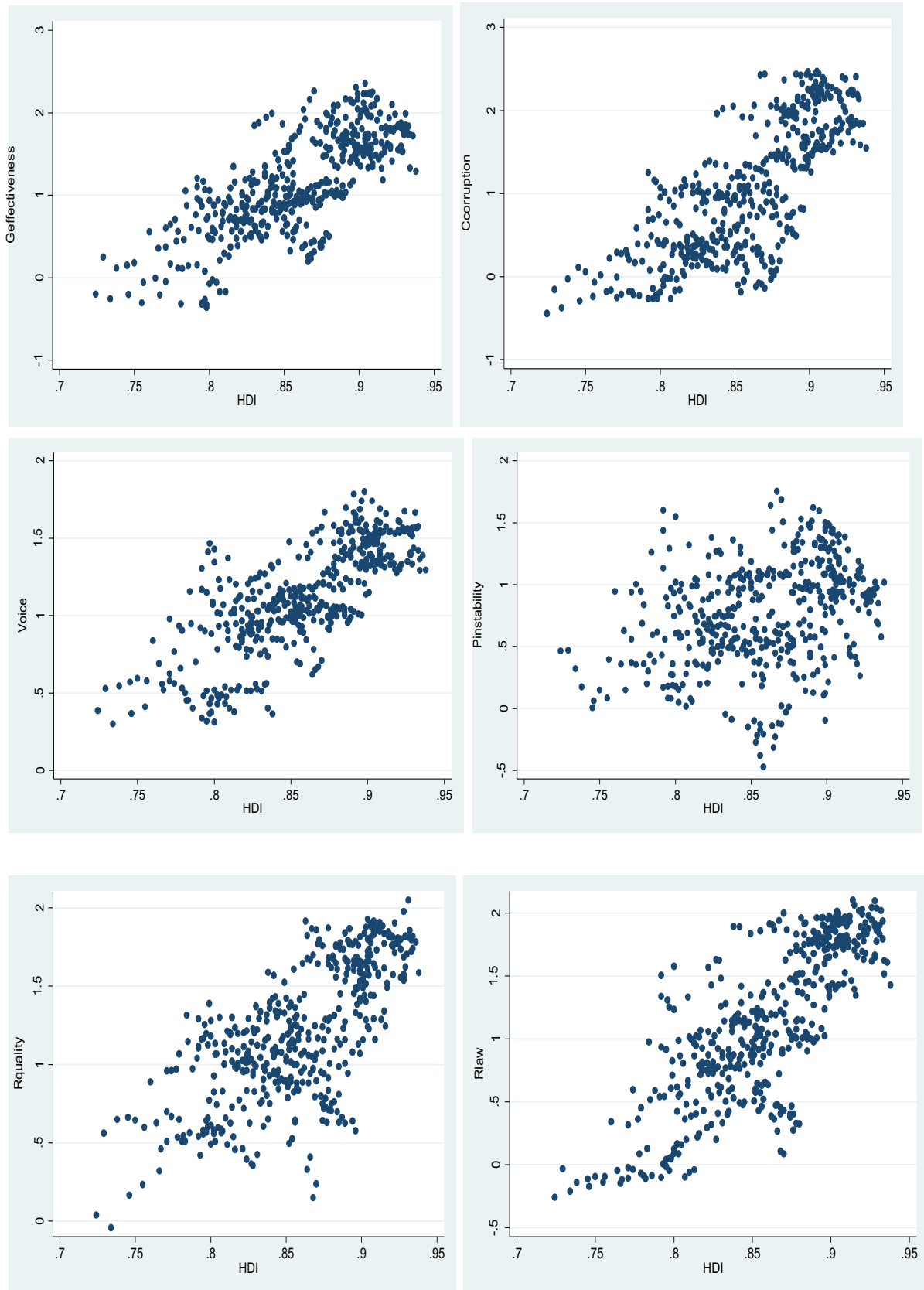


Figure 2. Scatterplot between good governance indicator and human capital

Source: Compiled by authors

Later we test the series if they have a unit root, therefore a unit root test for panel data is conducted. Unit root tests the stationarity of mentioned variables. Each of the variables appears to stationary at 5 % and 10% level of significance. After testing the stationarity of the variables, an unrestricted VAR model is applied to the data. An important issue in a VAR model is the stationarity of the series and the number of lags, which yield the best results. Tests of serial correlation and homoscedasticity are run before VAR analysis. The test shows that the data do not have correlation and are homoscedastic. From the VAR we draw Granger casualty test. The results of Granger causality are displayed in table 4. In the VAR model variables of rule of law and control of corruption are excluded due to high correlation these variables have with other good governance indicators.

Table 4.

Root Tests

Levin, Lin & Chu unit root test		
	ADF test t-values	Probability values
Voice and accountability	-2.0734	0.0191
Political instability	-3.47619	0.0003
Government effectiveness	-3.52518	0.0002
Regulatory quality	-1.53102	0.0629
Law	-2.48479	0.0065
Corruption	-2.41493	0.0079
HDI	-6.67193	0.0000

Source: Compiled by authors

Table 5.
Granger Causality Test among Variables

Granger causality			
Dependent variable: HDI			
Excluded	Chi-sq	df	Prob.
GEFFECTIVENESS	2.376521	2	0.3048
PINSTABILITY	0.504347	2	0.7771
RQUALITY	0.560512	2	0.7556
VOICE	4.797532	2	0.0908
All	23.84272	8	0.0024
Dependent variable: GEFFECTIVENESS			
Excluded	Chi-sq	df	Prob.
HDI	5.748693	2	0.0565
PINSTABILITY	8.097303	2	0.0174
RQUALITY	3.292399	2	0.1928
VOICE	0.465735	2	0.7923
All	15.78704	8	0.0455
Dependent variable: PINSTABILITY			
Excluded	Chi-sq	df	Prob.
HDI	1.520509	2	0.4675
GEFFECTIVENESS	2.562727	2	0.2777
RQUALITY	0.217486	2	0.8970
VOICE	0.642722	2	0.7252
All	7.490764	8	0.4847
Dependent variable: RQUALITY			
Excluded	Chi-sq	df	Prob.
HDI	3.112929	2	0.2109
GEFFECTIVENESS	0.807668	2	0.6678
PINSTABILITY	1.516083	2	0.4686
VOICE	0.873490	2	0.6461
All	8.871279	8	0.3533
Dependent variable: VOICE			
Excluded	Chi-sq	df	Prob.
HDI	5.511482	2	0.0636
GEFFECTIVENESS	9.580143	2	0.0083
PINSTABILITY	27.49799	2	0.0000
RQUALITY	6.110626	2	0.0471
All	62.54753	8	0.0000

Source: Compiled by authors β

Conclusions

After we tested the variables for unit root and conducted a VAR model, a Granger Causality test was conducted. From the result of Granger Causality test, we can see that only variable of voice and accountability at a 10% level of significance does Granger cause HDI. Other variables appear to be statistically insignificant. Thus, reference to this variable we can see a causality running from good governance indicator to human development. Human development index, on the other hand, does Granger cause variable which measures government effectiveness, voice, and accountability at 10% level of significance. Therefore, although not very strong we can see bi-directional relationship between the variables of good governance and human development index. This relationship is positive in all cases. As defined by World Bank researchers, good governance is the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. For the result of our analysis it can be seen that all the good governance variables defined by World Bank are positively correlated to human development index which implies that with highly educated and healthy individuals in society we will have greater government effectiveness. Good governance indicators such as government effectiveness and voice and accountability depend on human development, its intellectual ability, health, and well-being. However, the relationship is not just one-directional, a society with higher government effectiveness values and invest more in human development. The sample of countries taken into study in this paper is composed developed countries such as Germany, Sweden, France, etc. and some other countries such as Hungary, Cyprus, and Estonia, which are trying to catch-up to the developed ones. Therefore, it contains variability of countries and gives reliable results.

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THE USAGE OF “PEER-REVIEWING” STRATEGY FOR SECONDARY SCHOOL STUDENTS AS A MEANS OF ENHANCING WRITING SKILLS

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Abstract

Writing process is considered as a challenge both for students and for teachers, as students find it difficult to learn writing and acquire writing skills while teachers suffer from obstacles in teaching writing and, what is more important, writing assessment. The research reported in the article took place among students and teachers of one of the school-gymnasiums in Almaty city, Kazakhstan where schoolchildren showed a low level of academic performance in writing skills and lack of interest and enthusiasm when performing written assignments in English. The action research was used as a design of the study, as it was planned to implement “peer-reviewing” strategy into the writing classes, which stands for an effective tool to establish and develop students’ writing ability with the help of collaboration among students. This was expected to be a suitable way to solve several problems, detected in this school. The results of the experiment confirmed the effectiveness of the “peer-reviewing” strategy, which is reflected in the positive dynamics in the development of writing skills, in simplifying the process of completing written assignments and in a noticeable higher interest of students in the process of writing.

Key Words: writing skills, writing strategies, peer-reviewing, collaboration, self-assessment

Introduction

Writing process is considered as a challenge both for students and for teachers, as students find it difficult to learn writing and acquire writing skills while teachers suffer from obstacles in teaching writing and, what is more important, writing assessment. According to Harmer (2007), writing - one of those practices that most students find difficult to study, because it is necessary to find more convenient word, the correct order of words, the use of the structure of the words paragraphs, spelling and punctuation to express the idea in writing form. Taking this into account, it is important to emphasize that teachers also face difficulties of check of writing because of lack of time for writing of occupation in the lesson (it is necessary not less than 15 minutes), and therefore that correction of written work takes a long time. Harmer very precisely identified all the main factors that impede the process of writing and require careful consideration and a certain approach to solve the problems.

The research reported took place among students and teachers of one of the school-gymnasiums in Almaty city, Kazakhstan where schoolchildren showed a low level of academic performance in writing skills and lack of interest and enthusiasm when performing written assignments in English, what could not be said about other types of speech activity, especially speaking in English, which was fairly well developed.

One of the main reasons was feedback, which orally took too much time, and the teachers also admitted that they lacked confidence in the evaluation and commentary of schoolchildren’s written works, which could be more subjective.

Also among the reasons mentioned was the excessive length of the process of evaluating written work, which led to a late feedback. Accordingly, late feedback or subjective feedback without a thorough explanation of the reason for a low or high rating led to a decrease in the interest and enthusiasm of schoolchildren in the performance of written tasks.

In addition, some teachers confessed to a lack of competence and strategic writing skills, which most often forced them to simply avoid working with the development of writing skills. It is not surprising that students in this school had problems with academic performance in writing skills.

It would be wrong to say that this situation is unique, since the research of many scientists led to similar results. One of them is Kurihara (2017), who also revealed that a lot of teachers “lacked confidence in analysing writing” and “admitted gaps in their own knowledge about writing and instructional strategies that focus on teaching and learning for a particular purpose”. The situation described above determines the relevance of the study in the mentioned school in the form of action research.

This project aims to investigate deeply the problem of writing among secondary school students and to provide solutions with the help of peer-reviewing strategy, which is believed to be effective and helpful both for teachers and students.

Literature review

Recently, peer-reviewing strategy has deservedly become an object of interest and research for many scientists who are trying to make a contribution to solving problems with academic performance in writing skills. (Connor & Asenavage, 1994; Sengupta, 1998; Paulus, 1999; Kamimura, 2006; Min, 2006;). Furthermore, in some studies, the low effectiveness of peer feedback was found when comparing it with teacher feedback (Chaudron, 1984; Connor & Asenavage, 1994; Paulus, 1999). Other studies, on the contrary, have shown that with a well-thought out and organized use of peer-review strategy, there is an effective influence on the development of writing skills (Kamimura, 2006; Min, 2006). One of the most valuable effects of the use of the peer review, revealed in the studies of other scientists, is that the interaction of students in the process of writing work facilitates the use of cognitive, metacognitive and social strategies by students (Villamil & Guerrero, 1996, 2006; Min, 2005, 2006). Moreover, peer-reviewing has been proved to contribute autonomous, self-managed learning what is promoted by the interest of students in managing and directing their own writing process (Tsui & Ng, 2000; Yang, Badger, & Yu, 2006).

Vygotsky's (1978, p. 88) conception, that “human learning presupposes a specific social nature and a process”, led to a new approach to language learning, where emphasis was placed on joint study and cooperation in the learning process, including the development of writing skills. As a result, Bruffee (1984) offered, that “collaboration with peers is essential in writing classrooms because writing is a social artifact” (p. 642).

It is impossible not to mention the studies that have identified factors that effectively affect the learning process and the positive consequences arising from them. Mendonca and Johnson (1994), for example, disclosed that a well-designed peer-reviewing contributes to a good generation of ideas in the process of writing. A study of EFL, conducted by Min (2005) in college, led to the conclusion that peer-reviews help students develop their social skills, ability and need to communicate, exchange ideas, which is the main auxiliary skill in developing writing mastery. Tsui and Ng (2000), tried to compare students' attitudes to feedbacks given by the teacher and classmates. As a result, it turned out that although teacher feedback is more valuable for students, peer feedback also plays an important role with its unique advantages. Among them, students recognize the opportunity to learn their strengths and weaknesses, the ability to feel in society, co-education, the possibility of comparison and the desire for development, as well as “fostering an ownership of text” and the sense of autonomy.

From the findings of Villamil and Guerrero (2006), which they made during the microanalysis of a peer-review in ESL lessons, one can find out that peer feedback leads to self-initiation in the cognitive process. Another study on peer-review, which is called “The effectiveness of peer written feedback on students’ writing skills” by Bui Thi Kim Ngan (2009), attempted to investigate current situation of writing skills and improve them. Mentioned study defines peer-reviewing as an effective tool to establish and develop students’ writing ability. With the help of questionnaire, it also finds that students have positive attitude toward peer-review strategy and share only friendly comments about it.

Reviewing is commonly understood to be an assessment of written work by one or several people who have approximately the same level of proficiency in order to highlight the strengths and weaknesses of the work, and as a result enable the author to rethink some of the points discussed in the text and refine and supplement the content. The bilateral effect of such a strategy (both for the author and for the reviewer) is provided by discussions of the written work, which according to Christine M. Dawson (2009), are necessary for exploring “purpose, effect, clarity, and interpretation”. They are essential for developing "writing skills and strategies because students are able to work at progressively higher levels with the guidance and support of teachers and the collaboration of peers. The processes internalized during such guided or collaborative work provide for new levels of development in written communication" (McCann et al. 125)

Methodology

The study aims to answer the following research questions:

1. What are the reasons of low academic performance while completing writing assignments among secondary school students?
2. What is the effect of peer-reviewing strategy on students writing skills?

Participants of a research are the 9th and 10th –grades students of school-gymnasium in Almaty city, Kazakhstan. The research explores 18 students from 9th grade and 14 from 10th grade. For both classes English is taught 3 times per week. Learners’ level of English is intermediate or high pre-intermediate.

The action research was used as a design of the study, as it was planned to implement peer-reviewing strategy into the writing classes, which stands for an effective tool to establish and develop students’ writing ability with the help of collaboration among students. This was expected to be a suitable way to solve several problems, detected in this school.

As a tool for data collection, a qualitative method was chosen, which included interviewing teachers to identify the reasons for the lack of academic performance of written assignments (See Figure 1). In addition, written assignments were given as a pre-test, on the basis of which stimulated interviews were conducted. After a three-month intervention, which consisted of training and then applying the strategy twice a week in the experimental group, a written task, as a post test, and a stimulated interview were repeated. Finally, the students were offered postcards to express their opinions about the method used and to observe changes in the writing process.

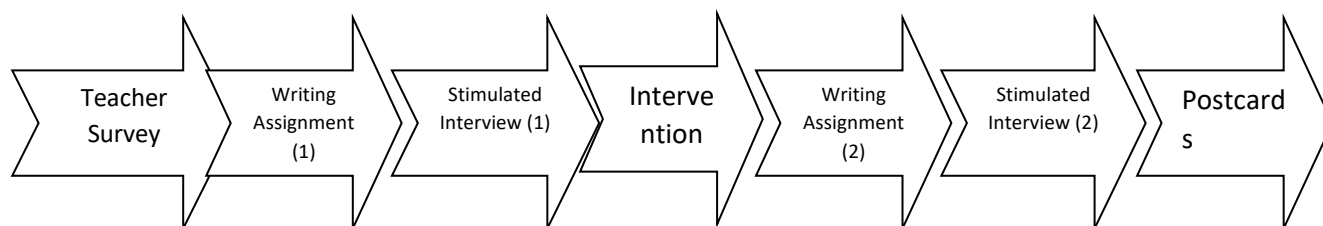


Figure 1. Research Design

Intervention part was organized in interactive classes form where students were provided with essay writing instruction? Which included essay planning, essay organization (introduction, body, conclusion), paragraph writing (topic sentence, supporting sentences), idea generation techniques, strategies to deal with problems in vocabulary and grammar use.

At the same time, trial sessions of peer review were held where students read essays by unfamiliar schoolchildren. They were supplied by instructions how to give feedback correctly, what to pay attention to first of all, and how to comment on the work, so that it would be useful for the author when editing the work and not demotivating him. As soon as the review process became clear to the students, and their comments made sense and contained meaningful notes, the students wrote their own essays (Rough Drafts), the topics of which were chosen according to the theme of the academic program and textbook, and exchanged peer reviews. After they got their Rough Drafts with the review back, they had some time to write their Final Draft, in which they had a choice to take or not to take into account their peer's recommendations. Teacher collected both, Rough and Final Drafts, with the review. Reviews were also evaluated, what made the process of peer-reviewing more responsible. For giving review students were provided with the table, which contained evaluation criteria, rubrics, points and place to leave remarks and recommendations (See Table 1). The pre-test and post-test writings were evaluated according to the same rubrics and criteria.

Table 1. Table with Criteria and Rubrics for Evaluating the Written Assignment

Criteria	Aspects of criteria	Maximum points	What you like	What you dislike	Suggestions/remarks
<i>Thesis and Thesis Statement</i>	<i>Writer identified the topic of the essay, states the main points developed in the essay, clarifies how all of the main points are logically related, and conveys the purpose of the essay.</i>	30			
<i>Organization</i>	<i>Introduction Body paragraph A new argument in each part of body paragraph Conclusion Smooth linking words</i>	10			
<i>Support and Development of Ideas</i>	<i>Evidence that the writer uses. All presented ideas need to be supported with at least several different pieces of specific evidences (examples, statistics, citations, proverbs, etc)</i>	20			
<i>Clarity</i>	<i>Clear and comprehensible writing</i>	15			
<i>Style</i>	<i>"Style" refers to the kinds of words and sentences that writer uses, complies with the type of written task (formal, informal) and meets the requirements of the appropriate style (choice of vocabulary,</i>	10			

	<i>grammatical structures, specific expressions, etc.)</i>				
<i>Mechanics</i>	<i>Grammatical, lexical and stylistic design of the text, errors: complete sentences, correct punctuation, accurate word choice, etc.</i>	15			

Results

First stimulated student interviews revealed a few major issues mentioned by the majority of participants (See Figure 2). It is not surprising that 100% of students named the problem in the use of grammar and vocabulary while completing written task in a foreign language. This problem is explained by the level of students (intermediate, high pre-intermediate) and is typical not only when completing written tasks, but also when using other types of speech.

Another, no less important issue related to the feedback was mentioned by 84.4% (27 out of 32) participants. Subjectivity of the assessment, incomprehensible or missing explanation of the reason for the low score demotivates students and makes progress in writing skills impossible.

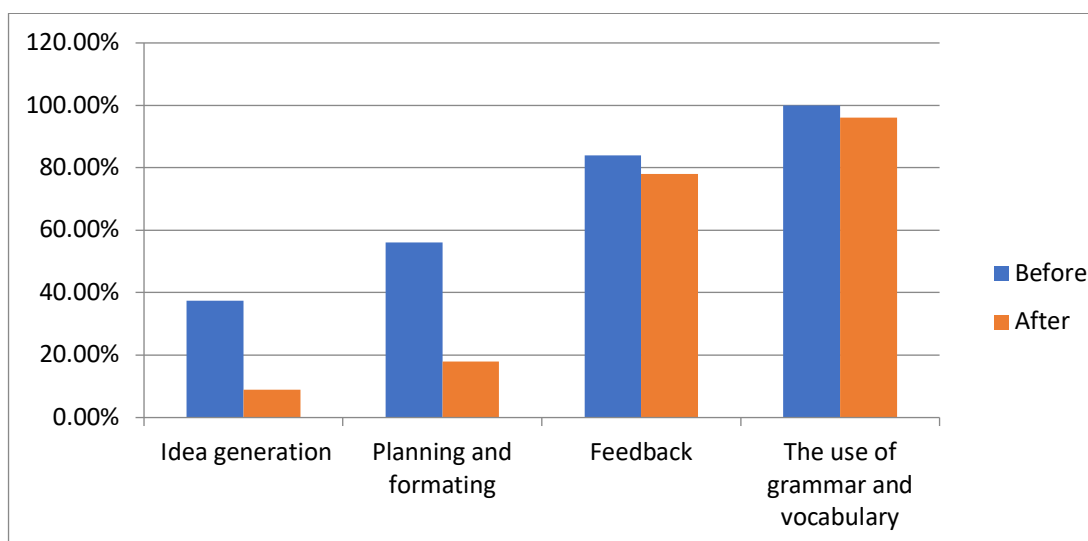
Moreover, 56.3% (18 out of 32) find it difficult to plan and correctly structure the text. None of the participants use a written plan, as they do not really know how to make it up and consider it useless. But, at the same time, they admit that due to the lack of a plan, they sometimes turned aside from the topic, were confused in their thoughts and even, randomly describing incoming ideas, ultimately expressed what they themselves did not believe in.

In addition, 37.5% (12 out of 32) of the participants among the challenges identified difficulties with the generation of ideas. They linked the problem with the nature of the topic, and as a solution they used similar essays from the Internet, which not infrequently led to plagiarism.

There were other problems mentioned by a small number of students. Among them, lack of time, inappropriate conditions in the class, incomprehensibility or uninteresting topics for the Essay.

After the implementation of the peer-reviewing strategy, the picture radically changed in the issue of planning and design, as well as the generation of ideas. Out of the 18 students who complained about planning difficulties, 14 recognized the importance of planning, and out of the 32 participants in the post-test writing experiment, 26 had used plans of various kinds. Some had detailed plans, some were short in the form of a bullet point or mind mapping, but somehow planning had a positive effect on the structure, the logical connection between paragraphs and the sequence of parts of the written text. The students noted that after they began to use the plan, the writing process became much simpler, it became easier for them to put together paragraphs, to logically continue the thought, and in general they began to like their own written works and written works of their peers, which they had to review. The students even named the names of classmates, in whose works they observed progress, especially in terms of structuring, due to which it became easier for them to read their works and to perceive ideas.

Figure 2. Key issues students face when completing writing assignments (before and after implementation of peer-reviewing strategy)



With regard to the generation of ideas, progress was also observed, which can be learned not only from more interesting and versatile students' essays, but also from their own observations and comments. After the implementation of the "peer-reviewing" strategy, out of 32 respondents only 3 still had difficulties with generating ideas, while the others recognized a clear improvement in this area, which led to a decrease in the time, spent writing an essay, and increasing satisfaction in their own work and in self-esteem. Students associate these improvements with collaborative work, the exchange of ideas and experience, clarity in the requirements for writing.

Findings of many scholars (Leki (1990); Nelson and Murphy (1992); Zhang (1995)) that students trust and prefer the feedback of teachers than their peers, for various cultural and academic reasons, made on the basis of research, were also confirmed during this study. Students admitted that they sometimes took into account classmates' comments on the irrelevance or lack of reasoning, used advice about new ideas and examples to prove and support arguments a little more often, but they almost never trusted corrections in terms of grammar and vocabulary. Only two of the respondents (which made up 6.3%) fully relied on the reviews of their classmates, because they believed that their knowledge of English was much higher than their own. Thus, it can be said that the percentage of students emitting feedback as the reason for low academic performance decreased slightly and amounted to 78.1%.

Findings

The purpose of this study was to identify the impact of the peer-reviewing strategy on improving writing skills. For the reliability of the results, a similar data collection was conducted in the control group, which confirmed the positive impact of the particular strategy used.

As a result of a teachers' survey and students interview, the main reasons affecting the low academic performance and low interest and enthusiasm when performing written tasks were identified. One of the main ones was feedback, which was reflected in the subjectivity of the assessment, non-transparency in the requirements for the implementation of the written task and the criteria for evaluation, inopportune or lack of receipt of the feedback. The use of peer-reviewing strategies led, though not to high, but positive results. Based on the postcards and interviews with students, it was determined that, although they didn't particularly trust the grammatical and vocabulary corrections in the written work, all the same, the feedback received from peers contributed to the transparency of the writing requirements and the evaluation

criteria. As a result, students better understood what was required of them, had the opportunity to self-assess and better cope with written assignments.

Also, the use of "peer-reviewing" strategy made a contribution to solving the problem with the generation of ideas in the performance of written assignments. Collaborative work with peers, the exchange of ideas and experience, communication within the framework of the topic of written work have led to the simplification of the process of generation and development of ideas. Students admitted that they can easily brainstorm on different topic after reading number of essays written by their peers. In addition, the students developed social skills, awareness and interest in the work, performance and progress of their classmates.

Moreover, from the written post-test, student comments in interviews and post-cards, it became obvious that there is an improvement in the prior planning of written essays. The works written according to the plan are distinguished by a sequence in the presentation of thoughts, their logical connection, a logical transition from one thought to another, which also became a solution to the problem with the right structuring of the essay. The writing process has become easier and shorter, and the topics of essay have been covered deeper and clearer.

Students found the peer-reviewing process very interesting and effective. During the experiment, there was an increase in interest and enthusiasm in the performance of written work and in the peer review of work. In addition, the work of teachers was simplified when checking and issuing feedback, since the work was done much better, many errors were corrected, and shortcomings were refined.

Conclusion

Based on the above results, it can be said with confidence that the "peer-reviewing" strategy can improve the writing skills of secondary school students, develop interest and enthusiasm, social skills of communication with peers as part of academic training, broaden the horizons and creative potential of students. As can be seen from the study, within the framework of the peer review strategy, students have the opportunity to learn not only from their mistakes, but also from the mistakes of their peers. The strategy procedure also allows one to discover many new ideas and solutions for oneself, relying on experience, a feeling of mutual support and society.

However, as it turned out from the study, not all aspects of writing skills are influenced by this strategy, which means that the peer-reviewing strategy can be effectively used in class together with other techniques to learn writing skills. And it also became clear that only peer reviews are not enough for an effective result. This strategy can be flexibly used by teachers, but for the purpose of learning, but not as a final assessment of students' written work. Teacher feedback in any case for students is the most preferred, reliable and effective means of identifying strengths and weaknesses and identifying directions for improving writing skills.

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CAR PLANTS, CHEAP BEER, UNDERDOGS. PRELIMINARY CONTENT ANALYSIS OF THE IMAGE OF SLOVAKIA IN THE BRITISH PRESS IN 2010-2014

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Slovakia*

Abstract

The paper presents the problem of the media image of Slovakia in the British press. Special attention is paid to primary aspects of country image formation. Due to a strong correlation between the image of Slovakia and Eastern Europe, the paper also studies the common characteristics of the image of Eastern Europe and its reflection in popular culture and mass media. The experimental part of the paper contains a preliminary content analysis of articles related to Slovakia in five British online dailies: The Guardian, Financial Times, Daily Star, Daily Mirror and The Daily Telegraph in 2010-2014. The final part of the paper aims to summarize general characteristics and highlights some peculiarities of the image of Slovakia in the given period.

Keywords: *image of Slovakia, nation branding, Eastern Europe, the foreign press.*

Introduction

Mass media are powerful image-creators and reflectors, therefore studying the image of a country in mass media reveals much about its real perception. However, the image of a country is a complex issue, consisting of three main components: a cognitive component, an affective component and an action component – actual behaviour towards the nation (Kunczik, 1990, p. 44 in Tarasheva, 2014, p. 6). The 1990s saw an explosion of nation branding theories also focusing on the country's media image and their reflection in various fields, e.g. media studies, public relations, public diplomacy, sociology, and others. P. Van Ham (2001, p. 4) defined it as a shift from “geopolitics and power to the power and influence of visual images”.

The image of Slovakia in the British press seems to be of great importance to Slovaks, provided the same geopolitical space and mutual trade relations. Besides these aspects, more than 1% of the Slovak population currently live in the U.K, the estimated numbers vary from 90,000 - 110,000 (2017, Institute for Slovaks Living Abroad).

More than 20 years after the fall of communism in Central and Eastern Europe, the post-communist countries in this region have still been struggling with labels as backwardness, irrationality, and underdevelopment. The images presented in popular culture are not particularly favourable, a typical Eastern European city will probably feature endless grey concrete blocks of flats and sad, gloomy people. The British fiction, as M. Phillips (2010, p. 43) summarizes, even 150 years after Byron, is still dominated by “vampires, romantic bandits, post-feudal aristocracy and endless communal conflicts”. However, he partially attributes this problem to the void in information and imagery about Eastern Europe and its people, a significant “cultural deficit” (2010, p. 47). The importance of these images cannot be underestimated. P. Kotler and D. Gertner (2002, p. 251 in Saunders 2012, p. 60) claim that “the entertainment industry and media play a particularly important role in shaping people's

perceptions of places, especially those viewed negatively“. R. Saunders (2012, p. 63) confirmed this, asserting that in today’s world “of overstimulated, undereducated, culturally confused youth, the country’s image seems to be only as good as its latest reference in popular culture“. We cannot also underestimate the presence of emotions in the respective discourse. As O. Pastae (2011, p. 145) states, despite the modern negative concept of emotions, they are important in the “focus of attention and stimuli interpretation of the environment”.



Fig.1. Portraiting Slovakia in the Eurotrip (2004)

The fundamental challenge lying ahead is whether we could affect the formation of a country image. If so, how? The approaches to this problem seem to differ substantially, from optimistic market-driven to critical (Kaneva, 2012, p.10). One of the central issues here is the relation of branding to the national identity. Various authors, e.g. S. Jansen, (2012, p. 92), warn against “manipulative and totalitarian propaganda” and social engineering practices. Concerning the market-driven approaches, S. Anholt (2009, p. 5-6) clarifies that we cannot fully apply marketing terms and standards to the image or brand of a country as countries are not business companies and do not create any product in its strict sense. Another issue is that a nation brand presents fixed ideas and images and it is problematic to alter them as humans are not prone to leaving fixed stereotypes.

The branding strategies of some Eastern European countries indicate some common characteristics. Their names can become a source of confusion causing their weak nation brand recognition, e.g. Slovakia and Slovenia, Latvia and Lithuania. There is a noticeable trend of trying to stand out among other Eastern European countries. The former states of the Soviet Union (Ukraine, Moldavia, and Belarus) want to be distinguished from Russia. The Baltic states often position themselves as new Scandinavia and stress the economic growth of the country, strategic location, informatisation, and ecology. Slovenia emphasizes its Habsburg heritage and wishes to be depicted as a part of mainstream European culture, green and prosperous (Saunders 2012, p. 5). Romanian branding strategy relies on portraying the country as a Carpathian garden, a country for adventurous travellers, Dracula, and Ceausescu being among Romanian top attractions (Bardan&Imre, 2012, p. 169-187). Hungarians emphasize open borders, hospitality, spa resorts, famous Hungarians and gastronomy as well as the rich equestrian history. The problem of Hungarian branding is overemphasized historical glory and superiority, which is rooted in the specific character of nationalism in Eastern Europe (Kulcsár& Yum, 2012, p. 207).

Poland wishes to appear as work in progress, country in the state of creative tension, country of passionate, idealistic but also practical and resourceful people (Surowiec, 2012, p. 292).

1. Country image

The market-driven approaches to country branding can assist us in addressing the problem of developing an image of a country. S. Anholt (2007) claims there are six aspects – indicators contributing to the country image formation: tourism – power of the personal experience, exports – typical products and brands, governance – especially the ability to deal with problems, investment and immigration, culture and heritage and people – well-known country representatives and ordinary citizens. These aspects act as channels for communication with the outside world and branding tools (Fig. 2).



Fig. 2 Nation Brand Hexagon by S. Anholt (<https://www.branding-institute.com/rated-rankings/anholt-gfk-roper-nation-brands-index>)

To discern the phenomena affecting the country's image, the central one is the perception of the own country of origin. Many authors (e.g. Phalet&Poppe 1997; Kleppe&Mossberg, 2005, and others) propound the idea that we tend to judge other countries from the point of view of our own interests. They also suggest that the stereotypical perception of other nations or a country is inversely proportional to the information and knowledge about the given country or a nation. The country's image shows unique qualities in every target country, depending on the perceived importance of the other country.

2. Lesser peoples? Problematic image of Eastern Europe

The present image of Eastern European countries is deeply rooted in some persistent historical stereotypes. Here, the term *Eastern Europe* is often more cultural than geographical and seems to refer to the former Ostblock countries. The purpose of this chapter is to sum up some typical characteristics of the image of Eastern Europe in mass media and popular culture.

a. Nationalism

J. Rupnik (1996 in Kaneva 2012, p. 62), sees the sudden growth of nationalism as one of the most typical characteristics of the former Ostblock development after 1989. This complex issue was caused by geopolitical transformations, ideological void after the fall of communism, and the harsh economic transformation. L. Kulcsár and Y. Yum (2012, p. 207) agree when they notice “the heightened sensitivity about national identity in the region, as well as unique political economy of nation branding“. This high sensitivity to national identity relates to the

constant state of inadequacy, present on the level of psychological and political decisions (Znepolski, 1997, p. 9 in Kaneva 2012, p. 6). The transition from communist/socialist society to the modern capitalist one resulted in instability, which affected personal and national identity. I. Ditchev (2000, p. 93 in Kaneva 2012, p. 7) confirms this when he refers to the transformation of nations from “shameful identity to the desired identity“. The perceived state of inadequacy can also possibly account for a great degree of sensitivity about the way Eastern Europe is portrayed in popular culture, especially when it is often mocked or portrayed negatively.

b. Mysterious and unknown

Borrowing the terms from the depth psychology, several authors, e.g. L. Wolf (1994, p. 4) and M. Todorova (1997) claimed that westerners see Eastern Europe as Europe's quintessential *Other* or a *complementary half*. This stereotype is much older than the Cold War, seemed to have originated in the Age of Enlightenment. It is often reflected in the popular travel diaries, where Eastern Europe was often depicted as backward and barbaric. For example, Slovaks were portrayed negatively in the 1897 Bram Stoker's classic *Dracula*, as gloomy, dangerously looking but harmless loyal servants of the Count. Bram Stoker never visited Eastern Europe and his source of inspiration was medieval legends and some travel diaries. D. Light explains that B. Stoker used this image of Slovaks to highlight the Otherness of Transylvania. He claims that Slovaks “conjured the images of a mysterious and exotic people” (Light, 2005, p.42-43). According to B.Korte (2010, p. 8-9), *Dracula* can be understood as a reaction to the Western fear towards the East, British anxiety to the development of the region after the fall of the Ottoman Empire, and also a reaction to the Jewish easternisation of East End (London).

The plot of A. Christie's detective classic *The Secret of Chimneys* (1925) is partially set in Herzoslovakia, a fictitious country that can be associated with Slovakia although located somewhere in the Balkans. The image is partially flattering, the Herzoslovakians are romantic creatures, but they are also violent and often involved in intrigues and palace coups. The author clearly borrowed the name of the country to depict a wild and unpredictable culture.

c. Violence

Eastern Europe has always been a politically unstable region. R. Saunders (2012, p. 55) sees it as an “eternal zone of conflict and mutative politics, the *Other Europe* served to ignite the passions and fears of Western Europeans, while invariably being characterized as inchoate and amorphous“. The selection of Slovakia as a set of certain popular films and fiction books seems to confirm this, for example, the horror movie *Hostel* (Eli Roth, 2005). The subtext of the film narrative is the fear of the unknown and primitive East. The director (PRI 2006 in Saunders 2012, p. 61) confessed that he deliberately chose Slovakia because it is unknown: “I set the film in Slovakia because Americans don't know anything about that country... But you know what, at least Americans know the country now. That's a start“.

d. Backwardness and poverty

Prime examples of Eastern European presumed backwardness can also be observed in popular culture – film, and literature. Humour makes these images even more powerful. There is an interesting trend of merging all the Eastern European characteristics into one strange fictitious entity (Kaneva 2012, p. 50) and portraying it as a dictator-led, strange country – e.g. *Molvania*, *Brutopia*, *Latveria*, *Borovia*, *Borduria*, Malcolm Bradbury's *Republic of Slaka*, or *Krakozhia* from the S. Spielberg's film *The Terminal*.

As in the case of *The Hostel* or *Eurotrip*, some filmmakers use the real country to represent certain values and concepts, e.g. Kazakhstan in the *Borat: Cultural Learnings of*

America for Make Benefit Glorious Nation of Kazakhstan (2006). The same practice could be observed with J.K.Rowling's *Harry Potter and the Chamber of Secrets* (1998), where she chose Albania as a resident place of Dark Lord and his followers. G. Alpion (2002, p. 33-34) admitted that Rowling's choice of Albania might be an indication of the intellectual arrogance and ignorance often displayed by Western authors when writing about Eastern Europe and the Balkans. This view can be confirmed by other researchers, e.g. W. Hochbruck, E. Feiten, and A. Tiedemann (2014, in Korte et. al, 2014, p. 233-244) who studied Eastern elements in the Harry Potter series. They noticed numerous allusions to Eastern European culture and realia, e.g. names of characters, using them as symbols and voices of danger, unpredictability, and evil.

A. Bardan and A. Imre (2012, p. 176) noticed similar stereotypes in the episode of popular travel series *No Reservations* by Anthony Bourdain (February 25, 2008) where Romania was depicted as a "dark, mystical and mythical place" and a *Top Gear* episode from November 2009, where Romania was labelled Borat country by Jeremy Clarkson and his team. A. Bardan and A. Imre compared this episode to 1936 fiction *The Wheel Spins* by Ethel Lina White and the novel by Graham Greene *Stamboul Train* (1936), where the Balkans are also depicted as a dark, mythical place where anything can happen.

e. Migration

As B. Korte (2010, p. 2) points out, after the fall of Communism, Western Europe was facing immigration from Eastern Europe, refugees from the Balkans, economic migrants, etc. She emphasizes that this influx has significantly affected the British debates about "integration, human rights, citizenship, cultural diversity, and national identity", and argues that this influence "goes beyond" typical images of Eastern Europe, mostly focusing on Russian oligarchs, mafia and the activities of secret services. After the EU enlargement in 2004, the British press started to be extremely preoccupied with the alleged influx of Eastern Europeans, swamping the cities and stealing jobs from locals. As V. Veličković (2010, p. 195) notices, the images of flooding and swamping have been historically typical of British public discourse on migration, previously applied to Black and Asian migrants. The most typical images of Eastern Europeans in the British press include Polish plumbers and construction workers, confirming the classic Eastern European stereotype of a hard-working, uneducated male migrant.

f. Sexualisation

Another frequent phenomenon is the obvious sexualization of Eastern Europe, with the stereotypical images of Eastern European women as available and immoral. R. Hall (2007b in Saunders 2012, p. 56) claims this image is based on typical "limber Eastern European gymnast of the 1980s". Also, Eastern Europe is often considered a haven for pornography producers. Popular shows, e.g. the *British Booze'd up Brits Abroad*, show local Eastern European women as sparingly dressed and promiscuous (Saunders 2012, p. 56).

3. Image of Slovakia in the foreign press

The image of Slovakia in the foreign press is a recent problem as the Slovak Republic was established on January 1, 1993, after the split of Czechoslovakia. The first analysis of the Slovak image in the British press was conducted by A. Burgess (1997) in 1993-1994. The 3 most frequently reported topics were the Velvet divorce and its consequences, the Gabčíkovo/Nagymaros dam dispute and the Hungarian minority rights. He (1997, p. 679) noticed certain bias in coverage of Slovakia in British media but concluded that this was not due to prejudice but to the fact "after the collapse of communism, a discourse developed which

understood there to be *East* defined by a proclivity for intolerance, extremism, and ethnic conflict“. As he further notes, the image of Slovakia was generally worse than Hungary.

K. Henderson (2002, p. xv-xviii) noticed Slovakia's invisibility to foreign media. The first significant media attention in 1991 focused on small-scale nationalist demonstrations in Bratislava and unfortunately, the image of Slovaks depicted as “faintly ridiculous extremists” stayed for a long time afterwards. Moreover, the personality of V. Mečiar contributed heavily to the bad image of Slovakia abroad. However, the image improved considerably in the mid - and late 1990s.

A. Školkey (2015, pp. 225-226) analysed foreign correspondents' activities in Slovakia. He identified the most frequent topics related to Slovakia in the foreign media, specifically the Roma, Hungarian and partially also a Jewish minority, Slovak economic affairs, and migration. The number of foreign correspondents covering Slovakia was estimated to be 20. Most of them are temporarily or permanently based in Slovakia, more than half of them are local journalists. He also indicated a correlation between the country's GDP and its reputation, the higher the GDP, the better the reputation. The occurrence frequency of the topics mentioned above can be confirmed by an older analysis of A. Salner and M. Beblavý (1999) that studied the image of Slovakia in several prestigious international press media in 1993-1998.

The central problem of the image of Slovakia is inadequate awareness of the country. According to the INEKO analysis by O. Gyarfášová, M. Bútorá and Z. Bútorová (2012) that studies the image of Slovakia in selected foreign media, primary associations the interviewed experts had with Slovakia were the strong story of the country (our successful integration into EU and NATO), proximity (propinquity) and potential. The weakness of our image is its unsatisfactory brand profile.

In 2011 Slovakia joined The Anholt-GfK Roper Nation Index that shows how the selected countries are perceived abroad. Slovakia ranked 38th out of 50 countries. This position confirmed that it is perceived as an unknown country. To improve the country's image, in 2011 the Slovak Tourist Board (SACR) conducted an analysis of Slovak branding strategy in the field of tourism. The analysis identified the most noticeable weaknesses of Slovak branding – the entrepreneurial environment and the tourism infrastructure. The traditional stereotypes in presenting Slovakia typically include the national hero-villain Juraj Jánošík, mountains, sheep cheese, etc., but these are generic Eastern European images. S. Anholt (2007, p. 59) stipulated that the attractive presentation of a country must be free of outdated boring presentation methods and images or they should be reinterpreted in a modern way. M. Držka (2013, p. 187) suggests promoting Slovak achievements in science and technology, e.g. the ESET company according to the Finnish model of promoting NOKIA in the 1990s. The competitive identity can also be enhanced by promoting the achievements of Slovak sportsmen.

The detailed analysis *Slovakia-Country with Potential* (2012) aimed to redefine our national image and identity and capture the typical features of Slovak national identity and mentality. It identified Slovak cultural myths and stereotypes and proposes presenting Slovakia based on authentic culture as a country that is developing rapidly and offers many opportunities; unique, original and culturally genuine country; concentrated central Europe; country of innovative and progressive people that think out of the box; country able to adapt to harsh conditions; country of accumulated energy: country of creative and interesting people; country of positive surprises.

The most recent campaign (2016) by the Slovak Ministry of Foreign and European Affairs in cooperation with the Creative Department agency plays with the central slogan *Good Idea*. S. Bubánová (2016), head of the agency, admitted it was inspired by “Britain is great“, 2011

extensive branding campaign. It promotes Slovakia as a country of resourceful and skilled people with “good ideas“ suggesting that visiting Slovakia or invest in it is a “good idea“.

4. Preliminary content analysis of the image of Slovakia in the British press – Results

In order to determine the basic characteristics of the image of Slovakia in the British press, we conducted a content analysis of 483 the texts referring to Slovakia published in five British dailies, namely the Financial Times, the Guardian, Daily Star, Daily Mirror and the Daily Telegraph, in 2010-2014.

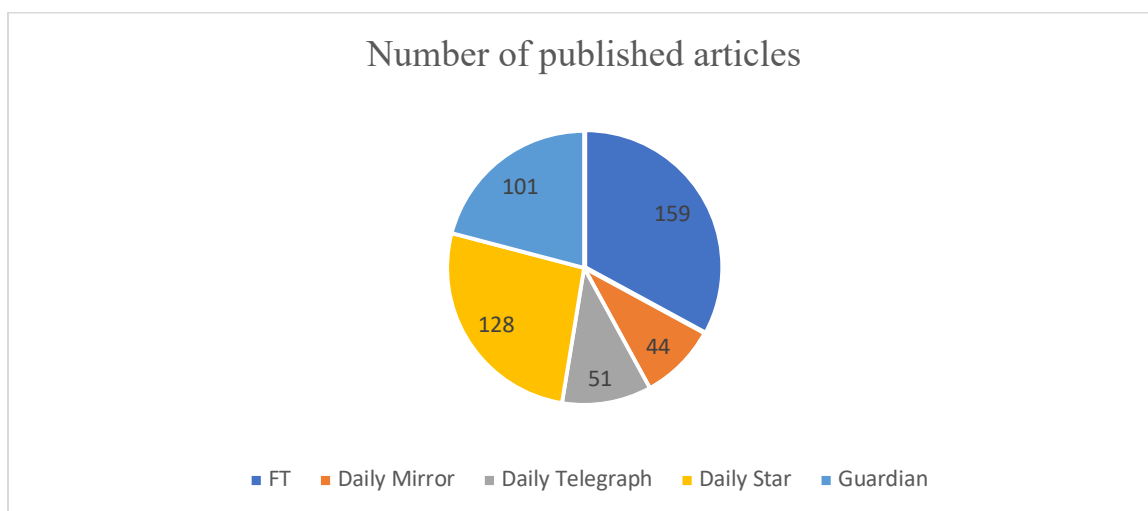


Fig. 3 Numbers of articles mentioning Slovakia in the respective dailies

In performing the content analysis, we primarily focused on topics. According to Van Dijk (1980), topics can be understood as semantic macrostructures and determine the global meaning structures in the respective texts. Tab.1 summarizes the topic frequency.

TOPIC	FT	Guardian	Daily Star	Daily Mirror	Daily Telegraph
sports	3	25	93	28	15
EU economics	56	7	0	0	0
EU politics	15	2	0	0	0
Slovak politics	17	4	0	0	4
Slovak economics	6	2	0	0	0
car production	12	0	4	0	1

bailout	25	4	0	0	3
migration	2	5	7	0	3
nationalism	5	2	0	0	0
gas crisis	5	1	0	0	0
Velvet Divorce	2	5	0	0	0
tourism	1	8	0	2	6
Roma	3	2	4	0	0
crime	0	1	11	9	11
culture	1	3	4	1	0
healthcare	0	2	0	0	0
others	6	27	5	3	6

Tab. 1 Topic incidence of the Slovakia-related articles in the respective dailies

As the qualitative research of British audiences by K.C. Schröder (2019) suggests relevance is the key to the reader's choice of newspaper content – “an indispensable gate-keeper of engagement with the news story”. People prefer stories affecting or reflecting their personal lives and the lives of their family members and friends. T. Rončáková (2016, p.106) distinguishes basic news values of the British press – timeliness, proximity, prominence as well as conflict, consequence and human interest. Another crucial phenomenon here is localizing – viewing the global news from the local, i.e. British point of view. The research of B. Duffy and L. Rowden (2005, p. 106-109) concluded that the problems that the British public considers the most acute and crucial are security and terrorism, healthcare, racism and migration, and crime rate. That is why we assume that news with this content would create high interest.

The inevitable question occurs – who writes about Slovakia and what are the related factors? A. Školkay (2015, pp. 225-226) identified several prominent factors affecting foreign correspondents, the first one being the influence of the media company – public service media or a privately owned company, then the type of medium with specific style of reporting, specialization or general focus of a correspondent, possibly a political affiliation of the medium.

5. Discussion

First, we aimed to determine how the typical Eastern-European cultural stereotypes are reflected in the news stories. These stereotypes were briefly described in Chapter 3 of this paper, namely nationalism, mysterious and unknown, violence, backwardness and poverty, migration and sexualisation. Then, specific attention is paid to the presentation of some significant discourse.

Nationalism is still in most articles associated with the Hungarian issue. For example, M. Day (FT, June 13, 2010) reported about the “Slovakia's deteriorating relationship with neighbouring Hungary”, and the promise of the new government to improve it. He also informs

the readers about Mr. Fico calling Hungary a “fascist state” after V. Orbán made it easier for Slovak Hungarians to obtain Hungarian citizenship. In 2010, during the Hungarian EU presidency, a “carpet incident” occurred involving a carpet – sticker depicting Great Hungary from 1848 spreading in the Justis Lipsius building. This incident allegedly angered Slovakia and Romania. In the account of the Slovak-Hungarian relationship events, V. Mečiar, the authoritarian politician from the 1990s, was blamed for the tension, as well as some other, closely non-identified Slovak politicians playing a “retaliatory nationalist card”. In the Guardian article (Adam LeBor: Hungary's passport law is a diversion, June 8, 2010), the author suggests these tensions were supposed to divert attention from real problems in both countries. New accession countries are called “teenage countries”, suffering from “teenage complexes”. Slovakia is heavily criticized for its minority policy and law on the prohibition of dual citizenship. These problems having “deep-rooted historical origins”, are trying to be solved by some EU officials. Here, Slovakia, as well as Hungary, are depicted as troublemakers, and “European manners” are expected of them. The dichotomy - *we* and *them* is clearly present here.

