

# **4<sup>th</sup> IRI Economics Conference**

PROGRAM  
ABSTRACTS

International Research Institute s.r.o.  
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# 4<sup>th</sup> IRI Economics Conference

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# 4<sup>th</sup> IRI Economics Conference

Bratislava, Slovakia, 19-20 January, 2017

## 19 January 2017

Session No. 1. 12.00-14.00 Regional Issues

Chairman: Miklós KOZMA

Pece Nedanovski, Katerina Shapkova: Contemporary Challenges for the Concept of Green Jobs: The Case of the Republic of Macedonia
Éva Kőváriné Ignáth: The Impact of Brexit on the Benelux States
Alieu Gibba, Nuha Nyassi: A Study on Climate Smart Agriculture Adaptation in Rural Gambia
Nguyen Thi Thu Thuy: The goals of agricultural and rural development strategy in EU and Vietnam
Gábor András Nick, Tünde Patay: A Comparative Analysis of Industry 4.0 Cities and their Human Capital
Krisztina András, Miklós Kozma, Zoltán Kynsburg: The role of major events in the development of mid-size cities

Session No. 2. 14.10-16.10 Changing Markets and Innovations

Chairman: Prof. Ferenc NÁDASDI

Krisztina Szujó: The role of innovation in the development of the future's economy – today's decision is the success of tomorrow
Orsolya Diófási-Kovács: Public Procurement and the Circular Economy
Lachin Namaz: The role of creative cities in achieving city brand loyalty
Anett Kocsis: The role of Facebook in the marketing activities of the schools
Nikolett Németh: The impact of food allergy on consumers' food choice based on literature
Gedeon Totth, Kornélia Vámosi Zarádné, Ferenc Nádasdi: Examining Brands as a Value in Selling and Purchasing Decisions

Session No. 3. 16.20-18.20 Business Economics

Chairman: Prof. Kornélia ZARÁNDNÉ-VÁMOSI

Csilla Polster, Márta Konczos-Szombathelyi: Generation change among three Hungarian family businesses
Sevinj Omarli: Which factors have an impact on managerial decision making process? Literature review
János Kiss: The Impact of Innovation on Performance – firm level analysis
Judit Nagy: How the reliable supply partners can affect the customer and ownership value creating process in trade companies?
Zsófia Jámbor, Andrea Gelei: Long term relationships of Hungarian companies
Ferenc Nádasdi, Andrea Keszi-Szeremlei, Kornélia Zarádné-Vámosi: Value Analysis of Paper Coating

## 20 January 2017

Session No. 4. 9.30-11.10 Labour Market

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Kornélia Lazányi: Understanding trust
Beatrix Faragó, Márta Konczos-Szombathelyi: Strength of region's talent retentions
Előd Kovács, Györgyi Barta: Older Persons on the Hungarian and Austrian Labor Markets
Tünde Patay: Migration Policies and Labour Market Structures
Nuha Nyassi, Alieu Gibba: Impact of Social Protection Schemes in Rural Gambia

Session No. 5. 11.20-13.00 Financial Issues

Chairman: Prof. Leonid NAKOV

Tunde Mate: International sport programmes in Hungary. Motivation, objective, experiences and results. Effects of European Youth Olympic Festival 2017 and possibilities for Győr
Jay Stephen Siy, Inna Camille Andres, Frances Sol Cudiamat: Determinants of Profitability in Life Insurance Companies: Evidence from the Philippines
Anita Potocskáné Kőrösi, Tünde Bokorné Kitanics: The public effects of tax-base reductions and tax allowances in Hungary
Iris Lončar: Time-Driven Activity Based Costing: The Accounting Technique of Modern Managers
Leonid Nakov, Igor Ivanovski: The Potential of the Developing Model of Organizational Health for the Growth of the Insurance Industry

Session No. 6. 13.10-14.10 Other Issues

Chairman: Éva REMEK

Anita Maček, Christian Friedl, Mladen Vučkovič, Dominik Sporer: Knowledge transfer chain in the Caribbean
Éva Remek: OSCE: the crisis in and around Ukraine – security and economic consequences
Zrinka Golemac: The Main Drivers and Challenges of Mergers and Acquisitions in Central and Eastern Europe

# Abstracts



## **The role of major events in the development of mid-size cities**

**Krisztina András, Miklós Kozma, Zoltán Kynsburg**

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The key research question of our current project is how organising major sport events may have an impact on the development of mid-size cities. In the literature, major events are normally associated with larger cities. In our Hungarian-based research sample most of the cities are relatively small in comparison with how many teams and athletes normally arrive to a major international sport event. Our paper illustrates how cities with a population size of 10-100 thousand people can shape their international image by hosting sport events, and how such events actually add value to local community life. An analytical overview of the profile of those mid-size cities that are ultimately successful in a particular sport will form part of our explanation. Our local results will be compared and contrasted with international examples. Finally, we introduce a few selected cities that we believe could greatly benefit from organising major international events, but have not done so yet. Overall, our paper aims to stimulate others to think about how mid-size cities in their vicinity could be supported to host sporting events and to consider future collaboration in an international comparative study.

## **Public Procurement and the Circular Economy**

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The European Union adopted the Circular Economy Package at the end of 2015 and two directives part of European Public Procurement Reform in 2014, which was to be implemented by the Member States by April 2016.

Both of them have significant effect on the EU economy and are strongly connected to the concept of green public procurement (GPP). „Public authorities are major consumers in Europe: they spend approximately 1.8 trillion euro annually, representing around 14 % of the EU's gross domestic product. By using their purchasing power to choose goods and services with lower impacts on the environment, they can make an important contribution to sustainable consumption and production.” (GPP Europe official website)

Green Public Procurement is defined in the Communication (COM (2008) 400) as "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured." (COM (2008) 400)

The aim of this paper is to examine the connection between the possibilities provided by the new public procurement directives for greening procurement and the program of the Circular Economy Package. The Circular Economy Package consists of an EU Action Plan for the Circular Economy that establishes a concrete and ambitious program of action, with measures covering the whole cycle: from production and consumption to waste management and the market for secondary raw materials. (Circular Economy official website)

The paper seeks to find connection between other policy instruments e.g. ecolabeling to support the voluntary instrument of GPP in order to achieve the circular economy goals.

