



# **IBUISC'14**

INTERNATIONAL STUDENT CONGRESS

2014 SKOPJE

**INTERNATIONAL BALKAN UNIVERSITY**

FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES

INTERNATIONAL STUDENT CONGRESS

**GLOBAL BUSINESS,  
EMERGING MARKETS AND  
INTERNATIONAL ECONOMIC RELATIONS:  
OLD CONCERNS OR FRESH HOPES?**



**50 LEADERS OF TOMORROW  
AT CONGRESS IN SKOPJE**  
September 25-26, 2014 Skopje, Macedonia

EDITOR

**Asst. Prof. Dr. Snezana Bilic Satiroska**

**Dr. Mevludin Ibish**

SEPTEMBER 25-26, 2014

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MACEDONIA

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**Sani Saidi**  
Congress President

It is my great pleasure to welcome you, on behalf of the Faculty of Economics and Administrative Sciences at International Balkan University, on the 1st International Student Congress on “Global Business, Emerging Markets and International Economic Relations: Old Concerns or Fresh Hopes?” (IBUISC’14). The congress is held in Skopje from 25-26 September 2014, the capital city of Macedonia, located in the heart of the Balkan Peninsula, crossroad of vital communications which is amongst Europe’s most entertaining and eclectic small capital cities.

At the beginning, it was just an idea in a paper, but now we are witness that it is becoming reality. After months of preparations and intense work for our congress, it is wonderful feeling to meet and host you in Skopje.

The 50 international students from all over the world, future leaders of tomorrow, from the fields of economics and international relations at undergraduate, master and doctorate level together with fellow students from the Republic of Macedonia will present their papers and discuss the raising issues in the panels of the congress organized by students and academic staff of the Faculty of Economics and Administrative Sciences, International Balkan University, Skopje.

The program of the Congress is carefully projected, enriched with various activities and actors. It contains a number of dedicated sessions in the format of interactive panels on different topics. Along with the support of the Scientific Committee and other academic reviewers, high-quality papers have been selected with diverse speakers for the different sessions.

Furthermore, I am very glad that we were able to secure the participation of Mr. Emre Kozlu, General Manager of “Philip Morris Tutunski Kombinat Prilep doo Skopje”, as the IBUISC’14 Keynote Speaker. Also, I am delighted for hav-

FOREWORD

ing present on our event the Minister of Education and Science, Mr. Abdilaqim Ademi and the Minister of Economy, Mr. Bekim Neziri, to address the audience in the opening ceremony of the congress.

Also, I would like to sincerely thank Prof. Dr. Şinasi Gündüz, the Rector of the International Balkan University and Prof. Dr. Ismail Kocayusufoglu, the Vice-Rector of the International Balkan University in providing all the necessary facilities and support for organizing such a big event.

I gratefully acknowledge and my special appreciation go to our Asst. Prof. Dr. Snezana Bilic-Sotiroska, Vice-Rector and Dean of the Faculty of Economics and Administrative Sciences, for her permanent support, assistance and guidance, starting from our idea to the final realization. Also, I would like to thank my both colleagues Ceneta Telak, Vice – President and Muhamed Erdem Isler, General Secretary of the Congress and all other members of the Organization Committee for their contribution and devotion in organizing this event.

At the end, my special thanks to you, the participants of IBUISC'14 for having chosen our congress to present your research and ideas. I am completely sure that IBUISC'14 will meet your expectations with the intensive agenda and various interesting panel sessions. I hope that your participation at IBUISC'14 will enrich your own ways of thinking, give new experience and help in your future careers, making you both wiser and successful people.

Enjoy your time in Skopje and IBUISC'14!



**Emre Kozlu**

General Manager of  
Philip Morris Ltd. Skopje

January, 2014 - Present

Philip Morris Ltd. Skopje (Philip Morris Tutunski Kombinat Prilep Ltd. Skopje  
effective as of September 1st)

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November, 2011- January, 2014

Philip Morris Sabancı A.S.

**MANAGER CORPORATE AFFAIRS**

March, 2010 –November, 2011

Philip Morris Sabancı A.S.

**SALES MANAGER**

July, 2009 – March, 2010

Philip Morris Sabancı A.S.