Mysterious and unknown – associations to this image characteristics were not dominant, although some occurred. Most of them related to the lack of country awareness in the articles on tourism. Also, Eastern Europe is often perceived as one entity, despite being extraordinarily diverse. As J. Draxler (East European states go their own special ways, FT, January 11, 2011) notices: “In the west, people tend to think of the east as sharing a homogeneous “communist” history. In fact, the iron curtain hid a world that was more diverse than Western Europe”.

The articles on tourism provide the most comprehensive image of the country in terms of stereotypes. In 2010-2014, 17 articles on tourism in Slovakia were published in the respective dailies, mostly reviewing ski resorts. Among the advantages of travelling there, several stereotypes were present. The most significant of them is that Slovakia is a “cheap country” – “cheap food and cheap booze”, “holiday that won't break the bank”, “very reasonably priced restaurants”, “skiing in Slovakia is cheap and food and drink is rock bottom“, “top restaurant quality food at no more than the price of a takeaway back in Britain”, “food was hearty and cheap,” “non-Alpine prices,” “three-course dinner for just six euros”.

To make readers aware of Slovakia and its location, some explanations are needed: “People I asked about Slovakia before I went there could only come up with: “Isn't that half of what used to be Czechoslovakia?” (Slovakia skiing: Budget skiing, booze and food? Sign me in, Daily Mirror, Oct.10, 2010) and “right of Vienna, left of Lviv, long way from the sea”. Also, “small, landlocked nation may have lost Prague in its 1993 divorce from the Czech Republic, but fortunately it kept the Tatra Mountains”(C.Middleton: Slovakia: Family holiday in a country that's come to life, Daily Telegraph, Jan. 4, 2011).

The authors openly admitted the lack of information about Slovakia – “The most famous Slovaks seemed to be Andy Warhol's parents - not even Andy himself“ (Slovakia skiing: Budget skiing, booze and food? Sign me in, Daily Mirror, Oct.10, 2010) and, quoting the same source, “The only other fact I could remember was that Slovakia was the setting for Eli Roth's 2005 film Hostel“.

There are frequent references to the communist past, e.g. “There again, it's only 20 years since the country finally emerged from under the grim, grey blanket of Soviet communism”. Natural beauties are viewed positively, expressions used include “breathtaking national park“, “jaw-droppingly pretty“(views), “beautiful scenery“, “tasty cuisine“. The mentioned places included: Spišská Sobota – “beautiful, medieval old town”, Zuberec, “a prosperous and rather geometrically laid-out village,” Jasná, Orava castle, Demänová cave, Košice, Medzilaborce, Súľov rocks reserve, Poprad, Bratislava, etc. Progress and development were noticed and praised. “Everywhere we looked there were new hotels and restaurants being built; our own penzion had even sprouted a nearly finished twin next door, and others were doing the same nearby.“ “Jasna is a buzzing Slovakian resort that has benefited from massive investment over the past few years” (C.Middleton: Slovakia: Family holiday in a country that's come to life, Daily Telegraph, Jan. 4, 2011).

Commenting on the atmosphere of the places was predominantly positive: “Sitting in the lounge here is like entering the world of a central European novel” (in the hotel in the High Tatras) (A. Bridge: Skiing in Slovakia: the highs and lows, Daily Telegraph, Dec. 7, 2010). The *homely* atmosphere is highlighted: “Sometimes when we've been abroad, it's felt very strange and foreign, observed my daughter, harking back to past oriental and South American adventures. Here feels more like home” (C. Middleton: Slovakia: Family holiday in a country that's come to life, Daily Telegraph, Jan. 4, 2011). Also: “It was an evening of real down-to-earth, unstuffy fun. We may have been foreigners, able to communicate only falteringly, but the sense we felt of welcome, of inclusion, was exhilarating. Geographically it may not have been so far from our urban lives in London. Culturally, though, it felt a world away“(C.Wrathall: Glacial Grandeur, FT, Nov. 26, 2010).

The negatives listed “the slightly surly service in the hotel restaurant conformed to pre-1989 East European stereotypes“ and “fierce wind “. A sarcastic yet picturesque article in the Daily Telegraph (Just back: an eccentric haircut in Slovakia, May 4, 2012) by Tony Mann brought an insight into the life of a sleepy Slovak village. The picture drawn is not positive, “Sixties Soviet-style, two-storey eyesore which houses the local officialdom“, “the smallest – and possibly the most basic – hairdressing salon I'd ever seen“, cracked mirror... rickety chair... very unevenly“ (shorn hair). The image of Slovakia depicted by articles on tourism brings a mostly positive picture of an undiscovered country, featuring modern ski resorts, high mountains, value for money. However, it also mentions its little awareness, lack of well-known representatives and the communist past.

Violence could be noticed in articles related to **crime**. The crimes mentioned include homicides, marriage scams, human trafficking, sexual assaults. Most of the articles report on crimes committed in Britain although some crimes committed in Slovakia were also described. For example, the article on human trafficking in Daily Mirror (Mums' imported in £1.2million benefits scam by Slovakian gang, March 12, 2012) reports on abusing the British welfare system. Similar pictures are drawn of “a modern-day slave”, beaten and repeatedly raped”. There are also numerous reports on sham marriages of Slovaks and Pakistanis. We assume that the British public is generally highly sensitive to welfare abuse, so these articles might have evoked many negative emotions. The articles on Slovak crime reported on some extraordinarily grave crimes, e.g. infant homicide and mass shooting. A different type of crime was reported by Guardian (Faulty medical implants investigation: 'Sometimes we cross the line', Oct.23, 2012). In this

investigative article, the reporter went undercover to reveal a company that approved faulty, low-quality hip implants also raising concerns on similar practices in the Czech Republic.

Backwardness and poverty are some of the most typical stereotypes related to Eastern Europe. Its stereotypical image is comprehensively summarized by E. Lucas (Comment: back on the map, FT, Dec. 13, 2011): “Time was when everyone knew what central and eastern Europe stood for: bad food, bad roads, and bad governments. East Europeans lived in countries ruined by communism: backward, obscure and dependent on aid from rich countries in the European Union“. However, the author stresses, this “approach is comically out of date“. He reminds the reader that “Estonia and Slovakia now have higher credit ratings than Italy“, and “10 former communist members of the EU have falling unemployment and growing economies“.

Slovak economy and business environment are generally seen positively and Slovakia is frequently characterized as a country of cheap labour, car plants and fast development. Some articles mention investors' satisfaction with the Slovak business environment and opportunities, (N.Buckley: Promise in emerging Europe despite slow revival, FT, June 14, 2010): “... a region is once again a place of great promise for business“. Also, ...“For us, central and eastern Europe is a fantastic opportunity,” says Peter Löscher, chief executive of Siemens, the German engineering giant. “There are short-term challenges such as consolidating fiscal policy and public debt, but in the medium term it is a very important growth opportunity.“ In the FT article (Margaret Thatcher's lessons for central and eastern Europe, Apr. 9, 2013), Erik Berglof – chief economist of the European Bank for Reconstruction and Development claimed that “...the Czech Republic and Slovakia have already entered the “innovation-driven“ stage of development and lead the pack with Poland, Hungary, Croatia, and Turkey still in the “transition“ stage of readiness“.

Car making is introduced as a prospering business. As H. Foy (Drive on quality moves up a gear, FT, Dec. 16, 2013) admits, “in the past, [central and eastern European carmaking](#) was better known for boxy designs, production delays and woeful reliability that made brands such as Lada and Trabant the butt of jokes among western drivers“. However, the situation is different now, mostly due to “modern factories, the availability of engineering talent at lower costs than in the west and a location at the geographical centre of a new, expanded Europe“.

J. Reed (Automobiles: speeding ahead, FT, Dec.13, 2011) described the “[Volkswagen](#)’s thriving car plant outside Bratislava“ as a “rare bright spot“. The plant is currently working on four shifts, 24 hours a day, seven days a week, to meet world demand for sports utility vehicles – in this case VW Touaregs, Audi Q7s and the bodies for Porsche Cayennes“. The plants in Žilina/KIA Motors, Trnava/Peugeot are also presented. Mild criticism of the Slovak government occurred here, mostly on the account of transport infrastructure and bureaucracy.

The political environment is generally seen as immature, suffering from corruption, populism and right extremism. For example about the Gorilla gate: “Another problem that hit the news was corruption scandals, especially the Gorilla - devastating corruption scandal“(T. Nicholson: Slovakia's left emerges triumphant from the ashes of the right, Guardian, March 12, 2012). Some articles focus on nationalist and extremist streaks in Slovak politics, e.g. “The only party amenable to cooperating with Mr Fico are the ultra-nationalists of the Slovak National

Party, which won only 5 percent of the vote, failing to capitalise on Slovak-Hungarian tensions in the run-up to the election“(J. Cienski: Fico looks to hold on despite lack of partners, FT, June 13, 2010). The politicians who received the most attention are R. Fico, A. Kiska, R. Sulík and I. Radičová (in the discourse on bailout). R.Fico was presented as Slovakia's most popular politician, a populist demagogue, “man of the people image“ with a “passion for luxury cars“ and “tense relations with journalists“(Slovakia election: Robert Fico profile, Daily Telegraph, June 14, 2010). A. Kiska is introduced as a millionaire and a philanthropist, newcomer “with no communist past“, who is an “a non-aligned centrist“, a self-made man with a very good nose for business“ (Millionaire Andrej Kiska elected first Slovak president with no communist past, Daily Telegraph, March 30, 2014). However, his lack of political experience was also pointed out at, e.g. by T. Barber (Kiska joins list of millionaire election winners in CEE, FT, Mar 31, 2014): “When out of the blue a little-known millionaire businessman with no political past is elected president of his country, what does this tell you about the quality of that country's democracy and about the trust of citizens in their established political classes?”

A political event able to distort Slovak image is the European election attendance, where Slovakia “one of the new member states, where the problem has been particularly acute, less than 20 percent of eligible voters bothered to turn up“(J. Chaffin: Plan to shake up European parliament elections, FT, May 4, 2010).

Migration is one of the primary topics that raise concerns to the British public. In relation to flooding of the labour market by the Eastern European workers, the article by J. Bingham (One per cent of entire Slovakian population living in Britain, June 12, 2011), states that Slovaks are the “fastest-growing foreign-born group” after Slovakia became the EU member. The article contains highly positive assessment of Eastern European workers by the chairman of the group Migration Watch: “The eastern Europeans have been extremely good workers and therefore very welcome to employers.”, but they “have been paid below what a Brit would have been paid, they have often been on very low wages and accepted difficult working conditions”.

A similar image is drawn by analytical articles in Financial Times (M. Odell: Survey finds employers like EU migrants for their commitment, Sept. 30, 2014, and J. McDermott: The truth about EU migration and welfare, Nov. 12, 2014). The authors state that: “The EU nationals are less likely to receive benefits than UK nationals”, they also “pay more in taxes than they receive in benefits”. Out of qualities typical of Eastern European workers, commitment is highlighted.

The tabloid articles are more critical. For example [H. Coyle](#), (Millions more for migrants!, Daily Star, March 8, 2010) warns that after adopting the new law, “migrants from Poland, Estonia, Latvia, Hungary, Lithuania, Slovakia, Slovenia, and the Czech Republic“ can claim benefits after working in Britain for 12 weeks and not 12 months as previously. However, “Department for Work and Pensions spokesman said most migrants “do not claim benefits”. The article Mass migration hit poor in Daily Star by Steve Hughes, (May 14, 2011), claims that mass migration is causing poverty in Britain. It highlights the quote by the Work and Pension Secretary Ian Duncan Smith: “The wave of eastern Europeans who flooded into the country from 2004 has led to poverty in adults being at its highest level in 50 years“. To sum up, the image of Slovakia in relation to migration heavily depends on the type of periodical, but in general, Eastern European migrants are presented as hardworking and committed.

There were not many examples of female **sexualization** with reference to Eastern European women, but some occurred. One of them was Double trouble (P. Dyke, K. Begley, Daily Star, March 10, 2011), reporting on the Eurovision contest. The Slovak participants were introduced as “sexy sisters Daniela and Veronika Nizlova, 24, who go under the name Twiins“, and were likewise portrayed in the photo.

In the reporting on the case of a murder of a British millionaire by a young Slovak woman (e.g. Costa del Sol shooting: Fugitive blonde arrested and faces extradition, Daily Star, April 9, 2014), the victim was labelled “sugar daddy“, which indicated the immoral type of a relationship. Also, the photos of the culprit were mostly swimwear beach photos. The article SNAPPED: Liverpool star Martin Skrtel rubs sunscreen into gorgeous wife's bum (J. Wilson, Daily Star, May 23, 2014) is accompanied by revealing swimsuit pictures of both protagonists, typical of the tabloid press. However, their nationality was not significant here. The article EXCLUSIVE: Great British twerk off! Britain holds the Twerking Championship (Jennifer Kyte, Daily Star, August 16, 2014) brings a description of a twerking championship, featuring pictures of some participants, including a young Slovak dancer. This girl is depicted as “super-sexy“, who claims “there is nothing sexier than good twerk“.

In our preliminary analysis of the image of Slovakia in the British press some further peculiarities occurred. The first of them is the presence of the **Velvet Divorce** discourse. The Velvet Divorce is a peaceful split of Czechoslovakia in 1993, following extensive political negotiations between the representatives of the Czech Republic and Slovakia. Interestingly, Velvet Divorce is a term used exclusively in English, there is not a similar term in the Czech or Slovak language, probably because this split was not considered *velvety*, but a painful experience by most inhabitants of Czechoslovakia, even if they approved of it. Paradoxically, it contributed to the positive image of both the Czech Republic and Slovakia as it serves as a good example that friendly divorce is possible and feasible. In the British press, it has often been mentioned as precedent in the debate surrounding the independence of Scotland. However, taking a detailed look at the references to Velvet divorce in the Guardian and the Financial Times revealed, that the tone of the articles was not always positive. The selected tabloids, also due to the lack of topics related to politics, did not refer to it at all.

The authors of articles in the Financial Times (J. McDermott: What independence would mean for Scottish Trade, Sept.03, 2013 and E. Moore: Bond marked braced for Scotland impact, Sept. 11, 2014) both seem to warn against the inevitable negative impact of splitting the country, reflected in the capital market. These negative effects included e.g. a decrease of trade due to newly established borders. However, J. McDermott quoted James Kelman, the Scottish novelist, saying that “independence is not an economic decision, it concerns self-respect“, indicating this decision was not based on finance. When analysing potential economic impacts, E. Moore mentions that the split of Czechoslovakia was often used by Scottish nationalists, as a “proof that break-ups can be smooth“.

The Guardian articles from 2011, 2012 and 2014 do not only refer to Scottish independence, but also Catalonia. In readers' letters published on May 9, 2011 (Scotland redraws the political map), John Murray blamed the political interest of Václav Klaus for the split of Czechoslovakia, comparing him to “ruthless Tories“, also mentioning the lack of general support of this split in

both nations. K. Connolly (Is there a lesson for Catalonia in the Czechoslovakian 'velvet divorce'? Nov.19, 2012) is more positive, assessing the velvet divorce as the “best example in postwar Europe of a relatively smooth parting of the ways”.

Ian Traynor (Across Europe, leaders fear the spectre of separatists breaking countries apart, Guardian, Nov. 22, 2012) brings an account of separatist movements in Europe – Catalonia, Flanders, and Scotland. He considers relative wealth as key factor why the Czechs were in favour of the split because they knew they would be “better off without their poorer Slovak cousins”. Finally, P. Seifter (Czechs and Slovaks were better together, Sept 9, 2014) warns Scots against making the same mistake. He acknowledges that the split was indeed seen “as a positive achievement because at the time Yugoslavia was falling apart violently”, he stresses that this was not made “through a proper democratic process”. Moreover, he compared the development in Slovakia, where the Slovaks had a vision of building a new country but had to get rid of “the nationalistic, populist and corrupt politics of the post-divorce period”.

The position of the Czech Republic as an “older brother” or superior is clearly present here, e.g. in the FT article Czech enjoy Slovak euro drama by J.Cienski (Oct. 13, 2011): “The Czechs have long been accustomed to look down on the Slovaks – with whom they shared Czechoslovakia for most of the time from 1918 to 1992 – as rural bumpkins from the wilder reaches of the Tatra mountains”. In general, we cannot prove the Velvet Divorce has had a positive impact on the image of Slovakia. Despite admitting that this has been regarded a good example of country splitting, the authors equivocally state that this was not a democratic decision and not an easy follow-up process.

Bailout events in 2011 pushed Slovakia in limelight. To sum them up, in October 2011 Slovakia rejected the bailout fund enhancement of €440bn (£385bn), as a result the government fell. Despite the objective gravity of the bailout events in Slovakia and their impact on the EU's future, the tone of reporting can be surprising. For example, the Slovak politician who was deeply involved in the bailout – Richard Sulík, became the “hero of all discontented Europeans” and eurosceptics ([Louise Armitstead: Slovakia's rebel isn't a nationalist: he's the hero of discontented Europeans, Daily Telegraph, Oct. 11, 2011](#)). [This disagreement with the bailout enhancement is symbolically seen as a “David’s stand against Goliath”](#), the discourse features images of a country that keeps the rules despite economic austerity and its impact on the citizens and the country that demands “their luxuries are maintained by others”(Greece). R.Sulík often stresses that the average Slovakia salary is lowest in the Eurozone and also his “heroic” statement was cited often: “I'd rather be a pariah in Brussels than have to feel ashamed before my children, who would be deeper in debt should I back raising the volume of funding in the EFSF bail-out mechanism”. The FT article Slovakia rejects enhanced bailout fund, the government falls ([Louise Armitstead](#), and agencies, Oct.11, 2011), presented opinions expressing praise for Slovakia's decision: “Congratulations Slovakia! Gratulujem Slovensko! The plucky little Carpathian nation has struck a blow for hundreds of millions of unconsulted Europeans. Everywhere else, MPs ignored their constituents' wishes and voted to pour money away on eurozone bailouts. Thank Heaven representative government works in one place“.

The FT article Ruritarians, revolt – small states have earned freedom, (Oct.14, 2011) attempted to account for Slovakia's bailout decision. The author T. Barber – in favour of

Slovakia and other Eastern European countries claims that due to historical experience, these countries “attach immense importance to freedom, national sovereignty and the right to take their time over decisions that will have a major impact on their future, as well as that of Europe“. Moreover, he adds, “the Slovaks were simply respecting the rules and culture of their national democratic process“.

The country awareness potential of this event was recognized by the Guardian reporter H. Pidd in Bratislava in 2011 article: “12.40pm: Has Slovakia ever been this famous?“ and she adds: “I’ve just arrived in the modern National Council building up by the castle in Bratislava – there is not enough room for the hoards of journalists who have descended on the city from all over the world to witness first hand how the euro’s fate is in the hands of this unassuming former communist country of just over five million people“. The article also uses the term “small plucky country”: “It sounds a little like a 1960’s Peter Sellers film - with a small plucky country standing firm against the rest of the world. Of course, as some of you, including geronimo, point out in the comments, today’s No vote has as much to do with home-grown issues as Europe“. In the FT article Slovakia’s maverick duo won’t stop the euro bailout plan (Oct.12, 2011), the Slovak journalist Lukáš Fila contradicts this heroic discourse, claiming: “Some admire Slovakia as a small country ready to stand up to foreign diktat. This image is false. The support for the European rescue plan is overwhelming, and no one is really standing up to anything. Yesterday’s vote failed because two men were taking the world as a hostage. If only for a day“, but his stance was rare. Some comments, however, mention the criticism of the Slovak attitude by the German government and the European Commission (J.Ciensi, S.Pignal, G.Wiesmann: Slovakia under fire over Greece, FT, Aug.12, 2010), especially stressing it was a “breach of the commitment undertaken by Slovakia in the Eurogroup”.

Typical characteristics of the 2011 bailout events in Slovakia include presenting the country as *plucky little Slovakia*, a country with a principled position. There are frequent comparisons of the country which had to buckle the belt and undergo the austerity process while keeping the rules in contrast to the country that did not keep the rules and wants to profit from the generosity of others. The critical voices are also presented, but they are a minority.

Another significant discourse phenomenon is the presentation of the **Roma minority**. To estimate the number of Roma in Slovakia is a challenging task, as they do not always declare their Roma nationality, but also Slovak or Hungarian. A. Mušinka et al. (2014) and K. Matlovičová et al. (2012) estimate their number to 350,000 to 400,000 – 6-7 % of the total Slovak population. The relationships between them and the majority of inhabitants have not been ideal, but they have been coexisting since the early 13th century. Their media image in Slovak media is predominantly negative. As T. Podolinská (2017, p. 140-141) explains, Roma are typically associated with “a priori negative attitudes to work, which result in accusations of the misuse of the social system and (voluntary) life strategy of living from social benefits, high fertility rate, inappropriate sexual behaviour, including family incest, poor hygiene and education, reduced intelligence skills, and high crime”.

In our preliminary research, in 2010 -2014, 9 articles related to Roma were published, 3 by Financial Times, 2 by The Guardian and 4 by Daily Star. In the Financial Times, Jan Ciensi reported on segregation of Roma children in Czech schools (Roma children segregated in Czech schools, Jan 1, 2010), focusing on their sending to special remedial schools and cited R.

Kushen, manager of the Roma Rights Centre, Budapest that the same situation is faced by Roma children in Slovakia and other countries. Tom Nicholson (Social affairs: Roma face a rough ride in the jobs market, Nov. 29, 2010) tried to look at the problem from several viewpoints. He brings a story of a Roma university graduate – a “rarity” in Slovakia and admits there is still the practice of sending Roma to schools for special-needs children. The novel Roma-oriented strategies of the Slovak government seem to be positively assessed here. Among the readers' letters, J. A. Goldson of the Open Society Justice Initiative, New York described conditions Roma in Europe – including Slovakia face today: “massive unemployment, widespread poverty, separate substandard education” and “outburst of violence”.

The Guardian brought only two Roma-related articles, one is by S. Drakulić, (Anti-Roma prejudice not demolished in a day, Mar 21, 2010), followed by a heated online discussion – 131 comments. Slovakia is mentioned as one of the countries you might probably hear about when a Roma was “stabbed, burned or shot“. Roma are presented as the most discriminated and poorest European minority. The extensive article *Slovakian Roma in Sheffield: 'This is a boiling pot ready to explode'* (Nov 15, 2013) by P. Hall and H. Pidd mentions the problems a “huge influx of Slovakian Roma“ has caused. Among others, rubbish, noise, and gangs are the ones most complained about. There is a rather shocking story of a local chips shop owner that was offered to buy a baby for £250 by a young Roma couple. The locals responded to the situation by arranging a volunteer night watch. The article mentions an interview with the local MP, who warned against an escalation of the present problems with the Slovakia Roma. There are expressions associating fear and coming danger – escalating, explosion, etc. Based on the article, incoming the Roma community does not show enough effort to fit in. The crime figures have not increased after many Roma started to move to Sheffield. A policeman admitted it is not a crime the locals complain about but “antisocial behaviour“. The article mentions littering the streets, piles of garbage, overcrowded houses, drop of house prices, noise, stealing of laundry right from the washing lines as well as garden furniture, even rumours of cat-eating. The Roma complained about discrimination and the lack of opportunity back home in Slovakia and expressed satisfaction with the life in the U.K.

The tone of the articles in Daily Star is quite firm – Roma are abusing the British welfare system. The article *EXCLUSIVE: Migrants £23K benefit JACKPOT: Slovaks spend handout money on gambling machines* (June 15, 2014) by B. Francis, brings images of Sheffield Roma wasting social welfare money by playing at gambling machines. They speak no English and live in overcrowded houses. The language used is open and harsh: Some can *rake* in as much as £23,000 a year with jobseeker's allowance, housing and child benefits. “They love England. In Slovakia, they lived in villages or camps with no electricity. Here they have *a house and money for nothing*“. The article also mentions warning of the Sheffield MP David Blunkett against possible riots in the area due to antisocial behaviour of the Roma and finishes by the quote of the local Roma community spokesman explaining they have the right to be here and they bet because they are bored.

The article *Slovak mum of 11: 'Why should I work when I get £430-a-week in benefits'* (July 12, 2014) by F. Cross, draws a similar picture. It brings a photo of a Roma woman smoking and a large family at the table reporting about a life of a Slovak Roma family where out of 13 family members only one is working but they can live well due to generous social

benefits. The description of their life in Slovakia is grim: “We didn’t have flats like this council house in Slovakia. We didn’t have electricity or radiators, we didn’t have anything“. Also: “My country no have job, no food, nothing. I’m not going back there, not ever“. This is compared with the British conditions by the father of the family Peter: “I like England. England give me house, give me doctor, give school, benefit. England good, thank you so much England“. The officials tried to suspend the benefits several times, to which she responded: “It’s not fair to suspend money like this. Every time I go to sign on, they come up with something! I am cross! So cross!“. This is again contrasted by the welfare official statement, which claimed benefits cannot become “a replacement for work“. Another articles in Daily Star (Roma army: 200,000 are already here with MORE on the way, by H.Perkins, Nov.1, 2013 and Roma guide to Britain: Please don't use our streets as a toilet by M.Walker, Nov. 21, 2013) warns the readers that there are at least 200,000 Roma people now living in Britain and of their antisocial behaviour. This behaviour asked for publishing a leaflet on British manners. Some excerpts may seem extreme, e.g. it warns against not using streets as toilets. It also reminds the reader that this happened after “fury erupted over the anti-social behaviour of 4,000 Roma from Slovakia who flooded into Sheffield’s Page Hall district“.

An interesting phenomenon here is the difference in reporting on Roma from the perspective of Britons facing the “Roma problem“ and the perspective of assessing the Roma treatment in Eastern Europe. In the first case, the focus is on antisocial behaviour annoying the locals as well as abuse of social benefits, in the second case Eastern European (Slovak) policy of treating Roma is heavily criticized, especially the practice of sending the children to schools for mentally disabled pupils. Reporting on Roma-related issues does not contribute to the positive image of Slovakia, it depicts a picture of an Eastern European country that treats its Roma citizens unjustly.

The most frequent topic in the British press in relation to Slovakia is **sports**, representing approx. 40 % of all articles. The most popular sport was football, followed by tennis. The names of Slovak sportsmen which occurred were M. Škrteľ, E. Jendrišek, R.Vittek, P. Sagan, K. Beck, D. Cibulková, M. Hamšík, V.Weiss, L. Lacko. The tone of these articles was predominantly positive, negatively portrayed events e.g. included the rowdy behaviour of some Slovak football players during the flight, J.Mucha's traffic fines and the allegedly rude behaviour of the Slovak football trainer V.Weiss during the World Cup in 2010.

The 2010 World Championship in football gave Slovakia global visibility. This fact was recognized by many, e.g. in the Daily Telegraph's article – a reader's letter by A. R. Biggar (Global visibility that money can't buy, July 6, 2010): “Small qualifying nations such as Slovenia and Slovakia have enjoyed global visibility and country branding that money alone cannot buy. They are set to see increased tourist numbers and ancillary forms of inward investment, ensuring far greater returns than those reaped by other larger World Cup nations such as France or England“. This interest in Slovakia was caused by the sensational victory with Italy. The Slovaks entered their first World Cup tournament as underdogs, which was, for example, reflected in the Daily Telegraph article (M.Brown: World Cup 2010: Slovakia's 'chod' charm vs England's James Corden boredom, June 15, 2010), which says that: “Slovakia tend to have been overlooked in all the pre-tournament hype. There have been no special Slovakian supplements or wall-charts in the papers – well, only in Bratislava. They are a team largely

bereft of stars – the outstanding players are Liverpool defender Martin Škrteľ, and midfielder Marek Hamsík, who plays in Serie A for Napoli – and at 45, coach Vladimír Weiss is the youngest in the World Cup. I am resisting the temptation to use the adjective ‘plucky’ – or *odvážne*, as we like to say in Slovakia“. The Guardian article Slovakia: World Cup 2010 team guide (K. McCarra, June 5, 2010) admits that “only four European teams outscored them in qualifying, so they got something right“. It stresses that the team includes players with foreign experience – M. Hamšík, M. Škrteľ, V. Weiss jr., J. Kucka, M. Stoch, R. Vittek. Their sports skills are praised but not their social performance. For example, about Hamšík, the article says: “Hamsík is a journalist's dream, posing for photographs with notorious mafia don and fugitive from justice Domenico Pagano and boasting about getting away with driving at 140kmh through the Neopolitan streets because “the police all recognise me“. Vladimír Weiss sr., the trainer, is “blessed with a populist touch – when Slovakia qualified, he blubbed like a baby and dedicated their success to his mum“. The article also contained some information on the country, it reminds the reader that the Slovaks gave the world the first parachute in 1913. The image of Slovaks as nationalists is supported by another claim: “National pride is a hot topic at present after the government's so-called patriot act which, among other things, was to force schoolchildren to sing the national anthem every Monday and prompted protest marches earlier this year“. The nation is briefly characterized as: “Repressed, lugubrious U2 fans whose viewings of Dirty Dancing bootlegs under communism makes them feel sold short by capitalism“. In other articles, the adjectives related to the victory over Italy were strong and emotionally flavoured, e.g. “super Slovakia“, “unfancied Slovakia“.

Conclusions

The purpose of this paper was to determine some basic qualities of the image of Slovakia in the British press, based on the preliminary content analysis of five British online dailies. Its most typical feature is the void in information about the country, possibly caused by insufficient awareness of the country brand, and its general perception as a small Eastern European country.

The press coverage mostly focuses on topics that can be found interesting by the target foreign audience thus Slovakia was mostly presented in relation to sports, especially football, migration, and minority issues, crime, and economics. The problems with minorities, violence and economic migration refer to the problematic image of Eastern Europe that seems to be rooted in the 19th and early 20th century stereotypes of wild, unpredictable and underdeveloped regions. In our analysis of the image of Slovakia in the British press, we attempted to find the most typical Eastern European stereotypes in the articles in five online versions of British dailies – the Financial Times, the Guardian, the Daily Telegraph, Daily Mirror, and Daily Star. The identified stereotypes included nationalism, mysterious and unknown, backwardness and poverty, migration and sexualization, which were all present in the selected media discourse. We also noticed a strong presence of other topics: 2011 bailout events, Slovak treatment of the Roma minority, the still present Velvet divorce discourse and the importance of sports. The remarkable phenomenon was the lack of articles on Slovak culture and entertainment.

To sum the image of Slovakia in oversimplified terms, it is seen as a small former Eastern bloc country that is trying hard to be a part of the “developed Europe”. Economically, it is doing well, especially thanks to the development of the car making industry. Politically, it is struggling with typical Eastern European maladies – populism, extremism, and minority issues. The political representatives often feature rebellious streaks. It is a “cheap country” with developed ski-resorts and beautiful nature. Some footballers were able to fit in quality British league clubs. Generally, we are underdogs and “work in progress”. Despite some negative images, we noticed positive trends in the country presentation which gives hope for the improvement of its image abroad.

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CULTURAL AND RELIGIOUS INTEGRATION OF IRAQI REFUGEES IN SLOVAKIA

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Abstract

Background: In Slovakia, the issue of integration of foreigners – refugees has not been sufficiently studied and analysed in research. Our research problem are the basic specifics typical of the Middle Eastern culture. The aim of the present study is to describe the cultural and religious integration of Iraqi refugees in Slovakia from their perspective, and to analyse significant differences between the Arabic and Slovak cultures. Knowing the roots of the Arabic culture and their cultural habits is important in working with them and in mutual communication, and in achieving the highest possible degree of integration in our conditions.

Methods: The study has a qualitative design. We use a method of a semi-structured interview with five Iraqi refugee families, which have been integrating in Slovakia for over three years.

Results: The results of our study point out multiple cultural distinctions typical of life in Iraq. The findings are: different status of a father and mother in the family; strong family belonging; perceptions of differences in basic norms and values between the countries; differences in religious customs; gender differences; and different work habits. The comparison of the perceptions of the cultural and religious differences between the countries by the Iraqi refugees and the experts involved in their integration suggests a consensus in the perception of these differences.

Conclusion: Despite the perceived differences between the Slovak and Iraqi cultures, the Iraqi refugees do not feel that they have a status different from the Slovaks, are significantly different from them, or are discriminated in the Slovak society.

Keywords: Iraqi refugees, integration, Slovakia, culture, religion

Introduction

The integration of the Iraqi refugees in Slovakia was conducted through a three-year integration project, which was formally finished in January 2019. However, the integration of the Iraqis as such has not ended and every family, each individual from this community continues to be successfully integrated into the Slovak society. In the implementation of the project of the integration of the Iraqi refugees, the social workers who worked with them and the Iraqis themselves faced several integration challenges resulting from the cultural conditionality of behaviour of people coming from a different cultural environment. In our case, it is specifically a group of the Iraqi Christians, so we assume that even from their perspective, the culture and religion are important elements, if not the basis, for successful functioning in a new country. The uniqueness of our study is in mapping the differences between the Slovak and Iraqi cultures through the perceptions of the refugees themselves. A similar issue has not been studied in our conditions before.

“Each individual is determined and influenced in his development by culture in which he was born, grew up, and lived. The diversity of human cultures is natural, and therefore, it is also

natural that not always what is understandable and "normal" for one culture is an absolute rule, even a norm, for another culture" (Brnula, 2008, p. 67; translated by the study authors). We wanted to highlight this diversity of cultures in our study. As well as the importance of knowing the culture of each other while working with foreigners.

"Culture is a collective programming of mind that distinguishes one group from another. Understanding a culture is important as it helps to explain certain ways of behaviour" (Sojka, 2009 In Cehelská, Hangoň, 2013, p. 103; translated by the study authors).

According to Nakonečný (1999), the impact of the culture is evident in people in older age, because each society requires their members to have certain cultural patterns (customs, traditions, morals, laws, taboos) which more or less determinate their attitudes and behaviour. It requires its members to follow standards and act in certain roles.

From a broader – national – perspective, it is not possible not to notice respect and pride of a particular Arab nation (the Iraqis) in its history and culture. The worship of God or at least a religious awe are seen in every Arab country. In the Arab world, the family is under the supervision of the extended family, neighbours, and colleagues. For the Arabs, the reputation of the family and each of its members is particularly important. The behaviour of one family member affects the opinion of foreign people about another family member and family as such. A male family member is automatically responsible for a female family member's behaviour (Khidayer, 2009).

Ilaj (2014) describes the issue of Iraqi refugees as a complex issue that requires a context-based approach to gain serious facts about this issue. Therefore, it is necessary to understand their experiences in a broader sociocultural context. The work of the aforementioned author is based on his personal experience as a former refugee who shared experience with other Iraqi refugees who currently live in Australia. It is based on the experience that is shaped with the particularity of gender, age, and cultural and political aspects of life of Iraqi refugees.

The interesting specifics that affect the functioning of the Iraqi Christians also in our society and which are not natural for us have been stated by Khidayer (2009), who functioned in the Arab environment for many years. She states that in the Arabs it is not polite to say no or I do not know; they try to avoid these words. No and I do not know are not polite. People from the Arab world flame out easily, get offended easily, and must have everything settled immediately. However, we also have some ideas, expectations, and prejudices mostly too. The other party has them too, but it perceives them in a simplified, more withdrawn way – as a result of social systems. We have a freer access to information and a more liberal attitude towards life as such. Also because of the local warm climate, we perceive the Arabs as those who like to idle. It does not necessarily mean that they are lazy; but they are able to enjoy their free time and try to have as much of it as possible.

When working with refugees, the issue of gender is very sensitive. It is important to take into account the culture from which an individual originates, because it has major influence on perceptions of masculinity and femininity. A social worker should understand the action and behaviour of an individual which are conditioned by gender or gender stereotypes. The differences in cultures must be reflected by social workers. They should be helpful in addressing and mitigating barriers in the process of refugee adaptation into society (Brnula, Slobodová, 2013).

According to Janák et al. (2018), identification of the specifics of the Iraqi culture leads to a better understanding of the differences, or misunderstandings arising when this culture meets ours. Several cultural specifics of Iraqi refugees correlate to the original economic situation because Iraq was an economically powerful country. The inhabitants had a relatively high standard of living.

Research problem and objective

In our research, we addressed the issues of cultural specifics and differences between the Arab and Slovak world. The objective of the present study was to describe the cultural and religious integration of the Iraqi refugees in Slovakia. We mapped the situation from the perspective of the Iraqi Christians.

We also analysed significant differences between the Arabic culture and the Slovak culture. Finally, we compared the identified cultural differences perceived by the Iraqi refugees with the found cultural specifics identified by the staff implementing the integration of the community which were described in their research by Janák et al. (2018).

Methods

In the methods, we described a sample, a data collection method – a measurement tool. We also address data analysis methods. In our study, we used a qualitative research method.

Samples

We used purposive sampling. There were five Iraqi families who were willing to participate in the study and interviews. Specifically, they were the Iraqi Christians who were integrated in Nitra and its environs. They came to Slovakia as refugees in December 2015.

Data collection

Our research was qualitative. As stated by Juszcyk (2003), in qualitative research, a researcher can get more easily to the complexity and particularities of certain aspects of the studied phenomena. We used the semi-structured interviews with the families of the Iraqi Christians to collect data. A semi-structured variant of interview combines the advantages and minimizes the disadvantages of both extreme forms of an interview – unstructured and structured (Reichel, 2009). We conducted five semi-structured interviews on the integration of the Iraqi refugees in Slovakia – specific examples of families. Three interviews were conducted in the natural – home environment of the participants, and two interviews in the Integration Centre for Iraqi Christians. The participants reserved time after their working hours for the interviews. Three interviews were conducted individually with women – mothers from a family. One interview was with a woman and her daughter who helped her understand (translate) questions. The last interview was with a man – a father of a family, and his wife was also present.

Analyses and reporting

In our study, we used qualitative data analysis. As stated by Hendl and Remr (2017), qualitative data analysis often combines approaches of a rough analysis of the material (overviews, summaries) with approaches of a detailed analysis (elaboration of categories, identification of structures)".

We recorded the data on the dictating machine, transcribed them, and analysed their content. We reread the transcripts, coded them, and elaborated the induced categories. We used open data coding.

Results

The results of our research were the collected qualitative data which we analysed. We elaborated the induced categories based on the commonly-occurring semantic units in individual interviews.

In the first table, we analysed the cultural and religious integration of the Iraqi refugees in Slovakia from the refugees' perspective. We stated the most important and frequent common and distinct elements that the participants reported in this area.

Table 1 Perceptions of common and distinct elements in the context of cultural and religious integration

Semantic units	Induced category	N
Different ways of problem solving than in Iraq; a different system of functioning in people	Perceptions of differences in basic norms and values between the countries	3
Motivation to try to solve things in new ways, proceed and learn new things, even if it is not easy; positive perceptions of the Slovak culture; acceptance of everything	Acceptance of differences in functioning in Slovakia	4
The same religion as the Slovaks – Christianity	The same religion	4
Everyday visits to church in Iraq; strict adherence to fasting; different customs and religious holidays	Differences in religious customs	3
Male breadwinner model family; a mother is a housewife; in Iraq, it is sufficient if only a man works; in Slovakia, both men and women must work	Different status of a father and mother in the family	4
A different system of social and labour rules in Slovakia – including non-written ones	Initial uncertainties about the rules and social system	3
Being warned about shouting and noise by the Iraqi children; the impossibility to be noisy after 22.00 hrs	Noise tolerance among neighbours	2
There is no discrimination; they do not feel major differences in relation to the Slovaks	Not feeling their own differences in relation to the Slovaks	4
Women in Iraq do not speak with strange men; different status of men and women; women in Iraq are like a "second level" – dominant status of men	Gender differences in status and roles in Iraq	3
In Slovakia, there are laws and rules for everything, not in Iraq; stricter driving rules	Strict laws in Slovakia	2
In Iraq, they visit each other all day long; during the holidays, the whole families visit each other; the family holds together; the importance of relationships; the family members help each other	Strong family belonging and frequent visits	4
In Iraq, they have shorter and better paid working hours – they work for 4 – 5 hours; in Slovakia, work is harder and longer	Different work habits	3
Laxity in Slovak partner relationships – in Slovakia, it is not a problem when girls have friends – in Iraq, they can only be engaged; a problem with public display of affection	Stricter and more conservative adherence to religious principles related to ethics and morality	2
It is important to understand the culture of the country a person comes from: the Slovaks should understand the Iraqis, and vice versa	An importance of understanding the culture of a given country	2

Our results show a number of differences in the culture and religion in Slovakia and Iraq. In the interviews, the most frequently perceived different elements were stated by four participants out of five; they were: different status of a father and mother in the family in the Iraqi setting; strong family belonging; and frequent visits. Three participants stated: perceptions of differences in basic norms and values between the countries; differences in religious customs; gender differences in status and roles in Iraq; and different work habits. Two participants stated these different elements: noise tolerance among neighbours; strict laws in Slovakia; and stricter and more conservative adherence to religious principles related to ethics and morality in Iraq. In the table, we also stated similar elements between the cultures and religion in Slovakia and Iraq, which were stated by four participants: the same religion – Christianity; and not feeling their own differences in relation to the Slovaks. Finally, in the context of the cultural and religious integration, three participants stated initial uncertainties about the rules and social system; four participants stated acceptance of differences in functioning in Slovakia; and two participants stated an importance of understanding the culture of a given country as important elements.

In the second table, we compared the identified cultural differences between the country of Iraq and Slovakia perceived by the Iraqi refugees with the identified cultural specifics identified by the staff implementing the integration of this community, which were described in their research by Janák et al. (2018). The Iraqis' perceptions of cultural and religious differences between the countries have not been studied before. We wanted to know if perceptions of the cultural specifics are similar or different between the groups of staff (the Slovak perspective) and the Iraqis.

Table 2 Comparison of perceptions of cultural specifics from the perspective of the staff and from the perspective of the Iraqi refugees

Cultural specifics and differences identified in the Iraqi refugees from the perspective of the staff (Janák et al., 2018)	Cultural specifics and differences identified from the perspective of the Iraqi refugees
Different cultural and behavioural patterns in the family, relationships in the family function differently than in Slovakia, a dominant status of a father	✓
Perceptions of a gender difference, gender differences in status and roles – dominance of the male status in the Iraqi culture	✓
Different perceptions of priorities and time – in solving their needs, they are intransigent, they accept the possibility of tardiness without giving a reason	X
A lower-to-zero system of rules – in Iraq, the number of rules that create a general concept in individual areas of life is much lower	✓
More difficult coping with stressful situations – the initial response to the accumulation of problems is the formulation of a stance on return to the homeland, linking all problems, including the unrelated ones	X
The same religion – Christianity – it relates them to the Slovaks more easily	✓

In the area of religion, the Iraqis are more conservative and stricter, an emphasis on keeping the rules of faith	✓
In the Iraqi system, a man is a breadwinner in most families, most women do not work – they take care of their husband and children	✓
Different work habits – in Iraq, working hours are shorter	✓

The results in the table show the commonly occurring perceptions of cultural and religious differences in Slovakia and Iraq. We compared the findings from the study by Janák et al. (2018), who analysed the cultural specifics identified in the community of the Iraqi refugees from the perspective of the staff providing for their integration in Slovakia. We divided the seven areas that they stated in their paper into nine more specific points to make them comparable to our findings. As common areas of perceptions of cultural and religious areas, we identified seven out of nine: different cultural and behavioural patterns in the family; perceptions of a gender difference; a lower-to-zero system of rules – in Iraq; the same religion – Christianity; in the area of religion, the Iraqis are more conservative and stricter; in the Iraqi system, a man is a breadwinner in most families; and different work habits. Two areas out of nine did not occur in the responses of the participants in our study: different perceptions of priorities and time; and more difficult coping with stressful situations.

Discussion

The aim of the present study was to describe the cultural and religious integration of the Iraqi refugees in Slovakia from their perspective, and to analyse significant differences between the Arabic and Slovak cultures. In our study, we found a number of perceived differences between the Slovak and Arabic cultures which were stated by the Iraqi Christians themselves. The most frequent were:

- The different status of a father and mother in the family – male breadwinner model family; a mother as a housewife;
 - Strong family belonging and frequent visits – in Iraq, they used to visit each other all day long; during the holidays, the whole families visit each other; the family holds together; the family members help each other;
 - Perceptions of differences in basic norms and values between the countries – different ways of problem solving than in Iraq; a different system of functioning in people;
 - Differences in religious customs – everyday visits to church in Iraq; strict adherence to fasting; different customs and religious holidays;
 - Gender differences in status and roles – in Iraq, they perceive men and women differently; dominant status of men;
 - Different work habits – in Iraq, work hours are shorter and better paid – they work 4-5 hours and then they have free time;
 - Noise tolerance among neighbours – being warned about shouting and noise by the Iraqi children;
 - Strict laws in Slovakia – in Slovakia, there are laws and rules for everything;
 - Stricter and more conservative adherence to religious principles related to ethics and morality in Iraq – laxity in Slovak partner relationships in Slovakia is not a problem.
- Furthermore, we found similar elements between the Slovak and Arabic cultures that the participants – the Iraqi Christians stated most often:
- The same religion as the Slovaks – Christianity;
 - Not feeling their own differences in relation to the Slovaks – they feel the same as the Slovaks.

The important findings were also the most significant elements that were stated by the Iraqi Christians in the context of the cultural and religious integration in Slovakia:

- Initial uncertainties in the rules and social system – a different system of social and labour rules in Slovakia – including the unwritten ones;
- Acceptance of differences in functioning in Slovakia – motivation to try to solve things in new ways, proceed and learn new things, even if it is not easy; positive perceptions of the Slovak culture;
- An importance of understanding the culture of a given country – it is important to understand the culture of the country.

Furthermore, the aim of the present study was to compare the identified cultural differences perceived by the Iraqi refugees with the found cultural specifics identified by the staff implementing the integration, which were described in the study by Janák et al. (2018). We found out that most of the studied areas corresponded – thus, they were perceived in the same way by both the staff and the Iraqi Christians. The areas included:

- Different cultural and behavioural patterns in the family,
- Perceptions of gender differences,
- A lower-to-zero system of rules – in Iraq,
- The same religion – Christianity,
- In the area of religion, the Iraqis are more conservative and stricter,
- In the Iraqi system, a man is a breadwinner in most families,
- Different work habits.

The remaining two areas of the above mentioned nine were stated only by the staff; they did not occur in the participants' responses:

- Different perceptions of priorities and time,
- More difficult coping with stressful situations.

As we stated at the beginning of the paper – when working with refugees, the issue of gender is very sensitive. It is important to take into account the culture from which an individual originates, because it has major influence on perceptions of masculinity and femininity (Brnula - Slobodová, 2013). The finding on the gender differences, their different roles, and the dominant role of men was brought also by our study. It was perceived like this by most participants. However, there were also differences that function in the environment from which they come – in Iraq. At first, it was difficult for them to understand the setting in Slovakia and they accepted it with difficulties, especially the need for inclusion of the Iraqi women in the Slovak labour market. At present, however, most members of the integrating families have accepted these differences and are interested in participating, proceeding, and learning new things, although it is not always easy.

A substantial finding was also, as stated by Khidayer (2009), that the Slovaks have a freer access to information and a more liberal attitude towards life as such. In our study, we found out that despite the perceived stricter laws and rules that the society in Slovakia has, Iraq is stricter and more conservative in adherence to the religious principles related to ethics and morality. The Iraqis very significantly perceived laxity in Slovak partner relationships and public manifestations of affection which are inadmissible in their country.

Strengths and limitations

The strength of our study is the novelty and lacking previous exploration of the topic of integration of foreigners – refugees in Slovakia. Another strength is the choice of participants – the possibility to conduct interviews directly with the Iraqi refugees.

The limitation of our study is a lack of theoretical basis for the topic. Our study, however, may enrich interesting research on this issue. The lower number of participants – five – may be considered to be a limitation too. However, in case of the choice of such specific a sample and the choice of qualitative research, this number is adequate.

Recommendations

We think it is important to continue in similar research and further analyse cultural specifics, integration problems, or even examples of good practice in working with refugees. Because in Slovakia the issue has not been researched sufficiently, and there has been a lack of practical experience in integration of refugees. At present, however, there is an influx of several foreigners in this country too. By grasping and exploring this issue, a system of work with this target group can be set up more effectively.

Conclusions

In our study, we found out a number of perceived cultural and religious differences which are typical for the functioning in Slovakia and Iraq. Also, in comparison of our findings, which we obtained through the semi-structured interviews with the Iraqi refugees, we found out a consensus in the perceptions of the experts who helped in the integration of this community.

Despite the found perceived differences between the Slovak and Iraqi cultures by the Iraqi refugees, according to the majority of their statements, they do not feel that they have different status than the Slovaks, are significantly different from them, or are discriminated. The initial uncertainties in the rules and social system in Slovakia were replaced by their interest and motivation to integrate here, learn to function in everyday life, and thus learn new things, and proceed in their life.

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MUSEUMS AS A VEHICLE OF CULTURAL DIPLOMACY. AN INTERNATIONAL PERSPECTIVE

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Introduction

The aim of this paper is to provide an analysis of selected museums worldwide, in order to demonstrate their role as cultural diplomats in a challenging multipolar and globalized world. In particular, it examines museum's contemporary role as an agent of soft power and a vehicle of cultural diplomacy, whereas comments on its contribution as a key player in creating synergies. The premise of this paper is that museums can reinforce intercultural dialogue and transnational co-operation and can build bridges of communication, mutual understanding and respect as well as tolerance.