**Strength of region's talent retentions**  
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**Széchenyi István University**  
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Opportunities through sport appear as challenges of XXI. centuries which open further doors in sector of health, education, career, talent management, corporate. Sport is a key element of the society of economic growth, which includes the impact of economic indicators of organizations, develop the human capital, sustainability. The regional sport-economic development through the rise of the national sport-industry results in the expansion of the national economy, too. The corporate talent management strategies and the skills, competences of former sportsmen and women entering the civilian arena of work and life may join together in harmony. It also constitutes a major problem for companies to fill high profile job vacancies with appropriate workforce having outstanding competences, so the competition for eligible applicants is getting more volatile in the HR corporate environment. The sustainable talent management-scheme means a kind of way-out from this challenge trap for the corporations. The corporate talent management strategies and the skills, competences of former sportsmen and women entering the civilian arena of work and life may join together in harmony. It also constitutes a major problem for companies to fill high profile job vacancies with appropriate workforce having outstanding competences, so the competition for eligible applicants is getting more volatile in the HR corporate environment. Study area extends how to apply companies in the region utilize of the sport gave skills in their talent and business strategies. The research aims to analyse the principles, best practices of the towns in the region concerning the aspects of sport strategies, the talent management, as well as the sensible contribution of sportsmen and women to the local economies. Research shows innovative way in the company's HR business strategy, management of the human capital, application of the talent management.

## **A Study on Climate Smart Agriculture Adaptation in Rural Gambia**

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The Gambia, like other countries continues to face unprecedented environmental and climate change related challenges altering and limiting productivity capacities of its agricultural sectors. Thus, posing immense protracted food insecurity and income threats to the agricultural producers in the rural farming communities of The Gambia. Therefore, there is need for robust and efficient climate smart agricultural practices to ameliorate the increasing challenges faced by farmers.

Climate-smart agriculture (CSA) is a strategy that helps to guide actions required to “transform and reorient” agricultural systems in order to support development and ensure food security under climate change. CSA aims to tackle sustainable agricultural productivity and incomes; building resilience to climate change; and eradicating greenhouse gas emissions, where possible. It provides the means to support stakeholders from local to international levels to adopt agricultural strategies suitable to their conditions. Most smallholder farmers in the world and The Gambia in particular, are concentrated in the rural areas whose source of livelihoods are directly and indirectly dependent on agriculture. Thus, effective growth in agriculture is greatly dependent on equitable strategies in reducing poverty, increasing incomes and food security.

The objective of this article is to evaluate the current agricultural practices in The Gambia (Crop, Livestock, Fisheries' & Forestry), key interlinked challenges limiting effective and efficient productivity and recommend applicable actions to transform and reorient agricultural systems that effectively and sustainably support development and food security under a changing climate. National climate friendly supportive policies, programs and literatures on the subject matter in context of The Gambia were explored and analyzed to measure the state of preparedness and political will in halting the devastating challenge The Gambia continues to face in a bid towards sustainably increasing agricultural productivity, farm incomes, food security and development.

## **The Main Drivers and Challenges of Mergers and Acquisitions in Central and Eastern Europe**

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In conditions of global economies companies in all economic sectors are under enormous pressure to constantly search for innovative possibilities of strategic expansion. Consequently, companies throughout the world are more often using the strategy of mergers and acquisition (M&A). In this context, the market of Central and Eastern Europe (CEE) represents an extremely attractive area for the expansion of companies. Namely, many Central and Eastern Europe countries (CEECs) have achieved significant progress in adopting European Union standards and as such represents a relatively safe and stable area for investors, at the same time ensuring a simple access to the European Union market. In order to indicate a wide spectrum of investment possibilities at the Central and Eastern Europe (CEE) market, this paper analyses deal volume, transaction value and the structure of overall mergers and acquisition (M&A) activity in the period of 2010-2015. The main research problem of the paper is to reveal the key economic and legal developments in Central and Eastern Europe countries (CEECs), which determine corporate transactions. In order to put our research into a meaningful context, the paper also outlines dealmakers' experiences and outlooks on mergers and acquisitions (M&A) in the Central and Eastern European region. The research will use a document analysis as the main research procedure to collect secondary data. Furthermore, different countries' reports will be studied and prevalent results computed. The research results will focus on especially significant drivers and challenges of mergers and acquisitions (M&A) which will lead to a conclusion about possibilities and probabilities of further corporate transactions in the Central and Eastern European region.

## **Long term relationships of Hungarian companies**

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Considering the growing interest of firms regarding their long term relationships in our constant and rapidly changing world, we study these types of relationships maintained by Hungarian companies. The study is based on the Competitiveness Research Centre's database created in 2013, 80% of the firms in the sample belong to SMEs. Our goal is to get a deeper insight and understanding of these long term relationships. Therefore we identify different reasons for developing them, based on these reasons we create specific clusters and compare the relationship content of them along three dimensions: (i) the level of commitment between partners; (ii) social bonds; and (iii) the value of the relationship. We have a triadic approach and examine both supplier and customer relationship of the focal firms filling out our questionnaire. Results suggest that on the supplier side, two factors (reliable/stable supply and potential radical cooperation in innovation), while on the customer side, three factors (stable capacity utilisation, new orders by the customer, potential small cooperation in innovation) determine the reasons of maintaining long term relationships. We could identify three significantly different clusters on both sides of the supply triad that reflect a relational content contradicting the traditional relationship management literature suggesting two types of balanced long term relationships, the so called arm's length and the strategic relationship.