**GOVERNMENT RELATIONS EXECUTIVE**

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**BRAND MANAGER**

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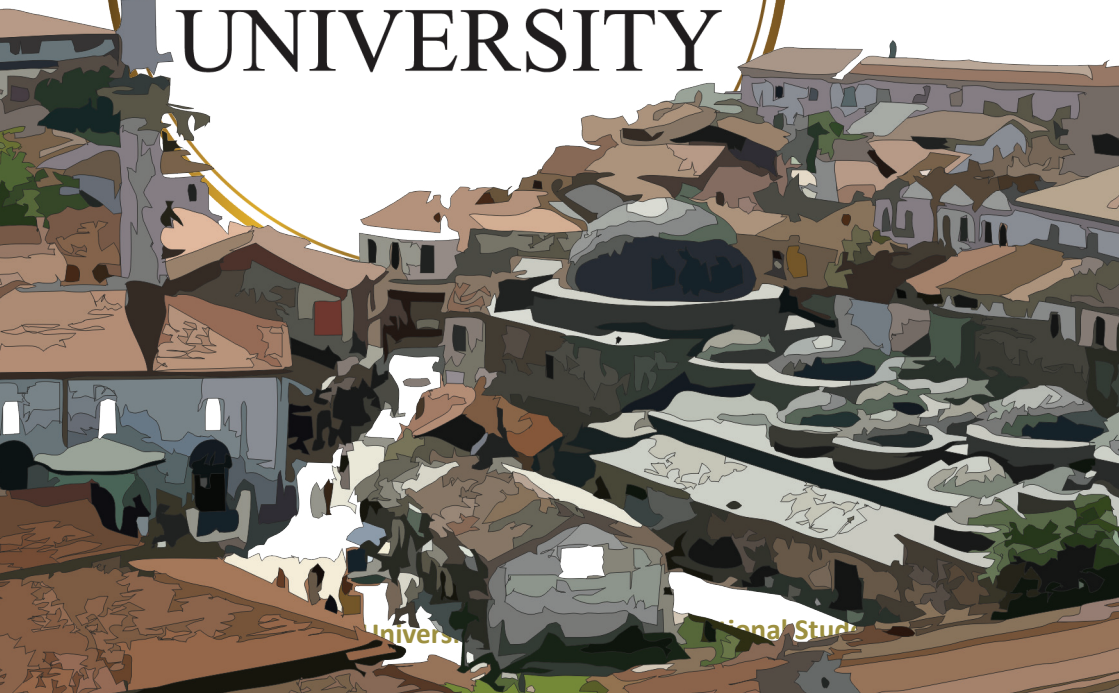
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# ABSTRACTS





**IBUISC'14**  
INTERNATIONAL STUDENT CONGRESS

## Session I.

### Globalization, Changes and Competitiveness

**Moderator: Dr. Mevludin Ibish, International Balkan University**

Globalization, Changes and Competitiveness	Vlera Hetemi	Kosovo
Global Business World	Mustafa Kurtulus Mert Kurtulus	Turkey
Redrawing the Map: Globalization and the Changing World of Business	Rabie Abazi	Macedonia
Climate Change and New Economic Opportunities-Solar Business in Bulgaria	Tatiana Mancheva	Bulgaria
Globalization and Green Industry Issues	Gunel Huseynova	Azerbaijan
Green Growing Economy	Tolgun Ozutok	Turkey



**Vlora Hatemi**

University of Prishtina

Kosovo

# Globalization, Changes and Competitiveness

Global change and globalization are inexorably interlinked. The process of economic and social globalization through the integration of world markets, exchange of populations and ideas, and through the creation of international institutions has created historically unprecedented opportunities for economic growth and development. Globalization makes it impossible for modern societies to collapse in isolation, as did Easter Island and the Greenland Norse in the past. Any society in turmoil today, no matter how remote ... can cause trouble for prosperous societies on other continents and is also subject to their influence (whether helpful or destabilizing).

Globalization is not just about changing relations between the 'inside' of the nation-state and the 'outside' of the international system. It cuts

across received categories, creating myriad multilayered intersections, overlapping playing fields, and actors skilled at working across these boundaries. People are at once local producers and global consumers, threatened in their identities but yet continually remaking those identities.

While the price of monopoly is upon every occasion the highest which can be got, the natural price, or the price of free competition, on the contrary, is the lowest which can be taken. Nowadays, in times of rapid globalization, the natural price is the lowest which the sellers can commonly afford to take, and also a demand which would ensure the continuation of their business and their survival in the incredibly competitive global market.

I do not hesitate to say that compe-



tition is the most progressive, the most egalitarian, the most universally leveling of all the laws to which has entrusted the progress of human society.

On the other hand, through globalization, the growth in output and the shift in the spatial pattern of production is the main cause of new environmental problems, which have then set into motion social and eco-

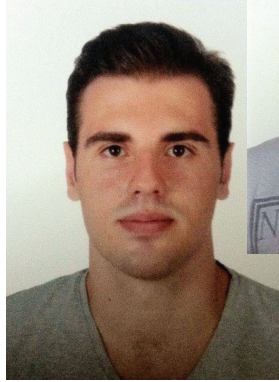
nomic changes such as pressure on health systems, migration, and geopolitical conflicts.

However, no matter how good or bad it is, globalization is present more than ever before in the history of mankind, and offering good products at good prices are definitely a must, in order to survive in the emerging global market.





**Mustafa Kurtuluş**  
**Mert Kurtuluş**  
Maltepe University  
Turkey



## Global Business World

Globalization is getting one most important topic in today's world. In this globalized era, every minor and major actions of countries and global associations or companies has global results. It has also some major benefits for minor companies. For instance, economic crisis in China affects all markets in the world or market waves in UNITED STATES OF AMERICA affect other countries' markets. Developed countries and the developing countries determine their economic policies according to these situations. Governments and companies usually change their economic policy to prevent any economic harm.