Museums have long been considered emblematic spaces for consolidating the values and identity of the society by which they were created and places where people can explore issues regarding identity and culture as well as to make sense of the world around them. Especially, in the 21st century museums have repositioned themselves in relation to changes occurred locally, nationally and internationally and reflect issues such as inclusion, conflict, awareness, dialogue, peace.

The need for understanding of cultures and national identities, fostering recognition and mutual respect, experience contact zones, where different groups of social, cultural and ethnic backgrounds can share similar experiences, communicate and interact, seems to be a key factor in shaping museums' agenda and practice. Subsequently, the role of the museum as a cultural diplomat, mediator and promoter of the aforementioned aspect of its contemporary agenda is significant.

The question that it is raised is how the museum is succeeded in doing so? How does the museum act as a cultural diplomat and as an agent of soft power? Which are the strategies, practices and instruments that it uses? Apparently, the arts and culture connect people in ways that politics cannot, and the museum as a cultural institute has a dominant role in this process. The ability of the museum to unfold narratives especially through its tangible or intangible items, provide via them knowledge, achieve intercultural communication, trigger interpretations and raise awareness, engender messages and values, can help creating a context for knowing, understanding and respecting the "other".

Bringing together for the first time a representative sample of museums' practices and exhibition policies, those of "House of European History", "Museum of the Three Countries", "Museum of History and Holocaust Education" at the Kennesaw State University, Georgia/ - Ben M'sik Community Museum of Hassan University, from three continents, Europe (Brussels, France, Germany and Switzerland), America (The USA) and Africa (Casablanca/Morocco), *we attempt to shed light on museum's contemporary role as a cultural diplomat in a challenging multipolar and globalized world and a catalyst in forming a zone of tolerance and respect among peoples.*

After this introduction the paper unfolds as follows: The first section discusses the contemporary role of the museum and in particular highlights its connection to cultural diplomacy. The second section focuses on the aforesaid case studies and examines their practices, collections and exhibition policies. The last section concludes.

The role of the Museum then and now and the importance of cultural diplomacy

In its long journey via centuries, from antiquity to the modern era, the institution of the museum has been framed by the historical, social and cultural context of each period and the word museum has received different interpretations and meanings. The word *museum-mouseion* has classical origins. It's concept dates back to ancient Greece and it meant a place of contemplation, a philosophical institution or a temple of the Muses. In Roman times appears to have been restricted to places of philosophical discussion. From the Medieval period until the 18th century the museum was a place of collecting and exhibiting –in cabinets of curiosities– “remarkable objects of artistic or historical value”, a venue of private collections, whereas carried with it connotations of comprehensiveness and encyclopedic knowledge. The creation of the first public collections and the establishment of the national museums, during the 18th–19th century enhanced the prestige of the nation and nurtured the public a sense of a shared cultural identity (Lewis, 1992 & 2019; Economou, 2003). The use of the word museum, during the 19th and most of the 20th century, mainly denotes a building used for storage and exhibition of historic, cultural and natural objects to which the public has access. However, during the 20th century, the interest is shifted for the first time, from the objects to the visitor. Thus, the museum is adopting a more anthropocentric approach. Traditional museum practices are revised, a “two-way” “exhibit-to-audience”, communication is established and the democratization of museums starts taking place. New museums are founded or old museums re-direct their strategies for a variety of purposes: to serve as scholarly venues and educational resources, to contribute to the quality of life of the areas where they are situated; to achieve sustainable development, to attract tourism to a region, to host recreational and leisure activities; to promote civic pride or nationalistic endeavor, to transmit ideological concepts and cultural values abroad, to form and reinforce social consciousness; to engage themselves in diplomatic activities and to act as cultural ambassadors, to allow visitors to address through their collections questions of contemporary politics and international relations, to embark on international partnerships (Lewis, 2019).

The modern museum creates an “open”, “accessible”, “inclusive” and “joyful” place for everyone, contributes to the intercultural dialogue and promotes mutual respect and understanding in a changing and globalized world, where fundamentalism, immigration, conflict, economic recession, technological developments and the need for tolerance and acceptance frame the scene. Alongside its basic operations (collection, conservation, documentation, research, education etc.) the modern museum has to operate as a cultural diplomat in order to fulfill its mission and to contribute to a peaceful and harmonious world.

Cultural diplomacy and the art of museum diplomacy

Whilst the term “cultural diplomacy” has only recently been established –as a modern form of “foreign policy”, a manifestation of “soft power” and “public diplomacy”– evidence of its practice has existed for centuries. From Antiquity, the era of Alexander the Great, the Byzantium, the Renaissance and Colonialism, the Cold War era, to the present day of an increasingly globalized and interdependent world, cultural diplomacy has been critical to promoting the national image, serving as a strategic instrument of national governments to achieve foreign policy objectives (political, economic, cultural) as well as fostering peace and stability in the world (Kontochristou et al., 2018:167). Defined as “an exchange of ideas, information, art and other aspects of culture between countries to improve mutual understanding” (Cummings, 2003:1), cultural diplomacy has been actually a state tool of communication to the outside world and a means of reinforcing interaction among peoples. Traditionally, the exchange of language, religion, ideas, arts, the utilization of traditions, values and other aspects of culture and identity have consistently improved relations between divergent

groups, strengthened relationships, and enhanced socio-cultural cooperation. Cultural diplomacy which has been employed most of the time to facilitate cross-cultural communication and to achieve political, economic or cultural goals is based on a set of principles; the most important of them are:

- Respect & Recognition of Cultural Diversity & Heritage.
- Global Intercultural Dialogue.
- Justice, Equality & Interdependence.
- The Protection of International Human Rights.
- Global Peace & Stability.¹

The museum is an instrument of cultural diplomacy. It has been engaged with the international mission of pursuing strategic geopolitical interests and promoting national image, and has served, throughout time to enhance cultural understanding, eliminate divisions, stereotypes and conflicts. An early example of museum exercising soft power is that of the British Museum. According to its fundamental principles, the museum should “allow visitors to address through objects, questions of contemporary politics and international relations” (Mac Gregor, 2004 as quoted in Grincheva, 2013: 40). The Victoria & Albert Museum has served, during the years, as a vehicle of soft power, providing via its collections and exhibition policies cross-cultural knowledge and promoting communication among different groups.² The *International Legacy Youth Leadership Project* (2010) between the Apartheid Museum in Johannesburg- South Africa and the Birmingham Civil Rights Institute in Alabama -USA, is an example of partnership of encouraging the youth to explore “the parallels between the civil rights movements in their respective communities” (Grincheva, 2015:142).

Promoting intercultural dialogue and increasing mutual understanding. Collections, exhibition policies and practices



House of European History

The House of European History (HEH) (figure 1, see below), an initiative of the European Parliament, opened almost ten years after its conception i.e. in May 2017.³ The project was inspired by Hans-Gert Pöttering, a long-standing German Member of the European Parliament. As he has stated: “I should like to create a locus for history and for the future where the concept of the European idea can continue to grow. I would like to suggest the founding of a ‘House of European History’. It should [be] a place where a memory of European history and the work of European unification is jointly cultivated, and which at the same time is available as a locus for the European identity to go on being shaped by present and future citizens of the European Union” (as quoted in Buettner, 2018:133).

¹Institute for Cultural Diplomacy (http://www.culturaldiplomacy.org/index.php?en_culturaldiplomacy).

² Cultural Diplomacy (<http://www.vam.ac.uk/content/articles/v/v-and-a-podcast-cultural-diplomacy/>).

³ It is located at the heart of the European quarter in Brussels (Park Leopold) in the Eastman building. The building was constructed in 1934-35 by the Swiss architect Michel Polak and was acquired by the European Parliament in 2008 through a long-term lease of 99 years (<https://historia-europa.ep.eu>).

The aim of the HEH is to create feelings of solidarity and to reinforce a sense of European identity, based on the EU's motto "unity in diversity" (Buettner, 2018:136). Particularly, its main mission is to become a forum for learning and exchanging of ideas, open to audiences from all generations and backgrounds, a place for all European citizens, a reservoir of European memory, containing diverse experiences and interpretations. The project promotes the reconciliation of the European controversies among European nations, whereas museum's exhibitions stories of difficult cultural heritage and division are narrated in such a way as not to cause conflict and aggressiveness (Kesteloot, 2018).



Figure.1. The House of European History (Source: <http://www.cultures-of-history.uni-jena.de>).

Collections, exhibition policy and cultural diplomacy

The novelty of the project, which is reflected on its collection itself, and actually constitutes its exhibition policies and practices, is to create a museum for all European nations, to give a transnational view of European history and to take into account the diversity of European history and its multiple forms of interpretation and reception. It has been driven by a desire to promote knowledge of Europe's history and to raise awareness of the diversity of memories within Europe in an open and inspiring way, respecting the multiplicity of perspectives and interpretations. It provides visitors with the opportunity to deepen their knowledge of historical processes and historical events in Europe, as well as to critically reflect on the different historical experiences of Europeans.⁴

The exhibits are presented in all 24 official EU languages and the admission is free to the public.⁵ The museum presents the transnational phenomena, which have shaped European continent, not as a simple sum of national histories, but as a connection of shared experiences and a comparison of diverse multi-faceted interpretations, that stimulate public discussion of European memory and consciousness. Visitors are encouraged to explore how history has shaped a sense of European memory and continues to influence the present and the future of European nations, by rejecting discrimination and differences, by creating common identities and by building bridges between cultures.

⁴ Building a House of European History. A Project of the European Parliament, (http://www.europarl.europa.eu/tenders/2013/20130820b/Annex_I-Building_a_House_of_European_History.pdf)

⁵ House of European History (<https://www.europarl.europa.eu/visiting/en/visitor-offer/brussels/house-of-european-history>).

The fourteen key elements⁶, which were selected in order to be displayed in the museum, express a conscious attempt to stimulate and inspire visitors positively and a thoughtful effort to hide or forget the negative memories of the European history.⁷ The whole museum setting encourages the public dialogue, declares the role of HEH as a cultural diplomat and promotes the “continent’s restored humanity” (Kesteloot, 2018:149). The main message of the permanent exhibition could be summarized in seven words: “Mapping the European decline and its recovery”. Narrating the story of the powerful continent of the 19th century, proceeding to the First World War, from there presenting the rising of Nazism and Stalinism with all the devastating consequences for the continent and continuing with the Second World War, the exhibition leads the elder visitors to recall memories, while it educates the younger ones on how to interpret the conflictive past (Jareš, 2017).

The HEH museology also attributes central importance to the Shoah as a vehicle for European memory that derives from the “negative memory of Europe”. The room on the memory of the Shoah (Holocaust) is set apart from the main tour, symbolizing its longstanding marginal status. The room “Memory of the Shoah” reflects the perspective of six national memories: those of the two Germanys, of Poland, Austria, Ukraine and France. While the display inspires debate, it also seems to convey the transition from the margins to a central position. This approach corresponds with the ambition of the museum to fuel debate rather than to impose a framework for dominant interpretation (Kesteloot, 2018:149).

Another aspect of HEH’s approach to create a zone of communication and understanding, thus acting as a “cultural diplomat”, is reflected on the exhibition “INTERACTIONS”. The exhibition reveals stories about people moving and meeting, about travelling ideas and goods, about encounters and exchange, into a kaleidoscopic view of Europe’s cultural history. Questions such as what has brought people in Europe together across the centuries? Or what traces can be found of these past interactions in our lives today? form the conceptual and practical framework of “INTERACTIONS”, which actually acts as a meeting place of contemporary Europeans with the European history and culture. People are invited to interact with the exhibition in different ways, like they did previous Europeans, when they were trading, fighting, living in their time and experience their every day culture (eating, clothing etc.). This collective experiment declares -even if visitors have never realized before- how strongly their intercultural contacts and their “mental maps” are influenced by history, either it is “the Cold War, the guest-worker movement bringing Italian cuisine to the North, or globalization”.⁸

⁶ Philosophy, democracy, the constitutional state, omnipresence of Christianity, state terror, slavery, colonialism, humanism, rationalism and the Enlightenment, revolution, capitalism, Marxism (communism/socialism), the nation state and genocide (Kesteloot, 2018:153).

⁷ The House of European History has received hard criticism, due to “conceptual weaknesses in connecting the experiences of the East and the West”, or “the marginalization of a large part of the continent’s north and south” (Jareš, 2017). On the other hand, as the European Parliament stated in 2013, “...The House will use the concept of ‘shared memory’ as a basis for the interpretation of history, encompassing the passive and the active side of this phenomenon, which is formed in a social context and which both characterizes and binds groups of people together... Different memories and opposing interpretations of history will be portrayed and their interrelationship shown by juxtaposing them, using to the full the museological potential of the setting...” (http://www.europarl.europa.eu/tenders/2013/20130820b/Annex_I-Building_a_House_of_European_History.pdf).

⁸ Ibid



Museum of the Three Countries

The Museum of the Three Countries, formerly Museum am Burghof is located in the town of Lörrach, in southern Baden-Württemberg, in transactional corner in the south of Upper Rhine, where the borders of France (Alsace), Germany (Baden and Palatinate) and northwestern Switzerland meet. Granted with numerous awards, it is the sole museum in Europe devoted to the history and culture of three countries.⁹

Subsidized by the European programme INTERREG, the museum cooperates in a network with several partners across Germany, France and Switzerland. The “Museum of the Three Countries” co-ordinates two cross-border cultural networks: the “Network of Historical Companies” (research, preservation and transmission of local and regional history and culture) and the “Museum Network” (implements projects every four years, e.g. cross-border exhibitions and events that engage and involve the local population, cooperates with several partner museums across Germany, France and Switzerland). The above suggest that the Museum it takes actions and runs projects that engage and involve the local population while it offers a comprehensive calendar of events.



Figure 2. The Museum of the Three Countries (Source: <https://www.upperrhinevalley.com>).

⁹Three-Countries Museum–The Museum of the Tri-Border Region (<https://www.upperrhinevalley.com>). The construction of a museum in the former Burghof fire station, was initially planned to start in 1914. However, never began due to the First World War. The current museum building was originally a tobacco factory that was built in 1755, in the late Baroque style. The museum closed during the Second World War and reopened in 1953. In 2002, it underwent a renovation (Modernizing the Museum am Burghof, <https://structurae.net/en/products-services/modernizing-the-museum-am-burghof>).

Collections, exhibition policies and cultural diplomacy

The central theme of the museum is the Three-Countries region formed by the German Black Forest, the French Vosges and the Swiss Jura and its permanent exhibition, presented in both German and French, is dedicated to the history, the traditions, the current situation and the future of the Upper Rhine region, an area where people of different nationalities coexist harmoniously and share common cultural features.¹⁰ The enhancement of social cohesion aims at healing the wounds and the traumatic collective memory of Europeans, especially French and Germans.

The exhibition, on the one hand, revises the Franco-German traditional hatred, denoted by historians and encourages local citizens to reflect and reconcile with their past; and on the other hand, enables visitors to get an overview of the process that led to the tripartition of the region and the consequences of it on political, economic and cultural level. Additionally, it helps people to acknowledge common features that experience in their every day life.

The museum's collection is one of the richest in South Baden, with more than 50,000 exhibits revealing the cultural history of the region between the Breisgau and the Lake Constance (religious art, painting and popular traditions). Only five per cent of these objects are presented in the permanent exhibition, among them some very interesting ceramics by Max Laeuger (architect, 1864-1952), famous works by Johann Peter Hebel (writer-poet, 1760 - 1826) and the 1848 Baden Revolution. Interactive and audio stations, as well as computer terminals provide entertainment throughout the whole visit.¹¹ Apparently, the Museum of the Three Countries acts as a “cultural ambassador”, creating a place of communication, consolidation, acquaintance and knowledge.



Museum of History and Holocaust Education at the Kennesaw State University, Georgia/USA - Ben M 'sik Community Museum of Hassan University, Casablanca/Morocco

The project *Identities: Understanding Islam in a Cross-cultural Context* is an exercise of community development and public inclusion from the perspective of cultural diplomacy (Grincheva, 2015:137). It demonstrates the potent influence of the Museums Connect programme (USA) on foreign communities. The major goals of the Museums Connect programme as stated on the U.S. Department of State website, are to develop “a broader knowledge about and understanding of one another’s cultures” and “create replicable models for inter-national collaborations that reach beyond their physical walls to directly engage members of their communities” (U.S. Department of State 2012 as cited in Grincheva, 2015:140-141). The cooperative project *Identities: Understanding Islam in a Cross-cultural Context* was implemented during 2009 and 2010 under the auspices and the funding of the Museums Connect programme by the Museum of History and Holocaust Education at Kennesaw State University, Georgia, USA and the Ben M’sik Community Museum at Has-san

¹⁰ Three-Countries Museum–The Museum of the Tri-Border Region (<https://www.upperrhinevalley.com>).

¹¹ Musée des Trois Pays de Lörrach (<https://www.dreilaendermuseum.eu/fr/Le-musee/Musee-de-Trois-Pays>).

II University, Casablanca. Its aim was to facilitate “cross-cultural professional development” in the museum field, to foster “civic engagement” in global communities, to explore “identity and history” in both countries’ (Lewis et al., 2012:10), to change “Americans attitudes” towards the Muslim community, to promote “the positive aspects of Muslim culture”, and to approach “a larger public”, which knows little about the American culture and values (Grincheva, 2015:141). These museums gathered more than sixty oral histories from their local communities about the life experiences of Moroccan Muslims in the largely immigrant community of Ben M’sik, and Muslims living in the southern United States. The project’s leaders aspired that these stories and conversations between communities could correct misinformation and stereotyping, alter the perspectives of participants, and “remindus that trust comes slowly and must always be earned” (Dickey et al. 2013, 18–19 as cited in Grincheva, 2015:143). The project succeeded in diminishing preconceptions and prejudices, whereas “the identities” endeavor also influenced attitudes toward organizational principles of societies and institutions in the respective countries (Grincheva, 2015:143–144).

From the perspective of the U.S. State Department, these partnerships not only connect cultural institutions across the globe, but can serve indeed a soft diplomatic purpose, a so-called ‘people-to-people’ diplomacy (Lewis et al., 2012:12), through examining, preserving and memorializing critically the past.

Cross-cultural relations and cultural diplomacy

The two museums were not selected accidentally. To begin with the Moroccan museum, unlike other cultural agencies in this country, the museum focuses on documenting the daily life of local inhabitants in a poor multi-culti community, which has been over the years a constant destination for successive waves of migrants from other Moroccan regions. On the other hand, the American museum, although initially focused on World War II and the persecution of Jews and other minorities by the Nazi regime, in 2008 expanded its action and inclusive mission as an ambassador for international cultural awareness, tolerance towards diversity and fight against prejudice globally (Lewis et al., 2012:12).

The inspirers of the program emphasize that both museums can become cultural ambassadors, so as to preserve memory, by interpreting, exhibiting the stories and the heritage of diverse populations, exchanging ideas, breaking stereotypes, dispelling misunderstandings and misinformation (in this particular case against Islamophobia), promoting intercultural dialogue and understanding.

The collaboration between the American and Moroccan communities went far beyond an online engagement between the two institutions. Students from both countries travelled respectively in the Moroccan and the American museums to participate in workshops on exhibition designing and to organize joint exhibitions for the better understanding of their national behaviors, attitudes and values. American values of democracy and community engagement were embraced strongly by the Ben M’sik Community as local citizens realized that there was no intention of political manipulation or any sense of propaganda from the American side. Additionally, the museum of History and Holocaust Education, by giving this opportunity, via the transnational project *Identities: Understanding the Islam in a Cross-Cultural Context*, fulfilled its institutional goals of encouraging cross-cultural dialogue and promoting “respect for difference and diversity of life” (Grincheva, 2015:147).

Conclusion

Historically, the primary task of museums was to empower their communities with “a sense of democratic need” through sharing and exchanging art and culture (Adam, 1939). Additionally, the use of objects as a tool for people-to-people communication and exchange of knowledge and experience “enriches the cultural life of all peoples and inspires mutual respect and appreciation among nations” (UNESCO, Convention 1970). In particular, the “objects” in museums' collections, reflections of tangible or intangible memory and heritage, tell stories about people, places, their lives, history, ideas, ethical and political dilemmas, national goals and achievements. The stories told by these items, brought to life by research, documentation and display help exploring common themes and threads through history and relate those to the present day. Moreover, they reflect on the impact of globalization and the changing geopolitical relations on the status of cultural heritage, as well as they reveal the social and international role of the museum.

The above analysis has shown that museums in the 21st century are more than just repositories of the world cultural heritage or educational and cultural entities in the service of local and national communities. Alongside any effort of national promotion and cosmopolitan appeal, they undertake another role that of cultural diplomat, acting as a platform for dialogue, knowledge, reconciliation, social justice and harmonious coexistence; mitigating any inequalities and conflicts between nations and peoples. Museums are thus considered as a soft power instrument of foreign policy, which contributes to the development of healthy transnational cooperation and cultural exchanges, promotes respect and interaction between peoples and eliminates cultural divisions and ideologies.

More specifically, through the case studies presented and the analysis of their collections and exhibition policies as well as partnerships, we figured out that modern museums, following new principles and embracing innovative practices, play a key role in forming a zone of tolerance and respect among peoples and enhancing intercultural dialogue. They have aimed at forming channels of communication and networks of trust in their communities and worldwide.

What it remains to be seen, in long term, is if, indeed, their policies can continue tackling misinterpretations and hatreds, breaking down stereotypes and cultivating mutual respect, solidarity and tolerance.

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COMPARISON OF TRANSITION FROM EARLY CHILDHOOD EDUCATION AND CARE TO PRIMARY SCHOOL BETWEEN CHINA AND OECD COUNTRIES IN LIGHT OF STARTING STRONG V

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Introduction

The transition from early childhood education and care to primary school attracts rising political attention both in China and OECD countries in recent years. OECD surveyed the member countries and partner countries about their transition policies and challenges and published its report *Starting Strong V* which shed light on the transition from early childhood education and care (ECEC) to primary school. In China, the transition from ECEC (mainly refers to kindergartens) to primary school is recently a heating topic. Several Chinese government ECEC initiatives, for instance, the Early Childhood Advocacy Month, one program led by the Ministry of Education in China, also highlighted the importance of raising parents' awareness of the importance of facilitating children's transitions in an effective way. According to the OECD statistics, the average participating rate of ECEC for age 5 in EU 22 countries reached up to 85% (OECD, 2018). In China, the corresponding rate reached Due to the increasing participation rate of the last year of ECEC both in OECD countries and China over the past decade, the transition from ECEC to primary school becomes a very common experience for children.

Smooth transitions from ECEC to primary school is of great importance to children's long-term development. A successful transition to primary school lays a solid foundation for children's future school life, which is emphasized by a consolidated body of research. Initial success at school both socially and intellectually leads to a virtuous cycle of achievement (Burrell & Bubb, 2000) and can be a critical factor in determining children's adjustment to the demands of the school environment and future progress (Ghaye & Pascal, 1989). However, transition to school could be both exciting moments for children due to the new environment and anxious for them due to a lot of challenges involved, among which discontinuities between ECEC and primary school constitute one of the biggest challenges. A large body of research stressed that continuities should be strengthened to smooth the transition process. In *Starting Strong V*, transition-related strategies, policies, and practices of ensuring continuity are divided into four interdependent areas, which are organization and governance, professional continuity, pedagogical continuity, and developmental continuity (OECD, 2017). Using indicators for each category, the OECD reported its survey results and made comparisons across OECD countries in *Starting Strong V*.

Additionally, it is pointed out that some trends and challenges are common across OECD countries in terms of policies ensuring continuities mentioned above. However, the transition-related policies in China, especially those related to enhance continuities on two levels, is inadequately researched and compared to other countries. Comparing the transition-related policies in China and OECD countries might contribute to our knowledge about the similarities

and differences concerning the policies ensuring continuities. Besides, we might be able to learn from those comparisons for transition-related policy-making process.

Therefore, in light of Starting Strong V, this article mainly compares the policies ensuring continuities between ECEC and primary schools as well as trends and challenges involved in those policies across OECD countries and China. Some indicators were advanced in Starting Strong V to compare across OECD countries those policies. Meanwhile, in Starting Strong V, some trends and challenges are also pointed out. In light of these indicators and results in Starting Strong V, this article focuses on answering the following questions. 1) On the basis of indicators used to compare across 30 OECD and partner countries in the survey conducted by OECD, the corresponding available indicators for China was calculated. What are the differences between China and OECD countries regarding those indicators? 2) What are the common trends regarding those policies ensuring continuities in China and OECD countries? 3) From the standpoint of China's transition-related policies, what are the trends specific for the OECD countries? 4) What are common challenges for China and OECD countries regarding those policies? 5) What can we imply based on those comparisons?

1. Main concepts terminology

1.1 Early childhood education and care (ECEC)

Early childhood education and care (ECEC) refers to regulated arrangements that provide education and care for children from birth to compulsory primary school age in unitary systems, or from birth to pre-primary education in split systems (OECD, 2017). In the latest version of the International Standard Classification of Education (ISCED), ISCED 0 refers to early childhood education. ISCED 0 is sub-classified into two categories: early childhood educational development (ISCED 01) and pre-primary education (ISCED 02). In China, in a narrow sense, ECEC mainly refers to education for children from the age of 3 to 6, which is offered by kindergartens.

1.2 Transition from early childhood education and care to primary school

Fabian (2007) defines transition as “a change process” that children go through from one stage to another. This can include horizontal and vertical transitions. Horizontal transitions involve children's transitions during their everyday lives between, for instance, a pre-primary education setting or primary school and an after-school center. Vertical transitions refer to the transitions between different educational settings, such as between an ECEC setting and school (Ackesjo, 2013).

2. Methods of investigation

The principal method adopted in this research is desk research. Official data were collected from open resource of the Ministry of Education in China and the Bureau of Statistics of China. Based on the indicator used in Starting Strong v, indicators with available data of China were calculated and compared with OECD countries, of which data were provided in Starting Strong V. Both primary and secondary resources were collected, including journal articles and official reports.

What is worth noting, not all indicators adopted in Starting Strong V are available for China, thus we only discuss and compare the indicators applicable to both China and OECD countries.

The indicators that are compared in this article includes 9 in all 14 indicators under 4 categories. Two indicators for the governance are compared, which are expenditure per child and monitoring transitions. Two available indicators are used to compare professional continuities, including the ratio of statutory salaries, pre-service transition training. Three available indicators for pedagogical continuity are curriculum continuity, regulated staff-child ratio, regulated maximum group size. Lastly, two indicators were applied to compare developmental continuity, which were ECEC staff-primary-school teacher collaboration sharing child development information and parent-staff collaboration sharing child development information.

3.Results

3.1 Comparison of policy indicators ensuring continuities between China and OECD countries

Based on the data drawn from Starting Strong V and the official data available from the Ministry of Education and some journal articles, the indicators were calculated for China and comparisons of those indicators were made. Table 1 shows the corresponding indicators for China and compares those indicators with the average OECD data. Ratios in the table are the average for OECD countries surveyed and the occurrence often displays the percentage of countries in which specific policy occurs. The percentage is also calculated according to the information in Starting Strong V. Ratios are the value of an indicator for ECEC divided by that for primary schools. Thus, ratios higher than 1.00 mean that the value of this indicator for ECEC is higher than that for primary schools, vice versa. Ratios equal to 1.00 mean that the value of such indicator for ECEC is the same with that for primary schools.

Table 1. Comparison of policy indicators ensuring continuities between China and OECD countries

	Governance and Organization		Professional Continuity		Pedagogical Continuity			Developmental Continuity	
	Expenditure Per Child	Monitoring Transitions	Statutory salaries	Pre-service transition training	Curriculum continuity	Regulated staff-child ratio	Regulated maximum group size	ECEC-Primary teacher sharing development information	Parent-staff sharing development information
	Ratio ²	Occurrence ³	Ratio ²	Occurrence ³	Alignment	Ratio ²	Ratio ²	Occurrence ³	Occurrence ³
OECD Average ¹	0.98	half of countries	0.97	18 out of 37 (common)	half of countries aligned or integrated	0.81	0.90	59%countries often done	59%countries often done
China	0.76	none	incomparable	Uncommon	not aligned Or integrated	0.62	0.78	rarely done	more common in ECEC

Notes: 1. The OECD average data were drawn from Starting Strong V by OECD in 2017.

2. The ratios represents the corresponding values of ECEC divided by those of primary school.

3.1.1 Organization and Governance

According to Starting Strong V, the average ratio of expenditure per child in ECEC and primary school is 0.98 for OECD countries. The corresponding rate in China is 0.71 in 2015 and 0.76 in 2016 (The Ministry of Education of China,2017), which are both significantly lower than the OECD average ratio of 0.98. In China, as half of OECD countries, the transition process is not monitored officially both in ECEC and primary schools.

3.1.2 Professional continuity

Statutory salaries

In China, public schools constitute the majority of primary schools and private schools the minority, conversely, for ECEC, the proportion of private kindergartens much outweighs that of public kindergartens. According to the National Bureau of Statistics of China, there are 160372 private kindergartens, 266677 kindergartens totally by 2018 and 6017 private primary schools, 161811 primary schools in total by 2018(National Bureau of Statistics of China,2018). Given that the statutory salaries are the same for teachers in public kindergartens and public primary schools but quite different for private kindergartens and private primary schools, it is difficult to calculate the ratio. Thus, strictly speaking, it is incomparable between OECD countries and China regarding this indicator. However, generally speaking, teachers in private kindergartens, who are the majority of Chinese kindergarten teachers, are paid much less than teachers in primary schools. The OECD average ratio of ECEC teachers' statutory salaries over their peers' in primary schools is 0.97, which indicates that ECEC teachers are not paid as much as primary school teachers in general.

Transition specific training

According to the Professional Standards for Kindergarten Teachers (Trial) released in 2012 in China, kindergarten teachers are required to know some basic transition-related knowledge and methods (the Ministry of Education,2012). However, it is not officially required and mandatory in the curricula of the pre-service training of kindergarten teachers. For primary teachers, it is mentioned that they are supposed to know how to facilitate a smooth transition for children. Likewise, the transition specific curricula are not obligatory for pre-service training of primary school teachers. Therefore, the availability of transition specific training depends on the training institutions such as universities in China. For OECD countries, it is common to include education on transition in pre-service training for ECEC teachers and primary teachers and more commonly available for ECEC teachers.

3.1.3 Pedagogical continuity

Curriculum continuity

The curriculum alignment between ECEC and primary education is another important policy indicator of ensuring professional continuities. According to Starting Strong V, about half of OECD countries surveyed align or integrate the curricular of two levels. In China, the curricula of kindergartens and primary schools are not integrated or aligned, but they are connected to some extent. As stipulated by the guideline of kindergarten pedagogy, the core content of the curriculum for kindergartens should cover five areas, health, Chinese language, science, society, and arts. The mandatory subjects in primary education are Chinese, mathematics, science, ethics and living in the society, physic education and health. The core

structures of curricula in both kindergartens and primary schools are generally aligned. However, in China, no guidance for aligning the specific content and curriculum implementation is officially offered to facilitate the transition. Thus, the curricula between ECEC and primary education are not integrated or aligned in China.

Ratio of group size in the last year of ECEC over the first grade

In China, the maximum group size in the last year of kindergarten is 35 according to the kindergarten working regulations. The maximum group size for urban primary schools is 45 according to the regulation of the Ministry of Education of China (the Ministry of Education, 2002). Thus the ratio of group size in the last year of ECEC over the first grade is about 0.78, below the OECD average, which is 0.90.

Staff-child ratio

The staff-child ratio in the last year of ECEC divided by that in primary schools is another indicator of professional continuity. According to the regulated staff-child ratio recommended by the Ministry of Education of China, the staff-child ratio for the last year of kindergarten is 0.09 and that for primary schools is 0.052. The ratio for the last year of ECEC divided by that in primary schools is 0.62, and the OECD average is 0.81. Thus, children in China experience a more unfavorable staff-child ratio than most OECD countries in primary schools during the transition process, comparing to the kindergartens.

3.1.4 Development continuity

ECEC-primary school information exchange and parental-staff information exchange

The exchange of children's development information between ECEC and primary school is rarely done in China. Thus the development continuity is greatly undermined. The information exchanges about children take place in school entry between parents and primary school teachers in most scenarios. Starting Strong V indicated that sharing child developmental information is common and often done in 59% of OECD countries. In most OECD countries, parents-staff information exchange is more often conducted in ECEC than in primary schools. It is also the same case in China.

Above all, as the results show, all ratios compared are lower for China than the OECD average. The policy indicators ensuring continuities between two settings are less favorable in China than the OECD average. The specific strategies and practices supporting the governance of transitions, promoting professional continuity, pedagogical continuity and development continuity occur more often at least in half of OECD countries than in China. Specifically, for the indicator of curriculum continuity in the pedagogical continuity, half of the OECD countries aligned or integrated the curricula between two levels, however, in China, which are neither integrated nor aligned although connected to some extent. With respect to the professional continuity, the statutory salaries of kindergarten teachers in China are dramatically lower than their counterparts in primary schools, the ratio of the latter divided by the former is dramatically lower than the OECD average. Therefore, the inequity between teachers on two levels is more obvious in China. Concerning pedagogical continuity, almost all indicators of China are below the OECD average. The curricula alignment especially needs to be improved in China. The

development information exchange between ECEC and primary schools is particularly lacking in China, however, some OECD countries set up good examples for enhancing children's transition in this way.

3.2 Trends and challenges

3.2.1 A common policy trend of strengthening collaboration in China and OECD countries

It is a common policy trend in China and OECD countries that collaboration is highlighted for facilitating transitions. Research results surrounding transition almost reach a consensus on what contributes to a successful transition. Based on the ecological perspective of Bronfenbrenner and the derived Ecological and Dynamic Model Of Transition advanced by Rimm-Kaufman and Pianta in 2000, the transition to primary schools can be explained within the framework of ecological systems, which consists of micro, middle and macro systems. From this perspective, the transition from ECEC to primary school is a process in which multiple actors, including teachers in preschool and primary school, parents, children and so on, are playing an important role and collaborations among those actors are crucial for facilitating children's transition. Therefore, shared views among different actors and stakeholders (parents, ECEC teachers, and primary school teachers), alignment between ECEC and primary school as well as collaboration among family, ECEC and primary school are highlighted in order to ensure children's successful transitions. When responsibility is shared across actors, the transition to school is clearer and more predictable (Margetts,2014). Thus research-based evidence supports the initiatives to bridge gaps and ease the transition through engaging families, ECEC and primary school in this process. Across OECD countries, a lot of measures aimed at ensuring continuity through promoting cooperation among parents, ECEC and primary schools on different levels. Many OECD countries stipulate in central and local guidelines regarding transition that cooperation between settings, partnership with parents and contacts with relevant professionals should be encouraged to smooth the transition (Ireland, Finland, Wales, Norway, Austria, Denmark, Portugal, Iceland, etc). Family involvement plays an indispensable role in successful transitions. Thus, cooperation between staff and parents were also emphasized in most European countries, some countries take a long-term approach to parental involvement. In Norway, transition-specific informal discussions with parents and parent-staff conversations take place before, during and after the school entry.

In China, political attention to enhance family involvement in transition is increasing recent years, however, measures to improve the cooperation between kindergartens and primary schools are lacking. The Ministry of Education launched recently some programs aiming at promoting parents' understanding of what constitutes and contributes to successful transitions. Such programs were carried on all through China in order to improve family involvement in facilitating children's transitions. One of the programs is the early childhood advocacy month which takes place annually. The theme of early childhood advocacy month for 2019 is focused on "get ready for school entry in a scientific way", which explicitly attaches great importance to school readiness. It was initiated on May 19th, 2019 and lasted for one month. A variety of activities surrounding school readiness are carried on all over China under the leadership of the Ministry of Education to disseminate specific information about facilitating school readiness. Some topics about school readiness in China were addressed, including the play-oriented approach in kindergarten, shadow education of transition (transition classes), issues related to

schoolification, important ingredients for successful transitions, etc. Generally speaking, the project aimed to offer more information for parents so as to improve their understanding of school readiness and dispelling some misunderstandings. There are several channels for realizing the goals, videos of expert interviews on school readiness specific topics, communication activities with parents organized by kindergartens, public advertisement videos and information brochures for parents about school readiness, etc (the Ministry of Education of China, 2019). Three years ago in 2016, the focus of early childhood advocacy month was transition to primary school. Likewise, the program's objective was to raise parents' awareness of smoothing children's transition in an appropriate way. Similar ways were adopted to achieve the goals of the program (the Ministry of Education of China, 2016). There are several potential effects for such programs, such as heightening parents' awareness of the importance of transition, improving shared understanding between parents and ECEC teachers, and so on. However, in China, the cooperation between kindergartens and primary schools remains a huge gap and measures should be taken to facilitate and strengthen the cooperation.

3.2.2 Specific trends in OECD countries

Trend 1 More child-centered transition-related policy

Transition to primary school was originally linked to the term "school readiness" and those two terms are still closely related to each other in the research. Given that the literature on both topics overlapping a lot, the emerging trend of using "ready school for children" rather than "children ready for school" in the literature, especially advocated by researchers and policy-makers from Nordic countries, Finland, Sweden, etc, indicates that more child-centered perception of transition to school is a tendency in OECD countries. For example, according to the survey of OECD, in Finnish curriculum guidelines for pre-primary education and basic education, the importance of both ECEC and primary schools playing an indispensable role in smoothing transition is emphasized (OECD, 2017). In China, some researchers started to focus on exploring the transition process from children's perspectives and carried on some research on transition in children's eyes, transition-related stresses for children in the last year of ECEC. However, from the level of policies, there is no official guidance for promoting child-centered transition approach in China at present.

Trend 2 Policies supporting curriculum alignment between two levels

Continuity between ECEC and primary school in terms of curriculum and pedagogical transition practices has been found to have a positive impact on children's later experiences and development (Ahtola et al., 2011). It is worth noting that many OECD countries align the curricula for ECEC and primary education explicitly (Chile, German, Finland, Slovenia, etc), and in some countries, curricula for two levels are fully integrated. In Iceland and Norway, for example, it is explicitly encouraged that transition activities should be included in an institution's curriculum plans. In Italy, the Netherlands, Sweden, Switzerland, Scotland and Wales, an integrated curriculum covering at least the last year of ECEC and the first year of primary education, which significantly break down the pedagogical barriers between two levels of education. For example, in Italy, the curriculum National Curricular Guidelines for Preschool and for the First Cycle of Education covers the age group from 3 to 14 (MIUR, 2012).

3.3 Common Challenges confronted by OECD countries and China in terms of transition to primary school

Although the trends in transition policies point to bridging and reducing discontinuities, gaps and incoherence still constitute one of the biggest challenges across OECD countries and China in terms of transition to primary school. Firstly, Although the collaborations among different actors involved in transitions are emphasized in OECD countries and China, cooperation between ECEC teachers and primary school teachers is undermined by different pedagogical understanding and beliefs as well as unequal relationships and structural differences. Specifically, ECEC have less unfavorable support both financially and structurally than primary schools do across OECD countries and in China. For instance, expenditure per child in ECEC is less than that in primary schools in OECD countries and in China. Such unequal financial support could result in unequal relationship between ECEC teachers and primary school teachers, further undermine the collaboration between ECEC teachers and primary teachers. Besides, in most OECD countries and in China, ECEC teachers and primary school teachers have different qualification requirements, different pre-service education and different salaries, working hours, etc. Secondly, well-managed collaboration among parents and teachers is still compromised by misalignment of their beliefs, expectations on transition as well as the unequal or unbalanced relationship between them. For instance, across OECD countries, particularly in some European countries, the increasing number of immigrant children complicated the transition conditions partly due to the misalignment of parents' and teachers' beliefs about transition. Parents' involvement in transition and their collaboration with teachers are challenging due to parents' inadequate awareness of the importance of transition (OECD,2017). In China, as mentioned above, some programs also target at raising parents' attention to collaborate with teachers and dispelling parents' misconceptions about transitions to improve the alignment between parents' and teachers' beliefs. However, the effectiveness of such programs is still left to be evaluated. Last but not least, a lack of transition-specific training, as well as inadequate leadership for collaborations among main actors during the transition, are also hurdling the successful transitions. The governance and organization of transition for ensuring continuities are not adequate. In only half of OECD countries, as we can see from table 1, transitions are monitored. In China, the transitions are not monitored as well.

4.Implications

As the results show, some differences regarding policy indicators ensuring continuities, some trends and challenges with regard to the transition to school are identified across OECD countries and China. The rising attention to smoothing the transition to school across OECD countries and China is beneficial for annihilating the roadblocks and laying a solid foundation for children's life-long learning. Some implications for policy-making about transitions in China are worth noting. Firstly, for Chinese policy-makers, more attention could be paid to strengthen the leadership, organization of transition practices. Specific strategies should be used to facilitate the cooperation among kindergartens, families and primary schools and to monitor the transition process under a strong leadership so that the effectiveness of such practices could be ensured. Secondly, policies could explicitly support more children-centered transition practices in China. Initiatives should be taken to raise the attention of schools to get ready for children rather than focusing on 'children ready for school'. The policy should encourage primary schools and kindergartens to work in joint effort and in an equal relationship to facilitate transitions of children. The responsibilities of ECEC and primary schools for

enhancing a smooth transition should both be specified and also implemented effectively under an ensured leadership. Thirdly, policies to enhance the curriculum continuity in two settings are important for China. The gap between curricula in two settings could be bridged to smooth children's transition. Across half of OECD countries, curricula are aligned or integrated on two levels, which indicates that curriculum discontinuities as a big challenge for children's transition is eliminated. However, in China, a huge gap remains. Measures should be taken to decrease rather than broadening the gap. At last but not least, transition policies are also highly contextualized as we have seen from different measures taken by different countries, it is even pointed out by a consolidated body of research that transition is an individualized process for each child. Consequently, given the different contexts in different countries, the policy-making process in China to tackle underlying challenges should take into full account its special context. The Chinese tradition of emphasizing academic achievement inherited from the long history result in some specific 'schoolification' tendency in kindergartens for a very long time in the past. The reform of play-oriented curriculum in kindergartens over the past two decades deemphasized the explicit knowledge and skill acquisitions, such as literacy, counting and calculating learning in the way of direct instruction, especially in public kindergartens. However, the expectations and perceptions of some parents are still more academic-oriented, which lead to their efforts to facilitate their children's preparedness of knowledge and skills that they will learn in first grade. Therefore, some children are over-ready for school and other children are not. Such heterogeneity of skills and preparedness makes the transition more complex in China. Aside from this, children also experience a dramatic change to the first grade due to the significantly different pedagogical approach in two settings. The play-oriented approach is encouraged in the last year of kindergarten, in contrast, the approaches of direct instruction are very common in the first grade. It indeed leads to a big challenge for children, parents and teachers. Thus, to deal with such challenge, parents and teachers are encountering with dilemma of over-readiness or not, play-oriented or not during the transition process. Such problems all constitute the special context of transition to primary schools in China. Therefore, contextualized policies should be made by taking such context into fully account.

5.Limitations

This article focuses on the policy trends and challenges in transition across OECD countries and China by comparing indicators advanced in Starting Strong V as well as investigation of literature related to transitions. The problems in the focus are partly answered. However, the weakness of this research is the lack of empirical investigations because major results are based on the OECD report, Eurydice report, the statistics from the official website of MOE of China and Bureau of Statistics of China, which are secondary sources or can not be completely consistent with the research questions. Consequently, more comparable data need to be collected to give a better answer to the questions in focus in this article in the future.

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INVESTIGATION PROCEEDINGS IN THE LEGISLATION OF BOSNIA AND HERZEGOVINA, DE LEGE LATA, DE LEGE FERENDA

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Abstract

Criminal legislation of Bosnia and Herzegovina went through significant changes as well as large number of reforms since 1990. In contrast to previous proceedings, investigation proceedings are now within the competence of the prosecution (prosecutor's office). The prosecutor represents dominus litis, who officiates management of the investigation. In addition to the prosecutor, authorized official persons have a great role and responsibility in officiating investigative actions during the investigation procedure. Authorized officials must be specifically trained and skilled in order to officiate the most complicated tasks which are given by the prosecutor. Criminal legislation of Bosnia and Herzegovina contains legal disadvantages pertaining to authorized officials, which directly affect conduct of the investigation and as a result produce a small number of condemning verdicts.

Key words: *investigation, the prosecution, prosecutor, authorized officialis.*

1. INTRODUCTION

Bosnia and Herzegovina is a complex state which is very complicated in terms of political and legal system and represents sui generis in every sense of the word. Its constitution, which is an integral part of the Peace Agreement reached in Dayton and formally signed in Paris in 1995, is the best confirmation that this is a sui generis state. Considering that this is an agreement to end war hostilities and one of the annexes to the agreement is the constitution of Bosnia and Herzegovina (hereinafter: BiH), which has never been endorsed by the highest legislative body of the state or the Presidency, we can rightly claim that such case has not been recorded in modern world history. Until 1991, BiH was part of the Socialist Federal Republic of Yugoslavia, together with the Republic of Croatia, Serbia (comprising the provinces of Vojvodina and Kosovo), Montenegro, Slovenia and Macedonia (present-day Northern Macedonia). Upon secession from Yugoslavia in 1992, BiH became an independent and sovereign state. With the achieved independence, the aggression on BiH by the surrounding countries began. The state of war lasted until 1995.

With the end of the war, construction of the demolished country began. BiH has been undergoing legal reforms ever since. Reforms were necessary, primarily, because pre-war BiH was based on socialist and post-war BiH on capitalist order. The major judicial changes occurred in 2003 when a special judicial authority, the prosecution, was established. The prosecution has the power to conduct investigations and prosecute perpetrators of criminal offenses committed in an area under the jurisdiction of the State of BiH. An entirely new institution and way of prosecuting offenders posed a new legal challenge.

The investigation, as the first stage of criminal proceedings, must be conducted in accordance with the rules of the criminal law profession, and above all, in accordance with the provisions of criminal law and criminal procedure law.

In Bosnia and Herzegovina, many crimes, most notably murders, have remained unsolved in the last 20 years. Many of these crimes remained only in the "investigation phase", in other words, the perpetrators were not prosecuted. The reasons why such things happen, i.e. why criminal cases remain unsolved under investigation, are the subject of this paper.

2. INVESTIGATION UNDER THE CRIMINAL LAW OF BOSNIA AND HERZEGOVINA DE LEGE LATA, DE LEGE FERENDA

According to reforms from 2003, investigation process has been entrusted to a newly formed judicial authority, the prosecution. Thus, the criminal procedure laws from 2003 in BiH have brought about a new concept of investigation, which is the first procedural stage within the ordinary criminal procedure. Reforms at this stage have taken a radical turn towards those legal systems that abandoned the concept of investigative judge, since the initiation and conduct of the investigation was entrusted to the prosecutor (dejudication of the investigation). (Sijerčić-Čolić, H: 2012)

The new mode of prosecution established the principle of officiating. This principle ensures that only a prosecutor can prosecute *ex officio*, which was not the case with previous regulations in force. Hence, it is evident that the reform from 2003 abandoned the concept of investigative judge and the investigation was entrusted to the prosecutor as the bearer of the entire investigation procedure. According to this principle, the prosecutor has great authority but also great responsibility. His/her responsibility is to conduct and supervise the investigation, and give orders to authorized officials about all necessary activities to be undertaken in order to carry out the investigation in the best possible way.

When it comes to prosecutor, his/her role and significance can be summed up in four stages or procedures: the investigation phase, the prosecution phase, the main trial and legal remedies.

Of the four phases in which the prosecutor is involved, the most significant phase is the first phase, or the investigation phase. This phase is the foundation on which the remaining three phases are based. If the investigation phase is not adequately and lawfully conducted, it will be reflected in the prosecution phase and the main trial where the defense brings forward all errors and unlawful acts carried out by the prosecution to the court. In this case, the entire process conducted by the prosecutor would lose its purpose.

It should be emphasized that the prosecutor, as the carrier of the investigative procedure, is not the only subject conducting the investigation. Namely, the prosecutor controls, monitors, directs, and gives orders while authorized officials carry out his/her ideas and orders. No matter how professional, responsible and dedicated the prosecutor is during the investigation, the end result will largely depend on the authorized officials. Authorized officials must be intellectually and professionally prepared to comply with all orders placed by the prosecutor. Prosecutors are appointed by the High Judicial and Prosecutorial Council of BiH. The very name of the institution shows the incompatibility of the two judicial functions, the court and the prosecution. We believe that one institution cannot deal with both judges and prosecutors. In order to be impartial, there should be two completely separate and independent institutions - one to address

the issues of the court and the judges and the other to address the issues of the prosecution and prosecutors.

(l) one (1) member, a lawyer elected by the Bar Association of the Federation of Bosnia and Herzegovina

(m) one (1) member, a lawyer elected by the Bar Association of the Republic of Srpska; (Law on High Judicial and Prosecutorial Council of Bosnia and Herzegovina: Article 4)

It is clear from the cited section of Article 4 that the High Judicial and Prosecutorial Council is composed of: judges, prosecutors and lawyers. It is unacceptable for the prosecutor to decide on the issues of the court and judges, as well as for the judges to decide on the issues of the prosecution and the prosecutor, and for the lawyers to decide on the court, judges, the prosecutor's office and prosecutors.

When it comes to authorized officials, they represent the instrument of execution of the prosecutor's orders and ideas in the investigative process.