## **The Impact of Innovation on Performance – firm level analysis**

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Both economics and management literature assumes that innovation has a positive impact on business performance. Due to shifting customer demands, firms that introduce innovative products are more likely to remain up to date and achieve higher level of sales. Such firms can also gain first mover advantages that have been associated with superior long-term firm profitability. On the other hand due to fierce competition, and that copies of rivals' products, innovators do not always harvested the fruits of innovation. Our research is based on the Hungarian Competitiveness Research database of 2013 launched by the Competitiveness Research Centre, Institute of Business Economics of Corvinus University of Budapest. The final database consists of 300 firms, including 97 medium sized manufacturing companies, which our paper is focused on. Due to lack of data the Tobit and OLS regression equations have less firms. We have examined the impact of innovation on firm performance, which has been measured by export intensity and profitability. We have found that the foreign owned firms show the best results regarding both of the performance measures. Public financial support for innovation activities has a positive impact on export. We have not found significant relationship neither between R&D activities, the level of innovation management and firm performance, nor between the introductions of process, logistic, organisational and marketing innovations and firm performance. Contrary of the expectations those firms are more successful which introduced new-to-the-firm type of product innovations, rather than those of introducing new-to-the-world innovations.

## **The role of Facebook in the marketing activities of the schools**

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Nowadays, choosing a school is playing a more important role in the lives of the fourteen and eighteen years old students than a few decades ago. At the same time, schools lay emphasis on convincing the students to choose them. Mainly, this explains the recent increase of the school and trade offers. However, the number of the students has decreased. Earlier, having a good reputation was enough for a school to attract many students. Today, high schools, colleges and universities have to use different tools to have a decent number of students. During the last decades, the significance of the marketing communication tools increased in order to form and influence customer needs. Recognising this, educational institutions apply these tools to gain students. The problem is that it matters which tool and how intensively it is applied.

In the 21st century, the most popular communication channel is the Facebook among student, which has two serious advantages. One of them is that it has several users, therefore almost everyone can be reached. The other is that because most of the users are almost always online, students can be reached very quickly.

It is an important question to answer that whether schools have recognised this opportunity, and if so then to what extent and how they use Facebook as a marketing communication tool to persuade students. The other important question is that whether the students who are active users of Facebook prefer schools to reach them via Facebook.

In my presentation, I seek to present the opportunities that Facebook offers to schools in order to convince students to choose them. Furthermore, I would like to show how common this marketing communication tool is among the educational institutions.

## **Older Persons on the Hungarian and Austrian Labor Markets**

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In the last few decades the narrowing of the labor markets of the developed countries - caused by the continuous technological developments and by the millions of workplaces deployed into the developing world - became a well-known phenomenon. This is also the main reason why the demand for older persons as workforce has fallen back. And even worse, the drop in demand did not happen well-proportioned, but rather more drastically than in other age groups. For the employers age plays namely a key role: younger people are mostly higher motivated, can be influenced and custom tailored easier and are more likely willing to take jobs, which older persons cannot accept due to different reasons and health issues. Older persons have an out-of-date knowledge compared to the younger people, they are less willing to take part in trainings and courses, whereas on the other hand many of them are protected by law due to their age, and they usually also spend more time on sick leave. On the whole for the employers older employees are not the best selection in general. In our paper the status of older persons on the labor markets of two neighbouring countries namely Hungary and Austria are being compared. Austria is a successful member of the European Union, with dynamic development figures. Its population is growing and due to the continuously rising number of work related young migrants coming to the country Austria is less endangered by the aging itself. Its welfare system enables the introduction and maintenance of a generous retirement system. Hungary in fact is a much poorer country than Austria. The completely different type of system settled in Hungary in the times of socialism has left as heritage a very diverse labor market compared to that of the countries of the western world. The transition period has brought a mass unemployment and demanded special solutions from the state. Due to the fact that the Austrian wages and social welfare systems are much better than those in Hungary, the complete opening of the Austrian labor market has interfered in a very interesting way. Over 70 thousand Hungarians are already legally working in Austria, which – together with the growing mobility and willingness of Hungarians to migrate abroad in general – has resulted in the lack of workforce in Western-Hungary. Using the official statistics and publications related to the Austrian and Hungarian labor markets we intend to give an insight into the current situation.

## **The Impact of Brexit on the Benelux States**

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23<sup>rd</sup> of June 2016 is the date of the referendum that was held in Great Britain on the membership of the country in the European Union. 52% of the votes cast were in favour of leaving the EU – and this result shocked most of the citizens of the integration. During their 43-year long EU membership, the British have fought their battles to defend their national interest, and the EU policy of the consecutive governments showed a diverse picture of the relationship of the country and the EU. Prime Minister Theresa May stated that the UK would invoke article 50 of the Treaty of Lisbon by the end of March 2017 – but it needs the approval of the Parliament as well.

Since the referendum, the economy of the UK has shown signs of decline. Among the symptoms, one can mention the slowing down of the growth rate, inflation started to increase, financial services might suffer the consequences, and the value of the sterling dropped to a 3-year minimum since three years compared to the euro. Brexit could have a negative effect on the EU as a whole, as well as on the individual member states. Those of them are the most vulnerable the open economies of which are closely linked to that of the UK.

The economic relations of the Benelux countries with the UK have grown stronger in the last 40 years, and today, due to the economic and trade interdependency, all the three states could feel the negative impact of the British exit. In case of Belgium, the effects of Brexit could be felt in the external trade of the country, in the area of investments, it might affect the financial markets, due to the exposure of the banking system. In addition to it, Flanders, Wallonia and the Brussels Capital Region could differ on the ground of the impact of Brexit. For the Netherlands, a decrease in external trade of the country, and the effects on capital flow might also be seen. Luxembourg also has an open economy, and although the share of the UK in the export and import of products of the Grand Duchy is smaller compared to that of the other two Benelux states, the services trade is considerable. Regarding the investments, the impact of Brexit could be considerable. Besides the negative effects, there could be some positive ones as well. The aim of the article is to show, what economic challenges and impacts the Brexit would have on the three Benelux states?