Today, most of the countries made trade treaties. These treaties help companies to make trade safe-

ty with others. These treaties make easier import or export goods and services from any country to another. Today's technology is another important point of globalization. Developments of transportation and communication create another age for global trade. Companies can send their goods safely and this trust pushes them to trade more. The other point is communication. Every minor and major companies can communicate easily on internet. They can find consumers or producers with a computer mouse click. Before these technological developments it was hard to transport and prevent your goods from any damages when you were trading. Goods can be sent safely with ships and also planes safely and easily. All of these improvements and



also historical processes create new world finance system which is called glabal finance and economic system.

In todays world,new market requirements emerge day by day. On the other hand,this requiremnts create new opportunities. Multinational companies like BP,shell,apple are one of the examples it is possible that every logical companies can became a power of world. These multinational companies are alos effectable on some countries policies. Because of their investments states change their policies to open the gate of their investments.

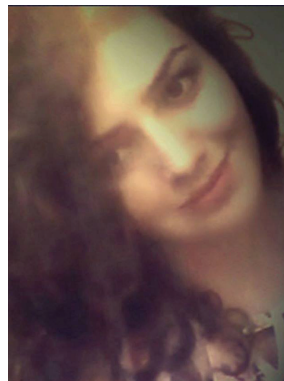
All in all,me and my borther Mert kurtuluş will present our expe-



riances on the light of these informations. Our presentation will be about our family exportation company and how is global economy effects the companies.Also we will mention about todays opportunities and how can people accuire and find these opportunities.

With our best regards





**Rabie Abazi**

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# Redrawing the Map: Globalization and the Changing World of Business

Globalization is a powerful real aspect of the new world system, and it represents one of the most influential forces in determining the future course of the planet.

It has manifold dimensions: economic, political, security, environmental, health, social, cultural, and others. The focus here is on the concept of "globalization" as applied to the world economy. Economic globalization, primarily is a process which aims to achieve the creation of a global common market, without administrative and other barriers (customs and non-customs) between participating countries in the world of economy.

In the true spirit of a discussion paper intended to open an ongoing discussion, this paper aims to raise questions and in most cases, try to offer more than one possible answer, and then as the sole aim of stimulating comments even those of:

- to clarify the notion of "globalization" as applied to the world economy.
- to evaluate both the potential benefits and the potential costs stemming from globalization.
- to consider how the costs or dangers stemming from globalization could be offset through wider international cooperation and the development of new global institutions.



Also, the view taken here, representing the thesis of this paper, is that there are both positive and negative aspects of globalization. Some of its positive features stem from the effects of competition that it entails, and that some of the negative aspects that could potentially lead to conflicts could be offset by international or global cooperation through



agreements on policy or through the development of new international institutions.

Thus, while globalization can cause international conflicts, it can also contribute to their containment through the beneficial effects of competition and the potential for global cooperation to treat economic and other threats facing the planet.







**Tatiana Mancheva**

University of National and World  
Economy, Sofia  
Bulgaria

# Climate Change and New Economic Opportunities – Solar Business in Bulgaria

“Globalization is a process of interaction and integration among the people, companies, and governments of different nations...” This process affects our lives in many ways. Globalization does not mean only possibilities (diffusion of knowledge and easier access to information, faster ways to reach each part of the globe, increase in competition as stimulus to more innovations and lower prices, etc.), it also means not enough international regulations – pollution of air, soil, water and more threats to environment as a whole. There are no borders to pollution and such challenges as acid rains, climate change and ozone depletion. We de-

cide how to look on these environmental challenges – as threat or as a business opportunity.

Safety environment and economic growth are not mutually exclusive. We could have the both – to protect the environment and to develop our economies. The right way is the green economy and sustainable development. “Green economy is one that generates increasing prosperity while maintaining the natural systems that sustain us.” Sustainable development means meeting the needs of the present generation without compromising the ability of future generations to meet their and it includes also the environment. Our



children and grandchildren could have quality of environment that is not worse than nowadays. The greening of economies is a new engine of growth.

Possibilities to greening economies could be found and applied in many sectors – energy, manufacturing, waste management, building, transport, tourism. We would pay special attention on renewable energy sources and their potential. Bulgaria as part of European Union follows “The 2020 Climate and Energy Pack-



age” that aims 20% of EU’s energy consumption as a whole to be from renewable sources by 2020. Every EU country has specific target – for Bulgaria the share of total energy consumption, that comes from RES has to be not less than 16%. We will use solar business in Bulgaria as example of green business opportunity – dynamics and perspectives nowadays in this sector. We will outline mistakes that are made and lessons that are learnt.



<http://www.globalization101.org/what-is-globalization/>

<http://www.eea.europa.eu/themes/economy/intro>

<http://www.worldbank.org/depweb/english/sd.html>

<http://www.unep.org/greeneconomy/greeneconomyreport/tabid/29846/default.aspx>

[http://ec.europa.eu/clima/policies/package/index\\_en.htm](http://ec.europa.eu/clima/policies/package/index_en.htm)



**Gunel Huseynova**

Azerbaijan State  
Economic University  
Azerbaijan

## Globalization and Green Industry

There are a lot of aspects influenced by globalized economy, environment, society and politics. Some of them are affected more while others are touched less. In most cases these effects are positive; however there are negative impacts on some areas, units. Over the last decades definition of growth has been slightly changed representing not only financial part of growth, but also highlighting and prioritizing social and environmental issues. Globalization which is followed by specialization and integration is without any doubt for efficient allocation of resources, which is one of the key elements of sustainable development. Globalization and commitment to green policies for sustainable development have become a driving force for many economic and social processes and changes and leading growth indicators of any unit, from SMEs to national governments.