It is confirmed by other statements that authorized officials have a huge influence on the entire criminal procedure. Therefore, the process of proving begins much earlier than the case is brought to court and often the success of the proceedings depends on the authorized officials, prompt and proper provision of evidence and the direction of the activities undertaken. (Ljevaković, R: 19)

Authorized officer is one who has appropriate authority within the police authorities of Bosnia and Herzegovina, including the State Investigation and Protection Agency and the State Border Service, police authorities of the competent ministries of internal affairs in the Federation of Bosnia and Herzegovina, the judicial and financial police, as well as the customs and military police authorities of Bosnia and Herzegovina or in the Federation of Bosnia and Herzegovina. Authorized officers include professional associates, that is, investigators working under the authority of prosecutors. (Criminal Procedure Code of the Federation of Bosnia and Herzegovina: Article 21)

It is important to emphasize that all three, that is, four Criminal Procedure Acts, explain the concept of authorized official person in the same way. It can be noticed from the above definition that authorized officials are not always necessarily part of the police authorities. Examples include customs, military police, expert associates, prosecution investigators. Other laws also specify the right and obligation to take action in case of reasonable suspicion that a criminal offense has been committed, and then notify the competent prosecutor's office.

When determining the facts and (or) circumstances giving rise to suspicion of tax offenses, the Tax Administration will investigate the relevant information and, after deciding that it has grounds for filing a criminal complaint, will forward relevant evidence and recommendations to the competent prosecutor's office. (Law on Tax Administration of the Federation of Bosnia and Herzegovina: Article 5)

Investigations within police agencies are conducted by inspectors;

2. in the rank of junior inspector - as the second level of entry for candidates with minimum level VI of education. (Law on Police Officials of the Federation of Bosnia and Herzegovina: Article 42)

According to Article 42 of the Law on Police Officials, a person who has a university degree (three years of higher education, equivalent to 180 ECTS credits of the Bologna System) may be employed as a junior inspector. On the other hand, the law does specify which degrees are necessary in order to be employed, so in today's police structures physical education

teachers, preschool teachers, and the like work as junior inspectors or have even higher ranks. Due to these regulations there are numerous consequences and poorly conducted investigations. In a situation where the prosecutor, as a highly educated person who has graduated from law school, issues an order to the inspector, who by profession is a professor of physical education, the question arises as to how well such a person can execute a prosecutor's order.

Therefore, it is necessary to urgently amend Article 4 of the Law on Police Officials in the Federation of Bosnia and Herzegovina, and introduce a specification that the rank of junior inspector and higher ranks exclusively requires a university degree in law or criminalistics. Due to the characteristics of crimes such as cybercrime, a person with a thorough knowledge of computer systems is required to conduct investigative activities. Another drawback is that the person who receives the rank of junior inspector does not know in which city and in what specific jobs they will be assigned. Therefore, it is necessary to create a new systematization of vacancies and a reorganization of the Ministry of the Internal Affairs so that it is known exactly for which position the police officers are ranked.

3. CONCLUSION

- Bosnia and Herzegovina is a complex state which is very complicated in terms of political and legal system and represents sui generis in every sense of the word.
- Major judicial changes occurred in 2003 when a special judicial body, the prosecution, was established. The prosecution has the power to investigate and prosecute perpetrators of crimes committed in an area under the jurisdiction of the state.
- The investigation, as the first stage of criminal proceedings, must be conducted in accordance with the rules of the criminal law profession, and above all, in accordance with the provisions of criminal law and criminal procedure law.
- The new mode of prosecution established the principle of officiating. This principle ensures that only a prosecutor can prosecute *ex officio*, which was not the case with previous regulations in force.
- When it comes to prosecutor, his/her role and significance can be summed up in four stages or procedures: the investigation phase, the prosecution phase, the main trial and legal remedies.
- The prosecutor controls, monitors, directs, and gives orders while authorized officials carry out his/her ideas and orders. No matter how professional, responsible and dedicated the prosecutor is during the investigation, the end result will largely depend on the authorized officials. Authorized officials must be intellectually and professionally prepared to comply with all orders placed by the prosecutor.
- Prosecutors are appointed by the High Judicial and Prosecutorial Council of BiH. The very name of the institution shows the incompatibility of the two judicial functions, the court and the prosecution.

- According to Article 42 of the Law on Police Officials, a person who has a university degree (three years of higher education, equivalent to 180 ECTS credits of the Bologna System) may be employed as a junior inspector. On the other hand, the law does specify which degrees are necessary in order to be employed, so in today's police structures physical education teachers, preschool teachers, and the like work as junior inspectors or have even higher ranks.
- Therefore, it is necessary to urgently amend Article 4 of the Law on Police Officials in the Federation of Bosnia and Herzegovina, and introduce a specification that the rank of junior inspector and higher ranks exclusively requires a university degree in law or criminalistics. Due to the characteristics of crimes such as cybercrime, a person with a thorough knowledge of computer systems is required to conduct investigative activities.

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AUDIT OF SUSTAINABILITY REPORTS

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Abstract

A concomitant of the corporate integration of sustainable development is that companies even make public reports about their relevant activity via communication channels, as they expect to see some short or long-term competitive advantages. This thesis focuses on the content and the audit of sustainability reports. Assessing the information content of these reports and trying to figure out if the producers of these reports can actually be considered socially responsible. The thesis has a look at/ gets a nearer view of the quality of the audit, based on the stakeholders' preferences.

The basis of the dissertation was the sustainability and corporate governance reports of the companies listed on the Budapest Stock Exchange. The research has led to prove that the audit of sustainability reports has an increasing relevance among the stakeholders, even though its audit cannot lead to reasonable certainty on the account of the complexity of the used data and the subjectivity of the opinions. Having analysed the sustainability reports published in Hungary, as a conclusion the audit of sustainability reports create value. It creates value, since reliable and authentic data are more likely to be integrated in corporate decisions. No sustainability results can be achieved without a reliable reporting system, which also has a multiplier effect. The external stakeholders, including primarily investors and analysis experts can rise to a higher level of trust and make better decisions in line with the company, in so far as they can have access to an audited sustainability report, along with the audited financial statement.

Keywords: CSR, accounting, auditing, GRI, sustainability reports

1. Introduction

The objective of the concept of sustainable development is a socio-economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs [World Commission on Environment and Development, 1987].

The implementation of the concept of sustainable development is supported by effective incentives at the global (UN), regional (EU) and national levels. Moreover, special emphasis has recently been laid on the level of microeconomic stakeholders, including especially business organizations, as the fact that the activity of the companies fundamentally influences the implementation of the concept has met with consensus. [Mah, 2004], [Maignan-Ferrel, 2003]

Owing to legal, ethic, social and strategic pressure on business organizations, several companies have recognized that they must not disregard the issue of sustainable development, consequently, the number of companies attempting to integrate the principles of sustainability in their strategy and activity is gradually increasing. [Schaltegger-Burrit, 2010]

A concomitant of the corporate integration of sustainable development is that companies even make public reports about their relevant activity via communication channels, as they expect to see some consequent short or long-term competitive advantage.

Corporate communication already coming out in the initial phases of integration considerably reveals the extent the business association integrated the principles of sustainability to, because

- communication and its content denote value orientation. If a company communicates about a specific topic, it really cares for it and the specific topic is embraced in the value system of the company at some level.

- communication is targeted at evidencing the fulfilment of various stakeholder groups' expectations. Some of the stakeholders' declared objective is to control corporate social responsibility (non-profit organizations, associations, media). [Ransburg, 2006]).
- the reality content of communication can be checked. Some communication materials (e.g. sustainability reports) can be audited by external experts, and the audit covers the reality content of the communication in a number of cases. The presence or lack and result of external audit tangibly indicates corporate compliance. [Ransburg, 2011]

Here in this thesis I focus on the content and audit of sustainability reports. I assess the information content of these reports and try to figure out if the producers of these reports can actually be considered socially responsible. I also look into the quality of the audit, based on the stakeholders' preferences.

I made some hypotheses in my research work and confirmed them with the sustainability reports published in Hungary and supported with an audit.

My hypotheses:

1. The audit of sustainability reports has an increasing relevance among the stakeholders.
2. The audit of sustainability reports cannot lead to reasonable certainty on account of the complexity of the data used and the subjectivity of the opinions.
3. The audit of sustainability reports creates value.

2. Sustainable society

Corporate Social Responsibility (CSR) means the corporate facilitation of sustainable development. CSR incorporates the social commitment, social attitude and social behavioural pattern of entities. CSR evidences that business life tends to recognize to a greater and greater extent that economy is not a stand-alone dimension in our world, but is connected to and has an impact on both society and environment. This needs a wholly new approach in business, since it should focus not only on capital return and revenues but must also take social and environmental interests into account.

Corporate social responsibility also has its critics, according to whom this approach simplifies several complex ideas and fails to recognize that there is a need for compromise among financial and ethical results. They consider responsible conduct a mere PR method which gives a false sense of security, given that in fact there is a gap among the objectives of companies and society [Gulyás, 2008]. However, everyone admits that it has a major role in the current vigorous competition. The type of the sustainability strategy taken up by certain entities, i.e. their engagement in the social and environmental sphere has become important; so, having a CSR approach in the focus of the company proves to be a good business solution, since it facilitates access to a wider layer of investors [Blomqvist-Posner, 2004].

3. Sustainability reports

Sustainability reports are a self-declaration made by the company as a supplement to financial statements, outlining the economic, environmental and social performance of the company in the light of the triple bottom line requirements of sustainability. Sustainability reports represent a form of communication with the stakeholders [Berman et al, 2004].

Companies intend to incite a certain reaction by way of publishing their sustainability reports. This desired reaction can be as follows:

- Attracting financial investors and stabilizing the share price. An open and transparent sustainability report helps make a better assessment of the risks of investment in the specific company and reduces the uncertainty factor. Moreover, making a sustainability report also means,

to a certain extent, that the company accepts and tries to meet the sustainability requirements, given that there is no company opting for voluntary reporting if it were not certain that the report could contribute to a fairly positive image of itself. Consequently, companies making a sustainability report do not only mitigate the actual risk but also the sense of risk, meaning that they convey more confidence [Brown et al, 2006].

- Access to loans under preferential conditions. Banks take more transparent risks when they give loans to companies making sustainability reports and they have bigger confidence in such companies.

- Building trust/image in consumers/ordinary men. The stakeholders can have some insight into the internal processes of the company, so the company creates an image of reliability, consequently:

- o the market position of its products can strengthen;
- o it can conquer new markets;
- o it will be easier for it to find the proper workforce.

Making a sustainability report can have additional benefits for the internal operation of the company:

- it can highlight processes and issues that would not have been recognized without this report;

- it helps connect the separate functions of the company (e.g. finances, marketing or R&D) with a strategic approach;

- it improves the capacity of the management to assess the sustainability performance of the company, and as such, it plays a central role in maintaining and strengthening legitimacy. [Ransburg, 2011].

Several researches note that the above expected reactions (mainly the benefits related to external stakeholders) to making sustainability reports represent a perceptual issue, so the average viewer can even be mistaken in placing much confidence in a company. A company will not be sustainable only on account of making a sustainability report, still, it incites this image in the stakeholder group not sufficiently sensitive to details. So, the problem here lies in conflict between self-declaration and corporate interests [Schaltegger-Burrit, 2010], [Kerekes, 2006].

Consequently, sustainability reports still attract a lot of criticism [Ransburg, 2011]:

- They are believed to be complicated, because in a number of cases they report on activity indices that are incomprehensible for the readers with average knowledge and no expertise in the specific industry.

- The question of ‘compared to what’ frequently arises. Is the index presented by the given company high or low? Could it be done better?

- Due to the pagination of reports, it is quite cumbersome to interpret the content, and materiality can be lost.

- Their exact target group is not defined. Who are sustainability reports actually addressed to, what information should they provide?

- Critics believe that reliability/credibility is a question in sustainability reports, given that it is a self-declaration not always under control and even if so, report producers are subject to mistrust.

- Companies can after all report on whatever they want to, they can filter the publicly accessible information to their liking.

The relevance of the last two criticisms is gradually decreasing because the GRI standard defines both auditing and the content of reports. There is an ever-increasing number of companies applying this uniform reporting framework, which thus guarantees the comparability and reliability of their reports and that they can cover each essential topic in presenting the activities of the company to those interested [Mori-Best, 2017].

The external certification procedures accompanying the standard ensure the standardization of the application, and content is in some cases even compared with actual performance.

3.1. European Union regulations

EU regulations on environment protection rank among the strictest in the world. Environmental policy implicates the protection of the state of the environment and the environment-friendly operation of the EU's economy, contributing to the EU inhabitants' improved health condition and quality of life.

In view of achieving the above, safeguarding the quality of drinking and bath water, improving the quality of air, mitigating noise pollution and decreasing the toxic effects of chemicals are all listed among the objectives.

The directives of the European Union are compulsory for its member states, regarding objectives. Directive 2013/34/EU covers environment in the range of non-financial statements. It stipulates that obligations pertaining to environment protection also have to be indicated in non-financial statements. The business reports of companies with over 500 employees must provide information about environmental, social and employee matters, in addition to the effects of fight against bribery and corruption. This directive was modified by Directive 2014/95/EU which obliged companies with over 500 employees and of public interest to report on non-financial data in their annual financial statements.

3.2. Requirements of sustainability reports

There is information asymmetry between company leaders and stakeholders. This existing asymmetry needs to be diminished to have an adequate level of information available to both parties. Sustainability and environmental accounting systems are responsible for having access to an adequate quality and quantity of data, leading to the production of structured and comparable information. The use of expert analyses and various rankings can also alleviate the asymmetry. Sustainability reports are expected to systematize the above-listed factors and meet the stakeholders' information need [Schaltegger-Burritt, 2010].

The sustainability report provides a framework for treble optimization, the triple bottom line, comprising the economic, social and environmental effects of companies (GRI, 2000-2011). Broad-minded companies have recognized that responsible social behaviour and stakeholder relations have an impact on how the economic performance of the organization is judged. The external materialization of sustainability is the sustainability report. However, companies must have a clear understanding of the topics that stakeholders find interesting, meaning that they have to meet external expectations [Burritt – Schaltegger, 2005].

Sustainability reports made in accordance with the Global Reporting Initiative (GRI) must be adapted to traditional accounting, and have the qualitative characteristics required by the system itself. First, they must be transparent and controllable. In terms of transparency, all the processes, procedures and assumptions affecting reporting need to be disclosed. For the sake of controllability, the data in the report have to be recorded, analysed and published in a way that the auditors could certify their reliability. Additionally, the published information must meet the requirement of being interpretable in the context of integrity, neutrality, authenticity, materiality, timeliness, clarity, comparability and sustainability [Füle-Kenéz, 2005].

3.2.1. Reporting principles

The three key elements of the reporting process are: reporting principles; control of principles; other principles and their control. The principles are related to the content and quality of the report. The use of principles is intended to support the transparency of the report. Transparency

is the basis of reporting and is conditional on presenting the reporting process, procedures and estimations in the report. Transparency comprises the use of adequate indicators and the full publication of information concerning sustainability. Principles can be grouped in two. The first group incorporates the principles that help define the topics and indicators of the report. The second group includes the principles that assure the quality of the information in the report and its due presentation. The Guide also helps in controlling the principles, so the reporting organization can make a more efficient self-assessment (GRI, 2000-2011).

Reporting principles: materiality, stakeholder involvement, sustainability correlations and integrity.

In the sense of materiality, the reported information has to form part of topics and indicators that influence the stakeholders' decisions or can properly reflect the economic, environmental and social impacts of the company. Every economic, environmental and social impact that crosses the threshold has to be given an account of. Both external and internal factors have to be considered to decide about the material information. With regard to external influence, we need to comply with international standards, treaties and meet social needs. In terms of internal factors, we have to consider the mission and strategy of the company. The principle of materiality is also checked (Table 1) according to these criteria (GRI, 2000-2011).

Table 1. Check the principle of materiality

Control of materiality	
External factors	Internal factors
Sustainability issues	Organizational values, strategies, objectives
Sectoral issues	Stakeholders' interests, expectations
Acts, legal regulations, voluntary commitments, international treaties	Organizational risks, critical success factors
Research-based sustainability impacts, risks, possibilities	Basic competences and their relation with sustainability

According to the principle of stakeholder involvement: the person making the report has to take the stakeholders' expectations and interests into consideration and give a detailed account of how this is manifested in the report. There can be several ways to get and stay in contact with the stakeholders: they can be accessed via the media, or some activity jointly performed with the stakeholders can also be organized.

Each essential moment of involvement needs to be documented, as this is the only way to certify the above principle. The stakeholders' involvement elevates the usefulness and accountability of the report, which improves trust between the organization and them. In the course of the audit, the organization needs to be checked if it has a clear understanding of its stakeholders. An analysis has to be made to see if the information concerning stakeholder involvement is included in the report. Last, the boundaries of the report have to be inspected if they are in accord with the involvement process (GRI, 2000-2011).

According to the principle of sustainability correlations, the broader correlations of sustainability also need to be considered to present the activities of the company. The aim of this principle is that companies disclose both their positive and negative results and effects. If the reporting entities do not integrate this principle in the report, the basic objective of the report will not be fulfilled. If the performance of the organization is not assessed on the basis of sustainability, the economic, environmental and social impact of the company will not be revealed.

For the sake of integrity, the topics, indicators and frameworks of the report need to be specified so as to include the material information that can indicate the triple bottom performance of the

company to the stakeholders. This principle also applies to the pagination, content, time frame and quality of the report, linked to the qualitative principles of accuracy and balanced evenness. On making the report, the companies need to care for relying on the results of stakeholder involvement and consider social expectations.

Each impact, if essential for the company and the stakeholders, must be stated in the report. The organizations and units functioning under the control and influence of the specific entity need to be identified in order to assess the framework. Additionally, those participating in production processes should also be verified in connection with corporate impacts. When reporting entities give an overview of their sustainability performance, they should be heedful to publishing the probability, type and expansion of future effects. The fulfilment of the above criterion must be analysed upon checking the realization of the principle.

Alongside the above principles, those concerning quality are also essential. These principles facilitate the transparency of reported information; and beside quality, they also provide a guidance regarding data formatting.

Balance, comparability, accuracy, timeliness, clarity and reliability are all integrated in the group 'Reporting principles, to define the quality of the report'.

3.2.2. Revised GRI index

The objective of the updated Reporting Framework (G4) published in May 2013 was for the report to focus on materiality, thereby to become user-friendly, increase relevance and authenticity, so that the market, the stakeholders and society could get higher quality information (GRI, 2013a).

G4 recognizes that the world has changed and companies need to face new challenges, which all has an impact on their reports. With the updated G4 version, GRI intended to provide a much more useful framework for reporting entities. The new guidelines have been finalized in the series of international consultations. Experts, task forces and various stakeholders made recommendations for the development of the framework, and the production phase included a public consultation period when everyone could share their expectations and thoughts.

3.2.3. The new trend – revised standard system

GRI relied on the G4 Guidelines when it developed the new global standard which entered into force on 1 July 2018. The independent standardization body Global Sustainability Standards Board (GSSB) was responsible for developing the standard. The members of the Board included experts in business, governmental affairs, HR, investment and sustainability, just as university and civil society experts [Manongdo, 2016].

The new standard is designed to render assistance in ascertaining the material sustainability effects during reporting. Due to their simplicity, the new guidelines are expected to facilitate the production of non-financial reports [Manongdo, 2016].

Reporting entities have to report in accordance with three standards (GRI 101, GRI 102 and GRI 103). GRI 101 defines the fundamental framework of triple bottom line reports. GRI 102 applies to general disclosure; it sets requirements with regard to the organization and the practice of sustainability reporting. The last part details the management approach [Torrance, 2017].

The topics have been reviewed in connection with the G4 version: some topics underwent several changes, certain items were slightly clarified or revised, and some were deleted (GRI, 2017). The prescriptive nature of company introduction was mitigated and efforts were made

to adapt it to the new standard. Nevertheless, new requirements were also set in connection with the reporting indicators in a number of cases (products, services, employees).

4. Audit of sustainability reports

The Hungarian Accounting Act obliges public-interest entities to add sustainability data to their report; and auditors are expected to check their supply.

The ISAE3000 and AA1000AS standards have to be used for the audit of sustainability reports. The ISAE 3000 standard developed by IAASB details the rules of “Assurance Engagements Other than Audits or Reviews of Historical Financial Information”.

Only statutory auditors are entitled to issue a certificate compliant with ISAE 3000. Reasonable or limited certainty needs to be gained about the audited data in the course of audit under the standard.

Reasonable certainty means that the report does not include any essential misstatements. Reasonable certainty represents high-level certainty which can be reached after reducing the audit risk to an acceptably low level. Additionally, adequate and sufficient evidence needs to be collected to mitigate the risk.

The standard gives preference to data accuracy over transparency and integrity.

In the set of information provided in the sustainability reports I have analysed, reasonable certainty can apply to the data relevant to carbon-dioxide emission under ETS and the number of lost time injuries occurring in a workplace per 1 million hours worked (LTIF –Lost Time Injury Frequency).

Limited certainty represents a level with less certainty. Here, the risk level of an essential misstatement in the report is still acceptable but higher than in reasonable certainty.

Auditors can only gain limited certainty about the substance of the indices and data in the report, with the exception of the above data. In connection with limited certainty, the auditor needs to assess the level of risk acceptable for the company and the owners.

The AA1000AS standard was developed by the Institute of Social and Ethical AccountAbility (ISEA), with the aim of connecting sustainability and accountability. The standard is an integral part of AA1000APS which is an international framework specialized in social responsibility and ethical accountability. The AA standard puts the stakeholders in the centre; the most emphatic part of the regulation is relation with the stakeholders from their search through their involvement to relationship creation and maintenance. It analyses materiality from the stakeholders' perspective and keeps sensitivity and inclusivity in view, in connection with the report.

Stakeholder involvement is also essential because their feedbacks help the group identify the deficient areas requiring development.

The standard assesses the company's management of sustainability issues, performance and the report based on the quality and accuracy of the information published.

Services providing certainty can be assorted into types 1 and 2. In the case of certainty type 1, only the realization of the principles of materiality, sensitivity and inclusivity is checked in connection with the sustainability report. In type 2, the reliability of the reported information is also under scrutiny, in addition to the above, and conclusions are drawn. The reports I have analysed typically belong to services providing type 1 certainty, so only materiality, sensitivity (social susceptibility) and inclusivity (stakeholder involvement) were monitored.

In auditing sustainability reports, auditors tend to mix the requirements of the two standards. In accordance with the AA standard, auditors only gain type 1 certainty of the reported data. Under ISAE 3000, limited certainty is also permissible with the exception of carbon-dioxide emission and LTIF. Due to the joint use of the two standards, the auditors try to generate a higher value by also checking the reliability of the reported information, however, integrity is still not ensured – though it could not even be.

5. Audit method; forming an opinion on the sustainability report

First, the scopes of responsibility are settled, emphasizing that the management of the given company is responsible for the collection and adequate presentation of the data in the sustainability report, for making the report and carrying out the internal audits. The auditors are responsible to the company for gaining the above described reasonable and limited certainty. During their audit they proceed in accordance with the well-known standards and check if the report meets the comprehensive GRI level.

The procedures and methods related to the audit of sustainability reports are not standardized, so they are structured by the auditors' technical experience. Auditors rely on interviews with senior and middle managers to understand the ideas and opinion of the specific company on sustainability. The development trends and the elaborateness of the individual topics are studied on the basis of some selected documents on sustainability. The method applied for the materiality analysis is also checked during the audit. Stakeholder involvement is similarly evaluated through the information collected in interviews. Some data are selected in connection with the report and are subjected to detailed analysis. Personal discussions are held about the collection, aggregation and control of information with the employees responsible for the specific process. The accuracy of calculations and estimations and the internal controlling processes are audited by making sample reports. Several tests are made to gather the corporate data requiring reasonable certainty (CO₂ emission, LTIF). The information in the external certificates is compared with that stated in local and group documents. The data of the relevant companies concerning carbon-dioxide emission under ETS are audited by verifiers, and based on that, these data are also reported to the ministry for environment.

In the course of on-site surveys, auditors test the accuracy and integrity of indices in the sample, based on reporting and source documentation. As regards environmental indices, auditors check inter alia natural gas and power consumption (in connection with energy consumption) and greenhouse gases (for air) by scopes.

Finally, the content of the report and the selected indices are studied for the following criteria:

- Do the material topics in the report accord with the result of materiality analysis?
- The auditors explore if the process of stating the material topics was published in line with their experience.
- They check if the reported indices correspond to their in-audit experience.
- They ascertain GRI compliance and subject the text allegations in the report to scrutiny. The auditors choose 25 sentences and/or allegations at random, which they test and check for their reality content, so they only gain limited certainty. In limited certainty, the test is not comprehensive and takes much less time than for the procedure to gain reasonable certainty.

The description on the boundaries of the audit represents an important part of the auditor's document on the sustainability report. In general, auditors particularize the difference between

audits rendering reasonable and limited certainty. They emphasize that the scope of the audit only covers the audited year's data and sustainability performance indicators. They explain that the aim of the on-site surveys is mainly to analyse the data-reporting processes and data sources through samples. Finally, they declare that the management of the relevant company is responsible for detecting the frauds, mistakes and malpractices, and that the audit report cannot underlie the publication of mistakes and malpractices.

The conclusions drawn from the audit of sustainability reports are focused on stakeholder involvement, materiality, social susceptibility, integrity, accuracy and consistence.

8. Conclusion

The *raison d'être* of sustainability reports is not at stake. A lot of questions are raised in connection with their production and audit, and any potential answers could further elevate the stakeholders' trust in these reports. Shareholders and stakeholders in the 21st century are no more satisfied with an entity's mere profitable operation but its out-of-business commitment is also essential. The critics of sustainability reports primarily emphasize that the presentation of the monetary data is not satisfactory. There are evidently certain data that cannot be expressed in a monetary unit, and the resources required for the registration, analysis and publication of the financial impact of performance also need to be envisaged. Moreover, we should not disregard that both social and environmental performance have some financial relevance.

As regards the development of sustainability reports, I would mostly set a goal for uniform and compulsory reporting and audit, which could improve the quality, transparency and comparability of the reports. Companies can make sustainability reports in adequate quality if they observe the GRI principles and have on-going registration, but as GRI is a voluntary initiative, the entities need to be strongly committed to apply it. With regard to audit, the management of the company should find the external audit and qualification of their data essential.

In my opinion, definitively recognizing the importance of sustainability would be a necessary step by both the entities and the regulators. Entities should consciously understand that society and environment have the same power as market and economy. They must build the triple bottom line approach in their everyday operation, which is inevitably conditional on the use of environmental accounting. Moreover, legislators and standard setters should follow up these needs, as the compulsory requirements concerning the content and audit of non-financial reports are just as essential as for financial statements.

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**BILATERAL DEVELOPMENT COOPERATION PROGRAMS BETWEEN THE
REPUBLIC OF N. MACEDONIA AND SWEDEN: ALTRUISM OR HIDDEN
AGENDA?**

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Abstract

This paper aim is to indicate the internal motives influencing the shape of the content of Swedish development cooperation policy in the Republic of N. Macedonia. Five universal theoretical models for analysis of the internal motives of the development cooperation policy are developed in the academic area: power-political; political stability and democracy; development and performance; strategic-defensive or Cold War; and economic-commercial. The authors of the research put into context in every each of this theories the most relevant data from the official documents forming the development cooperation policy between Sweden and the Republic of N. Macedonia in order to identify the relevant theoretical model and corresponding motives influencing the content of the Sweden development cooperation policy.

1. Introduction

Since 1996 Sweden has financially supported many projects in the Republic of N. Macedonia in different areas. The allocated budget for the projects registered in CDAD is around 63 million EUR (from 1996). The development cooperation of Sweden is realized through the Swedish International Development Cooperation Agency (SIDA). During the last years of presence of Sweden as a bilateral donor in the Republic of N. Macedonia, the development assistance and cooperation was arranged through signing of Development cooperation agreements (2006 – 2010). Swedish Development cooperation is based on country strategies which outline the extent, direction and aims of cooperation during the strategy period. The goal of Swedish development cooperation with Macedonia for the period 2006-2010 was to reduce poverty by means of social change, based on EU integration as an engine of development. In order to achieve this goal while also achieving greater concentration in development work, Swedish support was to focus on one main sector, agriculture. Besides efforts in the main sector, Sweden also supported limited number of projects in the environmental sector and in respect of human rights and social cohesion. Bilateral support by Sweden during that period was understood as supplement for activities financed by the EU and other donors. Emphasis in the dialogue was on poverty issues, including social development and rights from the perspective of the poor, and on gender equality.

An annual volume of approximately SEK 70 million was anticipated during the strategy period, as against SEK 60 million during the previous period.¹⁵

2. Theoretical framework for the research

Development cooperation is a very modern phenomenon, which emerged in the middle of the 20th century.¹⁶ There is still no systematic methodology for the analysis of the motives that influence the shape of the content of a state's development cooperation policy. The only attempt to systemise the theoretical findings on the internal motives of foreign aid is the set of approaches developed by Matthew Fielden. He claims that there is no humanitarian ground on the foreign aid. According to him, the decisions concerning the provision of aid made by donor countries are influenced by geopolitical interests rather than humanitarian motives. According to this author there are four theoretical approaches for analysing motivations for the provision of aid: the power-political hypothesis, the political stability and democracy hypothesis, the development and performance hypothesis, and the strategic-defensive or Cold War hypothesis. The theoretical findings developed by Fielden will be described in more detail in order to develop several separate theoretical models of development cooperation policy. It is important to categorise these models, and identify specific criteria that will allow us to clearly distinguish the models and serve for their identification in real empirical cases.¹⁷

2.1. Power-political model

The power-political model presumes that foreign aid to developing countries is being given in order to gain their support. The foreign aid is used as a tool of diplomacy, allowing countries to expand their 'soft' power. The concept of soft power is presented by Jr. Joseph S. Nye. According to him, a country may obtain the outcomes it wants without using 'hard' power (military tools; economic sanctions), but by becoming attractive to other countries through its values, culture, examples, its level of prosperity and openness – which is soft power.¹⁸ According to Nye, foreign aid is one of the sources of soft power (it is not power per se, but only the potential for power) that promotes broadly shared values such as democracy and human rights.¹⁹ Soft power differs from hard power by the fact that it depends on the willingness of a target (aid recipient country). Thus, a number of contextual variables affect the deployment of soft power by one state to another and the effect of such efforts, namely, geographic proximity, cultural similarity, historical relations, economic.²⁰ Some good examples of increasing soft power by giving aid include the policy of France in its former colonies, and the policy of China towards Africa and Association of South East Asian Nations (ASEAN) countries. By providing aid, the donor country increases its soft power not only in the recipient country, but also within the international community. Giving aid means

¹⁵ Krstik Sofce, "The Impact of the Cooperation Between the European Union Member States and the European Union Candidate states on the European Union Accession Process", magister thesis Law faculty Iustinianus Primus, 2019, page: 64.

¹⁶ Lancaster C., *Foreign Aid: Diplomacy, Development, Domestic Politics*, Chicago: The University of Chicago Press, 2007, p. 25.

¹⁷ Panasevič Anastasija, *Five Approaches to Development Cooperation: An Analysis of the Lithuanian Case*, <http://lfpr.lt/wp-content/uploads/2015/09/LFPR-29-Panasevic.pdf>, page 42 visited on 13.07.2019.

¹⁸ Jr. Nye J. S., *Soft Power: The Means to Success in World Politics*, New York: Public Affairs, 2004, p. 5.

¹⁹ *Ibid.*, p. 62.

²⁰ Fan Y., "Soft Power: Power of Attraction or Confusion?" in *Place Branding and Public Diplomacy*, 4:2, 2008, p. 6.

being among the strongest (most developed) of the world's countries. What is more, aid allocations could show to other governments that the government providing assistance would support the recipient government in case of pressures from hostile states. It could also mean that the donor supports particular actions or policies of the recipient government (e.g. democratic reforms).²¹ The main criteria for the power-political model are: (1) attractiveness for the recipient country (image within partner countries); (2) role within the international community (image within the international community); and (3) cultural/historical ties with recipient countries.

2.2. Political stability and democracy model

The model of political stability and democracy claims that foreign aid is given to developing countries that correspond to particular standards of democracy and human rights.²² It is based on the constructivism theory, arguing that national interests and cooperation between states are social constructs. Culture, norms and ideas are the most important factors in shaping the way in which states define their own strategic interests. According to constructivists, the mutually comprehensible conduct of international relations is impossible without mutually recognised rules and norms.²³ In terms of constructivism theory, development cooperation is not just about the provision of foreign aid to developing countries, but also the social reconstruction within these countries. The recipient country should comply with the norms of maintaining a secure and safe environment, democratic political processes, respect for human rights, etc. These are the norms followed by the international community and legitimised by the United Nations (UN).²⁴ Why is it important to request developing countries to respect these internationally recognised norms? The interests and preferences of states are malleable; they can be formed and changed by the international norms that provide international politics with structure and meaning.²⁵ Thus, in order to predict the behaviour of other states it is important to make them respect the same norms. The main criteria for the political stability and democracy model are: (1) the secure, safe and predictable political environment; (2) social reconstruction within partner countries; and (3) mutually recognised norms (democracy, human rights, etc.)

2.3. Development and performance model

The development and performance model claims that aid should be allocated to the countries that have the best development prospects for the future.²⁶ It is based on the neo-liberal concept of global governance, arguing that foreign aid is a tool of states' tendency to cooperate in addressing problems of interdependence and globalisation.²⁷ The concept of global governance is based on the existence of the common global interests of all countries and nations and on their interdependency. The main argument is that the environmental (and other global) problems in recent years have become so crucial that the whole global community must join forces. The widespread poverty in developing countries is significantly contributing to the global degradation of the environment, and the large population growth is putting increasing pressure on limited

²¹ Lancaster, p. 11-12.

²² Fielden M. B., "The geopolitics of aid: The provision and termination of aid to Afghan refugees in North West Frontier Province, Pakistan." In *Political Geography*, 17(4) 1998, p. 475, 467.

²³ Mughanda M., "Inquiry on self interested foreign aid: Insights from the ODA-migrations link in SSA countries." In *African Journal of Political Science and International Relations*, 5(4), 2011, p. 167.

²⁴ Jemczyk E., "Norms and Their Effect on Humanitarian Aid", <http://atlismta.org/onlinejournals/0506-journal-government-and-the-rights-of-individuals/norms-and-their-effect-on-humanitarian-aid/#_ftn48> [24 11 2012].

²⁵ Ibid.

²⁶ Fielden, p. 467.

²⁷ Lancaster, p. 4.

resources. Thus, rich countries should provide developmental aid to developing countries in order to ensure the implementation of their environmental policies.²⁸ The developmental (or in a broad sense, global) issues came to the attention of the foreign aid sector only in the late 1980s. This was a turning point in the provision of aid, as it started to be understood as a payment for delivered services.²⁹

Increasing amounts of foreign aid are channelled to expand international control of global threats such as the spread of infectious diseases (smallpox, measles, polio, HIV/AIDS, malaria, tuberculosis, etc.), environmental degradation (global warming, loss of the ozone layer, pollution of air, water, and land etc.), population growth, global poverty, hunger and so on.³⁰ In 2000 the UN agreed on the Millennium Development Goals (MDGs)³¹, which aimed to halve the number of people living in absolute poverty. This was a holistic approach to the interconnected national and international challenges in order to create sustainable, gender-sensitive, people-centred development.³² The main criteria for the development and performance model are: (1) attempts to address global threats; (2) the role of the environmental problems; (3) the role of the health care; and (4) the role of the MDGs in general.

2.4 Strategic-defensive or Cold War model

The strategic-defensive or Cold War model is based on the Cold War political ideology and the competition between the West and the Soviet Union (Russia). This hypothesis claims that aid was given by Western countries to gain influence in less developed countries that were under pressure from external or internal communist threats.³³ It stems from the realism theory of international relations, claiming that states exist in an anarchic environment in which power, security and survival are their priority tasks. Thus, in this anarchic environment states use aid as a tool of hard-headed diplomacy. By giving aid the donor country increases its security, expands its power and influence and manages to survive.³⁴ An example of such purpose of foreign aid is the United States (US) and its foreign aid policy motivated by Cold War concerns.³⁵ The explanation of this model should begin with a short historical excursus, as the Cold War used to be defined as the beginning of development assistance politics. The first development assistance programme was the Marshall Plan, which was initiated in 1948 and aimed to give massive amounts of aid to European countries in order to rebuild them economically after World War II.³⁶ Europe was in ruins and the population's discontent with the economic situation was increasing the chances of communists being elected in Italy and France. The eastern part of Europe had already been absorbed into the Soviet bloc. Thus, the only chance for the US to expand its influence in Europe was through the provision of economic assistance.³⁷ The main criteria for the strategic-defensive and Cold War model are: (1) competition between the West (EU/NATO) and Russia; (2) Cold War ideology; and (3) military security issues.

²⁸ Degnbol-Martinussen, J., *Aid: Understanding International Development Cooperation*, London: Zed Books, 2003, p. 15.

²⁹ *Ibid.*, p. 16.

³⁰ Lancaster, p. 16.

³¹ MDGs are: 1. Eradicating extreme poverty and hunger; 2. Achieving universal primary education; 3. Promoting gender equality and empowering women; 4. Reducing child mortality rates; 5. Improving maternal health; 6. Combating HIV/AIDS, malaria, and other diseases; 7. Ensuring environmental sustainability; 8. Developing a global partnership for development.

³² Lee S., *Neo-Liberalism, State Power and Global Governance*, Dordrecht: Springer, 2007, p. 12-13.

³³ Fielden, p. 467.

³⁴ Lancaster, p. 3.

³⁵ *Ibid.*

³⁶ Degnbol-Martinussen, p. 8.

³⁷ Lancaster, p. 28.

2.5. Economic-commercial model

Matthew Fielden in his work did not indicate the economic approach to development cooperation. However, the economic aspect is very important and cannot be avoided. Thus, the fifth (economic-commercial) model will be added to the models investigated above. This model is based on commercial liberal theory, which claims that economic interdependence and the realisation of material interests is the main factor that encourages cooperation, close partnership relations and peace among countries.³⁸ It determines foreign aid by the economic and commercial interests of donors.³⁹ It presumes that development cooperation with developing countries will be linked to trade enhancement and will increase secure investment opportunities. It means that the donors choose the development cooperation partner countries by their “economic worth” for this state.⁴⁰

There are several ways in which foreign aid can contribute to the commercial interests of the donor state. First of all, the donor state can promote special political and economic reforms in the recipient country that would be beneficial for the commercial interests of donor. This mechanism includes the use of conditionality policies. The second method is the introduction of special rules in development cooperation programmes that would require that the grants and loans must be used to buy goods and services from the donor’s country. This means not only an increase in sales of goods and services, but also better and smoother access to markets in the recipient country. The third method is less apparent: the development cooperation projects contribute to smoother cooperation between individuals, building confidence between the societies of the two states and creating a better climate for investments. In this way the foreign aid promotes the better understanding of the market structure in the other country, which also influences closer commercial relationships and promotes trade.⁴¹ The main criteria for the economic-commercial model are: (1) economic

interdependence; (2) investment opportunities (better investment climate); and (3) commercial interests.

3. Bilateral Development Cooperation Programs between the Republic of N. Macedonia and Sweden

Strategic Priorities⁴²:

SWEDISH DEVELOPMENT COOPERATION WITH MACEDONIA 2006-2010
I. AGRICULTURE, FOCUSING ON SUSTAINABLE ECONOMIC DEVELOPMENT
1. Enhancing opportunities for poor men and women in rural areas to improve their situation during the current restructuring process
2. Creating conditions for economic development, with special emphasis on entrepreneurship and small farms
3. Developing capacity for policy and analysis work

³⁸ Schneider G., “The Domestic Roots of Commercial Liberalism: A Sector-Specific Approach.” In Gerald Schneider et al. *Globalization and Armed Conflict*, Oxford: Rowman & Littlefield Publishers, 2003, p. 103-104.

³⁹ Hopkins R. F., “Political Economy of Foreign Aid.” In Finn Tarp *Foreign Aid and Development: Lessons Learnt and Directions for the Future*, London: Routledge, 2000, p. 329-330.

⁴⁰ Hopkins, p. 339-340.

⁴¹ Degnbol-Martinussen, p. 13-14.

⁴² The aims and focus are according to the “Strategy for Swedish Development Cooperation with Republic of Macedonia, 2006-2010”

4.Supporting development of a democratic farming organization
5.Developing both institutional capacity and functions relevant to EU integration
6.Strengthening the state system for agricultural advisory service and rural development
II. HUMAN RIGHTS AND SOCIAL COHESION
Promoting equality between women and men, girls and boys
Enhancing the capacity of public institutions to ensure compliance with human rights
Supporting the participation of deprived groups in the development of public life
Helping to strengthen civil society
III. SUSTAINABLE DEVELOPMENT (ENVIRONMENT)
Strengthening capacity for institutional development and administration and for policy work in the environment field at both central and local level
Contributing to a better urban environment and better municipal infrastructure as regards water and sanitation, waste management and energy, by means of individual investment projects
Promoting greater environmental awareness, particularly with regard to the urban environment
IV. OTHER AREAS
HIV/Aids prevention
Start East-programme for the development of small businesses
International courses and cultural heritage
Regional statistics programme

Projects Matrix⁴³

Financed projects under 2006-2010 perspective		
Project:	Period:	Total Contribution Amount (SEK):
AGRICULTURE-ECONOMIC DEVELOPMENT		
Regional Statistics Cooperation Project	2005-2008	3 750 604
Collateral Guarantee Fund (SMEDSC)	06.2002-11.2015	21 017 927
Agricultural Financial Services Programme (IFAD II)	12.2001-06.2008	10 000 000
University Cooperation in Agriculture II	01.2008-12.2011	15 000 000
SFARM III	09.2007-06.2010	25 000 000
Macedonian Agriculture Advisory Support Programme (MAASP II)	01.2008-12.2011	24 000 000
Institutional Support and Training Cadastre	05.2004-11.2008	27 000 000
Continued Support to the Guarantee Fund (final)	2009-2012	14 000 000
Food Quality and Safety	2008-2011	12 000 000
Statistics Cooperation	2007-2009	5 000 000
Statistics Balkan Regional	2008-2010	4 820 000
SEEDnet Phase II	N/A	3 000 000
Sustainable Agriculture and Energy	N/A	10 000 000
ENVIRONMENT		
LISEE (LEAP II)	12.2007-12.2009	6 000 000
LEAP Monitoring		250 000

⁴³According to the List of Contributions 2008, as updated on 12.02.2008 and Planning Overview for Macedonia 2007-2010, as of 31.12.2007

National Strategy for Sustainable Development	11.2005-06.2008	17 042 059
Institutional Cooperation with Chemical Inspectorate	2007-2011	7 000 000
Support for Environmental NGO for Urban Environment	2006-2009	5 550 000
Cooperation between Swedish Environmental Agency (SEPA) Macedonian Environmental Administration	01.2008-12.2010	6 478 800
Municipal Infrastructure Fund	2008- N/A	3 400 000
NSSD Implementation	2008-2010	13 000 000
INFRASTRUCTURE-LOCAL DEMOCRACY-RURAL DEVELOPMENT		
Macedonia People's Empowerment Programme (PEP)	2006-2008	8 000 000
Integrated Rural Development Programme ALKA II	01.2008-03.2009	2 800 000
ALKA PER evaluation	01.2008-03.2009	300 000
HUMAN RIGHTS AND SOCIAL COHESION		
Support to the Ombudsman Office	11.2006-12.2008	2 300 000
SHC (Swedish Helsinki Committee)	2008-2011	10 500 000
Women Empowerment Macedonia	2008-2010	7 315 000
IOM-Repatriation and Reintegration of Victims of Trafficking	01.2007-01.2008	570 000
Regional Roma Education Fund	2005-2009	3 340 000
Roma Rights	2006-2008	855 000
Open Fun Football Schools	2006-2008	2 340 000
Mozaik	10.2007-09.2008	1 150 000
Forum Syd/TRIANGLE Youth Leader Development	01.2007-12.2008	5 894 817
East West Institute (EWI)	06.2003-05.2008	4 418 925
HIV Prevention Among Young	2006-2008	6 000 000
Reform of the Child Care System	2006-2009	900 000
Forum Syd	2008-2010	5 980 000
Open Fun Football	2008-2010	1 736 000
REGIONAL/OTHER OUTSIDE STATE BUDGET		
Start East Program in SEE Region	2004-2008	4 082 619

The years 2010 – 2012 were the phasing out period for the Swedish development assistance from the Republic of Macedonia. The Swedish development cooperation activities with the Republic of Macedonia within this period were arranged by the Phase-out strategy for Swedish support to Macedonia, 2010–2012. According to this Strategy, the Sweden's reform cooperation with Macedonia was to be concluded by 31 December 2012, assuming that Macedonia was expected to begin accession negotiations with the EU in the foreseeable future⁴⁴. The overall objective of reform cooperation in 2010–2012 was continued development of closer relations with the EU,

⁴⁴Phase-out strategy for Swedish support to Macedonia, January 2010–December 2012, Ministry of Foreign Affairs, Sweden, Stockholm, 2010, pg. 1

strengthened democracy and equitable and sustainable economic development. Cooperation for this period was planned to continue to focus on three sectors:

- Agriculture and forestry
- Democracy, human rights and gender equality
- Sustainable social development⁴⁵

According the Phase – out Strategy, the cooperation was envisaged to be based on Macedonia’s own priorities, as reflected in the Stabilisation and Association Agreement between the European Commission and Republic of Macedonia, which entered into force in 2004, and in overall national strategic policy documents such as the annually updated NPAA, and relevant sector policies and strategies. The Swedish Government’s thematic priorities – democracy and human rights, environment and climate, and promoting gender equality and the role of women in development – were reflected in the cooperation sectors.⁴⁶

The total volume of financial assistance of Sweden for the Republic of Macedonia during the phase-out period amounted to approximately SEK 80 million. Most of the cooperation during this Strategy was focused on institution and capacity-building, implemented as a project support, in which, as before, Swedish actors and cooperation institutions played a significant part. The process objective was to conclude the reform cooperation in a responsible manner that as far as possible promotes and safeguards long-term sustainable outcomes. In this process, Sweden was promoting the efforts of cooperation partners to obtain alternative donor financing and also initiatives to strengthen the robustness of the Macedonia’s institutions. As part of its efforts to promote sustainable outcomes, Sweden continued to work for better aid effectiveness. The dialogue was primarily focus on reforms for closer relations with the EU, gender equality and national ownership.

Sector matrix⁴⁷

SWEDISH DEVELOPMENT COOPERATION WITH MACEDONIA 2010-2012
I. Agriculture and forestry (Agriculture in Macedonia to become better aligned with EU regulations)
Higher education and research in agricultural economics, and strengthening of associated policy and analysis capacity
The Federation of Farmers of the Republic of Macedonia (FFRM)
The national agricultural advisory and agricultural development system – particular emphasis will be placed on local ownership and institutional integration, as well as the capacity to make use of the special EU Instrument for Pre-Accession Assistance for Rural Development (IPARD)
Sustainable energy usage and renewable energy sources in rural areas
The role of women in economic development
II. Democracy, human rights and gender equality (Better opportunities for individual citizens to exercise their human rights)
Promotion of gender equality
Increase the country’s institutional capacity to comply with human rights standards
Support to the participation of underprivileged groups in economic and political development

⁴⁵Ibid.

⁴⁶Ibid.

⁴⁷Ibid.

Strengthening of civil society
III. Sustainable social development (Macedonia's environmental policy and environmental administration will become better aligned with EU standards and regulations)
Bringing support to local environmental planning to a conclusion
Conclusion of ongoing cooperation in the area of chemicals
Concluding support to EU alignment, environmental legislation and related negotiation capacity based on corresponding experiences in Sweden, Slovenia and elsewhere
Concluding support to Macedonia's National Strategy for Sustainable Development (NSSD)
Bringing ongoing support to environmental NGOs to a conclusion

During the period 2012 – 2017 Macedonia was eligible only for participation in regional projects. The present development cooperation between the Republic of Macedonia and Sweden is being implemented under the umbrella of the Results strategy for Sweden's reform cooperation with Eastern Europe, the Western Balkans and Turkey for the period 2014–2020. Total budget of the Swedish strategy for development cooperation with the Western Balkan for the period 2014 – 2020 is around 3.6 billion SEK, or around 374 million EUR. Cooperation with the Western Balkans covers Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. In Albania, Bosnia and Herzegovina, Kosovo and Serbia, both bilateral and regional initiatives should be possible. As defined in the Strategy, in Macedonia and Montenegro, there should be scope only for regional initiatives. The initiatives should contribute to creating the conditions for the countries of the Western Balkans to become members of the EU. In light of developments in the region, the EU is focusing particularly on reforms to do with the functioning of the rule of law and economic development. Activities in the Western Balkans are expected to contribute to results in three results areas.

- 1) Enhanced economic integration with the EU and development of market economy
- 2) Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law
 - a. Focusing on a strengthened public administration and judicial system
 - b. Focusing on increased respect for human rights and greater opportunities to exercise democratic influence
- 3) A better environment, reduced climate impact and enhanced resilience to environmental impact and climate change

In the past few years, on the initiative of Secretariat for European Affairs and the Ministry of Foreign Affairs, discussion have been held with the Ministry of Foreign Affairs of Sweden for returning the Republic of Macedonia among the priority countries of Sweden for bilateral development cooperation. Having in mind that the decision of this is also political, there was no much optimism from Swedish side that this is possible. Encouragement was given for improving the participation within the regional initiatives and projects.