## **Understanding trust**

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Trust is a social phenomenon. A relation of two or more actors, on which a lot can depend. The lack of trust has its effect on the individual's social surrounding – creates insufficient supporting belt and through it deficiency in social support. It is also exhausting to always stay alert and constantly watch one's back. Contracts cannot always solve social interactions, but in return are tiresome if created to regard all relevant circumstances. However, lack of trust is not only negative on the individual, but also on an organisational, or even societal level. Trust is a basis of collaboration and innovation. Hence, lack of trust obstructs partnerships and synergies within and in-between organisations. Fosters individual perspectives instead of collectivist ones and are followed by strong uncertainty avoidance and short-termism.

Present paper endeavours to explore the trust among young adolescents in regard to their social supportive belt and perceived level of social support. The paper presents data of a research on over 200 university students with engineering and economical educational background. The research has been delivered with the help of an online survey with open and closed ended questions. The sample has been selected with a snowball methodology, starting from students of Óbuda University, however including students from other HEI as well. Hence, the findings of the research cannot be regarded as representative of the age group, but rather as indicative, and basis for further inquiries.

The basic hypotheses are that those who trust less are more alone, experience lower level of social support and are more alert from a safety point of view. Nevertheless, since support is mostly not in the numbers, but in the strength of the relations, not only the perceived level of social support, but specific trust-related behaviours are being explored in the research through which the mechanisms of trust-distrust are being analysed.

# **Time-Driven Activity Based Costing: The Accounting Technique of Modern Managers**

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Cost and management accounting have been primarily developed in order to provide information support to managers in planning and decision-making processes. Increasing competition, widespread changes in the complexity of business processes and the growing complexity of cost structure have caused development and implementation of a wide range of accounting techniques in the mentioned fields. The main tasks of these techniques are to detect and measure all costs, monitor them, allocate costs to objects and indicate which costs can be reduced or even eliminated. In other words, the main aim of all these techniques is to prevent over-costing or under-costing distortions.

As it is necessary for managers to understand costs, their behaviour and factors that cause them, it is particularly important to comprehend and, according to distinguishing determinants, adopt such a costing system that could supply them with relevant and accurate cost information. The activity-based costing system was recognized as a quality approach over the last decade of the 20th century. But, a significant number of users have pointed out the difficulties in its practical application. The high level of engaged resources and an unfavourable ratio between benefits and costs connected with activity-based costing implementation were stressed as the most common reasons for its rejection in practice. Consequently, this situation has caused the creation of the Time-driven activity-based costing which was established as an alternative method.

The main objectives of this paper are to present the key determinants of the Time-driven activity-based costing - a new management tool, and to compare its characteristics with those referring to traditional costing systems.

## **Knowledge transfer chain in the Caribbean**

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The transfer of knowledge is an important aspect concerning innovation activity and the competitiveness of a certain country. In the article authors search the potential for development of innovation-driven economy in the Caribbean. Statistical data show that the Caribbean has not invested an adequate level of financial resources for innovation in last years. Furthermore, existing resources are not efficiently used. According to the analysis, Caribbean countries show significantly different competitiveness characteristics, in spite of their common geographic location and small size. Based on statistical data and the analysis of knowledge transfer barriers authors suggest some important measures to increase entrepreneurial activity in terms of knowledge transfer in the Caribbean.

# **International sport programmes in Hungary. Motivation, objective, experiences and results. Effects of European Youth Olympic Festival 2017 and possibilities for Győr**

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Special attention dedicated to this topic, because in Hungary 62 sport programmes were organized in 2013, 2014 and 2015 and additional 20 will be organized in 2016. Hungary host first time in summer of 2017 such sport programs (European Youth Sport Festival) with several sports, which belongs to Olympic events. Then, in the same year Water World Championships will be organized in Budapest.

Hungary is competing for organizing Olympic Games in 2024. The basic pillars of the application are - besides the outstanding sport successes of the country- experiences collected from the successfully organized sport programmes in the last years.

In the summer of 2017, an international sports event representing several Olympic sports will be held in Győr, Hungary for the first time. This presentation addresses the question: How can the City of Győr increase its economic activity through sport through the European Youth Olympic Festival (EYOF). The influence of sports economics via events appears to occur through international events. An important international sport event from a sports economics point of view has impacts over all sport markets. These international sport events have specific impacts not only on their own markets, but also on the host country / city's economy. EYOF is an incentive factor in urban development, opening up new opportunities for the City of Győr as a catalyst of investment. World-class sports facilities will be built including the construction of an Olympic Centre neighborhood rehabilitation. The purpose is long sustainability, and 100% utilization of facilities to optimize operations. Special attention is being dedicated to the topic given that Hungary is competing to organize the 2024 Olympics Games. The Olympic bid application is based on the country's outstanding sport successes and the experience developed hosting several international sport events in recent years. The state argues that Hungary is world-class in the organization of international sports event and this study aims to show how international sport events helps develop the image and economy of the host country/cities.