Up to date I have been involved in research of several specific issues influencing economic development in Azerbaijan. These include sole and govern proprietorship analysis, possible prospects of banking system improvements in Azerbaijan, role of inventions and innovations in economics. Presently having the particular interest to green investments, I have done my own research and found out that no educational institution in Azerbaijan provides degree study and appropriate professional training on green investments. With that on mind, I have decided to pursue Phd. in the field of socially oriented investments. My main purpose is to extend academic knowledge through publications & national and global communities and green investment market research, and I would like to earn practical experience in the framework of potential internship within the study process,

working voluntarily for structures, established in green investment market.

There are several main goals which I intend to achieve in the subject issue. Briefly, I would like to divide these objectives to short and long-term goals. In short-term outlook I would like to inspire green investment system formation and development in Azerbaijan with further perspectives of foundation and teaching this subject at higher educational centres & institutions. Short-term aims include mainly scientific and market research and participation in communities for gathering, collecting, collaborating and sharing data and information in subject field. First of all, this include scientific activity (research) and teaching experience, as well as voluntary work with NGO doing business in the related field, involvement into different green projects at loan establishments and other national and international societies and acknowledgement on main “green” challenges. In terms of extended period goals I would like mainly to mention foundation of relevant NGO, which would mainly be involved into green investment market management system, legislation basis and support for development, by using different encouraging tools for loan organizations and business structures. At the same time, the NGO should play a very significant part in state and global reporting system on green investments in Azerbaijan. It

should be linked to the related global organizations, dealing with similar issues in order to get and share experience and add Azerbaijan to the global investment market. Part of NGO activities should include report to relevant people and, I would like to specially mention, arrangement of trainings (through interconnection and negotiations with financial formations and educational centres, universities, sciences academy etc.) for advising sides of interest about green investment policy, tactics and strategy updates and affirming current status for Azerbaijan.

Work on increasing green investments could be performed by several ways:

- Attracting free financial resources to green industry
- Redirecting financial resources from other production fields to green industry by using different trainings, legislative acts and other encouraging tools. Innovative techniques in face of economic and legislative tools can and should be implemented for these purposes.

All of these require specialists, specially formed and developed organizations and prepared materials, collected on basis of global experience in green economy. This requires global & domestic situation analysis, review of global challenges and investigation of possibility of their successful implementation in our republic. Above mentioned actions can and should be performed by duly formed



nongovernmental organization(s), supporting green invest issues and developing mechanisms for qualified increase of green investment market here in Azerbaijan.

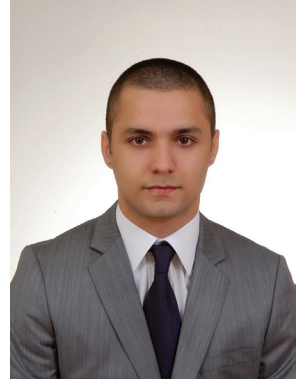
Therefore it is important to mention the role of globalization in attracting FDIs and developing green investment market in Azerbaijan.

Methods on how this can be achieved, precautions and possible consequences of made decisions should be fully understood and realized before action.

To sum up, concept of green investments became a high importance to Azerbaijani realities, as lack of it affects life of all citizens and may damage a future of development. Interest to green investments is very high – it is under close attention of both business and state actors, and at the same time – on agenda of civil society and community organizations as well as media institutions. I personally consider the course on globalization as a useful source for obtaining and enriching practical and theoretical

knowledge on financial issues related to green investments and important support which can be provided, especially the ones related to green foreign direct investments. In borders of the summer institute I would like to share issues attracting my attention and think this course can make a huge contribution and impact to my scientific work. I am planning to apply the knowledge and experience, gained during my participation at the training, by working with state agencies and NGOs in the field of economic development, - in order to apply green investments concept into legislative initiatives. Moreover, I will work to develop implementing mechanisms and conduct public outreach events in order to inform general public and interested experts in new approaches, which work in Europe properly and effectively. As a result, I expect the level of green investments increase and therefore diversify investments portfolio for further sustainable economic growth of Azerbaijan within global community.





**Tolgun Ozutok**

Istanbul Commerce University

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## Green Growing Economy

Today's world is changing with the technological developments day by day. These developments of technology are faster than the past periods. In the old periods, technological developments were slower than now because of the tools or instruments were inefficient and inadequate. The other reason is knowledge. We can not compare today's knowledge with the past ages. Today, it is easy to acquire knowledge thousands times.

In addition to last paragraph, according to technological developments gain effective power on the economic developments. After the 70's, economies started to integrate and they gain speed daily until now. With these developing speed it has also global results. These results emerged new problems on economic level. One of these problem is natu-

ral resources. As all we know natural resources are getting run out. Because of this problem every states and every individual. These natural resources have to consume logical and with yieldly. Otherwise it will create very important problems. Natural resources have vital importance of our lifes. These sources have to be legacy to our childrens. Today we have to face with climate changes , and global warming problems. Our consume policies are cause of these problems.