However, it was announced by the Ambassador of Sweden in the Republic of Macedonia, H.E. Mats Staffansson, that by mid-2017 the midterm review of the implementation of the bilateral programs of development assistance (Results strategy for Sweden's reform cooperation with Eastern Europe, the Western Balkans and Turkey for the period 2014–2020) would be done and this was the possibility the position of the Republic of Macedonia as a partner – country of the development assistance to be re – evaluated. By the end of 2017 it was announced by Sweden that the bilateral development cooperation with Republic of Macedonia will be renewed.

On 12.03.2018 the Agreement on development cooperation and Agreement on general terms of the bilateral cooperation between Sweden and Macedonia was signed, by which, Macedonia officially returned its status as a partner country for Swedish development assistance. The indicative budget for financing of projects in Macedonia in the scope of these agreements, for the period 2018-2020 is around 9 million EUR.

The purpose of the cooperation under the Development Cooperation Agreement is contribution to the Republic of Macedonia's EU integration process in accordance with Sweden's Results Strategy for Reform Cooperation in Eastern Europe, the Western Balkans and Turkey, 2014-2020.

The Cooperation shall aim to contribute to results in the following areas⁴⁸:

- I. Enhanced economic integration with the EU and development of a market economy
- II. Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law
- III. A better environment reduced climate impact and enhanced resilience to environmental impact and climate change

According to the Agreement, the responsibility for the development of projects/programmes under this Agreement rests with the Republic of Macedonia. The role of Sweden is limited to the contribution of resources to such development cooperation. However, the planning of the assistance/projects for 2018-2020 perspective was done mainly on behalf of the donor/Embassy of Sweden. This means that the planning was done by the Embassy of Sweden in Republic of Macedonia, in consultation and cooperation with the final beneficiaries. This was justified by the short deadlines for achievement of the results defined in the Strategy due to the late inclusion of the Republic of Macedonia among the priority countries. Thus, the Embassy has chosen to finance projects based on the familiar cooperation partners, good past experience, etc. This may enhance the implementation and achievement of the project results but decreases the ownership of the process.

Programme matrix 2018-2020⁴⁹

Main objectives of the development cooperation in 2018-2020 perspective		
I. Enhanced economic integration with the EU and development of a market economy		
II. Strengthened democracy, greater respect for human rights and a more fully developed state under the rule of law		
III. A better environment reduced climate impact and enhanced resilience to environmental impact and climate change		
Project pipeline/approved projects		
Project:	Period (indicative):	Total Contribution Amount (EUR, indicative):
Grant assistance for NGOs. Implementation through grant contracts with 3 bigger NGOs – Kvinna till Kvinna, We effect and All for people. They will further re – grant to smaller NGOs in Republic of Macedonia for	2018-2020	600.000

⁴⁸As defined in the Agreement on between Republic of Macedonia and Sweden, represented by SIDA on development cooperation, signed on 12.03.2018 in Skopje

⁴⁹ On the basis of the information from the Agreement between Macedonia and Sweden on bilateral development cooperation signed on 12.03.2018 in Skopje, information obtained from the Embassy of Sweden in Macedonia

activities related to gender equality, rural development, labour rights.		
Joint assistance with UNDP in the area of air quality in Skopje (cooperation with City of Skopje – focus on heating)	cancelled	
Cooperation with the Ministry of Environment and physical planning in the area of chapter 27 of the acquis		
Support to the NGOs dealing with the environment sector, through REC	postponed	
Joint project with Norway in the area of local economic development, with small – scale infrastructure projects	2019-2020	2.000.000
Gender mainstreaming(in IPA 2 programming), beneficiary is the Secretariat for European Affairs	2018-2020	
Cooperation with DECAF in the area of control of the reform of the intelligence services. This is joint cooperation with Great Britain and Netherlands.		
Cooperation with UN Women for introducing the woman responsive budgeting component within the Law on Budget and by laws		
Total	2018-2020	9.000.000

Brief Conclusions on the Bilateral Development Cooperation between the Republic of Macedonia and Sweden

During the years, the development cooperation between the Republic of Macedonia and Sweden has significantly contributed to the implementation of the European integration agenda as expressed in the Stabilization and Association Agreement, and towards Macedonian development priorities.⁵⁰

The impact of the cooperation is seen through the result achieved in the priority sectors of cooperation bringing them closer to the EU agenda.

Sweden's contributions have been identified, formulated and implemented in a way that reflects the long-term objectives of the strategy, and they have contributed to the results achieved. Sweden's comparative advantages have been used to a considerable extent, whilst complementarity in relation to EU aid has been taken into account. On the whole, therefore, this cooperation is considered to have been reasonably effective. Long-term concentration on specific sectors and continuity has fostered the effectiveness of aid. Several factors have weakened this effectiveness, however. National ownership has generally been weak and coordination capacity low. It has been possible to use national systems only to a very limited extent⁵¹. Cooperation has

⁵⁰Ibid. pg.8

⁵¹ According to the Phase-out strategy for Swedish support to Macedonia, January 2010–December 2012, Ministry of Foreign Affairs, Sweden, Stockholm, 2010

been project-based and based to a great extent on cooperation with Swedish agencies and other actors with limited experience of the principles and methods of aid effectiveness. The portfolio of contributions has been fragmented, with up to 25–30 ongoing contributions. Growing pre-accession support from the European Commission has placed increasing demands on the time and resources of the administration. However, Swedish support and the projects and programmes it has contributed to have essentially been feasible and realistically designed.

Analyzing the contribution and impacts within the priority sectors of the implemented development cooperation, some general conclusions may be taken. With regards to the agriculture sector, the relevance of Swedish support to it and its importance for economic growth and poverty reduction are considered to have been fairly substantial. Support has been very much in line with the priorities in the country's 'Strategy for agriculture and rural development'. That is way we may conclude that the Bilateral Development Cooperation between the Republic of Macedonia and Sweden can be put under the framework of the development and performance model. Namely, according to this model the environmental (and other global) problems in recent years have become so crucial that the whole global community must join forces. The widespread poverty in developing countries is significantly contributing to the global degradation of the environment, and the large population growth is putting increasing pressure on limited resources. Thus, rich countries should provide developmental aid to developing countries in order to ensure the implementation of their environmental policies. Beside the support given for the development of the the agricultural sector we must consider the financial support given to the human rights and social collaboration. We have to have in mind the improvements done related to human rights and rule of law and that id the reason why we can also conclude that the Development Cooperation between the Republic of Macedonia and Sweden can be put in context of the Political stability and democracy model. This model claims that foreign aid is given to developing countries that correspond to particular standards of democracy and human rights. At the end we can conclude that the Bilateral Development Cooperation between the Republic of Macedonia and Sweden realias purely on altruistic reasons and that there are no hidden material (economic, geopolitic etc.) agendas

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CONTENT ANALYSIS: WASTE MANAGEMENT STRATEGY IN THE REPUBLIC OF SERBIA FOR THE PERIOD 2010-2019.

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Abstract

The paper describes content analysis, as a research method, which has been used in social and political sciences to organize and define meaning from the data collected. For quantitative or qualitative content analysis, procedures are specified. This paper will present a qualitative content analysis of the Waste Management Strategy in the Republic of Serbia for the period 2010-2019 and the impact of this document on the waste management system. Preparing for accession to the European Union implies that new regulations has to be adopted for countries that have signed the Stabilization and Association Agreement, such as the Republic of Serbia. However, new regulations are often adopted without analysing their impact on society, and when they come into force, there may be a negative impact on certain groups. The paper will outline the administration's relationship to strategic documents, their preparation and implementation, the need for prior analysis and research.

Key words: *content analysis, methodology of political sciences, research, waste, waste management system*

Introduction

After defining content analysis as a research method, we will point out differences and procedures for qualitative and quantitative content analysis. In this paper we will apply qualitative content analysis to the Waste Management Strategy in the Republic of Serbia for the period 2010-2019 and will point out the impact of this document on the waste management system.

Content analysis – history, definition and types

During mid-20th century, Harold Lasswell, American political scientist has significantly contributed to content analysis. He has formulated the core questions of content analysis: "Who says what, to whom, why, to what extent and with what effect?"¹ Later, Bernard Berelson has defined content analysis as research method "for the objective, systematic and quantitative description of the manifest content of communication".² Many authors agree that content analysis is widely used research method. Klaus Krippendorff argues that content analysis is the systematic reading of a body of texts, images, and symbolic matter, not necessarily from an author's or user's perspective.³ Our methodologist, Milosavljevic, Radosavljevic and Danilovic also argues that

¹ Abazari, Zahra and Brojeni, Mahsid Borjian. "The role of Harold Lasswell Communication Theory in Librarianship and Information Science", *International Academic Journal of Humanities*, Vol. 4, No. 2 (2017), 88-90.

² Berelson, Bernard. *Content Analysis in Communication Research*. Glencoe: Free Press (1952), p. 18.

³ Krippendorff, Klaus. *Content Analysis – An Introduction to Its Methodology*. Thousand Oaks, CA: Sage (2019), 18-19.

content analysis is "the method of collecting data of past, present and future phenomena...".⁴ Content analysis can be defined as a research method in social and political sciences for studying documents and texts of various formats, pictures, audio or video. Further, regarding Bob Matthews and Liz Ross content analysis "can be used to analyze any texts. Because of this flexibility, it is used in many disciplines within the social sciences".⁵

There are two types of content analysis, quantitative and qualitative. Quantitative content analysis decomposes the text into different parts and assigns numeric codes to these elements or parts, in order to measure quantitatively. Usually, those different parts are statements or arguments, not only words. Quantitative content analysis is used to quantify the occurrence of certain words or phrases in the text. But, in qualitative content analysis we summarize parts or elements of the text and assign categories or labels to them, in order to find coherent meaning in the text.

The procedure and application of content analysis

According to Klaus Krippendorff, there are several questions which has to be addressed in every content analysis: "Which data are analysed? How are the data defined? From what population are data drawn? What is the relevant context? What are the boundaries of the analysis? What is to be measured?"⁶ Beside, procedure of content analysis is to:

1. Identify the content – we chose text based on our research questions. It can be applied to all kinds of text printed, audio or video, such as speeches, letters, articles, or pictures. For qualitative content analysis it is necessary to put in record sheet – the title of document (strategy, law, regulation, etc.);
2. Specify the unit and categories of analysis – Units, categories and sub-categories are identified in the text. Initially, several categories are often generated, but their number has been reduced later, and "categorization is finished when a reasonable explanation has been reached."⁷ For example, categories are waste, waste management, waste disposal, etc.;
3. Coding the content – organizing the units of meaning into the previously defined categories, manually by using record sheet, or using computer programs such as Nvivo, Atlas or others. For quantitative content analysis, coding rules are very important, as well computer programs. Qualitative content analysis works by summarizing and classifying elements or parts of the text material and assigning labels or categories to them. Quantitative content analysis decomposes the text material into different parts and assigns numeric codes to these elements or parts. Of course, such parts are not just words, but are rather statements, and arguments; and
4. Analyze the results and draw conclusions – after the coding is finished, we examine the collected data to find patterns and draw conclusions.⁸ Furthermore, Mariette Mengtsson points out that "the researcher needs to understand both the context and circumstances in order to detect and take into

⁴ Milosavljevic, Slavomir and Radosavljevic, Ivan. *Basis of Methodology in Political Sciences*. Belgrade: Službeni glasnik, 2008, fourth edition, 560.

⁵ Matthews, Bob and Ross, Liz. *Research Methods*. Edinburgh: Pearson Education Limited (2010), p. 395.

⁶ Krippendorff, Klaus. *Content Analysis – An Introduction to Its Methodology*. Thousand Oaks, CA: Sage (2019), 413.

⁷ Bengtsson, Mariette. "How to plan and perform a qualitative study using content analysis", *NursingPlus Open*, Vol. 2 (2016) August 25, 2019, <https://reader.elsevier.com/reader/sd/pii/S2352900816000029?token=2886F8C5F5E93D136FD27A618E317C1D064D573AF09FE07119646BC0AF0E5AC3C74C9C432EB7FE4637F0803E2E471AD3>, 12.

⁸ Matthews, Bob and Ross, Liz. *Research Methods*. Edinburgh: Pearson Education Limited, 2010, p. 396; See more: Mayring, Philipp, "Qualitative Content Analysis", *Forum Qualitative Social Research*, Vol.1, No.2, June 2000, August 20, 2019, <https://utsc.utoronto.ca/~kmacd/IDSC10/Readings/Readings/text%20analysis/CA.pdf>,

account misrepresentations that may crop up in the data. All qualitative research deals with some interpretation."⁹

Content analysis has been used almost a century as methods of research in social and later in political sciences to organize and define meaning from the data collected. As main advantages of content analysis are description and prediction, and to identify the trend of phenomena or process. Main aim of content analysis is to find and organize meaning from the data collected and to draw realistic conclusions from it. Besides, it is highly flexible because it can be conducted at any time or location. It is also replicable, because it can be easily replicate, providing the results with high reliability. But, as disadvantages of application of content analysis, we point out possibility of subjective interpretation which can affect reliability and validity of the conclusions. Also, it takes a long time for manually coding of large volumes of text.

Waste management strategy – analysis and conclusions

Identify the content - Strategy is a plan of actions to achieve one or more goals under conditions of uncertainty. In the last few years, significant changes had taken place in almost all aspects of society and life, including the economy, social structure, even people's personal priorities. That is the case also in waste management. The future will need to be based on careful consideration future trends in society.

When we say strategy, then we mean on carefully planning the various actions and activities that lead to the goal. It is a way to move from where we are now to where we want to be. This tells us that at the core of each strategy is the main idea – how to reach the goal or objectives. The strategy is a clear plan and paper-based plan that should be made after extensive research. According to Henry Mintzberg „Research on strategy formation (not necessarily formulation) focusses on a tangible phenomenon the decision stream and strategies become observed patterns in such streams.“¹⁰

Specify the unit and categories of analysis - Strategic management of waste is the process of directing activities in the creation and implementation of the strategy. Strategic management of waste should use methods and techniques to achieve effectiveness and efficiency in achieving goals.

Waste Management Strategy 2010-2019. was published on May 2, 2010.¹¹ The legal basis for the adoption of the Strategy is the Law on Waste Management from 2009, which identifies the first serious problem, that is, the time of its adoption. The Strategy should in fact represent a National Waste Management Plan, which must be coherent with the Law, more precisely to approximate the legal provisions of waste management practices. The biggest mistake in adopting the Strategy one year after the enactment of the Law is reflected in the fact that the Law was implemented without clear goals and measures by which those goals would be realized.

Coding the content, analyze the results and draw conclusions - The introductory part outlines the purpose of adopting the Strategy, where it takes the position of harmonizing legislation with EU regulations, and even emphasizes that, although not an obligation of the Republic of Serbia, it should be one of the priorities of strategic documents. It is Stated that the “Waste Management Strategy: determines the basic orientation of waste management for the next period, in accordance with the EU policy in this field and the strategic orientation of the Republic of Serbia; directs

⁹ Bengtsson, Mariette. "How to plan and perform a qualitative study using content analysis", *NursingPlus Open*, Vol. 2, (2016) August 25, 2019, <https://reader.elsevier.com/reader/sd/pii/S2352900816000029?token=2886F8C5F5E93D136FD27A618E317C1D064D573AF09FE07119646BC0AF0E5AC3C74C9C432EB7FE4637F0803E2E471AD3>, 8-14.

¹⁰ Henry Mintzberg, "Patterns in Strategy Formation" in *Management Science* (19 October 2013), September 1st 2019. <https://web.archive.org/web/20131019210812/https://faculty.fuqua.duke.edu/~charlesw/LongStrat2010/papers/class%2010/Patterns%20of%20Strategy%20Formulation.pdf>, 935.

¹¹ Waste Management Strategy 2010-2019, *Official Gazette*, Vol. 29 (2010), September 1st 2019. <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/reg/viewAct/011043b3-7cee-4488-ba2c-e95f95271713>, 1.

legislative harmonization activities in the process of approximation to EU legislation; identifies responsibilities for waste and the importance and role of equity directing; sets waste management goals for the short and long term; determine measures and activities for achieving the set goals.”¹² This goals are repeated several times in all parts of the Strategy, giving the impression that the waste management system is already in place and that it is necessary to work only on the fines, while the truth is that at that time the system did not exist and that for the decision makers it was easier to express themselves in writing instead of finding the cause of the problem and coming up with a solution for the same.

Following the introduction, legal and institutional frameworks, an overview and analysis of the current situation in waste management in the Republic of Serbia is presented. What characterizes this chapter is the statement that there is no complete, accurate, reliable data on waste generated. The first serious problem here is that due to the lack of data, it is not possible to carry out a quantitative analytical phase, which is a necessary step in solving the problem or improving the situation. Due to the lack of the data in question, it is not possible to conduct a qualitative analysis. Quantitative data exist in certain recognized specific waste streams, such as medical waste, with the presentation of waste quantities based on assumptions or formula. If we apply a comparative analysis with existing reports (Waste Management Report - Environmental Protection Agency),¹³ we find a multiple difference in the amount of waste generated, which leads to the conclusion that some parts of the Study are absolutely wrongly constructed.

The document was then presented with a condition rating, which was absolutely unsatisfactory, and then the SWOT analysis was incorrectly applied without further explanation. SWOT has been described as the tried-and-true tool of strategic analysis.¹⁴ This section of the text is written with a presumption of understanding, and in fact leads to the doubt that even the writer of these lines does not understand the significance of SWOT analysis.

SWOT analysis is an extremely effective tool for understanding and making decisions in a wide variety of situations in the waste management. The term SWOT is and abbreviation of four English words, and it means Strengths, Weaknesses, Opportunities and Threats.

The basic idea of the SWOT analysis is to enable the development behavior of an organization, which maximizes the use of opportunities and capabilities, and to find ways to minimize weaknesses and threats.

In the Waste Management Strategy for the period 2010-2019 is stated that a SWOT analysis was applied, and thus identified the strengths and weaknesses of the system, as well as the opportunities and threats to it.

¹² Waste Management Strategy 2010-2019, *Official Gazette*, Vol. 29 (2010), September 1st 2019. <http://www.pravno-informacioni-sistem.rs/SIGlasnikPortal/reg/viewAct/011043b3-7c9e-4488-ba2c-e95f95271713>, 1.

¹³ Ministry of Environmental Protection, Agency of Environmental Protection. “Waste management in the Republic of Serbia from 2011 to 2018“. (August 2019), September 1st 2019. http://www.sepa.gov.rs/download/Otpad_2011_2018.pdf

¹⁴ Dess, Gregory. “Strategic Management”. *McGraw-Hill*. (2018). 73.

Strength		Weakness	
1	Existence of a national Waste Management Strategy	1	Lack of waste treatment and disposal infrastructure
2	Adopt key legislation in the field of WM in line with EU Directives	2	Absence of facilities for hazardous waste treatment
3	Construction of several regional sanitary landfills	3	Absence of hazardous waste central storage
4	Untapped potential for waste recycling	4	Degraded areas due to inadequate waste disposal and a large number of landfills and wild landfills
5	Possibility of waste incineration in cement factories, thermal power plants	5	Water, soil and air pollution due to poor waste management practices
		6	Lack of organized waste collection and disposal in rural areas
		7	Lack of accurate data on the amount of waste generated
		8	Limited waste recycling capacity
Opportunities		Threats	
1	Introduction of EU standards in the field of waste management	1	The slowness of legislative and institutional reforms
2	The process of integration and use of EU and other funds	2	Lack of investment to build waste management infrastructure
3	Remediation of unmanaged landfills and remediation of contaminated land	3	Space overload in uncontrolled and unsanitary landfills
4	Reduction of waste generation in industry	4	Insufficient public awareness of the need for the proper waste management
5	Contribution to employment and job creation	5	The principle of "not in my yard"
6	Collection by amount of municipal waste produced	6	Inability of citizens to pay the real economic cost of utilities

As shown in the table, it can be observed that the SWOT analyses was applied incorrectly and that the opportunities and advantages are not aligned with the disadvantages and the threats.

SWOT analyses is an analytical framework for management to obtain relevant information from the organization about itself and the environment in which it operates now and in the future with a view to identifying strategic opportunities and threats in the environment and its own strategic strengths and weaknesses. It enables management to develop a strategy based on relevant organization and environment information. In the part of weaknesses is shown information that there is a lack of accurate data on the amount of waste generated. That information is actually the biggest drawback in waste management planning, because if there is no information on the types and quantities of waste produced, then it cannot be planned how to dispose it.

In the section describing short- and long-term goals, no target has been set regarding the examination of the types and quantities of waste generated in the Republic of Serbia. The main goals are certainly the harmonization of regulations, the development of plans, the development and the establishment of the system, although it is emphasized in the "threats" part of the SWOT analysis slowness of legislative and institutional reforms.

In the “weaknesses” section of the SWOT analysis, we find two diametrically opposite statements, namely that there is a lack of waste treatment and disposal infrastructure (recycling facilities) and then that there is limited recycling capacity. The conclusion is that a good concept was not put in when trying to analyze it.

The SWOT analyses is based on the assumption that the organization will achieve the greatest strategic success by maximizing its own strengths and opportunities in the environment while minimizing threats and weaknesses, that is, by making the best use of internal strengths in harnessing opportunities from the environment. An essential assumption is the analyses of the agreement of internal and external factors, that is, determining their implications for the strategy. However, in the short and long term goals of the Waste Management Strategy in Republic of Serbia, no attempt was made to highlight the strengths in order to minimize the disadvantages.

There is one important thing to note – there is no point doing a SWOT analysis if based on it is not followed by action. It should be more than just a list of identifying factors – it’s analytical technique to support strategic decision making and should be accompanied by appropriate action. The strategy should be based on strengths and capabilities.

The last part of the Strategy describes the strategic framework for waste management, where it repeats the text from the chapter referring to the analysis of the existing situation; the truth is given slightly more precise data, but with minimal suggestions for developing the System. With these facts in mind, we conclude that much of the Strategy is actually a text on the current state of waste management, and that the basic goal - careful planning of the various actions and activities that lead to the goal, has not been elaborated in the text.

Recommendation

When drafting a new strategic document, it is necessary to carefully elaborate the analysis of the existing situation, then the proper SWOT analysis, and set goals and plans for their implementation in detail with an analysis of the impact of the strategic document on the existing situation.

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CAPABILITIES, INNOVATION AND COMPETITIVE ADVANTAGE: AN EMPIRICAL EXAMINATION

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Abstract

In this research the impact of innovative capabilities, as one of the main elements of company's dynamic capabilities, on competitive advantage is examined. Empirical analysis was conducted on 108 large Croatian companies from all industries. The results of structural model evaluation show that all paths are statistically significant, nontrivial and in expected direction. It is shown that development of new products and services, development of new production methods, risk-taking by key executives, market innovation, and firm's innovative strategic orientation are important because they enable company to achieve competitive advantage and outperform their rivals. So, commitment to invest in developing innovative capabilities could be crucial.

Keywords: *competitive advantage, dynamic capabilities, innovative capability, partial least squares, structural equation modeling*

1. Introduction

Innovative capabilities, as well as other elements of dynamic capabilities, although widely mentioned in strategic management literature, still remain not enough empirically tested. Empirical studies of dynamic capabilities have mostly addressed firm- or industry-specific processes relevant to dynamic capabilities, and the largest part of research has been based on case studies. In this article one of the basic elements of dynamic capabilities, innovative capability, which through strategic innovative orientation enables new products and markets development (Wang and Ahmed, 2004, 2007) is analyzed. Multidimensional construct of innovative capabilities that includes development of new products and services, development of new production methods, risk-taking by key managers, market innovation and firm's innovative strategic orientation (Capon *et al.*, 1992; Miller and Friesen, 1983; Wang and Ahmed, 2007) is empirically tested. Relationships between five elements of innovative capabilities and six elements of competitive advantage are analyzed, and the impact of innovative capabilities on competitive advantage is empirically tested. The dependent variable, i.e. competitive advantage although widely mentioned in strategic management is not precisely defined, i.e. there is no consensus about the definition of competitive advantage, or the way it can be operationalized.

Based on all above said, the basic purpose of this paper includes verification of direct impact of innovative capabilities on competitive advantage using multidimensional construct of innovative capabilities, appropriate for analysis of companies that operate in different industries. Research objectives include overview and analysis of relevant theoretical and empirical findings from researched area, as well as analysis of nature of the relationship between investigated variables.

The following section presents the theoretical background of analyzed concepts: innovative capabilities as element of dynamic capabilities and competitive advantage. Subsequent sections include explication of methodology, results and conclusion of the paper.

2. Theory

The concept of innovative capabilities arises from dynamic capabilities perspective according to which dynamic capability refers to company's ability to integrate, build and transform internal and external competencies (Teece, Pisano and Shuen, 1997), or company's orientation toward constant reshaping, renewing and re-creating resources and capabilities in response to market changes in a constant effort to maintain a competitive advantage (Wang and Ahmed, 2007).

According to Wang and Ahmed (2004, 2007) there are three major components of dynamic capabilities that are common to all companies: adaptive, absorptive and innovative capability. Adaptive capability refers to the ability of identifying and exploiting new market opportunities, while absorptive capability refers to the company's ability to recognize the value of new, external information, absorb it and use it. Innovative capability refers to the ability of new products and markets development. Hou and Chang (2008) consider sensing capability, absorptive capability, integrative capability and innovative capability to be the basic elements of dynamic capabilities. In that context, sensing capability refers to the ability of understanding customer needs and market dynamics better than its competitors, integrative capability refers to the ability to integrate individual inputs, while definitions of absorptive and innovative capabilities are similar to those given by Wang and Ahmed (2007). McKelvie and Davidson (2009) identify four basic elements of dynamic capabilities: idea generation capability, market disruptiveness capability, new product development capability and new process development capability. Idea generation capability is related to the development of new ideas for future entrepreneurial endeavours. Market disruptiveness capability refers to the behaviour of companies in the context of aggressiveness and persistence in introducing innovation to the market. It indicates the extent to which the company creates the dynamism of the market. New product development capability is related to the development of new products and services, the quality of new products and services and the variety of new products and services in relation to the largest competitors. New process development capability refers to the performance of innovation process and adaptation of new technology to existing processes.

From definitions given above, it can be seen that new product development capability and new process development capability from the classification made by McKelvie and Davidson (2009) can be seen as parts of innovative capability considering the definitions from the main authors (Capon *et al.*, 1992; Miller and Friesen, 1983; Wang and Ahmed, 2004, 2007). From all abovementioned it can be concluded that innovative capability consists of several dimensions, and is considered to be one of the most important elements of dynamic capabilities (Hou and Chang, 2008; McKelvie and Davidson, 2009; Newey and Zahra, 2009; Wang and Ahmed, 2004, 2007). Prior research has mainly investigated different combinations of innovative capability dimensions (Capon *et al.*, 1992; Miller and Friesen, 1983), and results of these studies emphasize the importance of innovative capabilities for firm's evolution and survival, especially with respect to dynamic environment and constant change (Deeds *et al.*, 1999; Delmas, 1999; Petroni, 1997; Tripsas, 1997).

While Teece, Pisano and Shuen (1997) believe that dynamic capabilities, if based on the resources that cannot be replicated or imitated, can be a source of competitive advantage, Eisenhardt and Martin (2000) consider them to be necessary, but not sufficient condition for achieving a competitive advantage. Similarly, Zahra et al. (2006) believe that competitive advantage may, or may not, derive from the existence of dynamic capabilities. Unlike them, Wang and Ahmed (2007) argue that the art of applying capabilities before competitors, consistent, insightful and in an unpredictable way is the core of dynamic capabilities, and therefore they can be a source of sustainable competitive advantage. So, although literature emphasizes that dynamic capabilities and their elements, i.e. adaptive, absorptive and innovative capabilities, enable company to achieve sustainable competitive advantage and long-term above-average performance, the relationship of innovative capability and competitive advantage is not enough empirically tested. Based on all above said, the following hypothesis is proposed:

H1. Innovative capabilities have positive and significant impact on company's competitive advantage.

The notion of competitive advantage was first introduced by Michael Porter (1985), who noted that competitive advantage stems from the ability of company to create value for its buyers that will exceed the cost of its creation. Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for similar benefits or unique benefits at a higher price. According to Barney (1991), company has a competitive advantage when it is implementing a value creating strategy different from the strategies of its competitors. If competitors can't duplicate the positive effects of these strategies, competitive advantage is sustainable. Peteraf (1993) defines competitive advantage as a sustainable above-normal returns which can be achieved only if following prerequisites are met: resource heterogeneity, ex post limits to competition, imperfect mobility and ex ante limits to competition, while Grant (2002) believes that the company has a competitive advantage when it earns a higher level of profits than its competitors. Foss and Knudsen (2003) criticize Barney's definition of competitive advantage, arguing that it is not clear what is meant by "a unique value creating strategy that is not implemented by competitors". They stress that the two main definitions of competitive advantage (Barney, 1991; Peteraf, 1993), are not related. In response to that, Peteraf and Barney (2003) provide definition of competitive advantage that links this term to value creation and to demand side concerns. According to them, company has competitive advantage when it is able to create greater economic value. Economic value is defined as difference between the perceived benefits gained by the buyers and the economic cost to the company. This definition is consistent with the definitions given by Porter (1985), Barney (1991) and Peteraf (1993), and will be used for the purpose of this research.

3. Methodology

The population includes 436 large Croatian companies that were identified through Croatian Chamber of Economy database. The study simultaneously employed online and mail survey, so that managers can choose the way they want to participate. A total of 108 usable surveys were collected, which resulted in the response rate of 24,77%, acceptable for this type of research (Drnevich and Kriauciunas, 2011; Protogerou, Caloghirou and Lioukas, 2008).

The construct of innovative capability was operationalized in accordance with a Miller and Friesen (1983), Capon *et al.* (1992) and Wang and Ahmed's (2007) propositions, through

following variables: development of new products and services (IN1), development of new production methods (IN2), risk-taking by key executives (IN3), market innovation (IN4), and firm's innovative strategic orientation (IN5).

Competitive advantage was operationalized using Peteraf and Barney's (2003) definition, i.e. through manager's perceptions of the company's success in comparison to major competitors, according to the following elements: a general advantage (or disadvantage) over competitors (CA1); sustainability of acquired advantage (CA2); the product/service quality and image (CA3); price of products/services (CA4); the production cost of product or cost of service delivery (CA5) and customer satisfaction with product/service (CA6).

The scales were assessed on a five-point Likert-type scale ranging from 1 = much worse than competitors to 5 = much better than competitors.

4. Results

Since all data are self-reported and collected through the same questionnaire with cross-sectional research design, common method variance, which is attributed to the measurement method rather than the constructs of interest, may cause systematic measurement error and bias the estimates of the true relationship among theoretical constructs. To determine whether common method bias was an issue, Harman's one-factor test was conducted. After all variables were entered into a factor analysis, the presence of 11 distinct factors with eigenvalue greater than one was revealed. These 11 factors together accounted for 68.47 percent of the total variance, so no common factor is apparent.

For conducting statistical analysis, other than SPSS 17.0, SmartPLS 2.0 software was used, since partial least squares method does not assume that the data is normally distributed, and can be used with smaller samples. In Table 1 correlations among manifest variables of innovative capabilities and manifest variables of competitive advantage are shown.

From Table 1 it can be seen that from 30 tested correlations, only correlation between risk-taking by key executives (IN3) and product/service quality and image (CA3) isn't statistically significant.

		IN1	IN2	IN3	IN4	IN5
CA1	Correlation Coefficient	,282**	,410**	,360**	,411**	,355**
	Sig. (2-tailed)	,003	,000	,000	,000	,000
CA2	Correlation Coefficient	,303**	,482**	,303**	,357**	,406**
	Sig. (2-tailed)	,001	,000	,001	,000	,000
CA3	Correlation Coefficient	,343**	,404**	,093	,396**	,422**
	Sig. (2-tailed)	,000	,000	,336	,000	,000
CA4	Correlation Coefficient	,296**	,281**	,296**	,254**	,260**
	Sig. (2-tailed)	,002	,003	,002	,008	,007
CA5	Correlation Coefficient	,294**	,371**	,471**	,396**	,314**
	Sig. (2-tailed)	,002	,000	,000	,000	,001
CA6	Correlation Coefficient	,330**	,303**	,223*	,402**	,269**
	Sig. (2-tailed)	,000	,001	,021	,000	,005

Table 1: Spearman's rho correlations between innovative capabilities and competitive advantage

Measurement model was evaluated through analysis of discriminant validity, indicator reliability, construct reliability and convergent validity. The loadings of all PLS analysis's reflective indicators were examined to assess the indicator reliability. From Figure 1 it can be seen that outer loadings range from 0.543 to 0.882, i.e. they are above critical level of 0.5. The reliability of individual indicators is obtained by squaring the loading. The indicator CA4 (outer loading: 0.5087) has the smallest indicator reliability with a value of 0.295 while the indicator CA2 (outer loading: 0.882) has the highest indicator reliability with a value of 0.778. That means that all indicators of these two reflective constructs are above the minimum acceptable level for outer loadings.

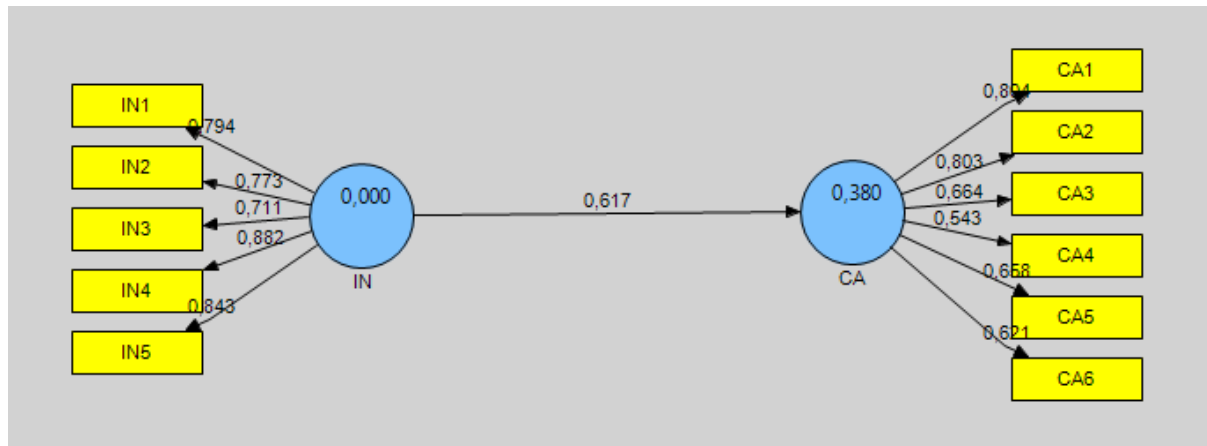


Figure 1: PLS-SEM model

Construct reliability, which indicates if all the construct's indicators jointly measure the construct adequately (Götz et al., 2010), is analyzed using composite reliability (CR) measure. According to Bagozzi and Yi (1988), CR values larger than 0.6 are considered as acceptable. The composite reliability values (CR) of 0.8416 (CA) and 0.9001 (IN) show high levels of internal consistency reliability (Table 2).

	AVE	$\sqrt{\text{AVE}}$	CR	R ²	Cronbach's α	Communality	Redundancy
CA	0.4745	0.6888	0.8416	0.3802	0.7721	0.4745	0.1776
IN	0.6444	0.8027	0.9001		0.8603	0.6443	

Table 2: Overview of model quality criteria

Cronbach's Alpha, the other construct reliability indicator, quantifies how well a set of indicators measures uni-dimensional latent construct (Götz et al., 2010). From Table 2 it can be seen that Cronbach's α of both indicators is well above 0.6, which is considered to be acceptable (Hair et al., 2010).

The assessment of convergent validity is based on the AVE (average variance extracted) value as the evaluation criterion. While IN has AVE of 0.6444, CA has AVE slightly under 0.50 (0.4745). Also, if factor loadings of underlying construct have narrower range and higher lowest loading, there is a greater chance that all items converge in estimating underlying construct (Chin, 2010). Construct IN has narrower range of factor loadings (0.711 to 0.882) than construct CA (0.543 to 0.804).

Discriminant validity is analyzed using Fornell-Larcker criterion (Table 3), according to which the AVE of each latent construct should be higher than the construct's highest squared correlation with any other latent construct. This notion is identical to comparing the square root of the AVE with the correlations between the latent constructs shown in Table 3. The square root of the reflective constructs' AVE is on the diagonal and the correlations between the constructs are in the lower left triangle of Table 3. The square roots of the AVEs for the reflective constructs CA and IN are higher than correlation between those constructs, which means that discriminant validity has been established.

	CA	IN
CA	0.6888	
IN	0.617	0.8027

Table 3: Fornell-Larcker Criterion

Next, the structural model is evaluated, i.e. path coefficient's direction and significance level, as well as endogenous variable's determination coefficient (R^2) is analyzed. Path coefficient presented in Figure 2 shows path between latent variables is in the expected direction. To estimate the statistical significance of the PLS path model coefficients, PLS-SEM relies on a nonparametric bootstrap procedure (Efron and Tibshirani, 1986; Chin, 2010). Bootstrap results show that all path coefficients and factor loadings have t-values higher than 2.57, which means that they are statistically significant at a significance level of 1 percent, from which can be concluded that proposed hypothesis can be accepted.

5. Discussion

From Table 1 it can be seen that from 30 tested correlations, only correlation between risk-taking by key executives (IN3) and product/service quality and image (CA3) isn't statistically significant. All other correlations are significant and range from 0.223 between development of new products and services (IN1) and customer satisfaction with product/service (CA6) up to 0.482 for relationship between development of new production methods (IN2) and sustainability of acquired advantage (CA2). It can be concluded that the results of correlation analysis prove the strong interdependence between innovative capabilities and competitive advantage.

Using PLS analysis the impact of innovative capabilities on competitive advantage was analyzed. The results of structural model evaluation show that all paths are statistically significant, nontrivial and in expected direction. The direct effect of innovative capabilities on competitive advantage equals 0.617. That leads to acceptance of proposed hypothesis which states that innovative capabilities have positive and significant impact on company's competitive advantage, which is in accordance with results of previous studies that emphasize the importance of innovative capabilities for firm's evolution and survival (Deeds et al., 1999; Delmas, 1999; Petroni, 1997; Tripsas, 1997).

Since innovative capabilities are considered to be one of the basic elements of dynamic capabilities, the results of empirical analysis presented in this article are in accordance with Teece, Pisano and Shuen (1997), as well as Wang and Ahmed (2007) who argue that developed dynamic capabilities, and therefore their elements as well, can lead to achieving competitive advantage.

6. Implications for managers

Implications of this paper, that are relevant for business practice, are based on the analysis of current state of large Croatian companies and related to better understanding of the nature and importance of company's innovative capabilities. In other words, it is shown that development of new products and services, development of new production methods, risk-taking by key executives, market innovation, and firm's innovative strategic orientation are important because

they enable company to achieve competitive advantage and outperform their rivals. So, commitment to invest in developing innovative capabilities could be crucial if company want to become leader in its industry.

7. Conclusion

In this article, innovative capabilities, as well as their relationship to competitive advantage are examined. After review and analysis of current theoretical and empirical findings related to key variables examined, results of statistical analysis based on the sample of 108 large Croatian companies are presented. Analysis of interdependence between elements of innovative capabilities and competitive advantage has shown that 29 from 30 examined correlations are statistically significant. The only correlation that isn't significant is that between risk-taking by key executives (IN3) and product/service quality and image (CA3). Other 29 correlations are significant and range from 0.223 between development of new products and services (IN1) and customer satisfaction with product/service (CA6) to 0.482 for relationship between development of new production methods (IN2) and sustainability of acquired advantage (CA2), which suggests that there is a high interdependence between investigated variables. The results of PLS path modelling have proven that innovative capabilities have substantial direct and positive impact on company's competitive advantage that equals 0.617. From the results presented in the article, it can be concluded that innovative capabilities, i.e. development of new products and services, development of new production methods, risk-taking by key executives, market innovation and firm's innovative strategic orientation, can help company in achieving competitive advantage.

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THE ROLE AND IMPORTANCE OF AN ACCOUNTING INFORMATION SYSTEM FOR BUSINESS DECISION MAKING IN A DIGITAL ENVIRONMENT

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Abstract

The fundamental objective of accounting is to provide financial information useful for making effective business decisions. To provide information that supports these goals, accountants need to consider the intentions of the users, the types of decisions that users make using the information in the financial statements, and the tools available to analyze the information, on the one hand, and on the other hand, to provide that information in real time, keeping in mind the digital environment inherent in modern business. The content method analysis is applied in the paper.

Keywords: accounting information, accounting information systems, business decision making, digital environment

1. Introduction

"The quality of financial management decisions made by management, as the greatest user of financial accounting information, is directly conditioned by the quality of financial (accounting) reports."¹ Effective financial reporting in a digital environment also directly influences effective business and financial decision-making and the achievement of target profitability, solvency and liquidity of banks. The development of information systems has enabled businesses to cope with change by using a single instrument that has embraced new business processes over time and enables measuring historical financial performance and projecting business results².

2. Accounting information systems - role and importance for business decision making

Accounting information consists of three types of information: (1) *operational information* where they are the source of the analytical records, (2) *financial accounting information* from the financial/accounting statements, (3) *management accounting information* produced by management accounting. Financial (accounting) reports are a means of communication with various interest groups of companies - the so-called stakeholders³.

Financial accounting provides information at three levels:

- for running the current (operational) business of the company,

¹Knežević, S., Rakočević Barjaktarović, S., Đurić, D. (2011), *Financial Decision Making*, Faculty of Organizational Sciences, University of Belgrade, ISBN: 1820-0222, p. 2.

²Ibidem, p. 3.

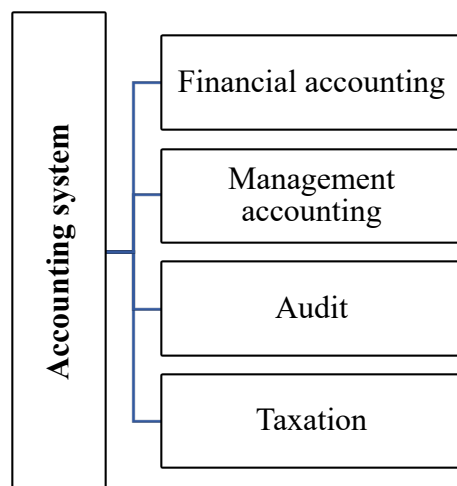
³Knežević, P.S. (2006), *Strategic Decision Making in Banks Based on Management Accounting*, Belgrade Business School, p. 51-52.

- for proprietary bank management and
- to process data and create information for government agencies and other external addressees.

Business decisions are made by managers, most often by looking at accounting information and information specific to the individual business decision. Therefore, the planning, management and control of business processes in the company are entrusted to the managers of the company.

The accounting system of the company will be discussed in more detail below. Considering the two basic functions of the accounting system, the responsibility function and the enterprise management function, it is a well-known fact that the first function is in the jurisdiction of financial accounting and the second is of management accounting. Financial accounting is primarily oriented towards meeting the needs of external users, and it is known that financial accounting is based on the double-entry bookkeeping. Management accounting is aimed at meeting the needs of internal users, primarily managers in the enterprise.⁴Managers in the company represent internal users interested in accounting information depending on the scope and type of business they perform.⁵In addition to the basic functions presented above, speaking of the information system, it is important to include auditing and taxation within the main areas of accounting (Figure 1).

Figure 1: View of the accounting system



Source: Simkin, M. G., Norman, C. S., & Rose, J. M. (2014). *Core concepts of accounting information systems*. John Wiley & Sons, p.14.

Accounting information systems are concerned with the production of financial statements that are relevant to management and management decision making.⁶ Therefore,

⁴Knežević, S., Stanković, A., Tepavac, R. (2012). Accounting Information System as a Platform for Business and Financial Decision-Making in the Company, *Management - Journal for Theory and Practice Management*, No. 65, pp.63-69.

⁵Mitrović, A., Vučić, V. (2015). Accounting Information in the Function of Supporting Business Decision-Making in the Company, *Management in Hotel and Tourism*, 3 (2), p. 41.

⁶Mitrović, A., Knežević, S. (2018). THE ROLE AND IMPORTANCE OF ACCOUNTING INFORMATION SYSTEMS IN THE CONTEXT OF ACCOUNTING INFORMATION PROVISION, *Economics in the Digital Age*, Banja Luka College (Banja Luka, Bosnia and Herzegovina), High Business School of Professional Studies

accounting information systems are gaining in importance, as the financial statements of the company are positioned high on the ladder in the process of making business decisions. The accounting system of a company provides a mechanism through which business activities are selected, evaluated and summarized in the form of financial statements⁷. The financial statements contain a large amount of information, but the information is not presented in such a way that the user of the information from the mentioned statements can immediately conclude whether the achieved result is good or not, and therefore different financial metrics are used in order to interpret the statement properly⁸. “Performance indicators have a critical role in evaluating past and predicting future performance”⁹.

There are four consecutive stages of an accounting information system. The first stage is the identification of information, followed by the storage of information, followed by the analysis of information and reporting based on information (Figure 2). Therefore, the accounting information system should have certain characteristics common to all applicable information systems in the enterprise, which are:¹⁰

- identifying and presenting relevant information;
- recording data collected in a systematic manner;
- analysis and interpretation of the information collected;
- Reporting based on information in a way that suits the needs of users.

Figure 2: Accounting information systems



Source: McLaney, E., Atrill, P. (2010). *Accounting: An Introduction*, Pearson Education Limited, p. 12.

A modern enterprise can influence growth and development based on good management decisions. The basis of decision-making relied upon relevant information in the company is the role of the general manager. In addition to that, important roles for making significant business decisions are the role of financial auditor, controller and IT manager.¹¹

(Leskovac, Serbia), Faculty of Management, Business in informatiko (Novo mesto, Slovenia) and University "Vitez" (Travnik, Bosnia and Herzegovina), Banja Luka College, Banja Luka., 26.may 2018. p. 246-257.

⁷Knežević, S., Mitrović, A., Vujić, M., Grgur, A. (2019), *Analysis of Financial Statements*, Authors' Own Release, Belgrade, p. 5.

⁸Ibidem

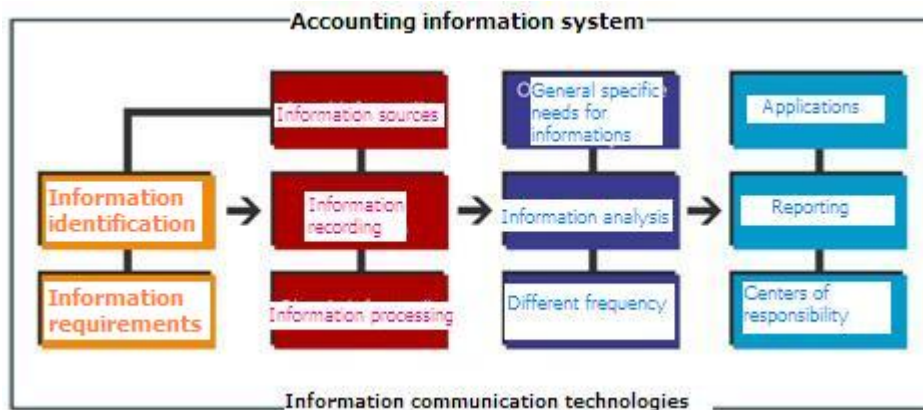
⁹Knežević, S., Grgur, A., Vujić, M., Mitrović, A. (2019), Analysis of financial indicators hotels companies by using the analytic hierarchy process and the delphi method, academic conference proceedings, Education and Social Sciences Conference Business and Economics Conference, 20 March 2019, Vienna, Austria, ISSN 2671-3179, pp. 146-153.

¹⁰McLaney, E., Atrill, P. (2010). *Accounting: An Introduction*, Pearson Education Limited, p. 11.

¹¹Stanković, A., Knežević, S., Mitrić, M. (2013). Accounting Information System as the central point of a modern organization, (2013), The 3rd International Conference “Economics and Management-Based on New Technologies“ EmoNT 2013, 13-16 June 2013, Vrnjačka Banja, SatCIP d.o.o Vrnjačka Banja, pp. 461-465.

3. Accounting information systems - role and importance for business decision making in digital environment

In the new digital environment, which is evolving day by day, accountants need to be familiar with information systems. Likewise, the creators of accounting information systems must be familiar with accounting. The dynamics of regulatory development and change must also be monitored and implemented within the accounting information system in a digital environment. The accounting information system is closely related to information and communication technologies, as shown in the following figure:



Source: Dragić, Z. (2015), *Management Accounting*, Belgrade Business School, College of Business, Belgrade, p. 6.

The digital environment and the exchange of information are of great importance, both at the macro and micro levels. The view on the macro-level is confirmed by Marinchev (2019) by pointing out that the automatic exchange of financial account information is a key measure for financial transparency through cooperation between countries.¹² The digital environment also confirms the increasing importance of micro-levels, the levels of individual users.

Financial reporting is undergoing a significant change regarding its general purpose. The contents of financial statements are not actually changing but the ways in which information are conveyed. This is due to computer systems being unable to recognize paper or electronic versions of the financial reports. Accounting experts are facing a challenge of how to convey the meaning of the complex logical information into a computer-readable format. In addition, most of the public accountants find it unable to audit such information in the machine-readable format. However, all this is slowly changing.