## **Value Analysis of Paper Coating**

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Hungary qualifies as a „small market”, so in order to achieve financially appropriate performance, export is usually necessary. In order to make the products of the examined company financially competitive in the long run, it is a must to constantly survey and satisfy customer needs. Value Analysis is applicable to convert customer needs to functions and to choose the appropriate function carriers. According to our experience, improving competitiveness of commodity-like products makes the value analysis of technology necessary as well. During the elaboration of this project as well we saw the feature that the Value Analysis project discloses certain issues which make the application of further proceedings of Value Methodology necessary. Our team has suggested the executive board of this company to apply proceedings such as Value Engineering and Value Analysis of the Capital Investment while enhancing technology. In the interest of increasing competitiveness, quality has to be improved and if possible, first cost has to be reduced, on the whole, the value of the product manufactured by the company has to be increased. Nowadays this fact is a decisive requirement and an essential management interest in the long run. The company was founded in 2006. The main and only profile of the company is the making of silicone base paper, or as it is otherwise called, the base paper of the back of the stickers. Previously the company had manufactured the 80 g printing-writing papers, however, due to market demand, the more and more expensive raw material and the cheaper products pouring in from abroad, this scope of activities had been put down. The company has 160 employees, production is happening 24/7 and they exclusively export to foreign countries such as France, India, Luxembourg, Ireland, etc. The company manufactures its products and realizes its service activities in a way that it takes into consideration what procurers, customers and partners need and demand from it. Management considers quality to be a decisive goal which is a crucial tool for winning potential procurers and for keeping and expanding the market. With this in mind, they operate the undertaking so that their name means guarantee for their procurers.

## **How the reliable supply partners can affect the customer and ownership value creating process in trade companies?**

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The aim of the paper is to reveal that if trade companies – retailers and wholesalers – have a stable supplier base, involving long term contracts, commitment and trust, these companies can create higher value to their customers and to their owners than those who do not have stable supply partners.

We have heard about the impact of stable, long term relationships between firms many times, and also about that it is advantageous for both partners. However, these studies are mainly concern automotive, electronic, or engineering industries and not trade companies.

Trade companies grew fast in past 10 years, especially in CEE and Hungary, too, being responsible for 12% of GDP. I would like to analyse if there is any intention in these firms to build close supplier relationships and if they do, does it result in a better logistics performance towards their customers (customer value) as well as in higher sales income (i.e. ownership value). To carry out this analysis I am using the database of Hungarian Competitiveness Research Centre (HCRC). HCRC collects data about company competitiveness regularly. This collection has been made five times since 1995, the last two was carried out in 2009 and 2013. The databases contain data about more than 300 companies which of 50 are trade firms that are analysed to reach the before mentioned research goal. The repetitive data collection also makes it possible to map the development process, that how the share of long term supplier relationships has changed between 2009 and 2013 and how does this affect the customer and ownership value creation.

# **The Potential of the Developing Model of Organizational Health for the Growth of the Insurance Industry**

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Increased competition on the markets puts an imperative to companies and the respected variable managerial models to upgrade internal processes and relations towards unique and particular advantages. Creating, implementing and innovating the model of organizational health, on two streams, firstly on individual and group, and secondly on organizational level, enlightens vast opportunities for competitiveness and sustainability. Rare surveys in the application of organizational health in insurance industry show that organizations that include and develop sustainable model of organizational health, as a functional part of their organizational culture, has greater overall performance. For that reason, organizations must change and undertake consequent and consistent actions that primarily start with leadership.

Insurance industry is struggling to keep pace in highly competitive environment in the financial systems that still pursue with the low returns and limited demand. In that context, insurance industry still deeply rely on human force that should create demand for insurance products throughout innovation, trust, ethics and responsibility, in the highly segmented insurance markets that differ and involve substantial behavior elements. The importance of the intermediaries, in particular for the life&health insurance, stresses the value of employees trust and their personal and organizational health level. This paper gives a rare multilevel approach for the role of the organizational health and its potential for increased competitiveness and growth of the insurance industry and is a base for further academic analyses.

## **The role of creative cities in achieving city brand loyalty**

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This study is going to investigate current trends in city branding literature and introduce the approach that can enrich city branding practices. In order to achieve prosperity it is vital to build effective relationships between place brands and targeted visitors. Thus, there is a need for holistic approach in city branding that includes socio-cultural, economic, and political aspects of a place. That is, current research intends to provide contributions in addressing existing gap in the literature. To achieve this, study is going to investigate which reasons result in brand loyalty that lead to repeated preferences of visitors toward a city. Furthermore, this study is going to bring new insight on understanding how creative city concept can be utilized in achieving city brand loyalty. Coordinating visitors and residents' points of views, their attitudes toward city brand and adapting it in branding practices may have better outcomes. Can high quality experiences such as openness, and diversity as it stated by several scholars influence the brand loyalty? Or there might be existed other antecedents that can activate these positive outcomes? Thus, taking into consideration mentioned points, current study will attempt to formulate direction for the future research. This will identify visitors' (not only creative class) thinking about the city brand which in turn will give better chances to establish leading city brand. By applying this new approach the study will help to better measure city brands' attractiveness and improve their competitiveness in global area.

## **Contemporary Challenges for the Concept of Green Jobs: The Case of the Republic of Macedonia**

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The “weatherization programs” that addressed the need to save/conservate energy were first introduced in North America in the 1970’s during the OPEC fossil fuel crisis under the banner of “energy conservation”. The fossil fuel crisis has irreversibly triggered an increasingly globalized concern about energy conservation and the increasing scarcity of natural resources under the classical post-World War II model of economic growth. Since then, the society has increasingly studied, and now clearly understands the harsh reality, that the same growth model cannot continue to be based on an ever-expanding consumption of fossil fuel energy.

The nature of green jobs and their labor market trajectory remain highly contested topics in the labor market literature. Though it is commonly understood that green jobs are in some way related to improving, protecting, and maintaining the environment, there is still no agreed upon framework that can delineate the basic characteristics of green jobs, determine the nature of the work, establish methods for capturing this information and accurately count green jobs. Despite the conceptual and practical challenges in defining and counting, green jobs do exist and they can serve as a model to explore the impact of evolving green technologies and practices on the nature of work and the dynamics of the green labor market.