States should be careful with their economic developments. They should determine their economic development policies with the understanding of importance of the natural resources. Especially China and Japan is not a good example of this topic. They threat international community with their actions. In Eu-



rope, developing plans are making with the understanding of the danger. They are planning their developing process with light of green developing. On the other hand China use them without respect to world. One side of the world trying to produce more oxygen in contrast other part of the world produce more carbon dioxide.



All in all, these conditions push the world economy to find more innocent resources. Scientists are trying to find new resources that which won't be harm the world. This searchings are create a new global sector. Many companies make investments on this sector and effects of these improvements will be the most important topic of the world.  
With my best regards





## Session II. International Frameworks and Initiatives for Business Conduct in Global World and Multinational Enterprises

**Moderator: Dr. Snezana Bilic-Sotiroska,**  
**International Balkan University**

Multinational Enterprises: Trends, Patterns, Policies and International Relations	Ira Nano	Albania
The Impact of Organizational Culture on Leaders' Attitudes towards International Expansion: a Kazakhstan Perspective	Sabina Bissaliyeva	Kazakhstan
The Necessity of Cultural Code Analysis in the Economic Researches' Framework: Comparative, Historical And Terminological Methods	Anton Ikhsanov	Russia
The Rights of Shareholders and New Information Technologies in EU and Western Balkans	Vuk Radulovic	Montenegro
Enhancing Future Innovation and Encouraging Long Term Investment: Finding Best Practices of the Entrepreneurship Education for the Youth	Amer Maraqa	Jordan
Small Firms and Globalization	Cenifer Telak Lejla Hackovic	Macedonia





**Ira Nano**

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# Multinational Enterprises: Trends, Patterns, Policies and International Relations

Multinational corporations (IMF) are today the vectors structuring integration and transformation process of the global economy and society. They won against trade and trade flows and can be considered as the biggest innovation in the 20th century. As a result of a new combination, as well as states and societies, firms placed depending on the powerful transnational networks operating a reconfiguration of economic power enterprises in larger scale. The thorny question of the regulation of the global economy requires to create the conditions for a transition to the supranational level, namely beyond the States and enterprises, and

even transnational networks integration.

In the current economic conditions, we tend to think that multinationals corporations are now the main drivers of the global economy. But history shows that they have not had this status since the beginning. Indeed, even in the 70s, they were under the influence of the States and should be adjusted. But in recent years, they impose their own rules and it is the turn of the States to be adapted. From the stand point of political science power is not only a question of sovereignty, army or territory, but a combination of economic and social regulations based specifically on pro-



duction. So, multinational corporations use their influence.

The multi nationalization served as the basis for specialization at the international level where developed countries have kept for themselves the activities with high added value. However it brings in these countries delocalization of industrial activities, sources destruction of jobs less qualified, so de facto excluding assets less productive of labor market. Moreover the multi nationalization gives firms a considerable weight in the



global economy: approximately the most important multinational corporations conduct a turnover equal to half the world's GDP.

The purpose of this paper is to show that the multinational corporations are partly the cause of the growth of international trade and to explain their impact on development, employment and growth in the countries of origin and destination. Therefore, because of these effects, they limit the spaces for maneuver of public authorities in the implementation of national policies.





**Sabina Bissaliyeva**

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## **The impact of organisational culture on leaders' attitudes towards international expansion: A Kazakhstan perspective**

Today we are living in 21st century – century of globalisation and new technologies. Therefore, there is growth of joint ventures and number of international companies. However, there is also growth of challenges that companies face when they go internationally. For example, it is very important to ensure that human resources are managed effectively in terms of different cultures. It means that leaders and managers must be ready to deal with cross-cultural differences because these differences have an impact on entire business, and therefore, leadership style should meet working standards of local environment. Especially, it is es-

sential for leaders to understand and accept similarities and differences in leaders' expectations from different cultures (Miroshnik, 2002).

It is not a secret that globalisation is growing rapidly nowadays and, as a result, there is growth of research on cross-cultural management (Dickinson, et al., 2003). Western is always been number one in developing leadership theories. There are many studies on why some styles of leadership are practiced the most around the world. However, the most important thing is to identify if leadership theories which worked in one country, will be appropriate and suitable for another nation (Yukl, 2006). Be-



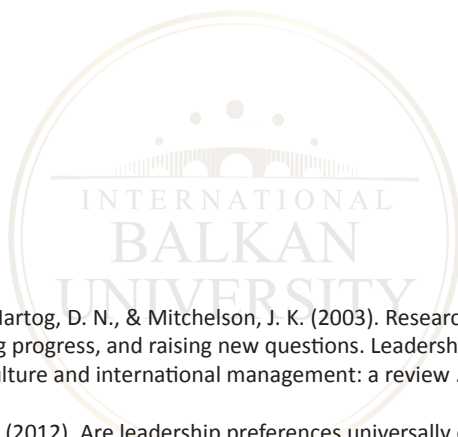
cause of globalisation, there are a lot of different questions raised, some of them about ways of leading, which individuals will consider as appropriate despite cultural background and mindset (Moan & Hetland, 2012).