The professional organizations, their members, and educational institutions should respond to the accounting profession facing significant changes in the next three decades. The

¹²Marincheva, E. (2019). PRECONDITIONS FOR AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION FOR TAX PURPOSES IN THE EUROPEAN UNION, INTERNATIONAL ACADEMIC INSTITUTE, Education and Social Sciences Conference Business and Economics Conference, Vienna University, 20 March 2019, pp.172-177.

three major challenges for the accounting profession are evolving smart and digital technology, continued globalization of reporting/disclosure standards and new forms of regulation¹³.

Decision support systems are the synthesis of information systems, the application of a range of information knowledge and ongoing decision-making processes, and the goals of the executive management (ESS) support system are the following¹⁴:

- Directing top bank management to critical business success factors through status reports and various forecasting models;
- Continuous information on the bank's business for supervision;
- Evaluation of business activities, competition intentions and customer requirements;
- Introduction of reports on competition;
- Observing the analyzes of the newly occurring situations in the bank;
- Simplified insight into the environment;
- Relevance of information for top bank management, etc.

Decision Support Systems - DSS are computer based information systems that help managers make better decisions about unstructured problems or poorly structured decision problems through direct user interaction with data as well as models.

Group-Decision Support Systems (GDSS) are computer-based systems that facilitate group decision making in the domain of unstructured problems.

Executive Support Systems - ESS represent a new class of decision support information systems. They are aligned with the managerial position and activities of top management and are adequate support to managers in obtaining information to make strategic decisions in the company.

4. Conclusion

Modern accounting is widely recognized as a cornerstone of effective business management. Accounting information system is closely related to information and communication technologies. Accounting reporting directly influences the making of effective financial decisions and realization of target profitability, solvency and liquidity of the company. Making an adequate business decision requires knowledge of the business, the environmental factors affecting it, and the decision support system. In the new digital environment, which is in the process of continuous evolution, quality information in real time is essential, and accountants should therefore be well aware of the importance of information systems.

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¹³Future of Accounting Profession: Three Major Changes and Implications for Teaching and research, <https://www.ifac.org/global-knowledge-gateway/business-reporting/discussion/future-accounting-profession-three-major>, accessed on 11.7.2019.

¹⁴Knežević, P.S. (2006), *Strategic Decision Making in Banks Based on Management Accounting*, Belgrade Business School, p. 51-52.

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RUOLO DELLE LINGUE ALL'INTERNO DEL FENOMENO DELLA GLOBALIZZAZIONE

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Abstract

In the process of globalization different identities should not be seen as a threat, as a closure on the contrary as “*alter- other*”. Global communication even though at a slow pace, is leading to the annihilation of the different, specific life forms of each community, society, identities and otherness that is characterized by relationships between individuals of different cultures. In the global community every reality is compared to the other in a measure of superiority. It is not possible to define one culture as being superior to the other or one language above the other one. One can only talk about different cultures and languages.

Linguistic Globalization is bringing about a flattering of cultural and linguistic differences and distinction. The phenomenon of many languages is not a sign of exclusion or differences. A particular relationship with a person who is different from us can not be lived in a suspicious way, because doubt and distrust is the lack of knowing one another, of one’s culture, language and identity.

The positive and negative effects of globalization depend on how one is put forward by the various processes and movements have taken, want and suffer within this phenomenon. No one is superior to the other, no one is better than the other, we are just different and sometimes very different and one of the main points that must be worked, is on educating younger generations that intercultural education consists on respect of being different from other and in mutual tolerance.

Key words: *globalization, language, intercultural education, identity, tolerance*

1. Il fenomeno della globalizzazione

Più che mai oggi si può parlare di un mondo globalizzato, di una comunicazione globale e globalizzata, persino di una *comunicazione-produzione* globalizzata. In molto ambienti se non parli di globalizzazione e non fai riferimento a questo fenomeno sei considerato fuori moda.

La globalizzazione non investe solo il campo economico, scientifico, bensì si allarga a tutti i campi del sapere, della produzione, dello scambio. Si sente parlare tanto di globalizzazione culturale, linguistica e ciò per ribadire quanto questo fenomeno sia diventato internazionale.

Come molti altri fenomeni, anche quello della globalizzazione può avere aspetti positivi e negativi. Questi dipendono dall’uso che se ne fa del termine stesso.

Ponzio e Petrilli definiscono in questi termini la globalizzazione:

La globalizzazione consiste nella onnipresenza della comunicazione nella produzione. Essa caratterizza l’intero ciclo produttivo: non è solo presente nel momento del mercato, dello scambio, come nella fase precedente, ma anche nel momento della produzione e in quella del consumo.

La globalizzazione consiste anche nella rilevante ingerenza della comunicazione-produzione nella vita umana e, più in generale, nella vita dell’intero pianeta. (Ponzio; Petrilli 2000: 8-9)

La globalizzazione è frutto anche dei flussi migratori intensi e continui degli ultimi decenni. La migrazione nasce dal bisogno di trovare, raggiungere il meglio, nasce dal desiderio e la volontà di uscire da una situazione di disagio, di povertà. La migrazione porta imprescindibilmente a incontrare nuove realtà, nuove società, culture, lingue, identità e per questo, porta alla discussione e alla riflessione sulla propria cultura, lingua, identità.

Per Ponzio e Petrilli *la comunicazione globale ha modificato lo spazio, le distanze, il tempo, gli affetti*. Per cui si sente la necessità di *una riflessione semiotica sulle nuove condizioni del sentire che costruisca una critica della comunicazione globale*. (ivi 2000: 8)

All'interno di questa prospettiva, lo spazio dell'università è lo spazio del lavoro, lo spazio del mondo del lavoro. Come Derrida riconosce, lo spazio dell'università è uno *spazio pubblico*. Ma precisamente, è lo spazio pubblico di *questo* mondo, di questa forma sociale nella fase della comunicazione-produzione. Di conseguenza la "libertà incondizionata di interrogazione e di produzione", che l'università *dovrebbe* avere, la sua prerogativa di "ultimo luogo di esistenza critica", che l'università dovrebbe essere, si misurano nello spazio della sua esposizione a tutte le sollecitazioni che le provengono dal mercato del lavoro, e che ne esigono la messa in comunicazione, l'inserimento nel processo produttivo, della sua comunicazione. (Ponzio 2013: 30-31)

Un'università che per rinnovarsi ritiene di doversi adeguare ai rapporti di compravendita di forza-lavoro (intellettuale), che, come risulta dalla crescente disoccupazione strutturale in seguito alla crescita dell'automazione e alla competitività vanno scarseggiando; un'università che si decide ad *adottare il conteggio in ore del lavoro tradizionale per valutare la formazione* (i "crediti"), proprio quando esso è messo in crisi; un'università che accetta che la propria ricchezza sia considerata in termini di "risorsa immateriale" e di "investimento immateriale": non è solo *esposta* a "questo mondo", ma *non ha spazio fuori di esso*. (Ivi 2013: 31)

All'interno di questi due punti cardini si muove tutta la *programmazione* e la *progettualità* della vita di un'università, della sua identità.

Nei giorni d'oggi, penso che ovunque, le università siano diventate luoghi di incontro e accoglienza del diverso. *Lo spazio pubblico* delle università, dà spazio alla libertà di mobilità sia degli studenti, sia dei docenti.

L'università non deve solo pre-occuparsi del conteggio delle ore e dei crediti formativi degli studenti, ma anche a prepararli ad una visione aperta all'accoglienza, al confronto, all'internazionalizzazione. In vista del *principio della diversificazione*, alla *pluralità delle offerte*, il processo di internazionalizzazione diventa oggi la sfida principale degli atenei. Tale sfida alcuni la considerano come una *forte vocazione* delle università, in quanto sono luoghi privilegiati di dialogo interculturale e perché no, di dialogo interreligioso.

2. Sfide della lingue nazionali – minoranze linguistiche – ipercentralità dell'inglese

Gli effetti della globalizzazione si estendono non solo a livello socio-economico, ma anche a livello di comunicazione, cultura, lingua e lingue nazionali. La globalizzazione ha fatto sì che *le nuove tecnologie dell'informazione e della comunicazione* (Calefato 2004) si sviluppassero molto rapidamente. Un esempio comune è lo sviluppo del linguaggio dell'informatica.

Particolarmente nel contesto degli attuali tempi di globalizzazione, di contaminazione tra i mezzi comunicativi, di migrazione di corpi e di testi, il passaggio traduttivo da una sostanza dell'espressione a un'altra non lascia inalterata la dimensione del contenuto, implica anzi ridefinizioni su diversi fronti: da quelli tra Occidente e Oriente e tra Nord e Sud del pianeta, alla pluralità dei codici e dei linguaggi presenti nelle varie formazioni discorsive, sino a quello tra i generi. (Calefato 2004: 34)

La globalizzazione per Ponzio ingloba tutta la vita dell'uomo, sia nella *forma dello sviluppo* che del *sottosviluppo*, sia nel *benessere* che nella *povertà*, nella *salute* e nella *malattia*, nell'*occupazione* e nella *disoccupazione*:

La *globalizzazione* della comunicazione-produzione non riguarda soltanto l'estensione dei mezzi di comunicazione e l'espansione del mercato a livello planetario. Concerne anche l'inglobamento nella comunicazione-produzione dell'intera vita umana: sia nella forma dello sviluppo, del benessere e del consumismo, sia nella forma del sottosviluppo, della povertà e della impossibilità di sopravvivenza; sia nella forma della salute, sia in quella della malattia; sia nella normalità; sia nella devianza; sia nell'integrazione, sia nell'emarginazione; sia nella occupazione, sia nella disoccupazione; sia nello spostamento funzionale di forza lavoro proprio della emigrazione, sia in quello della richiesta di accoglienza negata dalla migrazione. (Ponzio 2002: 17)

Se per alcuni aspetti la globalizzazione si potrebbe considerare come fenomeno positivo o alquanto utile all'uomo, alle società, per altri presenta effetti del tutto negativi.

Si parla tanto di globalizzazione delle culture, di *villaggio globale*, di globalizzazione di lingue. Ma è possibile parlare di unificazione culturale e linguistica? Direi proprio che questo non sia possibile né oggi né in un futuro lontano.

Nell'ottica di un'Europa unita, si è tentato di unificare le lingue dei Paesi che ne fanno parte, o meglio di sceglierne una che abbia una centralità, un dominio e un uso veicolare da estendere a tutti i rapporti di scambio tra i Paesi dell'UE.

Quest'ottica di "facilitazione" porta inevitabilmente e inconsciamente a una *decultrazione* e di *deteritorializzazione*, a una *lingua globale* (identificata da molti nell'inglese-americano).

L'altra parola è la parola fuori luogo, fuori dai luoghi comuni, fuori dall'ordine ufficiale del discorso, come lo è l'incontro con la parola altra che ascolta. Attualmente le parole dei luoghi comuni, del linguaggio ufficiale, benché appartengono a questa o quest'altra lingua, sono le parole della comunicazione globale. I termini-chiave, quelli che ne costituiscono il lessico, fanno parte di una sorta di lingua internazionale, che generalmente si avvale della lingua inglese. Più esattamente si tratta di una sorta di *New Speak*, la *New Speak* della globalizzazione. (Ponzio 2011: 127)

Un'unica lingua, un unico significato per ogni significante, un sistema verbale immutabile e privo di linguaggi interni che provochino scarti semantici da un linguaggio ad un altro. Ciò garantirebbe una comunicazione completa e una precisa espressione della realtà e dei propri vissuti. La "New Speak" ipotizzata e descritta nel romanzo di Orwell 1984 è la pesante satira del mito della "lingua perfetta". (Ponzio, A. 2002: 77)

La neolingua (*New Speak*), di cui parla G. Orwell nel 1984, è la lingua dell'utopia, è una lingua tecnica, piatta, è una lingua ideologica, una lingua esclusiva, una lingua che rende impossibile l'espressione della specificità e unicità del pensiero dell'individuo.

Tutta la *New Speak* era concentrata in tre suddivisioni precise del lessico:

- a) parole di uso comune;
- b) parole create per un linguaggio e fini particolari politici
- c) terminologia tecnico-scientifica.

Già dalla presente suddivisione, di nota un'estrema povertà linguistica. Nonostante il contesto socio-politico in cui Orwell scrisse il suo romanzo, la neolingua diventa una lingua *massificata*, una lingua limitata, spersonalizzata.

La New Speak infatti prevede il totale asservimento del corpo al linguaggio ufficiale, la cancellazione di ogni resto, di ogni alterità rispetto all'ordine del discorso. Rispetto al sistema politico ipotizzato in 1984, è facile immaginare quali sono le caratteristiche della New Speak: univocità, monologismo, asservimento del segno verbale a un significato prestabilito, eliminazione dei significati eterodossi e in ogni caso secondari, riduzione del vocabolario all'essenziale, irrigidimento delle regole morfologiche e sintattiche, assenza di irregolarità e eccezioni. (Ponzio 2007: 204)

Augusto Ponzio nel 2011 nel suo libro *In altre parole*, definisce la neolingua come segue:

La Neolingua: univocità, monologismo, asservimento del significante ad un significato prestabilito, eliminazione di significati eterodossi e in ogni caso secondari, riduzione al minimo della scelta delle parole, riduzione del vocabolario all'essenziale, omologazione delle regole morfologiche e sintattiche, assenza di irregolarità ed eccezioni. (Ponzio 2011: 86)

Leopardi quando parla della varietà delle lingue e di un'eventuale lingua unica, universale, la definisce in modo molto duro e forte, addirittura *come uno scheletro, un'ombra di lingua*:

Una lingua del genere, qualunque ella mai si fosse, dovrebbe certamente essere di necessità e per sua natura, la più schiava, povera, timida, monotona, uniforme, arida e brutta lingua, la più incapace di ogni genere di bellezza, la più impropria all'immaginazione, e la meno da lei dipendente, anzi la più di lei per ogni verso disgiunta, la più esangue e inanimata e morta, che mai si possa concepire; uno scheletro, un'ombra di lingua piuttosto che lingua veramente: una lingua non viva, quando pur fosse da tutti scritta e universalmente intesa; anzi più morta assai di qualsivoglia lingua, che più non si parli o scriva. Ma si può sperare che perché gli uomini siano già fatti, generalmente, sudditi infermi, impotenti, inerti, avviliti, languidi e miseri di ragione, ei non diverranno però mai schivi moribondi e incatenati della geometria. E quanto a questa parte di una qualunque lingua strettamente universale, si può non tanto sperare, ma fermamente e sicuramente predire che il mondo non sarà mai geometrizzato. (in Ponzio 1998: 127)¹

Ponzio, nella *conoscenza di un'altra lingua*, vede il superamento delle barriere comunicative e lo sviluppo della *capacità costruttiva*. Studiare un'altra lingua significa *conoscenza della propria*.

La conoscenza di un'altra lingua non serve soltanto per superare barriere di ordine comunicativo, ma anche di ordine cognitivo, critico, ideologico, inventivo, emotivo, ecc. La conoscenza di una o più lingue oltre la propria costituisce un evidente vantaggio sul piano della capacità costruttiva perché lo sviluppo di tale capacità non resta delimitato e pregiudicato unilinearmente alla lingua materna.

La presa di conoscenza nei confronti della propria lingua, che è fortemente agevolata dall'assunzione della visione del mondo di un'altra lingua, promuove possibilità di esperienze non coincidenti con quelle offerte dalla propria lingua e che arricchiscono non solo la conoscenza linguistica del parlante, ma anche la conoscenza linguistica della lingua stessa. (Ponzio 2002: 81)

Nel clima generale di globalizzazione che caratterizza ogni settore, vogliamo sottolineare la preziosità delle lingue nazionali, considerate come meno importanti di fronte all'ipercentralità e il dominio della lingua inglese.

¹ In Ponzio, A. *La coda dell'occhio. Letture del linguaggio letterario*, Bari, B.A. Graphis, 1998

Una sola lingua farebbe scomparire ogni differenza, ogni peculiarità e soprattutto ogni alterità. Con una sola lingua tutto diventerebbe più piatto, la comunicazione, le traduzioni, gli stessi rapporti interpersonali.

Abbiamo parlato di intraducibilità di elementi linguistici particolari di una determinata lingua, come possiamo ridurre a una sola lingua la ricchezza e il patrimonio linguistico - culturale che porta in sé ogni singola lingua?!

La New Speak delle società di oggi, del mondo di oggi, non è la scelta di un'unica lingua, ma è la scelta dell'alterità.

3. Linguaggio e globalizzazione – comunicazione globale – globalizzazione linguistica

Nel processo di globalizzazione le identità diverse e differenti non deve essere viste come una minaccia, come chiusura, bensì come *alterità*.

La differenza come identità è la differenza indifferente delle funzioni e dei ruoli richiesti all'interno di un universo chiuso di discorso che prevede solo alternative ed esclude la *differenza come alterità*.

La differenza come alterità non è la differenza come *essere altrimenti*, propria dell'alternativa, ma la differenza come *differimento al di là dell'essere indentitario, individuale e comunitario*. (Ponzio 2003: 196)

Per Ponzio e Petrilli, anche *il linguaggio implica l'alterità*. Il linguaggio viene visto solo in *rapporto con gli altri*. *Ascolto e ospitalità d'altri sono le condizioni del linguaggio*. (2000: 80)

La comunicazione globale sta portando, seppur con ritmi lenti, a un annientamento delle differenze, delle forme di vita specifiche di ogni singola comunità, società, a un azzeramento delle identità, dell'alterità che dovrebbe caratterizzare le relazioni tra individui di culture differenti.

La comunicazione globale sta rendendo obsoleti i segni delle differenze, fa risultare sempre più anacronistico e illusorio l'uso aberrante dei segni per fare la differenza. *La forma sociale attuale è probabilmente l'ultima forma in cui il segno fa la differenza*. Essa stessa produce l'impossibilità di impiego dei segni in tal senso. Con la comunicazione globale, l'attuale forma sociale, mettendo in pericolo l'intera vita sul pianeta, lavora, suo malgrado, per fare spazio a una forma sociale – la cui realizzazione [...] avviene per il resto dell'universo semiotico, per il resto della vita, ma con la qualità della capacità semiotica propria dell'uomo, vivano di differimento, di apertura all'alterità: una comunanza planetaria senza comunità, una comunanza di segni differenti, ma senza segni di differenza, senza identità, senza proprietà, senza territori, senza uguaglianze, senza radici, senza appartenenze. (Athanasor 2007-08: 44)²

Nel libro *La comunicazione*, Ponzio parla della produzione capitalistica in termini di messaggi ridotti a merci, tutta la comunicazione infatti viene ridotta a merce e mercato:

Nella forma di produzione capitalistica, comunicazione e mercato, essendo lo scambio essenzialmente scambio di merci, coincidono; e la tendenza alla comunicazione totale è la tendenza al mercato totale, sia come estensione, sia come possibilità di trasformazione in merce di qualsiasi cosa. Di conseguenza i messaggi divengono anch'essi merci, così come le merci non potrebbero essere merci se non fossero anche messaggi. Come circolazione di messaggi-merci oltre che di merci-messaggi, e come circolazione di

² In Athanasor n. 11, 2007 - 2008, (a cura di Fabio De Leonardis e Augusto Ponzio) *Umano troppo disumano*, Roma, Meltemi

persone tramite mezzi di circolazione anch'essi merci, l'intera comunicazione risulta convertibile in mercato. (Ponzio 1999: 80)

Anche il valore dei messaggi, delle merci, dei segni, dipende dalla rapidità della loro comunicazione, come sostiene nel libro *Nel Linguaggio. Materiali per discipline sul confine*. (Calefato 2004: 54-55)

Nella comunicazione globale ogni realtà viene paragonata ad un'altra in termini di superiorità. Non si può definire una cultura superiore ad un'altra, tantomeno una lingua superiore a un'altra lingua. Si può parlare solo di culture differenti, lingue differenti.

La globalizzazione linguistica sta portando all'annullamento delle differenze culturali e linguistiche. Il multilinguismo non è segno di esclusività delle differenze. Non si può vivere una relazione con uno diverso da noi, in maniera diffidente, perché la diffidenza è frutto di mancanza di conoscenza dell'altro, della sua cultura, della sua lingua e della sua identità.

Ogni identità comunitaria ha il proprio extracomunitario da cui difendersi, ed esso è l'altro, diverso da ciascun altro facente parte della comunità, diverso non soltanto da ciascun altro eguale della comunità, ma anche da ciascun altro diverso e opposto all'interno della comunità.

Ciò vale anche per quell'identità comunitaria che è ciascuna di noi, vale a dire la comunità dei vari io in cui ciascuno di noi consiste, come insieme di ruoli, di posizioni e di legami sociali, fra i quali sussistono, a seconda dei casi, rapporti di coerenza, di coesistenza pacifica, rapporti gerarchici, conflittuali, ecc. In ogni caso, pur sempre rapporti concernenti la stessa funzione dell'io, per la quale l'altro si presenta come *uno dei simili*, altro solo nel senso relativo, cioè rispetto ad un io come suo "alter ego". (Ponzio 2011: 21-22)³

Una lingua sta sempre a contatto con altre lingue e quando si parla di incontro di lingue, indispensabilmente si parla anche di incontro di diverse coscienze linguistiche, come afferma Bachtin nel 1975:

L'ibridazione è la mescolanza di due lingue sociali all'interno di una sola enunciazione, l'incontro di due diverse coscienze linguistiche, separate da un'epoca o da una differenziazione sociale (o da entrambe), incontro che avviene nell'arena di questa enunciazione (Bachtin 1975, trad. it., p. 166)⁴

Si può parlare di ibridazione linguistica tra due lingue ma anche all'interno della lingua stessa. Ma il concetto di ibridazione è collegato anche alla mescolanza tra due o più culture, il che porta a un altro concetto, quello dell'interculturalità. Da molti, l'ibridazione linguistica, culturale e anche letteraria vengono visti come fenomeni negativi, come mescolanze forzate. Vista sotto un'altra ottica, come quella dell'internazionalizzazione, nel fenomeno dell'ibridazione si possono scorgere aspetti positivi come l'apertura ad altre lingue, culture, a diversità non indifferenti, ad alterità che possono diventare ricchezza vicendevole.

Gli effetti positivi e negativi della globalizzazione, dipendono da come l'uomo si pone dinanzi ai vari processi e cammini che i paesi hanno intrapreso, vogliono e subiscono all'interno di questo fenomeno. Nessuno è superiore all'altro, nessuno è migliore dell'altro, siamo semplicemente diversi o a volte, molto diversi, per cui uno dei punti cardini su cui lavorare nell'educazione delle nuove generazioni è proprio l'educazione al rispetto dell'altrui differenza e alla tolleranza reciproca.

³ In Athanor n. 14, 2010-2011, (a cura di Augusto Ponzio) *Incontri di parole*, Milano Mimesis, 2011

⁴ In *Metamorfosi della scrittura. Dalla pagina al web*, Bari, Progreedit, 2011, p. 63

4. Globalizzare – unificare - omologare - massificare

Malgrado la globalizzazione che circonda ogni individuo, ogni realtà, i rapporti tra gli individui rimangono indifferenti. Si ha sempre paura del diverso, dell'altro in quanto altro:

Il rapporto sociale è il rapporto di individualità reciprocamente indifferenti, subito come necessità dovuta alla realizzazione del loro interesse individuale e in cui la preoccupazione della propria identità e per la propria differenza, indifferente alle differenze altrui, incrementa sempre più la paura che si ha dell'altro. (Ponzio 2013: 18)

L'uomo è tentato di seguire la logica del mercato globale e cioè quella di omologare e appiattare. Lo stesso verbo globalizzare in molti contesti può essere usata come sinonimo dei verbi: unificare – omologare – massificare.

Dalla definizione dei dizionari di lingua italiana, viene fuori un elemento comune che è quello del rendere uniforme una realtà, modelli culturali e sociali.

Senza togliere nulla alla positività che ha portato nel mondo odierno la globalizzazione, si deve tenere sempre desta l'attenzione a non massificare le identità culturali, sociali e linguistiche. Le differenze non sono da considerare come minaccia alla propria identità, bensì un arricchimento e apertura ulteriore all'altro.

Conclusioni

In un contesto multiculturale, la comunicazione interculturale diventa uno strumento privilegiato di inclusione e di educazione socio-linguistica.

Non si può definire una lingua o una cultura superiore all'altra, anche se la globalizzazione linguistica sta portando all'annullamento delle differenze linguistiche e culturali. Si deve parlare solo di lingue e culture diverse.

La diversità linguistica e quella culturale dovrebbero essere elementi per creare ponti e non costruire muri.

Oggi, più che mai diventa urgente un'educazione interculturale e multilinguistica. Nella nostra società lo scambio internazionale richiede la necessità di adattare i modelli educativi al contesto internazionale della globalizzazione. (Fiorucci 2000: 48) In questo contesto multiculturale, l'insegnamento delle LS assume prestigio e allo stesso tempo diventa una responsabilità per l'educazione alla multiculturalità, al dialogo, all'apertura all'altro in quanto differenza non indifferente.

La sfida della formazione delle nuove generazioni sta proprio nell'educazione al rispetto della diversità della lingua e della cultura dell'altro semplicemente perché Altro.

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CASE STUDY: ANALYSIS OF ASSETS, FINANCIAL AND YIELD POSITION OF A SERBIAN ENTERPRISE IN THE SPORTS AND FASHION FIELD

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ABSTRACT

The study was conducted in the form of a case study of a domestic business entity (the Republic of Serbia), whose main activity is trade in sports and fashion products. Financial analysis was performed using financial statements collected from publicly available databases (Balance Sheet and Income Statement 2016-2018) as the basic information basis for reaching the final conclusion. The financial analysis included the analysis of three segments of financial analysis, which are complementary, namely the analysis of the profitability, assets and financial position of the company.

Basic synthetic and analytical methods have been applied in terms of the collection, selection and analysis of financial information and data. The empirical data are presented in the form of tables with the aim of helping to reveal the characteristic tendencies and specificities of the analyzed issue.

Key words: analysis, company, financial statements, financial indicators, yield position, assets position

1. Introduction

Financial statements, in the way that accountants prepare them, are documents that incorporate a lot of valuable information, and in order to fully understand a company's financial position, it is necessary to analyze the financial statements. Financial analysis (financial statement analysis) is used to evaluate the current and financial performances of the company (Knežević et al., 2019: 118). In deciding whether to invest in a company, investors rely on financial statements to evaluate the financial position of the company and evaluate its assets, financial and yield position and potential for future growth. Creditors as the second significant interest group, are also interested in assessment and evaluating the financial performance of a company to determine the creditworthiness of an enterprise.

The first part of the paper gives a theoretical overview of the problem of analysis of financial statements in the field of calculation and interpretation of financial indicators, and in addition, the importance of analyzing the yield, assets and financial position. The second part deals with the case study of a domestic business entity operating in the territory of the Republic of Serbia, whose main activity is trade in sports and fashion products, and the research uses data from financial statements that are publicly available on the site of the Agency for Business Registers. Ratio analysis was presented, followed by an analysis of financial, assets and yield position, and a brief review of cash flow from operating activities. Subsequently, discussion, concluding considerations, and literature was provided.

2. Theoretical background

The financial statements of companies summarize the economic consequences of their business activities. Namely, business activities are numerous, so they cannot be individually displayed to external addressees (Knežević et al., 2019: 17). The financial statements have the task of responding to the information needs of economic decision-makers, which are different interest groups (investors, creditors, customers, financial analysts, etc.).

As Tissena and Sneidere (2014) point out, today, financial analysis indicators of companies are current for internal and external users of the company, but unfortunately, it often happens that it is not enough to have the usual financial indicators to analyze the financial state of the company and identify the potential of the company.

The question of choosing the right base for comparison is the “backbone” of financial analysis based on accounting information. Financial ratios or financial amounts can be compared to the norms calculated for individual industries, the measurements of the observed entity in the previous period, or its measurements with competitors, as well as the planned amounts. It is safe to say that the selection of adequate comparisons is essential for a sound analysis of financial statements, that is, one that should provide adequate answers in the business-financial-decision-making process.

In various studies, one can see the efforts of researchers in the development and empirical testing of numerous financial ratio analysis methods to predict the failure of businesses. Of course, it should be borne in mind that not all methods and ratios are predictors of company failure (Edmister, 1972:1477). In addition, it is important to point out, as emphasized by Kanapickiene and Grundiene (2015), that the analysis of financial ratios is one of the simple methods for identifying fraud. They also point out that theoretical research has shown that in the scientific literature, financial ratios are analyzed to identify which financial ratios are the most sensitive to the motives of executives and company employees to commit fraud.

The financial statements provide valuable information about the business of the company, its financial and business health, which includes, among other things, an analysis of the financial, assets and yield position of the company. Financial ratio analysis, as a commonly used management technique, involves building financial ratios by using special elements in the financial statements (balance sheet, income statement and cash flow statement) in ways that help identify the strengths and weaknesses of the business, as well as measure the relative performance of different financial measures characteristic of the financial health of the undertakings concerned, and are based on a comparison deemed appropriate in the circumstances.

In the context of financial analysis, spatial and temporal comparisons are made. The spatial comparison requires comparing the yield, assets and financial position of the observed economic entity with the same categories of competing for the enterprise. The temporal comparison, used in this paper, shows the development of yield, assets and financial position in the observed time horizon, which generally covers two to five consecutive years of analysis (Rodić, J., Filipović, M., 2011, p. 250). The yield position is estimated on the basis of the Income statement based on the analysis of the risk of financial result and profitability. Assets position is analyzed on the basis of assets structure, assets condition and assets efficiency. The financial position is analyzed on the basis of the Balance Sheet, and the analysis includes financial stability, liquidity, cash flows, solvency, capital adequacy and capital structure (Rodić, J., Filipović, M., 2011, pp. 185-192).

5. Financial analysis of the domestic business entity

Table 1. Financial indicators of the analyzed economic entity for the period 2016-2018.

Name of the indicator	2018	2017	2016
Liquidity ratio			
Net working fund	403.005	460.905	550.040
Current liquidity	2,71	2,27	17,25
Quick ratio	0,98	1,17	7,26
Total inventory turnover	3,08	2,98	3,51
Business assets turnover ratio	0,80	0,68	1,08
Assets turnover ratio	1,97	1,44	2,03
Leverage ratios			
Total gearing ratio	0,29	0,35	0,03
The security ratio of all creditors	2,50	1,88	31,32
The ratio of long-term debt	0,13	0,14	0
The ratio of long-term security of creditors	5,29	4,69	0
Profitability ratios			
Gross margin (EBIT margin)	4,26%	7,22%	9,16%
Net margin	3,60%	5,63%	7,39%
Capitalization Ratio	0,40	0,53	0,03
I degree of coverage (ratio) The degree of self-financing	1,21	1,24	2,09
II degree of coverage (ratio) Creditworthiness	1,00	0,95	0,80
The coverage ratio of inventories by net working capital	1,06	1,21	1,45
Equity quota	0,71	0,65	0,97
Borrowed capital quota	0,40	0,53	0,03

Source: The author's calculation using *Microsoft Excel* software package (Table customized to *Word* format)

Based on the Balance Sheet and Income Statement data, an analysis of the financial ratios was first performed (Table 1). Publicly released information was collected from the official website of the Agency for Business Registers of the Republic of Serbia: www.apr.rs, as well as from the Scoring database www.scoring.rs.

The results of the analysis of the financial indicators obtained (Table 1) indicate that:

- The analyzed company has a very favourable working capital. Working capital is a part of long-term capital that finances current assets. The normal approximates the amount of the stock. Negative working capital indicates that part of the fixed assets is financed from short-term sources, indicating the poor financial structure and poor liquidity of the company, which is not the case with this economic entity. Liquidity ratio subject to the general rule that current assets should be at least 2 times higher than short-term liabilities in order to be considered that liquidity is good. The liquidity ratio is 2,71.

- The coverage of short-term borrowed capital with cash, easily redeemable securities and short-term receivables (accelerated liquidity ratio). Establishing the normal is correlated with the speed of

maturity of short-term obligations. The indicator should not be below 1. In the observed subject, this indicator is slightly less than the recommended value and it is 0,98. Degree of coverage of short-term borrowed capital with cash, easily redeemable securities and short-term receivables. The level of the ratios indicates the ability to meet short-term liabilities. It is correlated with the turnover rate of short-term liabilities. The normal score is between 0,5 - 1. This indicator is slightly lower than the recommended one and stands at 0,48.

- Inventory days ratio = $365/3,23 = 113$ days, and shows the inventory days ratio in total current ratio. - Inventory days ratio = $365 / 1,99 = 183,47$ days and shows the days of merchandise inventory. Average time of collection of trade receivables = $365 / 27,51 = 13,27$ days and shows average collection period. Average payable time of trade payables = $365/5,91 = 61,76$ days and shows days of deferred payments of trade payables.

- The extent of liability coverage of total assets is 0,29. This ratio shows the extent to which total equity liabilities are covered and shows that total liabilities can be covered by 2,5 times equity. The degree of coverage of long-term liabilities by total assets is 0,14. This ratio shows the extent to which long-term equity liabilities are covered and indicates that they can be settled 5,27 times.

- The operating profit margin (Gross margin) and the Net profit margin are 461% and 361% respectively, and it is clear that this business entity's margin is very high.

- The liability coverage by equity is 0,40. The first degree of coverage of fixed assets is 1,21. This ratio shows the degree of coverage of fixed assets with equity. The indicator should not be less than 1. The second degree of coverage of the fixed assets is 1,00. This ratio shows the coverage of fixed assets with own equity and long-term borrowed capital. The approximation of about 1 is conditionally tolerated, which is confirmed by the possibility of repayment without endangering liquidity. The stock coverage ratio of net working capital is a little worse as it is 0,82 if it is known that this ratio shows the degree of financing of fixed assets by long-term sources. An indicator of 1 or more than one is preferred. The quota of borrowed capital is 0,40. This ratio shows the share of equity in total capital, the amount of which is dictated by the need for self-financing of fixed assets and *leverage* factor. The level of indebtedness of the company is 0,34. It shows how many dinars of equity are covered with each dinar of borrowed capital, which is especially significant in the case of low profitability and increased risk in business.

Further, an analysis of the economic position of the business entity was performed on the basis of the income statement, i.e., the analysis of the structure of total income, the ratio of operating income and operating expenses, as well as the rate of net return. In other words, the analysis of the yield position was made on the basis of the risk of achieving financial results and profitability.

Table 2. Analysis of the business entity's revenue structure for the period 2016-2018.

Structure of total revenues							
No.	Position	Amount by years			Structure by years		
		2018	2017	2016	2018	2017	2016
1	Operating income	1.245.611	1.181.867	1.191.724	96,69%	97,46%	97,37%
2	Financing income	29.117	23.067	12.329	2,26%	1,90%	1,01%
3	Other income	13.513	7.778	19.824	1,05%	0,64%	1,62%
4	Net profit from discontinued operations	-	-	-	0,00%	0,00%	0,00%
5	Total income (1 to 4)	1.288.241	1.212.712	1.223.877	100,00%	100,00%	100,00%
6	Operating Expenses	1.190.457	1.088.369	1.058.794	92,41%	89,75%	86,51%
7	Financing expenses	37.146	33.181	17.596	2,88%	2,74%	1,44%
8	Other expenses	6.438	4.563	3.809	0,50%	0,38%	3,09%
9	Net loss from discontinued operations	1.194	1.244	464	0,00%	0,00%	0,00%
10	Total expenses (6 to 9)	1.235.235	1.127.357	1.114.663	95,79%	92,86%	91,04%
11	Profit before tax (5 - 10)	53.006	85.355	109.214	4,11%	7,04%	8,92%
12	Loss before tax (10 - 5)	-	-	-	0,00%	0,00%	0,00%
13	Income tax	8.170	18.777	21.175	0,63%	1,55%	1,73%
14	Net Profit (11 - 13)	44.836	-	88.039	3,48%	5,49%	7,19%
15	Net loss (11 - 13) or (12 + 13)	-	-	-	0,00%	0,00%	0,00%

Structure of operating expenses							
No.	Position	Amount by years			Structure by years		
		2018	2017	2016	2018	2017	2016
1	Purchase cost of sold goods	706.340	677.232	614.267	59,33%	62,22%	58,02%
2	Material and energy costs	21.769	18.249	14.505	1,83%	1,68%	1,37%
3	Cost of earnings	184.299	159.225	173.206	15,48%	14,63%	16,36%
4	Depreciation expense	40.227	36.875	36.755	3,38%	3,39%	3,47%
5	Other operating costs	237.822	196.788	220.061	19,98%	18,08%	20,78%
	Operating expenses (1 to 5)	1.190.457	1.088.369	1.058.794	100,00%	100,00%	100,00%

Structure of operating income							
No.	Position	Amount by years			Structure by years		
		2018	2017	2016	2018	2017	2016
1	Revenues from sale of goods	1.184.819	1.129.197	1.137.948	95,12%	95,54%	95,49%
2	Incomes from sales of goods and services	9.672	6.331	-	0,78%	0,54%	0,00%
3	Income from premiums, subsidies, donations, grants, etc.	616	-	-	0,05%	0,00%	0,00%
4	Other operating Income	50.504	46.339	53.776	4,05%	3,92%	4,51%
	Operating Income	1.245.611	1.181.867	1.191.724	100,00%	100,00%	100,00%

Source: The author's calculation using *Microsoft Excel* software package (Table customized to *Word* format)

After analyzing the structure of total revenues, an analysis of the risk of realization of the financial result and the lower point of profitability were made (Tables 3 and 4). Other revenues and expenses are not included in this analysis since they are inherently inimitable and as such are not relevant to the survival and/or growth of the enterprise.

Table 3. Risk of realization of financial result and rate of elasticity of the business entity for the period 2016-2018

No.	Position	Amount by years		
		2018	2017	2016
1	OPERATING REVENUES	1.245.611	1.181.867	1.191.724
2	VARIABLE EXPENSES	376.812	316.467	344.368
3	COVERAGE MARGIN (1-2)	868.799	865.400	847.356
4	FIXED AND MAINLY FIXED EXPENSES	813.645	771.902	714.426
5	NET FINANCING EXPENSES	8.029	10.114	5.267
6	BUSINESS RESULT (3 - 4)	55.154	93.498	132.930
7	GROSS FINANCIAL RESULT (6 - 5)	47.125	83.384	127.663
	<u>RISK FACTORS:</u>			
8	OPERATING (3 / 6)	15,75	9,26	6,37
9	FINANCIAL (6/7)	1,17	1,12	1,04
10	TOTAL (8 * 9)	16,92	10,38	6,64
11	PERCENTAGE RATE OF MARGIN COVERAGE IN OPERATING INCOME (3/1 * 100)	0,70	0,73	0,71
12	NEEDED BUSINESS REVENUE FOR NEUTRAL BUSINESS RESULTS (4/11 * 100)	1.166.536	1.054.178	1.004.771
13	NEEDED BUSINESS REVENUE FOR NEUTRAL GROSS FINANCIAL RESULTS ((4 + 5) / 11 * 100)	1.178.047	1.067.990	1.012.178
14	PERCENTAGE OF USAGE OF OPERATING INCOME FOR ACHIEVING NEUTRAL BUSINESS RESULTS (12/1 * 100)	93,65%	89,20%	84,31%
15	PERFORMANCE ELASTICITY RATE OF THE NEUTRAL OPERATING PROFIT ((1 - 12) / 1) * 100)	6,35%	10,80%	15,69%
16	PERCENTAGE OF USE OF OPERATING INCOME TO ACHIEVE NEUTRAL GROSS FINANCIAL RESULTS (13/1 * 100)	94,58%	90,36%	84,93%
17	THE ELASTICITY RATE OF THE REALIZED NEUT. ORDINARY ACTIVITY PROFIT ((1 - 13) / 1) * 100)	5,42%	9,64%	15,07%

Table 4. Structure of the gross financial result of the business entity for the period 2016-2018.

No.	Position	Amount by years	
		2018	2017
1	Operating incomes	1.245.611	1.181.867
2	Financing income	29.117	23.067
3	Other income	13.513	7.778
4	Net profit from discontinued operations	0	0
5	Total income (1 to 4)	1.288.241	1.212.712
6	Operating Expenses	1.190.457	1.088.369
7	Financing expenses	37.146	33.181
8	Other expenses	6.438	4.563
9	Net loss from discontinued operations	1.194	1.244
10	Total expenses (6 to 9)	1.235.235	1.127.357
11	Financial Outcome from Business Income (1 - 6)	55.154	93.498
12	Financial result of financing (2 - 7)	(8.029)	(10.114)
13	Financial result from operating activities (11 + 12)	47.125	83.384
14	Financial Outcome from other income (3 - 8)	7.075	3.215
15	The financial result from discontinued operations (4 - 9)	(1.194)	(1.244)
	Total financial result before deduction of tax (5 - 10)	53.006	85.355

The business leverage factor indicates how many times business profits change more quickly with each change in coverage margin. Since the observed company is engaged in trade, the business risk factor is relatively high for all three observed years.

Business risk is the risk of achieving operating profit as a gross return on total capital. Business risk is measured by the factor of business risk, that is, business leverage, which is derived from the ratio of operating profit and coverage margin. The coverage margin shows how much variable costs are covered, that is, how much funding is left to cover fixed costs.

The amount of business risk depends on the rationality of organization of all functions in the company. The business risk factor shows how many times a business profit changes with each change in operating income, or with each change in the coverage margin. The lower the business risk factor, the lower the risk of operating profit. The business risk factor of the analyzed business entity is 15,75 in 2018, 9,26 in 2017 and 6,37 in 2016. The business risk factor for the last two years is quite high, which, on the other hand, shows that such a high risk could possibly affect earnings management, which will certainly be examined by further analysis.

Financial risk is the risk of realizing a profit from ordinary activities and therefore net profit in terms of return on equity. The amount of financial risk depends on the amount of financing expenditures that are conditioned by the capital structure from the ownership point of view, as well as on the interest rate on the borrowed capital. The lower the financial leverage, the lower the financial risk of profit from ordinary activities, since it essentially observes how much faster the profit from ordinary activities changes with each change in operating profit. The financial risk factor in the observed business entity ranges from 1,04 to 1,17 for the entire observation period, indicating that this risk factor is minimal. On the other hand, given the high business risk factor, despite the low financial risk factor, the overall risk will be quite high – 16,92 in 2018, 10,38 in 2017 and 6,64 in 2016.

The rate of elasticity of earning a neutral gain from ordinary activities shows, in percentage, the number of times that a higher operating income is generated than it is necessary to cover all expenses. The higher the rate, the further away the company is from achieving a negative result from regular activity. The rate of elasticity of earning a neutral profit from the regular activity of the analyzed company is 5,42% in 2018, 9,64% in 2017 and 15,07% in 2016, which is certainly low.

In the continuation of the paper, an analysis of the economic position of the economic entity is carried out, that is, an analysis of the structure of assets and liabilities. Assets position was analyzed based on the structure, condition and efficiency of the assets. As the structure of total assets consists of fixed and current assets, the analysis of both fixed and current assets is performed. The condition and efficiency of the assets were evaluated by financial stability and overall debt. The structure, condition and efficiency of assets can be demonstrated as follows:

Table 5. Analysis of the structure, condition and efficiency of the assets of the business entity for the period 2016-2018.

Structure of total assets							
No.	Position	Value by years					
		2018		2017		2016	
		Amount	%	Amount	%	Amount	%
1	Fixed assets	912.172	59,06%	911.973	52,72%	509.888	46,50%
2	Current assets	632.338	40,94%	818.032	47,28%	586.554	53,50%
3	TOTAL ASSETS (1 + 2)	1.544.510	100,00%	1.730.005	100,00%	1.096.442	100,00%
Structure of fixed assets							
No.	Position	Value by years					
		2018	%	2017	%	2016	%
1	Unpaid recorded capital	0	0,00%	0	0,00%	0	0,00%
2	Intangible assets	8.299	0,91%	7.755	0,85%	0	0,00%
3	Assets, plant and equipment	901.484	98,83%	901.763	98,88%	506.971	99,43%
4	Biological assets	0	0,00%	0	0,00%	0	0,00%
5	Long-term financial placements	2.389	0,26%	2.455	0,27%	2.917	0,57%
6	Long-term receivables	0	0,00%	0	0,00%	0	0,00%
	FIXED ASSETS (1 to 6)	912.172	100,00%	911.973	100,00%	509.888	100,00%
Structure of current assets							
No.	Position	Value by years					
		2018	%	2017	%	2016	%
1	Inventories	403.818	63,86%	397.097	48,54%	339.540	57,89%
2	Sales receivables	43.663	6,91%	51.379	6,28%	30.884	5,27%
3	Other receivables	22.739	3,60%	12.591	1,54%	25.690	4,38%
4	Short-term financial placements	903	0,14%	1.213	0,15%	51.136	8,72%
5	Cash equivalents and cash	113.110	17,89%	294.417	35,99%	136.373	23,25%
6	VAT	45.116	7,13%	59.009	7,21%	208	0,04%
7	PAI	2.989	0,47%	2.326	0,28%	2.723	0,46%
	CURRENT ASSETS – TOTAL (1 to 7)	632.338	100,00%	818.032	100,00%	586.554	100,00%

Long-term financial balance analysis				
No.	Position	Value by years		
		2018	2017	2016
1	Capital	1.106.234	1.131.506	1.064.928
2	Long-term provisions	0	0	0
3	Long-term liabilities	208.943	241.372	0
4	Capital and long-term liabilities (1 to 3)	1.315.177	1.372.878	1.064.928
5	Unpaid recorded capital	0	0	0
6	Intangible assets	8.299	7.755	0
7	Assets, plant, equipment and biological assets	901.484	901.763	506.971
8	Long-term financial placements	2.389	2.455	2.917
9	Long-term receivables	0	0	0
10	Long-term non-stock tied assets (5 to 9)	912.172	911.973	509.888
11	Working fund (4-10)	403.005	460.905	555.040
12	Stocks (fixed)	403.818	397.097	339.540
13	Percentage of coverage of fixed assets with current assets (11/12 * 100)	99,80%	116,07%	163,47%
Financial stability				
No.	Position	2018	2017	2016
1	Fixed assets	912.172	911.973	509.888
2	Inventories and advances	403.818	397.097	339.540
	I. Long-term tied assets (1 to 2)	1.315.990	1.309.070	849.428
3	Capital less losses to the amount of capital and own shares purchased	1.106.234	1.131.506	1.064.928
4	Long-term provisions	0	0	0
5	Long-term liabilities	208.943	241.372	0
	II. Permanent and long-term capital (3 to 5);	1.315.177	1.372.878	1.064.928
	Financial Stability Ratio (I / II)	1,00	0,95	0,80
	Free capital	0	63.808	215.500
	Lacking capital	813	0	0

Total gearing				
No.	Position	2018	2017	2016
1	Total loss	0	0	0
2	Total equity less treasury shares	1.106.234	1.131.506	1.064.928
	LOSS BEYOND CAPITAL (1-2)	0	0	0
3	Operating assets	1.548.722	1.732.496	1.098.932
4	Long-term liabilities	208.943	241.372	0
	Solvency ratio (3/4)	7,41	7,18	0,00

Source: The author's calculation using *Microsoft Excel* software package (Table customized to *Word* format)

In the structure of assets of the entity, fixed assets represent 59,06%, while current assets account for 40,94% of total assets in 2018, which is in line with the predominant activity of the company, since most of the objects in which it sells its goods are owned by the company. In other years, the structure of assets varies slightly. The analysis of the short-term financial equilibrium indicates that in 2016 the ratio of liquid and short-term funds and short-term sources of financing was very favourable, while in 2017 and 2018 a weaker liquidity ratio was recorded. Unlike short-term financial equilibrium, an analysis of the long-term financial equilibrium of the analyzed economic entity indicates a very high percentage of fixed assets coverage by working capital. In 2016, the percentage of coverage of fixed assets by working capital is 163%, in 2017 is 116%, and in 2018 this percentage is 99%. The financial stability ratio, known to be one or less than one, is also within normal limits. The solvency ratio, known to be one or more than one, is favourable in 2018 and stands at 7,41 and 7,18 in 2017. The turnover ratio of business assets is relatively low in all three observed years. Asset turnover ratio is at the usual level for all three analyzed years. Based on the above, it can be concluded that the assets status of the analyzed economic entity is favourable.

Last but not least, an analysis of the financial position of the observed economic entity was made. The starting point of the financial position analysis is the Balance Sheet, and the data for the last three years has been used in the analysis.

Table 6. Analysis of financial position of the business entity for the period 2016-2018.