The Republic of Macedonia as a full EU membership candidate country is faced with the challenge of efficiently implementing serious reforms in the economic and social systems. Among those reforms, the fields of energy and energy efficiency are crucial for the country’s overall development.

The labor market in the Republic of Macedonia, during the period of transition, appeared to be pretty imbalanced. During the whole period, labor supply was significantly higher than labor demand. This imbalance resulted high rates of unemployment for a long period of time. Also, the rigid labor market and unsuitable labor force structure, have a negative influence on the creation of a favorable investment environment.

There are a significant numbers of barriers related to the creation of green jobs in Macedonia. It is hardly possible to assign those barriers to a specific market or policy area and to propose a coherent framework. Many of the issues are overlapping and concern, albeit to varying extents, construction companies and professionals, vocational education practitioners, producers and suppliers of building products and technologies, policy makers, households, as well as other entities. Having in mind all the previous, there is a need for relevant measures and recommendations that could lead to the creation of green jobs via implementation solutions for energy efficiencies.

## **The impact of food allergy on consumers' food choice based on literature**

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Food allergies are a growing and significant food safety and public health concern in Europe and throughout the developed world. Although, many people tolerate certain type of food badly, real food allergy is not so common. Meanwhile, the number of people with food allergy has been continuously increasing; nowadays 1-2% of adults and 6% of children suffer from real food allergy according to some estimates. Food choice is usually determined by a complex combination of factors ranging from biological to social and cultural. However, people with food allergy encounter greater difficulties when choosing foods to buy or eat. The aim of my study is to investigate the latest research methods and the results in similar studies introducing the buying behavior of consumers with food allergy and food intolerance. Therefore, my research questions are the following: (1) What factors influence consumers with food allergy in food choice? (2) What strategies can consumers with food allergy apply in order to avoid the adverse reactions to foods.

This study is based on a literature review of 50 peer-reviewed articles, published between 2005 and 2016 to investigate the topic across several disciplines. In international literature, qualitative and quantitative methods were applied equally to examine food choice. In the case of qualitative method, focus group interviews and in-depth interviews are the most common techniques, as well as the so-called "accompanied shopping task". The Product Choice Reasoning Task (PCRT) is another tool that was developed in a specific research program to reveal consumers reasoning about how decisions about purchase are made. The 'think-aloud' technique is also widely used in qualitative researches. Based on recent studies, 30-35% of the population modify their diets for adverse reactions to food. Nevertheless, consumers with food allergy can use a range of strategies in choosing which foods to buy and eat. Although, several studies have been carried out, in this field in international literature, we can hardly find any similar articles describing clearly the situation in Hungary. Therefore, the other aim of my presentation is to provide directions for future research to examine the present situation and buying behavior of Hungarian consumers with food allergy.

## **The goals of agricultural and rural development strategy in EU and Vietnam**

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The World conference on Agrarian reform and Rural development in Roma in 1979 had pointed out that developed and developing countries have to eliminate rural poverty and hunger in order to facilitate the global problem: rural development. Until now, World conferences were annually held by the Food and Agriculture Organization of the United Nations and Declarations were published. Immense effort to contribute to Agricultural and Rural development strategies over the world was carried out and tacked from national development policies to agricultural and rural development programmes and was the motivation for the Declaration of World Conference 1979: Growth is necessary but not sufficient, and national strategies must fully recognize the interdependence between industry and agriculture.

Nowadays, the goals of supporting rural poor as well as rural areas on the world are fostering the agricultural production and rural development in a sustainable pathway with much more economic access to food and reducing vulnerability.

Although the European and Asian countries followed different development paths, they are common in having larger rural areas in topography and rural sector spreads in both regions. EU countries had implemented investments for rural sector by the means of several programmes since the Roman Treaty (1957) among them the rural development programme in period 2007-2013, which continues in period 2014-2020. In Vietnam agriculture and rural development have been playing an important role in national development planning for 30 years when “Doi moi” (Renewal) policy was carried out in economic, political and social aspects in year 1986.

The expected results of my research in the topic of agricultural and rural development strategy in EU countries and Vietnam will contribute to the understanding of the motivations, challenges and development paths of rural areas in Europe and Vietnam: common aspects and limitations of implementation and lessons for future study.

## **A Comparative Analysis of Industry 4.0 Cities and their Human Capital**

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The Hannover Fair of 2011 opened a new era in the German industry: this is when a new scientific project, Industrie 4.0 – the Fourth Industrial Revolution, was first published, according to which in the future smart products will be manufactured in smart factories for the global market.

The series of innovations, developments in information and communication technology (ICT), Cyber-physical systems (CPS) and the introduction of tools and services in the production process, which in turn affects the economic players, thus influencing regional competitiveness.

The new smart factories are still operating in geographical environment and the performance of these production units is linking to the circumstances offered by the society and the city/region they belong to. The quality of the human capital in the location is a key success factor.

Industrie 4.0 is an imagined future, which in our opinion if a direct or indirect was will have a fundamental influence on smart cities and their environments and regions, given that their primary goal is improving the competitiveness of a country.

Regarding the human capital, migration is one of the main factors that shape the development of urban areas, although the migratory movements and the reactions of local stakeholders present a mixed picture in the European regions. Already in 2014 3.4 million people immigrated to the EU-28 Member States and in Germany, a classic host country of the modern migratory era, more than 10 percent of the population are non-nationals.

The aim of this study is to explain information and correlations between the number of ongoing registered Industry 4.0 project and the human capital (R&D personnel and researchers, Employment in technology and knowledge-intensive sectors etc.). Further, the analysis presents the structure of the human capital in these regions, highlighting the migratory characteristics of the local workforce.