The Republic of Kazakhstan has rich history. It is started with nomadic clans, then the country was under 'tsarism', then more than 70 years the country existed as a part of USSR and nowadays it is an independent



republic that developing and growing.

The purpose of this research is to find out if country's leaders, who have cultural mindset influenced by strong regime in the past, are ready to overseas expansion. It means to work and lead people from different countries with different cultures. The researcher wants to find out necessary attributes which leaders have to have when going to international level.



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**Anton Ikhsanov**

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# The Necessity of Cultural Code Analysis in the Economic Researches' Framework: Comparative, Historical And Terminological Methods

The development of world economics provoke the growth of developing countries' share in international economical relations. On account of globalization, it's very important to establish closer contact with such kind of states.

In spite of the «Davos cultural» phenomenon's creation, the problems of cross-cultural communications still be significant for development of world economics. It's a fact that the influence

of cultural code and peculiar features of mentality are important for modern economics. Right understanding of their effect during the process of socialization and connection between person's behavior pattern and person's world-view is necessary for such branches of economics like: marketing, management etc.

The increasing role of cross-cultural communication in modern politics and economics became



a reason why modern sociology has introduced some new theories and concepts to universalize previous experience of empirical study. But in accordance with Russian school of social anthropology we can supplement this methodics with two methods: comparative historical exploration and terminological analysis. This methods can be used to clarify some controversial points by application of previous human experience or in our case by exploration of society's economical thought's evolution which formed the society's members' attitude toward economical processes. One of the elements of this analysis is the study of consuetude or unwritten law which determinate the order of human relations and traditional pattern of economical activities. Terminological method can point out the roots of soci-



ety's economic pattern and can clarify of subject's view on such common but in the same time distinguished concepts like «contractual obligations», «time for performance» etc.

From our point of view economics is one of human activities that is determinated by cultural background of individuality and depends on consuetude of the society in which this individuality was formed and socialized. The patterns of society's behavior can be researched not only with linguistic and empirical methods but with historical too. All this methods can be used commonly for achievement of best result. This can be necessary for the study of modern economics and can be essential to achieve common understanding between nations.



**Vuk Radulovic**

University of Novi Sad

Serbia

# The rights of shareholders and new information technologies in EU and Western Balkans

Modern information resources marked the era of the late 20th and early 21st century. They are imbued through all aspects of human life and have brought immense changes in our daily lives. Given the above, it was inevitable that the modern technological means will make changes in the legal sphere. One of the best examples is, of course, the impact of which was carried out in the sphere of personal rights of shareholders. In fact, personal (non-property) rights of shareholders,

have long entailed personal involvement and the presence of other officials at the time of exercise. This was logical because we are talking about the rights that belong to the shareholders on the basis of membership in a joint stock company. Although it is a non property rights of shareholders, these rights are, of course, in the service of achieving their economic goals. The technological revolution in the field of personal rights of shareholders allowed the participation of shareholders

at the general meetings of the assembly and use of their rights, from the spatial distance in a case of the fulfillment of specified conditions, who are at the service of mere identification of shareholders and not hinder the wider use of information technology in this field. Wider usage of these rules enabled Directive on shareholders' rights in listed companies in 2007. Solutions of this Directive have been duly entered and to our legislation. Therefore, the author of this article, studies the issues of legal and economic feasibility of using information technology in this area, the possibility of actual implementation and consequences which are caused in the economic and legal position



of shareholders. Special emphasis will be placed on issues of economic and legal feasibility of such solutions and their advantages and disadvantages. It will be analyzed European, Serbian and legal regulations in the Western Balkans, with a desire to make comparisons, but also highlight the different effects of the application of new technologies in terms of highly developed and developing countries. During the work, the author will try to answer the question of whether information technology has a place in exercise of the right of shareholders, how to prevent the misuse that can occur on this occasion and how to maximize the positive effects of the information revolution in the field of Economic law.



INTERNATIONAL  
BALKAN  
UNIVERSITY





**Amer Maraqa**

Marmara University

Turkey

## Enhancing Future Innovation and Encouraging Long Term Investment: Finding Best Practices of the Entrepreneurship Education for the Youth

The world economy is experiencing a severe economic downturn, with potentially dire economic and social consequences. Despite tens of trillions of dollars injected into global economy since 2008 by central banks in the US, UK, and Europe, real job creating investment is slowing everywhere globally. The global crisis which admitted as primary resource of this problem led to an exceptionally comprehensive job-centered policy response. This is a large accumulated problem-solving of what the impact of crisis have. A key lesson from the global financial and economic crisis is that policies for job creation over the past three decades need to rethink. The report point out to the many

benefits of a coherent job-centered strategy policy. In this context, rather than having too much focus of the job-created policy which is still challenging and puzzling, create nature of entrepreneurs who playing an essentials and vigorous role in all economies as well as being key generators of employment and income, and drivers of innovation and growth are more undeviating. In the global economic view, enterprises employ more than half of the labor in private sector, and in the European Union, they account for over 99 %. Given the importance in all economies, they are essential for the economic recovery. Entrepreneurship education is a life-long learning process and entre-

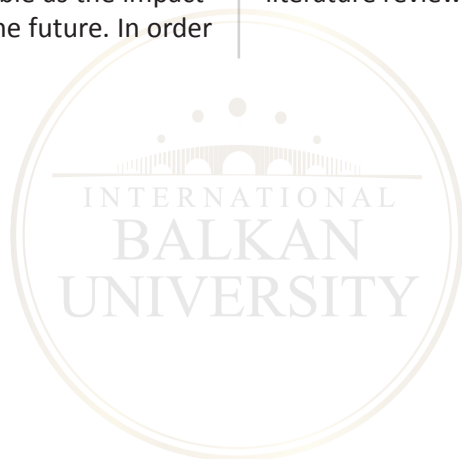


preneurial mindset can be applied also in other context for enhanced creativity and innovation.