Capital structure

No.	Position	Value by years					
		2018		2017		2016	
		Amount	%	Amount	%	Amount	%
1	Basic capital and other capital	20.000	1,81%	20.000	1,77%	20.000	1,88%
2	Unpaid recorded capital	0	0,00%	0	0,00%	20.000	1,88%
3	Reserves	0	0,00%	0	0,00%	0	0,00%
4	Revaluation reserves	0	0,00%	0	0,00%	0	0,00%
5	Unrealized gains on securities	0	0,00%	0	0,00%	0	0,00%
6	Unrealized losses on the basis of securities	0	0,00%	0	0,00%	0	0,00%
7	Undistributed profit	1.086.234	98,19%	1.111.506	98,23%	1.044.928	98,12%
8	Loss to the amount of capital	0	0,00%	0	0,00%	0	0,00%
9	Repurchased own shares	0	0,00%	0	0,00%	0	0,00%
	CAPITAL (1 to 9)	1.106.234	100,00%	1.131.506	100,00%	1.064.928	100,00%

Structure of obligations

No.	Position	Value by years					
		2018		2017		2016	
		Amount	%	Amount	%	Amount	%
1	Long-term liabilities	208.943	47,22%	241.372	40,16%	0	0,00%
2	Short-term liabilities	233.545	52,78%	359.618	59,84%	34.004	100,00%
3	LIABILITIES (1 + 2)	442.488	100,00%	600.990	100,00%	34.004	100,00%

Structure of long-term liabilities

No.	Position	Value by years		
		2018	2017	2016
1	Long-term credits	208.943	241.372	0
2	Other long-term liabilities	0	0	0
	LONG-TERM LIABILITIES - TOTAL	208.943	241.372	0

Short-term liabilities structure							
No.	Position	Value by years					
		2018		2017		2016	
		Amount	%	Amount	%	Amount	%
1	Short term financial liabilities	31.328	13,41%	3	0,00%	455	1,34%
2	Operating liabilities	200.986	86,06%	346.818	96,44%	28.485	83,77%
3	Other short-term liabilities	1.164	0,50%	308	0,09%	1.085	3,19%
4	Liabilities for VAT, other public revenues and DI	67	0,03%	12.489	3,47%	3.979	11,70%
	SHORT-TERM LIABILITIES - TOTAL	233.545	100,00%	359.618	100,00%	34.004	100,00%

Gearing							
No.	Position	Value by years					
		2018		2017		2016	
		Amount	%	Amount	%	Amount	%
1	Capital	1.106.234	71,43%	1.131.506	65,31%	1.064.928	96,91%
2	Debts	442.488	28,57%	600.990	34,69%	34.004	3,09%
	Total liabilities (1 + 2)	1.548.722	100,00%	1.732.496	100,00%	1.098.932	100,00%
	FINANCIAL LEVERAGE (2/1)	0,40		0,53		0,03	

Solvency							
No.	Position	Value by years					
		2018		2017		2016	
1	Assets	1.548.722		1.732.496		1.098.932	
2	Debts	442.488		600.990		34.004	
	Solvency ratio (1/2)	3,50		2,88		32,32	

Source: The author's calculation using *Microsoft Excel* software package (Table customized to *Word* format)

High asset composition and high inflation rates require a shift in the liability structure to equity, while high profitability and lasting liquidity make it possible to move the liability structure toward borrowed capital. For this reason, it is quite straightforward to answer the question of what are the primary and what are the secondary effects to the acceptable liability structure from the point of view of ownership. Data on the indebtedness of the observed economic entity are shown in the table above.

Given the current rate of inflation and the composition of assets, the indebtedness of this company is low for all three observed years. In addition, indebtedness can be measured by the debt-to-equity (financial leverage) ratio, which stands at 0,40 in 2018, 0,53 in 2017 and 0,03 in 2016. Solvency, on the other hand, is the ability of an entity to pay its debts at any time, irrespective of the maturity date, which includes, ultimately, the liquidation charge. The analysis showed that the observed economic entity has a high solvency ratio, and since it operates with a net profit, it is certain that it will be solvent in the coming period.

The above results are also presented graphically as follows (Figures 1, 2 and 3):

Figure 1. Analysis of assets position of the domestic company for the period 2016-2018

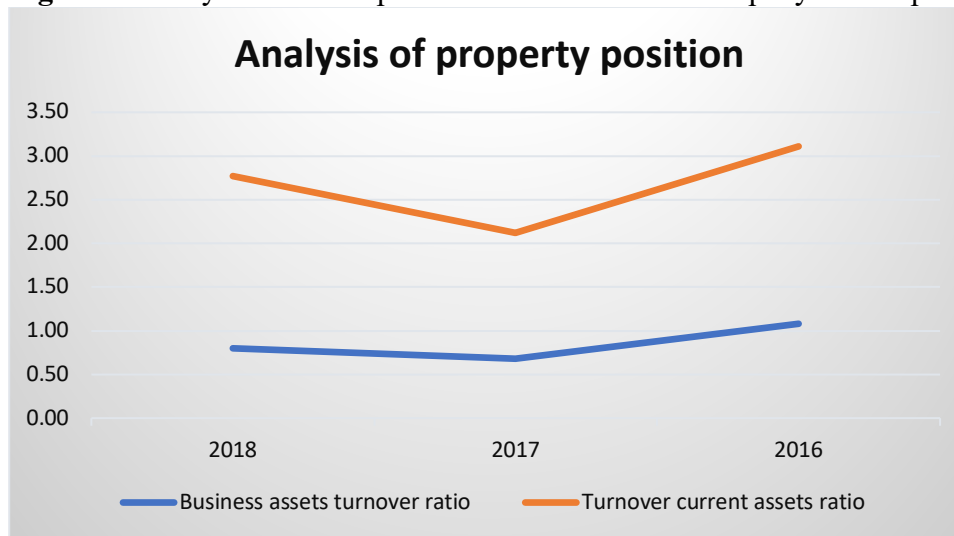


Figure 2. Analysis of the financial position of the domestic company for the period 2016-2018

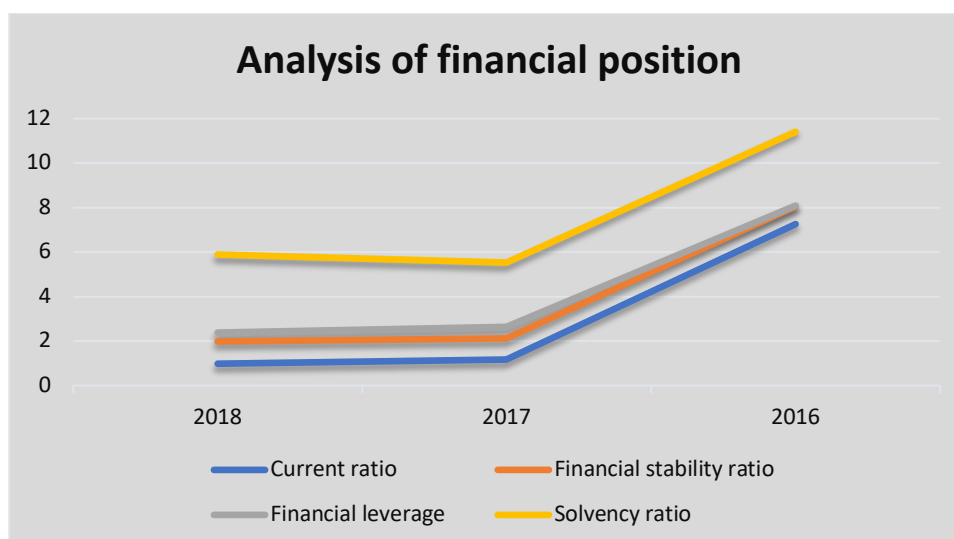
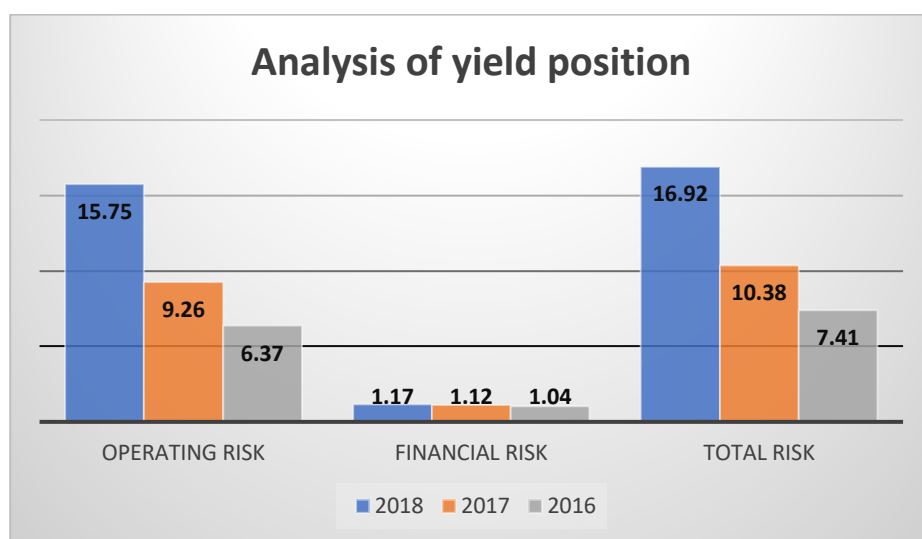


Figure 3. Analysis of yield position of the domestic company for the period 2016-2018

In order to obtain a more transparent financial picture of this business entity, the income statement for the past three years, as well as the net cash flow values, were analyzed.

Table 7. Income statement with the net cash flow of the business entity for the period 2016-2018

No.	POSITION	2018.	2017.	2016.
1	Revenues from sale of goods	1.184.819	1.129.197	1.137.948
2	Revenues from sale of services	9.672	6.331	-
3	Other operating income	51.120	46.339	53.776
I	TOTAL REVENUES	1.245.611	1.181.867	1.191.724
4	Depreciation expense	40.227	36.875	36.755
5	Salaries and wages	184.299	159.225	173.206
6	Energy costs	9.847	7.546	8.488
7	Cost of production services	193.848	159.475	182.248
8	Immaterial costs	43.974	37.313	37.813
9	Material costs	11.922	10.703	6.017
10	Cost of goods sold (COGS)	706.340	677.232	614.267
II.	TOTAL EXPENDITURES	1.190.457	1.088.369	1.058.794
11	Net profit	54.659	91.127	137.303
12	NET CASH FLOW FROM OPERATING ACTIVITIES	94.886	128.002	174.058

The income statement, which does not include financial expenses and revenues, shows that the revenues from the sale of goods are the most dominant position in the total revenues of this company and differ slightly in all three analyzed years, averaging RSD 1.150.655,00. On the other hand, the

cost of goods sold, which averages RSD 665.946,00 thousand, is a very important position, together with costs of production services, which average RSD 178.524,00, as well as costs of salaries, which average RSD 172.243,00. The analysis of net cash flow, which is the sum of net profit and depreciation, shows that at the moment when net cash flow reached the value of over 170 million dinars in 2016 and that the net profit declines in the next year, 2017. In 2018, net cash flow is almost double lower than in 2016.

4. Research Results and Discussion

The results of the analysis of the yield, assets and financial position of the analyzed economic entity can be presented as follows:

Table 8. Summary results of the analysis of the yield, assets and financial position of the business entity for the period 2016-2018.

Indicators	2018	2017	2016
YIELD POSITION			
Risk factors:			
Operating risk	15,75	9,26	6,37
Financial risk	1,17	1,12	1,04
Total risk	16,92	10,38	6,64
Elasticity of realization of neutral fin. result			
Rate of elasticity of realization of neutral operating profit	6,35%	10,80%	15,69%
Rate of elasticity of realization of neutral gain of regular activity	5,42%	9,64%	15,07%
Profitability			
Rate of return on total capital	4,05%	5,88%	8,27%
Rate of return on own equity	8,44%	9,05%	9,49%
ASSETS POSITION			
Turnover ratio			
Operating assets	0,80	0,68	1,08
Turnover assets	1,97	1,44	2,03
FINANCIAL POSITION			
Financial balance			
Liquidity ratio	2,71	1,17	1,26
Financial stability ratio	1,00	0,95	0,80
Indebtedness			
Equity participation in liabilities with no transitional positions	71,43%	65,31%	96,91%
Financial leverage	0,40	0,53	0,03
Solvency			
Solvency ratio	3,50	2,88	3,32

According to the above results of the analysis of the assets, financial and yield position, we can conclude that the analyzed economic entity has good credit performance. The financial image of this company is very good, which is primarily important information for investors and lenders.

In 2018, the coefficient of financial stability is 1, while in other observed years it is lower than one. This means that the long-term financial equilibrium is shifted to some extent towards permanent and long-term capital, which creates significant security for maintaining liquidity in the area of long-term financing.

The business assets of the company are larger than the debt and amount to 3,50 in 2018, 2,88 in 2017 and 32,32 times in 2016, so it follows that the observed economic entity is solvent. The liquidity ratio subject to the general rule that current assets should be at least 2 times higher than short-term liabilities in order to be considered liquid is good, amounting to 2,71.

Based on the analysis of the income statement and the cash flow from operating activities, we can see a decrease in net cash flow from operating activities from year to year, as well as a decrease in net profit in the same range. The reason for the decline in cash flow from business activities can be found in the high cost of employee earnings as well as in the high cost of manufacturing services in 2018. The low profit before tax is caused by the high cost of production services as well as the market circumstances in that business year.

Conclusion

Analysis of financial indicators (financial ratios) based on the application of data from financial statements (balance sheet, income statement and cash flow statement, combined with the assessment of assets, financial and profitability of the company gives more useful information for making quality business-financial decisions of various stakeholders. Certainly it would be much more useful to compare the obtained results in the field of financial indicators with the competitors of the observed company, past achievements, planned key performance indicators, as well as with the average of the branch in which the company operates. It would also be good if the analysis of assets, financial and yield position were compared with the benchmarks.

After analyzing the theoretical assumptions and following the empirical research and analysis of the business results in the last three years, it can be concluded that all the parameters and accounting procedures were in accordance with internationally prescribed standards and that there were no major discrepancies in the results obtained for all three business years.

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SCHOOL DROPOUT AMONG ROMA CHILDREN IN ROMANIA. EDUCATION AND CULTURE IN TRADITIONAL COMMUNITIES*

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Abstract

The decrease in early school dropout rates is one of the aspects that is tackled at a European level and the goal set by the European Union is for the share of early leavers from education not to be higher than 10%. To what extent member states will be able to achieve this goal by 2020 is yet to be seen, but, in this context, the purpose of this paper is to analyse the situation of early school dropout in Romania, in the case of the Roma minority. The main goals of the paper focus on the causes of school dropout, some of the measures taken by the Romanian state in order to address these problems, and the role of Roma school mediators in influencing school practices, in conflict resolution and in forming a liaison between the local authorities and the traditional Roma communities. The paper rests upon a qualitative methodology and the pivotal research question revolves around the interplay between poverty and cultural values that determines school dropout among Roma children in Romania.

Key words: education, school dropout, traditional Roma communities, cultural values

Introduction

According to the Eurostat statistics on early leavers from education and training in the European Union, in 2018, an average of 10.6 % of people aged 18-24 were registered as early leavers from education and training, meaning “they had completed at most a lower secondary education and were not in further education or training during the four weeks preceding the survey”. In the interval 2013-2018, the countries that scored the highest reductions in the percentage of early school leavers were Portugal, Spain and Greece. Although Romania did not register an increase in the number of early school leavers, the percentage is still 5% higher than the Europe 2020 national target.¹ Moreover, the inclusion and prevention from school dropout of children of Roma ethnicity represents a considerable challenge, because of the “high levels of poverty, limited parental participation in education and lower qualifications of teachers in predominantly Roma schools”.²

Taking into consideration the above mentioned state of affairs, we consider of high importance a study on the context and conditions of school dropout in the case of the Roma population in Romania and some of the measures taken by the Romanian state in order to address these problems in the case of such vulnerable categories. The general causes presented in the studies above do create

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¹ European Commission, Eurostat Statistics Explained. *Early leavers from education and training*, 2019: 1-2, <https://ec.europa.eu/eurostat/statisticsexplained/>.

² European Commission, Directorate-General for Education, Youth, Sport and Culture. *The Education and Training Monitor 2018 (Country Analysis)*: 242, <https://ec.europa.eu/education/sites/education/files/document-library-docs/volume-2-2018-education-and-training-monitor-country-analysis.pdf>.

a series of guidelines on the phenomenon, but an in depth analysis, focused on specific cases, is necessary in order to fully comprehend its complexity and to particularize the effectiveness or ineffectiveness of the measures taken in this respect.

Research Premises and Methodology

The paper rests upon a qualitative methodology and the pivotal research question revolves around the interplay between poverty and cultural values that determines school dropout among Roma children in Romania. One main sociological research method employed for this study is the interview; hence, several interviews with both members of Roma community and representatives of local authorities have been taken in 2017 and 2018. Moreover, the choice of two Roma communities in Zărnești area (a traditional one, organized along Roma culture, principles, and values, on the one hand, and a non-traditional Roma group, on the other hand) is meant to provide us with relevant information about the factors which hamper school enrolment of Roma children. The main research goal herein is to understand whether poverty (accompanied by fear of stigmatization) or cultural values (centred on roles assigned to Roma children within the community) are the prevailing causes for school dropout. Also, we aim to investigate whether there are significant differences between traditional and non-traditional Roma communities in Transylvania in this respect.

The paper is divided in three parts. The first part sets the methodological approach and the research goals. The second section presents relevant figures on school dropout rates among Roma children in Romania, but also reviews and analyses several approaches to the role of Roma school mediators and it will end with a case study on a Roma community from Zărnești area, in Transylvania. Finally, the last part of this study will present and interpret the findings of this research.

As previously mentioned, the reasons for choosing this area for our case study is the particular situation of the relation between the mediators and the community, the way in which conflicts are resolved in this area and the role played by the authority figures (the Roma informal leaders) of this community (*the bulibașa*). The study is part of a wider project conducted in collaboration with the University of Ottawa entitled *État et cultures juridiques autochtones : Réforme et innovation dans la prise en charge du pluralisme juridique (The State and Indigenous Legal Cultures: Reform and Innovation in the Management of Legal Pluralism)*. This partnership project had the purpose of better understanding the manifestation, causes and consequences of conflicts of normative legitimacy between indigenous populations and state legal order and to identify new processes to manage these conflicts.³ Consequently, throughout our entire research on Roma communities in Romania the research structure of the abovementioned project is employed⁴, namely the presentation of interactions between two juridical orders (the national, official one and the informal, traditional one), based on five items (values, principles, rules, actors, and processes).

The structure of what is considered “proper” or moral behaviour within traditional Roma communities in Romania centres on the distinction between “shame” (*ladź*) and “good-fortune” (*baxt*)⁵, but also on the relations with the others, the non-Roma; the latter has a particular meaning in Roma culture and shapes behaviours.⁶ The separation between Roma people and the non-Roma, the others (called *gadžo*, plural *gadže*)⁷ is essential. Since *gadže* do not understand and have never appropriated the rules and principles of Roma communities, they are considered “shameless” and “dishonourable”.⁸ Consequently, intense and direct interactions with non-Roma is perceived, from this perspective, polluting and hence avoided. However, living conditions of Roma depend on

³ See details in “The Customary Justice of the Roma People in Romania”, <https://www.legitimus.ca/en/>

⁴ See Ghislain Otis (ed.), *Les rencontres des systèmes juridiques autochtones et étatiques* (Québec: Presses de l'Université de Laval, 2019).

⁵ Yaron Matras, “Roma Culture: An Introduction” (Project Education on Roma Children in Europe, <http://romafacts.uni-graz.at/index.php/culture/introduction/roma-culture-an-introduction>).

⁶ Alison Barnes, “Gypsy Law: Romani Legal Traditions and Culture”, *Marquette Law Review*, 2003, volume 86, Issue 4, review article: 829, <http://scholarship.law.marquette.edu/mulr/vol86/iss4/6>.

⁷ Angus Fraser, *Tigani / The Gypsies*, (Bucharest: Humanitas, 1995), 14-15.

⁸ Barnes, “Gypsy Law”, 830 and Matras, “Roma Culture”, 6.

outsiders, given that Roma economy is usually not self-sufficient. Another attribute of Roma behavioural structure is the way in which they use relations with non-Roma in order to make a living (apart from *or* in parallel with traditional professions). What often shapes this way of living is the belief that Roma people are more flexible (which triggers the proliferation of opportunities to make a living), mainly because “they are not constrained by a commitment to particular forms of production”.⁹ Moreover, relations with the others are marked by other differing values: “the marginal position that the Roma tend to occupy in society and the fact that they are more likely to suffer from poverty and all the disadvantages that are related to it are compensated for through a feeling of moral superiority by being able to feel shame and honour, a distinction that *Gadže* society is seen as lacking.”¹⁰ Therefore, another structural element revolves around the belief that Roma men are able to provide for their families according to their own choice, they might succeed in increasing their incomes by preserving and perpetuating their traditional professions, they are not as constrained by the outside world with respect to the way in which they raise and educate their children, they are able to preserve core Roma values regarding the creation of alliances with other families and the organisation of engagements or marriages for their children.¹¹ The latter is especially important in most traditional communities, because they represent strong unions and are consistent with roles assigned traditionally to men and women, but also with the role played by the informal leader (*the bulibaşa*) in overseeing such arrangement and the perpetuation of Roma culture.

Given the above values, rules, principles and processes which structure relations within Roma communities and governs their relations with outsiders, the phenomenon of school dropout could be construed as result of strict interpretation of values, rules, and principles. But, such an assessment would only apply to traditional Roma communities. In non-traditional communities Roma values and Roma culture are vaguely reproduced, they are even inexistent in some cases. In what follows, we try to observe, given the content of interviews taken in two Roma communities (a traditional one and non-traditional one), which factors favour school dropout, poverty or commitment to culture and values.

School dropout among Roma children in Romania: causes and the role of school mediators

School dropout rates among Roma children in Romania

In order to delineate the extent of this problem in Romania, we will make use of a study conducted by the United Nations Development Programme/World Bank/European Commission and of the second European Union Minorities and Discrimination Survey of the EU Agency for Fundamental Rights.

According to the UNDP/WB/EC study, almost a quarter of the children of compulsory school age, 7 to 15, are not enrolled in schools. There is a discrepancy in this respect between the Roma and non-Roma children, the percentage in the case on non-Roma being of less than 15%, when the survey was conducted. Moreover, regarding the responses on the completion of secondary-school education, only around 10% of the young people aged 20 to 24 declared having completed this level of education¹². In addition, the 2016 report of the EU Agency for Fundamental Rights specifies that, in the case of Romania, there is not a significant increase in the share of Roma children of compulsory-

⁹ Matras, “Roma Culture”, 6.

¹⁰ Matras, “Roma Culture”, 6-7.

¹¹ Matras, “Roma Culture”, 3, 6-7.

¹² European Union Agency for Fundamental Rights. *The situation of Roma in 11 EU Member States. Survey results at a glance*, 2012: 14-15, https://fra.europa.eu/sites/default/files/fra_uploads/2099-FRA-2012-Roma-at-a-glance_EN.pdf

school age who attend school in comparison to the EU-MIDIS II of 2011 and that half of the Roma between 6 and 24 years of age do not attend school.¹³

As it can be observed, the figures regarding dropout rates do represent a reason of concern for the Romanian authorities. Also, it is difficult to quantify the dropout rates for at least two reasons. One of them is the difficulty in identifying children of Roma ethnicity taking into consideration the fact that not all children declare their ethnicity and another one stands in the discrepancies between how school dropout is interpreted and reported. To illustrate the latter reason, a study of the Community Development Agency *Împreună* shows that there is a “widespread practice of inaccurately reporting the dropout rate by educational institutions”, school dropout being defined by directors and teachers as school absenteeism within a range between two weeks and three years¹⁴.

Among the targeted actions of the Ministry of Education, directed at addressing this problem, we can mention teacher training, the introduction of specialized staff and of textbooks in the Romani language, followed by several affirmative measures for Roma in upper secondary schools and universities. One such affirmative measure refers to assigning specially allocated places to students of Roma ethnicity; this action is sometimes interpreted as a form of positive discrimination as the discussion rests upon the social justice argument and the violation of the right to equal treatment for all applicants. Hence, the measures are largely perceived as discriminatory against the non-Roma¹⁵.

However, another aspect that be observed in the application of these measures is that approximately one third of the places reserved for Roma ethnicity applicants for university studies remain unoccupied.¹⁶ These low rates can be explained by the lack of interest of the targeted group in pursuing university studies, but also by the fact that some applicants prefer not to specify their Roma ethnicity for fear of the social stigma that such a differentiation can generate among students.

Roma school mediators

The status of the Roma mediators and the idea of employing people from Roma communities in these positions does not solely have the purpose of better addressing the needs of the children enrolled in educational institutions and to discourage school dropout, but it is also part of a wider strategy of getting people of Roma communities more directly involved in addressing the problems that they are faced with in this respect¹⁷.

Also, a distinction should be made between the school mediator and the school assistant. Whereas school mediators operate mainly in the community and represent a connection between schools and the remote community, their work is actually similar to the one done by social workers or community mediators. In the case of Roma school assistants, they operate mainly in schools and classrooms and help teachers to organize the teaching process. Roma school mediators were introduced in Romania in the 1990s. Even though they have no classroom involvement, their role consists in creating a liaison and improving the relations between schools, Roma children’s families and the local Roma community. It was only in 2002 that their position was officially recognized as an occupation in the Classification of Occupation in Romania and they were also able to be financially

¹³ European Union Agency for Fundamental Rights. *Second European Union Minorities and Discrimination Survey. Roma – Selected findings*, 2016: 24-26, https://fra.europa.eu/sites/default/files/fra_uploads/fra-2016-eu-minorities-survey-roma-selected-findings_en.pdf

¹⁴ Ana Ivasiuc, “School dropout for Roma children – myth and reality”. *The Quarterly Newsletter of UNICEF Romania*, no. 7, 2010, http://eslplus.eu/documents/esl_library/RO_Media_NL_no7.pdf

¹⁵ European Commission, Directorate-General for Justice and Consumers. *Civil Society Monitoring Report on Implementation of the National Roma Integration Strategy in Romania*, 2018, 9, http://uctr.ro/wp-content/uploads/2018/07/RCM_2017_Romania-print.pdf.

¹⁶ Maria-Carmen Pantea. “Affirmative action in Romania’s higher education: Roma students’ perceived meanings and dilemmas”. *British Journal of Sociology of Education*, 36:6, 2015: 896-897.

¹⁷ Council of Europe, *Education of Roma Children*, https://www.coe.int/t/dg4/education/roma/schoolMediators_en.asp

compensated for their activity.¹⁸ Also, according to a study conducted by the European Commission on Civil Society monitoring report in the interval 2003 – 2015, more than 1000 school mediators were trained and 400 were employed in schools.¹⁹

Starting from 2015, school mediators should be employed in institutions in Romania where Roma children make up more than 15% of those enrolled, in accordance with the strategy for education 2015 – 2020.²⁰ Even if, as previously stated, the ethnicity of the students cannot always be fully quantified, this measure is a step forward in addressing the needs of Roma communities.

Taking into account the institutional status and affiliation of Roma school mediators, three distinct categories have been identified. More precisely, they can be employed within the school system as subsidiary teaching staff, by local or regional authorities or by NGOs. Also there are several advantages and disadvantages of employing and recruiting mediators from the local community or outside professionals. Local recruits have the advantage of being familiar with the local community situation but they often require more training. The advantage of outside professionals is that they have special training, but there is a danger that they will not be accepted by the local community and that they will have to spend more time getting familiar with the communities, their traditions and values. Also, it is often hard to offer sufficient incentives to qualified people in order to motivate them to move and work in an underprivileged Roma community.²¹

Some of the tasks of the Roma school mediators as defined by the Ministry of Education, are supporting the schooling of Roma children, facilitating the meetings with Roma parents, working within Roma NGOs, reporting and mediating conflicts between and within communities, encouraging parents to participate in the children's schooling, helping to keep school attendance figures and informing schools and the authorities of any special programs which arrive in the community. There are also two facets to whether their roles and duties are clearly defined and to what are the implications of how they are established and defined. If these duties are too wide, then mediators are more dependent on their direct employers, whereas if they are clearly defined and more restrictive, there is a risk of not addressing the specific needs of the local community where they are employed.²²

Since one of the goals of our study is to tackle aspects related to the causes of school absenteeism and of school dropout, we will make use of a study conducted by the Romanian Institute for Research on National Minority, in an interval of four years (2014-2017). The surveyed group consisted in 220 respondents, out of which school mediators, Romani language teachers or both mediators and teachers. What would be interesting to highlight from the study are the factors that have been identified as main causes for school absenteeism, such as financial problems, labour, the educational example of parents and siblings, conflicts within the family, conflicts at school, distance to school, poor school performance and discrimination. According to the results of the survey, the third aspect mentioned as being the most important is related to financial problems. However if we acknowledge the measures that the respondents proposed in order to diminish school absenteeism, aspects related to financial problems actually scored third and fourth: offering financial support to pupils and offering school supplies and clothing. For the respondents, the improvement of

¹⁸ Council of Europe. *Education of Roma/Gypsy children in Europe. The training of Roma school mediators and assistants*, 2004: 11-17. https://www.coe.int/t/dg4/education/roma/Source/Mediators_EN.pdf.

¹⁹ European Commission, Directorate-General for Justice and Consumers. *Civil Society Monitoring Report on Implementation of the National Roma Integration Strategy in Romania*, 2018: 21, http://uctr.ro/wp-content/uploads/2018/07/RCM_2017_Romania-print.pdf

²⁰ Florina Pop and Bianca Balea. "School Mediators in the Romanian Education System. A Discussion on Their Role in Addressing Educational Inequalities". *Social Change Review*, Vol. 14(2), 2016: 151-152. https://www.researchgate.net/publication/313964076_School_Mediators_in_the_Romanian_Education_System_A_Discussion_on_Their_Role_in_Addressing_Educational_Inequalities

²¹ Council of Europe. *Education of Roma/Gypsy children in Europe*, 7-15.

²² Council of Europe. *Education of Roma/Gypsy children in Europe*, 11-13.

communication, an increasing contact between school and parents and offering parent counselling on the importance of institutionalized education are presented as being more important.²³

An aspect that is not mentioned in the above mentioned study, but that can probably be included in the section pertaining to the educational example of parents and siblings as a deterrent to school attendance, is related to early marriage of Roma children. Early marriage is not officially recognized by Romanian law, but it is a practice that is unofficially recognized at the level of the community. This aspect is related to the importance of prioritizing family life and addressing the motivation of children and parents to place more importance on institutionalized education. The mentality in the Roma communities can be interpreted as the inefficiency of investing money in education, when children could actually earn money, form families and support themselves. If education can show the utility of institutionalized education and give them a satisfying answer to this question, we can presume the dropout rate will decrease.

Case study – the Roma communities in Zărnești (Sățicel and Deal)

In order to particularize the research premises, we will present a case study on the Roma community in the Zărnești area. The reason for choosing this area is the fact that in this town there are two different Roma communities: the Roma community of Sățicel and the one of Deal. Officially the number is of 800 Roma inhabitants but, unofficially, there are a number of almost 2000 Roma inhabitants. The difference between Sățicel and Deal is that in the former there is a traditional community, with an unofficial Roma tribunal (the *stabor*) and an authority figure, called the *bulibașa*., whereas the latter does not have these traditional ways of organization. There is also a discrepancy in the way that they declare their ethnicity according to school representatives. More pupils from the area of Sățicel do declare their Roma ethnicity as opposed to those in the other community that do not declare it, but are recognized unofficially as being of Roma ethnicity as well. The research was done within the community we discussed with *the bulibașa* - the head of the community, his is wife who also occupies the role of school mediator, representatives of the police, representatives of the school and a social worker.

For a better understanding of the relations between this Roma community and the outside world, we have tried to identify the sources of conflict, which can also be related to school dropout, and we identified three main types of conflicts: one type is between school representatives and the Roma community. School representatives declared having more access to the traditional Roma community and also benefiting from a better collaboration with the school mediator. The problem consisted mostly in addressing their values and one of the school representatives offered information on cases of marriages of Roma children that dropped school in order to form families. As above mentioned, this practice is not officially recognized by the state, but it is a common practice.

Another type of conflict that was presented was between a Roma ethnicity teacher and the Roma community. The school employed a Roma teacher in order to better address the needs of the community and for them to be better integrated. However most of the children refused to attend courses of that teacher because the teacher did not belong to their community. Hence, even if she was of Roma ethnicity, children preferred to study in Romanian with Romanian ethnicity teachers, because they also consider them to be foreigners.

A third type of conflict between the traditional Roma community in Sățicel and the non-traditional one in Deal. This conflict does not necessarily affect school dropout rates. However it is interesting from the point of view of how Roma identity is being perceived. Those from the non-traditional community are actually considered as not having a clear identity. They are neither Romanian nor Roma, in the narratives of the traditional community respondents. Also, school interactions with either Romanian ethnicity students or students from the non-traditional community are presented as potential threats to how Roma identity and values are perceived by the parents.

²³ Florina Pop and Bianca Balea. *SocioRoMap. Anchetă de cercetare mediatori școlari*, Institutul pentru studierea minorităților naționale / Romanian Institute for Research on National Minorities. 2017.

Conclusions

To sum up, we would like to present some of the findings of our study. One conclusion is that school mediators in traditional communities have a positive impact on conflict resolution and in creating a connection between public institutions and the Roma community. Also Roma ethnicity teachers do not necessarily have a positive impact on the education of Roma children if they are not identified as belonging to the community. Financial aspects do represent a very important factor in the school dropout decisions in the Roma community analysed, but traditional values seem to have a stronger influence than the financial aspects. Parents do not see the value in their children attending school rather than helping support the family financially. The existence of an authority figure / informal leader in the community contributes to solving conflicts and facilitates the communication between school and the community. The outside world is seen, from the Roma perspective, mostly as an opportunity to make a living and the connection with the outside world with the non Roma community can also be perceived as a loss of identity. Hence, the system of honour and shame is autonomous and is not influenced by outsiders, as it is considered honourable to have a family and to be able to support it, whereas it is not necessarily shameful not to attend school. In order to draw a final conclusion, we can state that even if poverty is presented as the main source of school dropouts at a national or international level, our studies have shown that the situation is more complex and that, for distinct traditional communities, values play a very important role in this respect.

The non-traditional Roma community displays a specific phenomenon: poverty and fear of stigmatization or fear of racism are the main causes for school dropout. Roma families do not have the financial means to send all children to school and poor Roma children are often discriminated against. This is valid for many other Roma communities in Romania. On the other hand, there is a much more complex situation in the traditional Roma community, in which values, principles, rules play a major role. Also, the informal leader/authority leader/the *bulibaşa*, together with the school mediator, represent the merging figures between Roma social organisation and culture and the school representatives and local authorities. Given the importance of values and the principles which structure Roma community life, one could assume that school dropout is the derivative logical consequence. However, our interviews reveal that there is a process of re-adaptation of Roma culture to the expectations of Romanian society at large (according to which children should attend school and not marry young). The mediator and the informal leader of the Roma community have intensive interactions with school representatives and local authorities and there is a visible process of re-accommodation of certain organizing principles. These interactions and the role played by the mediator are also indicative for how conflicts are solved. Therefore, even if commitment to values, principles and Roma culture would signal school dropout in very traditional Roma communities, in our case study this cause-effect scenario changes gradually because of the school mediator and the Roma leader who seek to revisit, reconsider, and reconcile some values with requirements and expectations of the Romanian authorities.

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The reasons for the opposition to the implementation of technological innovations in schools: The case of Arab Schools in Israel

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Abstract

This study examines the inclination of some teachers to object the implementation of technological innovation in schools and how this objection affects the teaching processes and the pupils' achievements? Further the study examines how can a teacher involve parents in the teaching processes in order to improve pupils' achievements? More specifically, the study explores how the implementation of innovations affects the role of the teacher? How the teacher can involve parents in the teaching process (parental involvement in the processes of implementation of innovation in schools). The study also examines the processes of implementation of innovation in schools and how teachers cope with the implementation of innovation, and the reasons for their objection to implement technological innovation.

Keywords: Opposition, Implementation, Technological Innovation, Teaching process.

Introduction

In light of the rapid penetration and spread of information and communications technology, the State of Israel copes with the adaptation of the education system to the 21st century by allocating considerable resources in the framework of ICT (Information Communication Technology) reform (Ministry of Education, 2012). Teachers are required to implement ICT (Information Communication Technology) reform in the school life in order to lead pupils to meaningful learning (Carstens & Pelgrum, 2008). We see objections to acceptance and implementation at various levels of the ICT (Information Communication Technology) reform program (Fullan, 2006; Hinde, 2004; Lunenbur, 2010).

The education system is an integral part of this village, which is characterized by rapid and frequent changes. In my humble opinion, the education system cannot close its eyes

to the rapid changes that take place in the world and to isolate itself and to close itself to the borders that it drew itself a few years ago, and all this if it is really interested in preserving its existence and centrality in the modern and technological era, especially when the technology has become an integral part of our daily lives as children, as adults and as organizations.

Hence, where there is an organizational change there will be an objection to this change (Caruth & Caruth, 2013). The objection to change is a feeling, a position or an action or both, expressing unwillingness to accept the change. The objection to change can be expressed actively or passively, with full or partial consciousness (Fox, 1998).

The study is designed to examine the population of pupils in the high school in which most of the teachers object to the implementation of innovation in the school at a time when most studies follow the development and technological revolution in schools, and how learning has become necessary, and therefore I saw in Al-Heckma School an example of a new, intriguing and challenging study that asks the question how teachers object to implementation of innovation.

Research goal:

The reasons for the opposition to the implementation of technological innovations in schools: The case of Alhokma High School.

Research Question:

How teachers object to implementation of innovation in schools?

The Research Hypotheses

- The age of the teacher influences the process of his / her objection to implementation of innovation in a school.
- As more children become familiar with this technology, it leads the teacher to a feeling of resistance to innovation.
- Teachers are afraid to implement innovation.
- The extent of the ability of the pupils to absorb and internalize the new technology leads to a reduction in the definition of the teacher's role. As the pupil is more technologically talented, so it leads to reduction of the teacher's

role and this will be one of the reasons of the teachers to object to innovation in schools.

Method

Participants

The work paper will focus on describing the phenomenon of objection to change that takes place in the "Al-Heckma" high school named after Jamal Tarbiyeh. The Al-Heckma High School is a state high school that under the Oz Latmura (Courage of Change) reform. The research includes 50 teachers.

The Research Tools

I will build a questionnaire that will be distributed among the teachers with questions of objections, which will examine the processes of teachers' objections to implementation of innovation in the school.

I will use a qualitative research method that will include a questionnaire with open questions, which will be distributed only to the group of teachers.

The questionnaire built from two parts, the first part includes personal backgrounds' questions for teachers, and the second part about teaches' statements.

The Research Procedure

The process that is designed for the research:

I am a teacher at the Al-Hochma Sakhnin High School, which is the research focus group. I chose it to be the research sample because there is a clear objection to change and implementation of innovation, and most of the teachers object to change processes. I will explain the issue of the research to the principal. I will get permission to distribute the questionnaires to the teachers. I will explain to them the nature of the research and their role in the research. About the questionnaire I will explain at the beginning that everything that is asked is for research and not for another body, and I declare in the questionnaire itself that this information is confidential and will not conveyed even to the school.

I will collect the questionnaires and will begin to arrange results according to the teachers' answers.

Findings

The questionnaire was divided between 50 teachers, in order to check if their personal data influences the usage of technology [Computers] in the classrooms. Also ... the questionnaire examined if the integration of technology and innovation has impacted the classrooms, or did it endure any kind of resistance.

According to the teachers' answers in the questionnaire, there is no difference between male teachers and female teachers – Both use technology equally in the classrooms.

There will be changes in the future, if the research will expand and more teachers would attend.

From the teachers' answers we can find, a strong resistance for the usage of technology in the classrooms, mostly from the senior teachers, who have been teaching for more than 15 years.

The senior teachers generally prefer their “normal” approach of teaching, and tend to reject the idea of implementing technology in the classrooms.

Younger teachers, who recently graduated, are trying to intergrade their knowledge into the classrooms, and at the same time trying to adapt to the current education system.

The senior teacher's familiarity with the material allows them to naturally oppose any kind of change.

Meanwhile, the younger teachers, even though concerned and insecure about the current system, are still preferring to promote change and innovation in order to improve the teaching and learning process.

The senior teachers seem to be threatened by their lack of technological and innovation knowledge.

There are several senior teachers who acquired the knowledge, but only a few are truly keen on developing new teaching methods.

Regarding the students' accomplishments

Most of the teachers stated that the evaluation of their academic accomplishments is changing and getting a different characteristic than the standard.

The evaluation of the student's accomplishments cannot address only the final product, but must address the whole learning process.

This change could potentially cause a conflict between the teachers and the students, and might also include the parents and the students.

Discussion

The articles main focus was to describe the organizational conflict in “El chana High” school in Sakhnin .

El Chana is a state school, which is desperate for change.

Organizations who try to suggest any idea of change, are most likely to encounter some sort of resistance, additionally a school which consists of a lot of senior teachers tend to resist any kind of change.

Unfortunately, this could slow the implantation of technology in the classrooms.

And because of that it is highly recommended that all teachers will go through specific training in order for them to more prepared for change,

Also, this could potentially allow new teachers to diversify [even slightly]

The learning experiences.

In order for the current systems and organizations to stay relevant today, they should constantly seek to improve and adopt new methods

Also, they should begin with new structural changes, use innovation in order to empower their workers. The education system is an integral part of this village, which is characterized with constant changes.

In my honest opinion, the education system shouldn't ignore the flux of change that is occurring in the world, isolation and withdraw into the previous structures wouldn't work, especially when technology has become an integral part of our day to day life – as adults, children and organizations.

The Israeli education system is dealing today with constant changes in their policy.

New and versatile teaching methods are allowing students to study in a different but still significant way, in order for them to improve their grades, and their entitlement for a matriculation certificate.

Today, the Ministry of Education is demanding schools to adopt a new teaching method, that combine teaching with the usage of technology. It is known today that there is a competition between high schools around the country, the more students that are entitled for a matriculation certificate The school will receive higher ranking. So,

we can expect a competition between the schools, in order for them to achieve these goals. Therefore, schools are required to adjust themselves to the needs of the Education system.

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Implications

The decision-makers or those at the top of the pyramid should be familiar with the phenomena that take place in organizations, let alone if this is a so huge school with a large and varied staff. Familiarity with the phenomena can depend on knowing essential concepts such as objection to change and organizational justice. This familiarity assists us as individuals who engage with education to prepare better for the processes that may occur within the organization, the organizational culture, and even identify tensions and conflicts before they arise and to try to stop or to prevent them. This familiarity with phenomena and concepts assists the school principal to manage the school, to preventive steps and to find efficient solutions to the tensions and conflicts that are supposed to occur.

The school principal and the ICT (Information Communication Technology) coordinator have to respect the senior teachers and let them decide which steps they will take at the time of teaching the material and to take into account their opinions and share them in decision making both at the pedagogical level and at the school level, based on a literary review that I conducted and in general. The literature shows that as much the staff will be shared in decisions making, there will be counseling with them and containing of them, so they will become satisfied, perceive that the organization is fair to them and they are part of the change for this matter, and they will less tend to the bloc that objects and fights against the organization's policy. Their participation in decision making itself gives them a sense of security and control, and not the opposite. The school principal should rehabilitate and improve the relationship in the school in general and between the senior teachers and the coordinator and between the young teachers and the senior teachers in particular, and this in order to persuade them regarding the importance of the change and its contribution both to the pupils and to the teachers who live in a modern and technological age.

Teachers questionnaire

The next questionnaire is about the implementation of Technology in the class rooms

Thank for your cooperation

Sex -: 1. Male 2. Female:

Years Teaching: .5 1 year, 6-19 years 11-15 years , 16 years or more

Education: B.a . M.a . P.h.d 4. Senior. Other

Age: .18-25 .26 -35 .36 .45 or above

*Are you interested in Using technology in the classrooms?

*Have you ever attended any computer training: 1. Yes 2. No

*How long was the training? .28 hours .56 hours. 112 hours. Other

*Are you interested in participating in such training?

The next sentences are concerning the teachers

Please mark next to every sentence the level of agreement, depending on its content

According to the next format:

1	2	3	4	5
Strongly disagree	Disagree	Uncertain	Agree	Strongly agree

1	Sentence	1	2	3	4	5
	I use the Computer only for personal reasons					
	The use of computer improves my work					
	I am willing to cope with the integration of computers into the class rooms					
	I am willing to learn more about the integration of technology in the class rooms					

	I am threatened by the use of Computers in the classrooms					
	I feel comfortable with the fact that the students are knowledgeable about computers					
	The Integration of computers into the classroom is restricting and makes it hard to teach					
	The integration of computers in the classrooms are versatile and interesting for the students					
	The integration of computers into the classrooms is confusing to me					
	The change in the teacher's role in classes which combines computers fits my educational perspective					
	I am worried that the students are more knowledgeable in computers than me					
	I am willing to integrate the computers in different subjects					

	The use of a computer could improve the teaching					
	The usage of technology promotes the subject, and makes it more attractive and interesting					
	I am interested to expand and improve my knowledge in computers					
	The integration of computers in the classrooms demands additional time – Homework)					
	A change in the teaching methods requires a change in evaluating the students achievement					
	The implementation improves the teaching experiences in the school					
	The change threatens my role as a teacher					
	The change is changing the social environment in the school					

**WHAT DOES “LEADERSHIP” MEAN FOR MILLENNIALS FROM THE BALKANS?
FORMULATING ARCHETYPES BASED ON INTER-RELATIONAL BUSINESS,
POLITICAL,
AND GENERATIONAL CHARACTERISTICS
(PHASE 1)**

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Abstract

The concept of leadership is of significant importance in all aspects of life. From taking charge of our personal leadership & development, something related to professional career and well-being, to direct interaction with workplace/business leadership which may, or may not, align with our personal values and ideas, we establish inter-relational frameworks within ourselves but which permeate thru to societal and generational cultures. To this relational dynamic we also must consider the *actual* political leadership of a society itself based on additional factors and variables. Thus, among internal self-frameworks & factors, organizational factors, and societal political factors, a trichotomous relationship is established, a relationship which can either be supportive, detractive, or somewhere in between with regards to democratic vs. authoritarian characteristics of leadership. Our research focuses on millennials in the Balkans and their ideas, specifically to what degree do personal, work-related, and national/political perspectives align with, reinforce, or weaken each other. The on-going multi-phase study began in 2018 with a survey of 238 young people and an attempt to generate specific hypotheses concerning levels of leadership. Based on analysis of the results, inter-relational factors were established so that basic archetype models could be constructed which offer insight. A central thematic conclusion is the identification of a discontinuity on how millennials in the region view national/political leadership with that of work-related leadership for organizations which they may find themselves in during their professional working careers.

Keywords: *Leadership, Organizational Leadership, Democratic vs. Authoritarian Leadership, Millennial Attitudes on Leadership*

CRITERI DI SELEZIONE DEGLI ESPATRI PER INCARICHI INTERNAZIONALI

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Abstract

L'ambiente economico internazionale è cambiato molto nel corso degli ultimi anni che ha portato alle imprese multinazionali diverse sfide per la funzione di gestione delle risorse umane internazionali (l'IHRM). Le multinazionali stanno affrontando le difficoltà di inviare i dipendenti (espatri) a lavorare in una sussidiaria nel paese straniero. Gli espatri rappresentano un gruppo sensibile di dipendenti che affrontano molte sfide principalmente per quanto riguarda la relocation e l'adattamento al nuovo ambiente e alla cultura diversa. Siccome il fallimento di espatri succede molto spesso, l'IHRM deve trovare nuovi approcci nella gestione di questo gruppo di dipendenti. Lo staffing (reluctamento, selezione e assunzione dei manager espatri) è spesso visto come un'attività cruciale e una delle responsabilità più difficili dell'IHRM. Lo scopo di questa ricerca è comprendere e spiegare il ruolo dello staffing in un contesto internazionale e esaminare i fattori importanti per successo del manager espatrio. Le imprese multinazionali cercano di prendere decisioni di selezione basate esclusivamente sull'abilità tecnica – esperienza del manager, conoscenza del lavoro e competenze tecniche e manageriali. In questo modo aumentano il rischio del fallimento dell'incarico internazionale. Invece, numerosi studi hanno evidenziato che il successo del manager espatrio viene influenzato anche dagli altri fattori, tra cui le competenze interculturali e supporto dalla famiglia dell'espatrio. Diverse indagini empiriche hanno mostrato che i manager espatri di successo dovrebbero possedere la capacità di adattarsi facilmente al nuovo ambiente culturale - dovrebbero essere estroversi, pronti a fare conoscenza con la gente locale, flessibili, innovativi e creativi, capaci di mostrare comprensione e rispetto per le diverse norme e attitudini culturali. Visto che lo scopo del processo di selezione è aiutare a preparare i manager espatri insieme alle loro famiglie per lavorare e vivere in un nuovo ambiente culturale, è necessario includere la famiglia del manager nel processo di selezione e considerare i requisiti familiari come uno dei fattori cruciali per la scelta degli espatri. Tuttavia, le multinazionali dovrebbero adattare le sue procedure di selezione per trovare i candidati migliori per posizioni manageriali in sussidiarie straniere e per aumentare la possibilità di raggiungere il successo di un incarico internazionale.

Keywords: gestione delle risorse umani internazionali, staffing, selezione, riluctamento (ricerca), espatrio, multinazionale, incarico internazionale

SELECTED ASPECTS OF THE CZECH SUBSIDY LAW

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Abstract

The paper deals with the selected aspects of the Czech subsidy law as a subsystem of the Czech financial law. The paper analyses the system of the Czech subsidy law with regard to the conception of the Czech financial law; guarantees of legality in the Czech subsidy law; legal liability of subjects of subsidy legal relationships and possible sanctions for breach of subsidy conditions, respectively subsidy obligations. The economic, legal and sociological significance of the subsidy law is given by the fact, that the object of the subsidy law is the redistribution of public funds. Public funds are connected with the public sector, which is obliged to guarantee public goods in the public interest. Therefore, public funds are protected from wasting and misusing. Such a guarding of public funds including legal instruments having preventative or punitive nature. Since the subsidy law is a public-law subsystem, the crucial role holds the tax administration as a public authority, which could apply relevant sanctions. The aim of the paper is to analyse selected aspects of the Czech subsidy law and to present its oddness.