## **Impact of Social Protection Schemes in Rural Gambia**

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Social Protection schemes in The Gambia are part of a larger strategy to protect the country's poor and most vulnerable populations. Social protection in this article refers to programs designed to mitigate poverty and population vulnerability by promoting efficient labor markets, lessening individuals' exposure to food insecurity and shocks of chronic poverty. It is increasingly seen as an important instrument of poverty reduction strategies, as it assists households in building resilience to vulnerabilities and offers them protection from the impacts of shocks and subsequent deprivations.

This article seeks to explore and evaluate the impacts of two main formal protective social protection schemes, i.e. Cash Transfers (conditional and unconditional) and Nutrition Support Schemes (NSS) in the rural Gambia. The research objectives are to measure the effectiveness of Cash transfers and Food aid schemes in addressing food shocks in rural Gambia. Also, to provide some key policy recommendations to protect rural dwellers from the interruption or loss of income.

A desk-based research approach through a comprehensive review of programed document analysis to better understand key issues in country context and secondary data of literatures on social protection in The Gambia was applied. Impact measurement will be gauge through an analysis of collected primary data through questionnaire interviews of both cash transfer and nutrition aid beneficiaries will be analyzed to validate the examination. Also, the study sought to give keen focus on key main pillars of food security (Availability, Access, Utilization and Diet diversity). Descriptive statistics using percentages and frequencies with the aid of Statistical Scientist Package for Social Scientist (SPSS) computer based program was applied. Other elements such as its abilities in curbing malnutrition in rural communities of The Gambia were examined.

## **Which factors have an impact on managerial decision-making process? An integrated framework**

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One of the most important functions of management is decision-making. Major of decisions is made by the management department in organizations. Although it is misleading to see decisions as single and isolated, it reflects past behavior and future outcomes. In this case, it is necessary to see decision-making as a process consisting of various stages. A manager is the last decision maker in the process. When managers make decision, they have to consider the purpose of business so it has a high impact on all the company's plans of activities and results.

Aims of this article are to give an overview of the current status of the research on the managerial decision-making process and find which factors have an impact on this process and to make integrated framework. The article which related to decision-making process was examined as a result of the literature review was conducted.

In conclusion of the literature research, factors which affect the process of the managerial decision-making are classified as three dimensions; personal, psychological and environmental factor.

## **Migration Policies and Labour Market Structures**

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This paper examines the migratory structures and challenges labour markets meet, focusing on one European host country, namely: Austria. In parallel, it explores the role of national and sub-national governments concerning migration management and integration of immigrants.

The European states face different migratory challenges. Migrants make significant contributions to development at national and local level, and on the other hand, mobility brings negative effects with. Certain countries decide on restrictive strategies, whilst other nations provide easier access to labour markets and welfare systems. The question of regional and local responsibility has also acquired particular importance over the recent decades.

Austria has participated in various ways in the international migration over the last century. Regarding the modern migratory era, on average – apart from the current issues of asylum – 120 thousand newcomers arrive to Austria every year, 12.5% of the population are non-nationals and almost 20% have a migratory background as first or second generation migrants. Besides, we cannot ignore the fact that the mobile labour force of the CEE-countries preferably chooses Austria as their migratory destination.

The first part of the study explores the structure of the modern migratory movements towards Austria, analysing the impacts of immigration with particular attention to the labour market. The second part explains how state and local governments perceive and manage the negative and positive effects of migration in a European host country, where various successful and less successful instruments have been developed since the appearance of the first guest-workers.

## **Generation change among three Hungarian family businesses**

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The research will focus on change of generations among Hungarian family businesses. The study is going to deal with the process of the generation change. The issue of the retreat will be also examined. One other important aspect is the effect of the generation change.

The role of the theme - leadership succession and change in leadership - were determinate in the past, dominant the present and will important in the future so its actuality could be permanent. The study is based on the interviews making on a conference organized by the Commercial and Industry Chamber in Győr-Moson-Sopron County.

The relevance of the research comes from the fact that most of the founders of the Hungarian family businesses are around retirement. According to a survey of the European Commission from the early 2000's, between 2005/15 every three owner go to retire.

The *method* of research is the observation of the mentioned interviews with three Hungarian family businesses. These three family businesses are the Borsodi Műhely, the Biotextima and the Leier.

As a result of the research we could gain experiences on the edifications of change in leadership and on the importance of leadership succession and its impact. Another result is to raise awareness of importance of strategic planning of succession within the families.

## **The public effects of tax-base reductions and tax allowances in Hungary**

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Amongst the many roles of the taxation, it's most important function is to provide sufficient cover for budget expenditures, although, a well-developed, all-out tax system could be used to affect the attitudes of each market operators. Manipulation, through allowances and exemptions, is an essential element of tax policies, but in many cases, it is non-public or confidential. Therefore taxation and tax policies are always result from specific professional and political compromises.

After the Financial Crisis of 2008, especially after the 2010's National Elections, the Hungarian Tax System had been substantially reformed. The changing economic environment induced changes in economic policy as well. The Government had decided to follow new, unorthodox, economic policies, and among others, carried out a radical reform of the Personal Income Tax (PIT) System. Instead of the former progressive taxation, they have introduced a flat PIT system, generating changes in the field of tax allowances too.

Our recent study focuses on the public effects of tax-base reductions and tax allowances, related to the PIT system. The conclusions made, are based on our online questionnaire. The goal of the survey was not only to get a clearer picture of the public awareness regarding the tax allowances, but to ascertain the common opinion on the long-term demographic effects of these preferences. Considering this, we established our questionnaire placing more emphasis on questions concerning the Family Allowance and the First Marriage Tax Allowance.

## **OSCE: the crisis in and around Ukraine – security and economic conséquences**

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I benefited from my previous researches done on the similar topic (security challenges, steps for a future European army), as well as from my field experiences at the special field of security studies namely the current situation in Europe. It was seen as more unpredictable and uncertain than in the final years of the Cold War, so it was necessary to reduce existing risks while ensuring that security and cooperation could be maintained on a more stable basis. Both the EU and the OSCE should play a crucial role in these efforts.