This paper recommends that entrepreneurship education for the youth as an engine of growth should be given support by the government, formal education institutions, and lending financial institutions in developing economies to be well-strengthened to remain viable as the impactful investment in the future. In order



to reach this goal, strategic measures are needed that increase the entrepreneurial intention (the number of people considering self-employment as an occupational option) of young people. One feasible strategy is to implement entrepreneurship education in secondary school. The best practices which will be present in this paper were brought up by the literature review and field research.





**Cenifer Telak**  
**Lejla Hackovic**  
SS“Cyril and Metodius  
University”  
Macedonia



## Small Firms and Globalization

The world economy at the end of the twentieth century is characterized by increasing cross-border business and also increasing economic significance of small firms. The co-development is no co-incident. We first argue that globalization is an Austrian process relying on entrepreneurial discovery: the creation of innovations and the appropriation of the associated profit opportunities. The intrinsic nature of multinational firms' activities is to internationalize innovations. However, some small firms possess innovations with international profit opportunities too. There are theoretical reasons for us to expect that small firms are particularly likely to create radical innovations. These small firms and large firms can create synergies to globalize their market reach and mutually enhance their respective firm value. We also argue

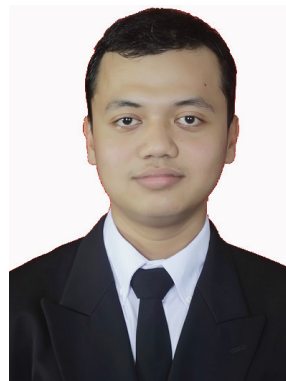
that globalization changes the landscape of competition. Previously integrated firms become networks of related firms competing consciously or unconsciously together, as a team against other teams. Large firms become central coordinators of a network. In this light, even small firms without valuable innovations can potentially be important supporting firms for a network of firms' global competitiveness. Finally, we suggest that small firms with radical technological innovations often internationalize on their own. The successful ones become large multinationals which develop and adopt the coordination skills to lead in network competition. Hence, we postulate that the origin of large multinationals are small firms possessing radical technological innovations with international profit opportunities.



## Session III. International Business Strategies: Market Entry Strategies and Foreign Direct Investments

**Moderator: Dr. Bilall Kasami, International Balkan University**

Identifying Basic Correlation Model among FDI, Economy Growth, and Energy Consumption through Vector Autoregressive Analysis: Evidence from Indonesia	Arif Darmawan	Indonesia
Appropriate Monetary Policy for Emerging Market Economies - Fixed Exchange Rate vs Inflation Targeting, Experience of Ex-Yugoslavia Republics	Stefan Drljaca	Serbia
International Business Strategies: Market Entry Strategies and Foreign Direct Investment	Arlinda Beqiri	Kosovo
Not Enough There, Too Many Here: Foreign Direct Investment and Growing Regional Imbalance in Nepal	Rajan Ghimire	UK
Strategies of the Balkan Countries in the International Tourism Market	Jelena Obrenic	Serbia
International Business Strategies: Market Entry Strategies and Foreign Direct Investment	Rejhan Izet	Macedonia



**Arif Darmawan**

Marmara University

Turkey

## Identifying Basic Correlation Model among FDI, Economy Growth, and Energy Consumption through Vector Autoregressive Analysis: Evidence from Indonesia

Foreign Direct Investment (FDI) is an important approach for the host country acquiring advanced techniques and management experiences, and strongly promotes the country's development. FDI has innumerable positive effects on the host country's economy. It influences the income, production, prices, employment, and general welfare of the recipient country. It is also probably one of the most significant factors leading to the globalization of the international economy. As a result, FDI has been one of the most popular topics regarding about invest-

ment and economy growth for the last 30 years. A great deal of research shows that, FDI has the potential role for economy growth increasing and promoting access to export markets. For those developing countries with limited industrial bases, increased export earnings facilitate imports of capital goods can lead to higher levels of economic growth.