The research methods used in the paper are analysis and synthesis, description and comparative methods.

Key words: subsidy law; subsidy grantor; subsidy recipient

JEL Classification: K340, K34

BIRTH AND FERTILITY STATUS IN BOSNIA AND HERZEGOVINA BEFORE AND AFTER THE CIVIL WAR

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Abstract:

Sembling for decades has been followed by the trend of under-birth, older fertile contingent, housed share of a woman born in the best fertile period (20-34 years) and all poetry studies in marriage. It is reliable to change the sum of fertility rates, urban aging of the population and the inability to restore the natural path. We need to investigate powerful people who have been led to negative demographic trends. The aim of the paper is to present, analyze and compare socio-demographic determinants such as education, downtime, engagement and other relevant factors ready to change the age of study in marriage, with the first time a magnificent family has discovered, it was useful for changes in fertility in Semberii. The collection of reference data was obtained by the use of an acne test on a verified sample of 1000 women during the fertile period, aged 15-49 years. To process the role of each research variant in fertility prediction intentions, we used a regression analysis method. You can use SPSS statistical programs to get and analyze the data obtained.

LAW AND OUR ANIMAL OTHER: BEAUTY OR BEAST?

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Abstract

Hardly can one argue with the notion that law is the central instrument of progress and improvement of our social life. Take only the example of the regulation of animal welfare that proliferated in the last decades: “nothing” is now law-less in our environment, there is “no state of nature” devoid of law (Schuck, 2000).

Rarely is law uncontroversial, still. Consider the lobster: placing live lobsters in boiling water is now the subject of a reignited long and unresolved debate that is gaining international resonance: “Should it be (il)legal?” “Is it (not) all right?” What is black letter in one society is prohibited in another, and welfare laws are, altogether, unusual in the case of the crustacean.

The world is variously constituted, and there is much doubt about who (why) is the privileged, at some point in time (Rolston, 1997), and who is the “Other”. Since one cannot respect / correctly value what one does not to some degree correctly know (Rolston, 1997), we propose in this article a critical investigation of our reactions to Otherness, in its nonhuman, animal form, based on the example of the lobster. It seems that, in our hyper-civilized world, “Beauty and the Beast” is a story that is still alive and informs the way we live (Griswold, 2004).

DEMAND FOR CREATIVE EVENTS IN SLOVAKIA

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Abstract

Creative tourism can contribute to the preservation of traditions and cultural heritage in rural destinations for future generations; however, its form depends on the type, preferences and expectations of the visitors attracted. The potential of Slovakia for developing creative tourism is high due to the rich cultural heritage, history and the spectacular natural conditions, as well as thanks to the wide variety of vivid, preserved folklore and folk crafts in traditional rural regions. In addition, cultural events thematically linked with the folk culture of traditional regions are also very popular and provide many opportunities for the visitors to be involved in creative experiences. The creative potential of cultural events defined by Richards (2010) lies in visitors' active involvement in creative activities and in the cooperation with the locals, leading the visitors to create traditional objects or to learn new skills. Therefore, the creative power of cultural events is being increasingly recognized as a verified practice of attracting visitors who are consciously looking for participative experiences.

The present study examines the transformation of domestic visitors' interest in creative cultural events in terms of their preferences and motivation. In order to identify the changes in the demand for creative tourism the data collected in 2017 and 2019 were compared. The sample of the online questionnaire survey carried out in 2017 comprised 404 respondents, whereas the data from 2019 were collected through a six-month-long on-site survey of 719 visitors in rural areas of Slovakia with traditional cultural sites and living folklore. The comparison of the findings of the two surveys showed an increased interest in the participative forms of creative events, i.e., events with the possibility of active participation. The biggest changes in visitors' preferences could be traced in case of the creative events with presentations such as lessons of folk arts and crafts (e.g., folk dance schools, *fujara* lessons, etc.), traditional fair of folk crafts, presentations of wood-carving, ethnographic exhibitions, exhibitions of visual arts and photography (+13,2 %), as well as food festivals with cooking shows and courses (+4,5 %). The most significant motives of domestic visitors include the desire for extraordinary experiences during the holiday (+4,7 %), relax (+ 2,8 %) and the desire to learn something new or to try out new things (+2,7 %). The comparison of the results demonstrates a gradual shift from the passive to the active forms of intangible experiences within creative events. The transformation processes in domestic visitors' motivation and preferences indicate a new trend in tourism demand in Slovakia: the emergence of creative tourists. This also means the transformation potential for supply side that lies in interrelating wide range of local artisans and craftsmen with local tourism stakeholders in the same place and providing new business opportunities for rural regions.

Key words: creative tourism, events, demand, Slovakia

PRINCIPLES OF CATHOLIC SOCIAL TEACHING OF COMMUNITY L'ARCHEDarina Obušeková, Researcher

Abstract:

The aim of L'Arche is to create communities, which welcome people with an intellectual disability. By this means, L'Arche seeks to respond to the distress of those who are too often rejected, and to give them a valid place in society. Community was founded on basic of humanity, by fact, that every human people is born with their primal innocence and human dignity, with common human nature like man and woman, with human lows. Community is the place of peace. The fundamental principle of peace is a belief that each person is important. All of people around the world make one society with relationships, one world, when everyone needs everyone, nobody isn't independent and self-sufficient. This essay introduce how the community L'Arche realises the principles of Catholic Social Teaching –*human dignity, solidarity, subsidiarity and common good*, and why are they called instruments of peace.

DIVERSITY IN TEACHING A DETECTIVE NOVEL FOR CHILDREN

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Abstract

A literary text has an irreplaceable role in teaching foreign languages. Nevertheless, its use for didactic purposes often leads teachers just to train selected grammatical features of English language. This language-oriented teaching is not very stimulating for the pupils who should link books with discovery of adventure and miracles. Because literature is not always definite, it requires reading between the lines and, last but not least, a great deal of self-reflection and creativity. Understanding the primary meaning of the text and its comprehension is the first essential step, on the other hand, it is also important to understand the secondary meaning and its artistic point of view. The role of literature is not only to use the language to understand information that is transmitted through the words, but first and foremost to strengthen imagination, creativity and experience intercultural diversity. In this article, the author aims to present the possibilities of using a literary text in foreign language classroom for teachers. Teaching activities based on a detective novel for children *The Curious Incident of the Dog in the Night-Time* (2003) written by Mark Haddon will demonstrate how to build upon their creativity and imagination.

Key words: teaching, interpretation, English literature, detective fiction, imagination

ON THE HORIZON OF INTERTWINING MORAL PHILOSOPHY AND CLASSICAL MUSIC

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Abstract

A particular and full of elevated significances for human beingness-in-becoming is the real-unreal 'territory' made by the intertwinement of philosophy and music. Paying close attention to the artistic creations in the ineffable language of the harmonious sounds, we reach to disclose a universe of living that conveys and, somehow, claims to be interpreted and understood, *inter alia*, in its ethical articulations. Listening to music means a unique experience of moral life, too. It continuously challenges and opens our minds and, no less, it determines our attitudes and actions, revealing paths of thinking about veritable values and healthy principles so needed for a meaningful human life; especially, in today's fast-moving world, with its excessive materialistic consumerism and the radical impact of information technology on our life. We focus on part of a priceless cultural thesaurus, aiming to meditate on the great offer of classical music. In a hermeneutic phenomenological approach, we bring to the fore our own philosophical concept: the „meloethics”. It is useful for an axiology based education – considering, for example, the Greek ideal of *kalokagathia* that enlightens about the human power to improve its condition by harmonizing physical, moral and spiritual virtues. “Meloethics” functions as a metaphor for better understanding the in-depth connection between philosophy and music. The concept is exposed in its dynamic hermeneutic potential leading towards a more nuanced comprehension of human beingness-in-becoming. Throughout a peculiar life experience, „meloethics” shows operational valences for an extensive space of the academic research and educational practice, from thematizations in philosophy of art and moral philosophy, to music history and theory, performance, pedagogy, etc. Arguments for a transdisciplinary view around the „meloethics” are emphasized by applying it to various contexts in the search for a meaningful life. To make the account more cogent, we invite to listen to a musical miniature composed by George Enescu, to reflect on it and to decipher how the auditory perception has been touched.

Keywords: moral philosophy, classical music, „meloethics”, George Enescu, hermeneutic phenomenology

SOCIOECONOMIC STATUS AND SCHOOL SUCCESS AMONG SLOVENIAN YOUTH: A COMPARISON OF THE EFFECTS OF SES INDICATORS IN PRIMARY AND SECONDARY SCHOOL

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Abstract

Previous studies have consistently shown that family and parental socioeconomic status (SES) impact youth's academic achievement. Although the majority of previous investigations examining the link between SES and school success have compared the impact of various measures of SES, the majority of studies to date nevertheless focused on a limited number of SES indicators. In addition, determinants of academic achievement at different levels of educational hierarchy have been rarely simultaneously studied. In our study we examined whether and how six SES indicators impact academic achievement among Slovenian youth in primary and secondary school, controlling for relevant sociodemographic variables. We used a representative sample of the Slovenian youth (*Mladina 2010* data). Consistent with previous studies, our multivariate analyses indicated that academic success in primary school is statistically significantly impacted by four out of six SES indicators, all of them in expected positive direction. Furthermore, SES indicators explained 12.9% of additional variance in primary school success when sociodemographic variables were controlled for. Mothers' education proved to be the strongest predictor of adolescents' primary school success. On the other hand, SES inequalities in secondary school success were much less pronounced, with SES measures explaining only 1.6% of additional variance, but with no SES indicator reaching the level of statistical significance. The results of our study indicate a need to include and compare various SES measures when examining their impact on adolescent academic achievement, and to take into account different levels of educational hierarchy, as socioeconomic inequalities at different educational levels may be dissimilar. We conclude the present study with implications of our results, and by providing suggestions that may prove useful when forming educational policies in Slovenia and across Europe.

Keywords: academic achievement, socioeconomic status, young people, Slovenia.

CULTURAL UNIVORES, OMNIVORES OR NEITHER? A LATENT CLASS ANALYSIS OF SOCIODEMOGRAPHIC, ECONOMIC AND EDUCATIONAL DETERMINANTS OF CULTURAL PARTICIPATION PROFILES AMONG SLOVENIAN YOUTH

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Marina Tavčar Krajnc, University of Maribor, Faculty of Arts, Department of Sociology
Monika Lamot, University of Maribor, Faculty of Arts, Department of Sociology
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Abstract

While earlier research in mostly Western countries has shown that socioeconomic elites prefer “high-brow” cultural activities (are cultural “univores”), more recent studies indicate they engage in a wide range of cultural activities (are culturally “omnivorous”). There is a lack of studies on cultural profiles and their correlates among youth, especially in post-communist countries, typically characterized by comparatively higher economic and social egalitarianism. The main aim of our study was to examine cultural participation profiles and their sociodemographic, economic and educational determinants among Slovenian youth. We used a subsample of 16–34-year-olds (N = 6,470) within a nationally representative sample of Slovenians aged 16 and above from EU SILC data (SURS, 2015). A latent class analysis included 23 activities across four dimensions: visiting cultural sites, attending high-brow events, attending popular events and performing creative activities. In contrast to previous studies, only two cultural classes emerged. The largest class were “popular univores”, which represented 69% of our sample. They attended sports events, concerts and cinema, but were otherwise culturally disengaged. The members of the second class (31%) engaged in a variety of high-brow and popular activities, yet were not “typical” omnivores; instead, (owing to their low attendance at opera, ballet, dance performances and low levels of creative activity) they were more similar to a previously detected group: the “quasi-omnivores”. We also found that “quasi-omnivores” were more likely to be women, younger youth, to have higher incomes and to be more educated. Our findings indicate the importance of social determinants of cultural participation profiles; yet, we found no evidence of the existence of “typical” omnivores among Slovenian youth.

Keywords: cultural capital; cultural participation; cultural profiles; social reproduction; Pierre Bourdieu.

FISCAL POLICY EFFECTIVENESS IN THE EURO AREA: A VAR ANALYSIS

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Abstract

We aim to characterize the dynamic effects of government spending shocks in the Euro Area. We build government expenditures at the aggregate Euro-area level and, by using a structural VAR, study the responses of prices and output to an increase in government consumption and investment. We find that the fiscal multiplier has the expected, positive sign and, moreover, its value is around one. In the light of the ongoing discussion on the possible evolution of the Economic and Monetary Union towards a Fiscal Union, our results support the thesis that a centralized budget, and a related fiscal policy conducted at the Euro-area level, may be another useful tool besides monetary policy for macroeconomic stabilization.

ECONOMIES OF SCALE IN HEALTHCARE - ESTABLISHING POLICY-RELEVANT AND EMPIRICALLY JUSTIFIED VOLUME THRESHOLDS ON THE EXAMPLE OF OBSTETRIC DEPARTMENTS IN POLAND

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Abstract

Numerous studies have been conducted on the relationship between volume and quality in healthcare. A general conclusion of these studies is that high volume is associated with better outcomes and efficiency. Consequently, volume standards have been widely incorporated into policies in various settings. However, rarely do standards chosen by decision-makers rely solely on empirical findings. Specific threshold values remain a normative decision, since factors such as equitable access or population density have to be accounted for. In other words, it is not enough for the threshold to be empirically justified, it also has to be policy-relevant, i.e. its implementation has to be feasible and not compromise certain goals of the health system in the name of quality improvement.

Similar, normative approach was used in the Polish Health Needs Maps (HNM), where a minimum standard for a yearly number of deliveries was proposed (400). However, the choice of the threshold value was not empirically justified. This study proposes a methodological framework for establishing empirically justified and policy-relevant volume thresholds and applies this framework to verify the HNM conclusions.

The National Health Fund data was used to assess the association between obstetric volume and three quality indicators: blood transfusions, caesarean sections, and a composite measure. Logistic regression results indicate that larger obstetric departments in Poland benefit from the economies of scale as, on average, they are characterised by significantly better outcomes and efficiency than low-volume units. It can be concluded that implementing obstetric volume standards is justified in Poland.

Volume thresholds were established with the use of the Youden Index, McFadden and two novel methods based on observed to expected ratios (OE). Threshold derivation returned highly discrepant values, out of which the OE result (450 deliveries) was selected as the most valid from the empirical and policy standpoints. Polish decision-makers should consider switching from the 400 deliveries threshold to 450. New methods of threshold identification show promise for identifying volume thresholds, which are empirically justified and policy-relevant.

Keywords: economies of scale, obstetric volume, volume standards, volume thresholds, blood transfusion, caesarean section

REFLECTIONS OF SUSTAINABLE DESIGN PRINCIPLES INTO HOSPITAL INTERIORS; INVESTIGATION OF BOULDER COMMUNITY FOOTHILLS HOSPITAL AND VKV AMERICAN HOSPITAL IN THE GREEN HOSPITAL CONTEXT

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Abstract

Increasing environmental problems due to overpopulation, and the negative impacts of these problems on living creatures have brought sustainability forward. Nowadays, when energy consumption is intensified, the exhaustion of fossil fuels which are used as resources has encouraged developing countries to use renewable energy sources. Especially in buildings such as hospitals, energy consumption, and waste management have been given significance.

Hospitals are not only those that heal patients with disease, but also those used by staff, attendants and medical students, and are intended to protect their current health. As hospital buildings are associated with hygiene and health, these structures must meet those expectations.

Hospitals are institutions that reinforce their energy consumption by having high amounts of energy and continuous waste production. Because of the fact that hospital buildings provide service for 7 days and 24 hours, they consume a large amount of energy and produce both chemical and domestic waste. It is known that this situation harms the environment much more than expected. In addition to energy consumption, there are chemicals that adversely affect human health in unsustainable structures. These chemicals are found in interior materials and furnitures as well as in construction materials. The presence of such harmful chemicals in hospitals contrasts with the aims of such structures which aim to provide health services. Those problems had created the need for “green hospitals” which are taking advantage of renewable energy sources, using environmentally friendly construction materials, planning waste management and providing green environments.

Green hospital design includes the use of daylight, proper artificial lighting, vernacular architecture forms and materials, natural and non-toxic materials, good indoor air quality and ergonomics. These structures made with an environmentalist approach contribute to the good management of energy consumption, while reducing the stress on the patients with the elements such as air conditioning and lighting- which has an effect on healing patients. At the same time, depending on the innovative design concept by the green hospital design, hospital staff and visitors feels more comfortable inside the structure.

The aim of this study is to describe the green hospital concepts and investigate the effects of green hospital elements into interior space. Acquired information is going to be used in case studies such as; USA/Colorado’s first Leed certified hospital called Boulder Community Foothills Hospital and VKV American Hospital which had gained importance with the leadership of green hospital building structure in Turkey. Examples are going to be compared due to green building systems and their reflection to interior space.

Keywords: Green Hospital, Sustainable Hospital Design, Green Building Material, Boulder Community Foothills Hospital, VKV American Hospital

1.Introduction

The search and need of human beings for health started with its existence. This need has continued to evolve as people need healthcare facilities. Based on the evidence that has survived to the present day, the findings of the first medical science date back to 4000 years and the first medical structure was dated to BC. We can say that the existence of the 1200s. These structures were used for both treatment and worship (Somunoglu et al., 2012). The so-called le Asklepon was the most important and widely used health structure of the period (Figure 1). In addition to being a health structure, these ancient Greek buildings served as a social facility and temple (Sezgin & Doğan, 2015).

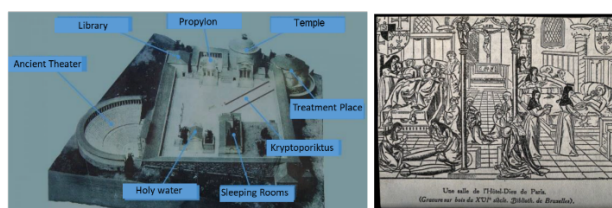


Figure 1 and 2: Asklepon Temple (Christopoulou-Aletra, Togia, & Varlami, 2010), A Depiction of Hotel-Dieu (Lacroix, 2003)

With the emergence of Christianity, health services were largely resolved in churches. It was an inadequate period in terms of health since spiritual treatment methods were adopted rather than medical on the understanding of health at that time (Miller & Swensson, 2002). In 660, the hospital was opened in Paris under the name "Hotel-Dieu (Figure 2). This hospital is the first healthcare structure in Europe. In these hospitals, which gathered patients in one place like a hospital scheme, beds were placed on the right and left sides of the corridor (Çapan, 2002). The hospital structures, which were under the administration of churches until the 19th century, became civilized after this date and the municipalities started to manage them. This development has been one of the most important changes in health structures in the Middle Ages. (Gombrich, 1950).

The most important health structure of the Renaissance period was the Maggiore Hospital in Milan (Figure 3). The hospital aimed to provide health services to patients with poor financial status and to provide a better quality health service by gathering health services under one roof. The structure was a rectangular form formed by two crosses placed on the right and left sides of a courtyard. The special feature of this hospital; The hallways were separated according to diseases. There were chapels at the intersections of the corridors (Riva & Mazzoleni, 2012).

In the 18th century, the most commonly encountered types of hospital plans are called "block types". The characteristic feature of this plan type is; a prismatic main body with a central courtyard was partitioned in itself or two large masses added to the right and left fronts of the main mass (Figure 4). In this hospital plan type, has been the most important factor in terms of design and the most striking example is the London Hospital (Sungur Ergenoğlu, 2006).

In the middle of the 18th century, a planning scheme was formed in which four square closed square masses came together and formed a courtyard in the middle. It is known that in each of these masses, ward type patient beds are placed and treatment is given to everyone in the same place where you can distinguish the disease. From the exterior, these structures do not give the impression of a structurally different public institution and appear as a frequently seen form in the period it is found (Şalgam, 2010). An example of this hospital is the Bartholomew hospital in London (Figure 5). The characteristic of this hospital is that it is the oldest hospital in London and it is still providing health

services today. The original structure, which consists of four blocks, has survived until today (Cassell & Cassell, 1878)

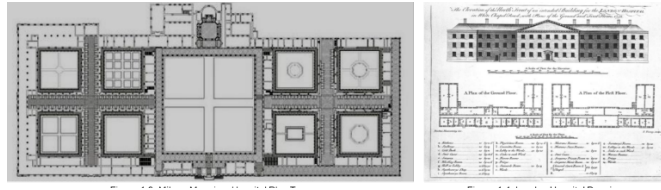


Figure 3 and 4: Milano Maggiore Hospital Plan Type (Günther, 2010), London Hospital Drawings (commons.wikimedia.org)

In the 18th century, doctors discovered that hospitalized patients experienced deaths for reasons other than those they came to hospital; They criticized the square and courtyard block type hospital and suggested that this type causes hospitalism. They argued that this type of plan was inadequate in terms of ventilation, that ventilation should be cross, that patients needed clean air and natural light. (Ergenoğlu and Aytuğ, 2007)

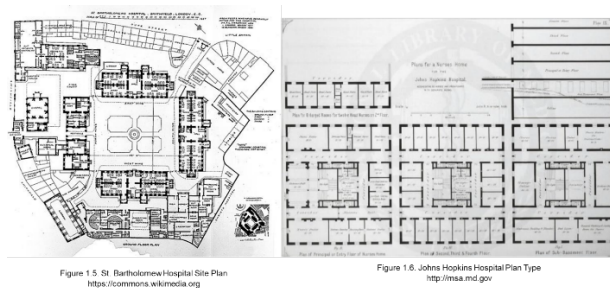


Figure 1.5 St. Bartholomew's Hospital Site Plan
<https://commons.wikimedia.org>

Figure 1.6. Johns Hopkins Hospital Plan Type
<http://msa.md.gov>

Figure 5 and 6: Bartholomew Hospital Site Plan , Johns Hopkins Hospital Plan (The National Library of Medicine Archive)

Different hospital designs containing different concepts and functions emerged in the 19th century. John Billings, the architect of Johns Hopkins Hospital in America (Figure 6.), thought that infection control, economy, and health structures were the main factors in hospital design. Billings; he argued that the adequacy levels of hospital structures could only be possible through adaptation of hospitals to innovations in the future. Although Billings had been designing the hospital for over 100 years, it has continued to serve as an example for the next hospital structures. Modern hospitals have changed with time and these factors have always been important (Thompson & Goldin, 1975).

Hospitals have not only been used as treatment areas in the process but also have begun to undertake functions such as research and examination. Along with this function, changes occurred in the architecture of the hospital and the resulting plan type was called "pavilion plan type". With this change, the hospital buildings were connected by an external corridor. In this way, it is aimed to improve the quality of daylight and ventilation (Sungur Ergenoğlu, 2006). In this system, ventilation is provided through long corridors and easy discharge of dirty air is provided. Also, the stations are separated according to diseases (E. Aydın, 2002). The best example of this plan type is Nurse Florence Nightingale (Figure 7.). In the book he wrote, he argued that the pavilion type was the healthiest plan type of the hospital.

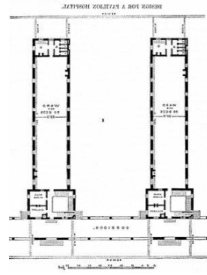


Figure 7: Nightingale's Suggested Ward Plan Type (<http://healtharchitecture.wikifoundry.com>)

As the death rates in hospitals decreased in the 19th century, people's perspectives on hospitals changed, demand increased and a social and economic classification was adopted in hospital policies. As a result of these policies, private and semi-private patient rooms have entered our lives in hospitals where the ward system has been adopted (Sungur Ergenoğlu, 2006; Yazıcı, 2016).

In the 1900s, this form was abandoned because monumental block types were abandoned and monobloc plan types were started to be used. These types of plans, which lay the foundation of today's hospital plan schemes, were implemented in T, H and Y types. Patient-centered care gained value in this period and the importance of spiritual health in the healing process beyond physical health was also reflected in hospital designs (Aydın, 2009).

2. Green Hospital

Towards the end of the 20th century, the healthcare sector realized the necessity of not just healing patients but preserving their well-being too (Chang, Ruhl, Halpern, & Gershwin, 1993). According to the World Health Organization, health has a direct relation with air pollution which is the outcome of the unconscious consumption of resources and overpopulation. To maintain well-being, the healthcare sector integrated green solutions to treatment methods. The planet earth has come to a point where resource depletion, air pollution and related problems (deforestation, water pollution, climate change, genetic modification, loss of biodiversity, etc) have occurred. The construction sector has a high impact on these problems. A lot of energy, land, water and organic materials are being used for/by the construction sector (Shen, Lu, Yao, & Wu, 2005). Since operations such as demolishing, processing of the material, application of the material, etc consumes natural resources and exert energy, it is crystal clear that the construction sector is responsible for the majority of environmental problems, especially the air pollution (Li, Zhu, & Zhang, 2010).

While researches were being done about the causes of environmental problems, construction sector moved on building sustainable structures. Since sustainable structures are not just in compliance with nature but also very economic in the long run, corroboration of sustainability notion spread quickly. Infact, today a lot of government supports sustainability and develops projects among it (Yıldırım, Erdoğan, & Bostancı, 2017). Especially commercial buildings are obligated to change their constructional and managerial planning.

Natural Resources: Various natural resources namely “energy”, “land”, “materials” and “water” are used during the typical construction process (Shen et al., 2005). Moreover, several construction equipment operations involve consumption of natural resources, such as electricity and/or diesel fuel. The building industry is responsible for using a high volume of natural resources and generation a great amount of pollution as a result of energy consumption during extraction and transportation of raw materials (Li et al., 2010; Morel et al., 2001).

Public Impact: Most construction projects are located in a densely populated

area. Thus, people who live at or close to construction sites are prone to harmful effects on their health because of dust, vibration and noise due to certain construction activities such as excavation (Li et al., 2010)

Ecosystems Impact: The accumulated amount of adverse environmental impacts like waste, noise, dust, and hazardous emissions still occur during the construction process which cause serious damages to humans and ecosystems

Ecosystems Impact: The accumulated amount of adverse environmental impacts like waste, noise, dust, and hazardous emissions still occur during the construction process which cause serious damages to humans and ecosystems

Aside from the construction part, a standard building consumes energy throughout its life cycle. Buildings which are serving substantial amount of people are producing a lot of waste and consume energy and water to a large extent. Therefore, 21st century is the era of both building green structures that exist in harmony with nature and adapting existing buildings to the sustainability notion (Tabish, 2011) Before the 20th century, hospitals were relatively small-sized buildings that provided natural ventilation and lighting needs by window gaps. Nowadays, hospitals are located on thousands of square meters, serving hundreds of patients throughout the day and having various health and office spaces. Today's hospitals, which have these features, cause intensive energy consumption and waste production. This has enabled the indigenization of the concept of "green hospital". As hospitals are more intensively used than other types of structures and therefore have a high potential for damaging the environment during use, the widespread use of green hospitals is a positive development for the environment. In order for a hospital structure to be a "green hospital", it is necessary to carry out energy, water and waste management, revise the mechanical systems to the building scale and needs, to raise the awareness of the personnel about such issues, and to use materials that can be recycled and do not threaten the health (Terekli, Özkan, & Bayın, 2013).

❖ Planning

Healing Design: Stress has a great effect on mental activities. Considering the stages of hospital design to date, it is seen that the main purpose of these structures is not only to fulfill their functions but also to maintain the well-being of the patients. Hospitals, which are the structures that people use when they get sick and show signs of illness, can make people feel worse when they are not built with appropriate designs (Beggs, 2015).

While examining the impact of hospital design on healing, Ulrich (2001) observed three responses in patients from non-improvement-oriented hospitals. The first is psychological reactions involving anxiety and depression. Various physiological responses such as high blood pressure and impaired immune system have also been observed. Ulrich has also seen behavioral reactions such as insomnia, adaptation problems, and hostile attitudes in these patients.

For a hospital structure to have a healing effect, indoor weather conditions must be ensured, the patient should interact with the natural environment, benefit from daylight and use appropriate colors (Beggs, 2015) Many of the design criteria of curative architecture are the same as those of sustainable architecture.

Sustainable Planning: Since the historical periods, it has been known that architectural planning has a significant effect on healing (Aripin, 2006). When a building is designed according to the idea of sustainability, the compatibility of the building with the topography must first be analyzed. As the structural elements vary according to the climatic factor, the climatic condition of the area where the land is located also gains importance. While analyzing the climate, data such as wind direction and sun angle are also obtained. In the light of these data, determining the shape and the scale of the building is easier and truer. The living spaces placed in the sun-soaked areas of the building provide

less energy consumption. Since hospitals are also structures with many different spaces, design stages, layout and size of spaces, utilization of natural lighting are essential for better service of the structure and less energy consumption. Green roof "systems should be implemented to reduce the impact of urban heat island and manage rainwater. Light reflective surfaces should be used on the building facade and around the hospital. Choosing the building materials to be used from local materials will reduce the cost of transportation as well as reduce the amount of carbon dioxide that occurs during transportation. The use of paint and coatings containing lead and cadmium in the interior should be avoided (HCWH, 2011). Planning decisions mostly involve passive building systems, ie, shaping the structure without using any system. After the planning decisions are made, various systems are applied according to the size of the structure and the area it serves. These are as follows;

❖ Indoor Air Quality

The majority of the people living in the cities spend most of their days indoors. For the comfort, health and work productivity of people who spend their time indoors, especially those working in the office environment in commercial buildings, the air they breathe must contain between 30% and 50% humidity and the ambient temperature should be 19-20 ° C (Alyüz & Sevil, 2006).

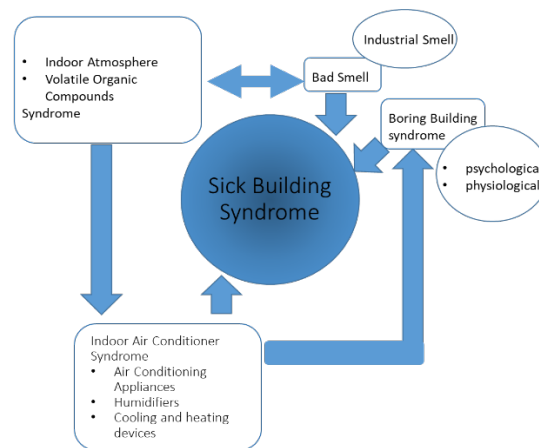


Figure 8: Patient building syndromes and the factors that cause them (Özyaral, 2003)

In the absence of thermal comfort, SBS, “Sick Building Syndrome” is seen in buildings (Figure 8). Various measures should be taken to prevent SBS. These are as follows (Roulet, 2006);

- In order not to decrease the indoor air quality, the room / space scale should match the number of people (e.g., more than 540 ft²/person [50 m²/person])
- Giving control on indoor conditions to occupants
- Avoiding indoor smoking

❖ Energy Efficiency

Eckelman and Sherman (2016) revealed that the health sector is responsible for most of the air-pollution problem. Findings shows that, US healthcare sector alone has a significant share of environmental problems such as; "acid rain (12%), greenhouse gas emissions (10%), smog formation (10%) criteria air pollutants (9%), stratospheric ozone depletion (1%), and carcinogenic and non-carcinogenic air toxics (1–2%). According to Roberts (2001), hospital buildings consume 2.1 times more than office buildings which are as large as hospitals. The first step in energy management in

hospitals is to identify the maximum energy consuming areas and tools, and then to reduce them. This can be achieved through estimating such as developing energy-saving programs, acquiring tools that consume less energy, and informing staff on energy consumption (Terekli et al., 2013).

Since hospitals contain many different spaces and all of these spaces require separate air conditioning and separate energy consumption, the need for ventilation has exposed. In order to prevent disruption, there should be no power outages in these structures. Therefore, generator system is required. All of these causes hospitals to consume a very serious amount of energy.

The arrangements that can be made in terms of energy management in hospitals are as follows (Sirer, 2014);

Optimum temperature value: After determining the required temperature for the waiting area, operating room, patient room, doctor's office, ventilation system should be applied to each of these spaces to ensure optimum conditions separately. Since unnecessary heating and cooling processes consume a lot of energy, it is important to determine the optimum values for each room. In order to prevent undesired heat gains and losses, the entrance doors should be kept as closed as possible or air curtains should be used.

Lighting: Taking advantage of natural lighting with a louver system, roof window, suitable sized openings to be made in the building shell reduces the task of artificial lighting to some extent. For artificial lighting, LED lighting should be used. At this point, the lighting needs to be at a level that will provide visual comfort in the space, because the excessive lighting causes both the lighting to be more than necessary and the visual comfort decreases and space becomes warm. Light-reflecting surfaces (walls, floors, furniture) should be as light as possible. This method directly affects the number of lighting.

Improving service areas: The kitchen is a very hot place due to the steam generated. Since there are a lot of people working in this part of the hospital, it is important to ensure the thermal comfort of these people. Heat pump should be used in this section. The principle applied in kitchens can be used in laundries. At the same time, thermal insulation should be applied to the hot water pipes in these areas.

Building shell: Thermal insulation should be applied to the exterior façade and windows with air layers should be used.

Energy generation: The energy required for the hospital should be removed from renewable energy sources.

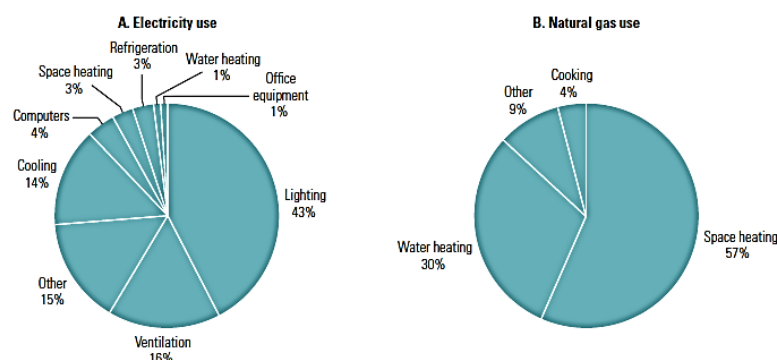


Figure 9: Energy consumption rates in hospitals (EPA, 2012)

❖ Water Efficiency

Hospitals are buildings that consume intensive water due to the spaces they host (Figure 10). To reduce water consumption, first of all, hospital employees should gain awareness. The essential

amount of water can be established by taking the average amount of water consumed within the structure. To reduce the amount of water consumed, the structure-saving thermostat system can be used. The water used once can be reused after purification. This method is called the "gray water system", which means the reuse of domestic waste that does not contain black water (which contains septic waste from the toilet) (Allen, Christian-Smith, & Palaniappan, 2010).

Not only the water used, but also rain water can be collected and turned into irrigation water thanks to the gray water waste system. In order to minimize water consumption, landscaping areas with water storage characteristics and drought-resistant plant species should be created. (Healthcare Without Harm (HCWH), 2011)

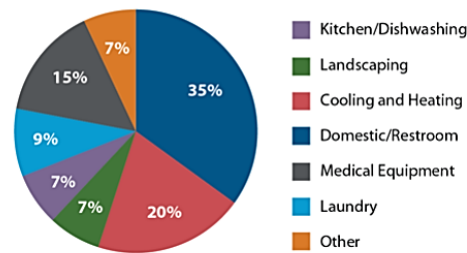


Figure 10: Amount of water consumption in hospital buildings (EPA, 2012)

❖ Waste Management

Waste management- one of the cornerstones of the idea of sustainability- was born as a result of understanding the necessity of disposing of wastes in an economic manner without damaging the environment (Akdoğan & Güleç, 2007).

There are two types of waste from hospitals: domestic and chemical. In particular, the improper disposal of chemical wastes threatens living life. Wastes have the potential to affect the health of the living creatures (Yücel-Tutar, 2004). In order to reduce the wastes in a controlled manner, various measures should be taken during the design phase. (Daisley, 1963). Thus, heat, electricity and water energy can be produced from wastes and savings can be achieved (Pereira & Lee, 2016).



Figure 11: Hierarchy of solid waste management (EPA, 2006)

❖ Use of Green and / or Recycled Materials

Green materials can be defined as materials that can be recycled and reused even if they are not organic, that produce less waste, that require less energy during their manufacture and that can be used in the long term (Fratila, 2014).

❖ **Transportation**

Energy required for transportation and toxic gases produced during transportation have an important role in the emergence of environmental problems. In addition to the construction phase, the health sector is one of the sectors that has many transportation vehicles such as ambulance, personnel service, hospital delivery vehicle. Hence, hospitals have a share in air pollution (Litman, 2019).

❖ **Food Services**

Hospitals provides outpatient and inpatient services. Because hospitals are large-scale structures, many hospitals have an extensive inpatient capacity. This has led to the need for hospitals to produce their own products in order to provide healthier food services (Healthcare Without Harm (HCWH), 2011).

Global warming and climate changes have affected many things, as well as the agricultural sector. According to IPCC (2013) data, it is estimated that global food prices will increase by up to 84% by 2050. This will be a big burden for hospitals with a daily scale of structure and a large number of people they serve.

3. Case Studies

3.1. Boulder Community Foothills Hospital

Boulder Community Foothills Hospital, the first LEED-certified building in the United States, was opened in 2003 in Boulder, Colorado, USA. The Boulder area has a mild climate and has a sunny weather.

BCF Hospital is the first American hospital to be rated by the LEED-US green building certification system. The hospital, which succeeded to receive LEED Silver in the year it was established, has been constructed on a 154.000 square meter facility and has 67.000 square meter outpatient building (usbgc.com).

BCF Hospital is designed to reduce stress on patients and make the patient feel more comfortable (boulderassociates.com). This effort is understood from the colors and materials chosen in the hospital design. Patients can change the room temperature, natural and artificial lighting levels according to their wishes. This provides a personalized patient room comfort. The heat-insulated windows, which are preferred throughout the hospital, offer the patients a choice of views thanks to their width (boulderassociates.com).

Sustainable Sites: BCF Hospital is spread over a large campus. The hospital has gained 14 points from LEED's "Sustainable Sites" criteria for its ease of transportation and directing patients to alternative transport routes, as well as heat island and stormwater management (usbgc.com).

Air Quality: VOC and formaldehyde-free products are used to ensure indoor air quality. At the same time, the property is completely non-smoking. This is an important criterion affecting air quality. According to Boulder Associates Architects, this application only provided 95 percent air filtration. Entrance to the hospital is planned away from the main street, including the emergency room. This keeps air pollution caused by vehicle traffic away from patients (boulderassociates.com).

Energy Management: Insulated and "Energy Star" certified white roof is used for energy efficiency. Thanks to this roof, unwanted heat cannot enter the interior from the roof while the roof reflects the sun's ray and the albedo effect is preserved in the hospital area. Daylight sensor is used throughout the hospital. At the same time, all vents used in the hospital are equipped with a carbon dioxide sensor. Thanks to this sensor, the ventilation only performs air filtration when needed. The fans are also ASHRAE certified and operate at low static pressure, avoiding excessive energy consumption. VAV

locked windows are used to prevent heat escape. According to the measurements, the project has reduced energy demand by 42 percent (Solomon, 2008) BCF Hospital also uses photovoltaic panels for energy recovery. 111kW energy is provided by photovoltaic panels on the outdoor terrace roof (usbgc.com).

Water Management: Rain water treatment systems are used for water management in a dry climate hospital. This system is used in landscaping and the irrigation processes of the hospital which has a lot of garden area. Photocell taps and waterless urinals are used throughout the hospital (boulderassociates.com)

Waste Management: 64 percent of the construction waste generated during the construction process was recycled (usbgc.com)

3.2.Vehbi Koç Foundation American Hospital

VKV American Hospital took 83 points from LEED EBOM (Existing Building: Operations and Maintenance) Platinum certificate in 2009, and this made the structure, Turkey's first "LEED Platinum certificated hospital".(smartecodesign.com).

VKV American Hospital Nisantasi, Istanbul is located in Turkey. Istanbul is a polluted city and the hospital is surrounded by buildings. Although this situation made it difficult for the building to be a green building according to LEED's "Sustainable Sites" criteria, the hospital received 24 out of 26 from this criterion. Located in one of Istanbul's easy-to-reach neighborhoods by public transport, the hospital received 15/15 of the "Alternative Commuting Transportation "criteria (usbgc.com). This hospital has a total area of 60 thousand square meters, consists of 7 thousand square meters technical area (Su ve Çevre Teknolojileri Dergisi, 2014)

Air Quality: The hospital has 350 Hepa filtered areas to ensure indoor air quality. The Hepa filter generally reduces the risk of airborne infection to a great extent. In order to maintain indoor air quality while maintaining health, hospital management uses synthetic fibers instead of glass fibers in the filtration system. Every area of the hospital works with 100% fresh air. Hospital management reported that patients improved more easily and were discharged in a few days thanks to improvements in air quality compared to standard hospitals.

Energy Management: The hospital has two steam generators with a capacity of 750 kg / h for the heating system. LED bulbs are used for lighting in the hospital. The hospital consumes approximately 15 million kw / h of electricity per year (Su ve Çevre Teknolojileri Dergisi, 2014).

Water Management: The hospital has 3650 tons of water reserves. Thus, there is no need to supply water from outside. The hospital consumes 60 thousand cubic meters of water annually. All the hot water needs in the hospital are provided by collectors. The hospital also has a water treatment system. In this way, the hospital prevents microbes that can spread from the water and threatens the health of patients. When the laundry used to wash the linens used in the hospital in the 2000s, VKV American Hospital consumed 130 thousand water a year. After an analyze, the management has considered that this contradicts the concept of the green hospital and made a huge water saving by getting external support for laundry. The annual consumption of the hospital has decreased to 60 thousand tons after this decision. Besides this, all taps used in the hospital were replaced with taps that use photocell technology. At the same time, the hot water used in the hospital was measured and it was noticed that the tank received more water than was spent. In order to save money, these tanks were also reduced to average consumption (Su ve Çevre Teknolojileri Dergisi, 2014).

Waste Management: Among the wastes extracted from hospitals, chemical wastes are difficult to deal with. The VKV American Hospital divides the waste from the structure into solid and liquid, and sends the solid waste to recycling. However, as there are recyclable and non-recyclable materials among solid chemical wastes, a classification is made at this point. All wastes are managed in




accordance with the regulations. There is a waste detector in the room reserved for chemical waste. This detector ensures that no radioactive waste is mixed between the waste and gives an alarm in case of any confusion (Su ve Çevre Teknolojileri Dergisi, 2014).

Interior Design Decisions: In addition to all these developments, VKV American Hospital has made innovations in the interior of the green building improvement process. Daylight plays an important role in the hospital, where natural materials and calm colors are used. In the VKV American hospital, which has large window openings, patient rooms are directed to the areas where the windows are located. Being aware of the fact that not only patients, but also employees are present at the hospital, Vehbi Koç Foundation has made design innovations in the fields used by the employees. All the furniture used is made of natural and local materials and is recyclable. In addition, a very contemporary design language was chosen throughout the hospital.

4. Conclusion

Throughout the history scene, hospitals have been large-scale structures that accommodate many employees beyond serving many patients at the same time. Plan types shaped according to needs have enabled the continuous development and growth of hospitals. At this point, hospitals have become structures that have many functions and serve many people besides consuming large amount of energy and water. The emergence of environmental problems and facts about sick building syndrome had also made air quality gain importance in hospitals.

As can be seen from this research, a hospital does not need to be built in order to become a green hospital. Existing hospital structures can be green hospitals by integrating various systems. The best example of this is the VKV American Hospital which is located in the middle of the city. This hospital, which is certified by Leed EBOM Platinum, shows that even in metropolises where air pollution is experienced, a hospital can be a green hospital. Both the VKV American Hospital and the Boulder Community Foothills Hospital are the two leading hospitals in LEED certification. VKV American Hospital is the first hospital in the LEED platinum certificate, EBOM category in Turkey. As another example, Boulder Community Foothills is America's first LEED-certified hospital. Both examples are pioneers of other hospitals in their countries.

	Boulder Community Foothills Hospital	VKV American Hospital
LEED Score	 72	 83
 Sustainable Sites	<ul style="list-style-type: none"> ✓ 54% Water savings for irrigation ✓ Covered bus stop and bike racks ✓ Cool Roof ✓ Stormwater treatment ✓ Exemplary encouragement of alternative transportation 	<ul style="list-style-type: none"> ✓ Building exterior and hardscape management plan ✓ Heat island effect – nonroof ✓ Site development - protect or restore open habitat ✓ Heat island effect – roof ✓ Alternative commuting transportation





 <p>Water Efficiency</p>	<ul style="list-style-type: none"> ✓ Waterless urinals ✓ Electric eye faucets in public spaces ✓ Low-flow faucets in patient spaces 	<ul style="list-style-type: none"> ✓ Water performance measurement ✓ Additional indoor plumbing fixture and fitting efficiency ✓ Water efficient landscaping
 <p>Energy and Atmosphere</p>	<ul style="list-style-type: none"> ✓ 30% Energy savings over ASHRAE ✓ Mansard overhangs and trellised walkways ✓ Window / VAV interlocks ✓ 111kW of photovoltaic power 	<ul style="list-style-type: none"> ✓ Optimize energy efficiency performance ✓ Existing building commissioning - investigation and analysis ✓ Enhanced refrigerant management ✓ Performance measurement - system-level metering ✓ On-site and off-site renewable energy ✓ Emissions reduction reporting
 <p>Material and Resources</p>	<ul style="list-style-type: none"> ✓ 62% Construction waste recycled ✓ 16% Recycled content materials 	<ul style="list-style-type: none"> ✓ Sustainable purchasing - electric-powered equipment ✓ Sustainable purchasing - furniture ✓ Sustainable purchasing - facility alterations and additions ✓ Sustainable purchasing - reduced mercury in lamps
 <p>Indoor Environmental Quality</p>	<ul style="list-style-type: none"> ✓ Urea formaldehyde-free MDF casework ✓ 2-week building flush-out ✓ Low-VOC wood stains, paints and adhesives ✓ Formaldehyde-free insulation 	<ul style="list-style-type: none"> ✓ Indoor air quality best management practices - increased ventilation ✓ Daylight and views

Table 1: Comparison of Boulder Community Foothills Hospital and VKV American Hospital (Derived From: usbgc.com)

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BETTER THAN WE SHOULD? GENERAL REMARKS ON OVER-IMPLEMENTATION OF MDR RULES ON THE EXAMPLE OF POLAND

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Abstract

The article and presentation discuss the problem of implementation of COUNCIL DIRECTIVE (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements into the Polish legal order.

Under the Polish regulations, taxpayers remain obliged to report not only the cross-border arrangements (as it is required by the Directive), but the domestic arrangements as well. As a result, under the guise of implementation of EU regulations, the Polish legislator imposed on taxpayers' additional obligations that the Directive does not provide for.

Since Polish regulations fulfill the purpose of the said Directive, there are no obvious possibilities to question the correctness of implementation of the Directive into the Polish legal order.

Nevertheless, the question arises here whether the Polish legislator has not over-implemented the Directive.

It is possible and legal for a member state to adopt regulations that impose additional obligations for its citizens, that are not required by the European law? Can such provisions be considered constitutional? Can they be reconciled with the directive of the Community interpretation?

In the author's opinion, although there are no grounds to question the legality of Polish regulations in the field of MDR, the Polish example indicates the need to regulate the principles of burdening the citizens of the member states with obligations far exceeding the requirements specified in the objective of EU directives. Ensuring harmonization of regulations in member states should not be used as a justification for the implementation of regulations which are not provided for by European regulations.

The article and presentation address the indicated problem, indicating how to implement the MDR regulation in Poland and assessing such a course of action.

Key words: mandatory disclosure rules, implementation of EU directives, international tax law, cross-border arrangements, over-implementation

THE FUTURE OF THE ACCOUNTING PROFESSION IN THE DIGITALIZATION ERA

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Abstract

The development of the information and communication technologies and the general digitization of the information eliminates the existing opinions and ideas of space and time, this information make the accountants slowly but surely to approach these global trends of the digital transition.

The progress in technology is considered to replace the operational part of the work of the accounting staff through automation of the business and the accounting processes, where the entry and processing of the accounting information and data using electronic integrated accounting systems, schemes and orders in advance will defined and automated.

It becomes a reality that, in times of digitization and the development of information technologies, the number of accountants dealing with mechanical inputs and recording of the business and the accounting processes is lowering, and more and more accountants manage the business processes, participate in defining these processes, perform financial reports independently and perform analyses of the information in these reports. The following questions are often asked, whether the accountants are trained enough for the digital transition, whether they have the necessary digital skills and whether they are prepared to meet the requirements of integrated accounting systems, the preparation of digital documents and frequent demands for an integration. Working paperless certainly becomes our reality and it is a matter of time whether and to which degree we are ready for such kind of step.

The automation and the digitization in accounting would mean replacing paper form of documents, including the digital signature and seal that should have exactly the same validity as in paper form. The following important issue is the international acceptance of digital documents which is necessary for implementation of the international regulations and the international standards. Provision of the confidentiality of the digital documents is of particular importance, the inability of changing the content of these documents groundlessly, gaining confidence, but also the right to access to the keeping period of the e-documents.

Key words: digitalization, integrated accounting systems, business processes, digital documents.