The conflict in and around Ukraine amply demonstrated that the OSCE continued to play a key role in the European security architecture as a forum for inclusive dialogue and a platform for joint action. Its comprehensive toolbox, long-term presence on the ground, established record as an impartial observer and a credible and neutral facilitator have proved to be key comparative advantages when responding to the unfolding crisis in Ukraine.

In my work I use the theory of Barry Buzan where the economic security concerns access to the resources, finance and markets necessary to sustain acceptable levels of welfare and state power. Connected to this my aim is to demonstrate and prove the relationship between two research fields in the crisis of Ukraine.

The basic goal is that Europe's long-term goal should be finding a geopolitical and *economic* understanding with Russia concerning these states. The Ukraine conflict is having serious consequences not only for Russia and Ukraine, but it also potentially threatens to damage the still frail economic recovery in Europe. In Ukraine, which is the main victim of the conflict, the economy may decline by up to 8% this year. In Russia, the costs of the conflict are estimated to be in the tune of 1% of GDP in 2014-2016, primarily on account of increased investment risks.

## **Determinants of Profitability in Life Insurance Companies: Evidence from the Philippines**

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Financial institutions serve as the lifeblood of the economy by facilitating the flow of capital. Insurance firms, in particular, reinforce monetary and investment activities in developing countries by providing long-term funds for physical and social infrastructure while simultaneously boosting risk-taking abilities. As the dominant segment in the insurance market, the sustainability of the life insurance business is crucial for developing nations. This paper examines the profitability of the Philippine life insurance industry using pooled ordinary least squares on a balanced panel of 23 insurance companies for the years 2000-2012. The analysis makes use of Return on Assets (ROA) as a measure of profitability that is influenced by *firm level factors* [operating history (age), asset size, number of locations, foreign affiliation, financial liquidity and financial solvency]; *industry level factor* (number of individuals insured); and *macroeconomic factors* [Gross Domestic Product (GDP) and inflation rate]. The significant findings and inferred conclusions from the study are as follows:

- (i) Profitability decreases the bigger an insurance firm grows suggesting diseconomies of scale as a result of the Insurance Commission's tighter regulation of large firms.
- (ii) Profitability is positively correlated to firm age and foreign affiliation which can be attributed to the benefits of longer operating history and access to both foreign business expertise and capital, respectively. The Insurance Commission's move to increase foreign ownership limit to 51% from 49% in 1999 helped increase profits for some firms.
- (iii) Profitability decreases the more locations an insurance firm operates in implying that costs outweigh the benefits of greater opportunities for selling with more outlets.
- (iv) Profitability is lower in firms with larger liquidity and solvency reserves. This is attributable to the risk reduction measures imposed by the Insurance Commission where a certain amount of cash and capital is tied up in a reserve fund preventing productive use of the said resources.
- (v) Industry and macroeconomic factors have negligible effects on the profitability of insurance firms.

## **The role of innovation in the development of the future's economy – today's decision is the success of tomorrow**

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The 2/3rd of today's students of primary schools will do such work which does not exist today – the Ministry of Labor of the United States conceives in a forecast. What advice or direction should we give our children so that they will bear a profession that is profitable and they are actively sought for in the economy?

The future employee is fluent in multiple languages, is flexible and has a degree in sciences. Even better if he/she is an engineer or software developer. The continuous research, development and innovation is a new challenge to both for companies and nation states. The specialists and professionals are needed to drive the continuous development in technology and knowledge.

The innovation driven companies have recognized that they do not need only competent, innovative specialists but also investments in technologies to be in leader position on the market.

Those companies who use key base technologies like Key Enable Technologies (KET) are more efficient in competitiveness, and better adapt to the challenges of the future. These are the nanotechnology, micro- and nano-electronics, modern materials, biotechnology, photonics and recent production technologies.

Hype Cycle is made by the Gartner in every year since 2005. The innovative companies have got a status report and a forecast about the future. They can measure the market interests specific to the industry and the company, the optimal timing of the introduction of the new technologies and the expected return of the investments. The diagram shows the actual state in which development phase the new technology is.

Comparing Hype Cycle results from subsequent years, we can draw conclusions and try to estimate the life cycle stages in which different technologies will arrive in near future. A separate diagram is provided about 3D printing, which is a key technology from innovation point of view.

## **Examining Brands as a Value in Selling and Purchasing Decisions**

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This research is trying to examine how consumer decisions can be influenced by local and foreign companies through the value represented by their brands. We are also examining how the brands themselves influence the purchase of the goods.

Even though business entities have different opinions about the values represented by brands from various countries, our researches indicate that brands indeed influence selling and purchasing decisions alike.

On today's competitive market, companies will find it more and more difficult to convince consumers that their products provide appropriate quality and reliability.

When satisfying consumer demand, a company should attempt to meet exactly the expected standards as this would not result in over-satisfied demand and extra costs on the manufacturer's side.

By revealing the preferences consumers have towards brands, it will also be possible to map out consumer demand and insecurity concerning foodstuff available on the local food market.

Trademarks have special significance in the food industry as the ever increasing offer is becoming harder and harder for the consumers to analyze. Buying food also has certain risks, which means some kind of sign is required which calls attention to the difference and extra inherent value of the product compared to its competitors.

The values and information inherent in a brand name assist in consumer decisions and may reduce insecurities during the purchase. Consumer preferences about the available trademarked products of a company, or even those of its competitors, all provide vital information to the company management. The internal value attributed to a brand by its consumers defines the product's current market position and development paths. The authors are going to reveal how the value represented by a brand can influence consumer decisions as well as suggest ways of utilizing the results of the examination.

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