Indonesia as the developing country, has the availability of vast, highly diversified natural resources, a huge potential domestic market, a competitive and productive labor force, and a market oriented economic



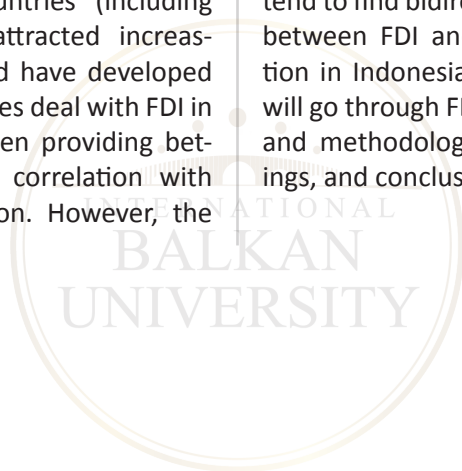
policy, amongst other factors, have more attracted of FDI inflows. It can be pointed out that Indonesia has opened to FDI since 1967 and was concentrated for the first time in oil and gas sector. It was undoubtedly that FDI in Indonesia had functioned as a new engine of growth and major source of national development.

The availability of energy is a necessity to allow FDI and economic growth. But, in recent years, there has been a growing interest in analyzing the relationship between Foreign Direct Investment (FDI) and energy consumption. Some argue that intensive FDI inflow can harm and boost energy consumption and expand greater exploitation in advance. Then, because of during last two decades, the emerging countries (including Indonesia) have attracted increasingly more FDI and have developed rapidly. Many studies deal with FDI in Indonesia have been providing better understanding correlation with energy consumption. However, the



relationship between FDI and energy consumption is still unclear in Indonesia. So, it is becoming important as academicians and researchers to see and address all related indicators, especially as regards to the causality within this relationship.

In addition, this paper tries to identify the causal relationship between FDI as a main factor and energy consumption in Indonesia to help provide an empirical background for academicians, researchers, and policy decision makers. Vector Autoregressive Analysis (VAR) has been chosen with annual data from the period of 1982 – 2012 because more frequently observed in time-series data and easily to describe the dynamic structure of the variables. This study also tends to find a bidirectional relationship between FDI and energy consumption in Indonesia. The rest of the paper will go through FDI in Indonesia, data and methodology, results and findings, and conclusion.





**Stefan Drljaca**

University of Novi Sad

Serbia

## **Appropriate monetary policy for Emerging market economies - Fixed exchange rate VS Inflation targeting, experience of ex-Yugoslavia republics**

Fixed exchange rate as nominal anchor and inflation targeting are currently two most common monetary policies, with trend that favors inflation targeting in recent years. Emerging market economies didn't have much choice and majority of them, in transition period during 90es, decide to use fixed exchange rate to resolve their economic issues. We now set a question: is it optimal for emerging market economies to continue to use their currently policy framework,

in face of change of global economic conditions, or it's better to implement inflation targeting as monetary regime? How would it reflect on economic conditions in that countries and what are expected results? What are potentially implications on business and households? In endeavor to answer these questions we would use experience of other emerging market economies with special review on ex-Yugoslavia republics as they use a both types of monetary policy.



**Arlinda Beqiri**

American College of Thessaloniki  
Kosovo

## International Business strategies; market entry strategies and foreign direct investment

The shift toward a more interdependent and integrated global economy, globalization, creates greater opportunities for international business. Such globalization can take place in terms of markets, where trade barriers are falling and buyer preferences are changing. Thus, business large and small, must formulate international business strategies to function in the global economy. The paper begins with the discussion of the basic components on international business strategy, how they differ in entry strategies, and then moves on to consider the strategy formulation. Furthermore, it continues by looking at the concept of market entry strategies within the control of a chosen marketing mix. Knowing that,

foreign investments by multinational enterprises have become immensely significant as the extent of international business has grown steadily during the last two decades, the paper goes on describing the different forms of entry strategy, both direct and indirect exporting and foreign production and the advantages connected with each method as well as types of collaborative agreements. On the other hand, when an organization has made a decision to enter an overseas market there are variety of options open to it. Those options vary with cost, risk and the degree of control which can be exercised over them; as a result, issues that organizations wishing to “go international” face such as marketing, sourcing and





investment and control will be elaborated on this paper. Examples of companies which went/go internationally, their strategies formulation, implementation process and obstacles they face will also be part of this paper. Finally, the paper will be concluded with future strategies that should be implemented in order for international business to better im-



prove, new ways of market entry and foreign investment. "A firm without a strategy is like a journey without a destination, you keep going and going, but who knows if you ever get where you wanted to go" therefore, this paper can be understood as a step on revising and improving international business strategies and its implementation.





**Rajan Ghimire**

BPP Business School-London

UK

## **Not enough there, too many here: Foreign Direct Investment and growing Regional imbalance in Nepal**

The proposed research is a contained case study on the impact of Foreign Direct Investment (FDI) on different geographical regions of Nepal. It focuses on growing investment activities and promotion of FDI by least developed countries in quest of economic growth, employment opportunity, real GDP growth etc. within the existing economic framework.

### **Foreign Investment Regime and changing Investment Climate in Nepal**

The research will focus on different dynamics of foreign direct investment within different regions of Nepal. Firstly, the research will examine the economic growth as a result of FDI. Secondly, the micro aspect of

the impact of FDI on regional economy will be studied. Thirdly, the research will investigate whether or not the spatial concentration alarms the concern that the inflow of FDI leads to unbalanced regional growth and widen income inequality across regions of Nepal. Fourthly, research will make an attempt to find evidence on How FDI is linked to regional imbalance as well as the impact of FDI on local economy. Furthermore, it would be an interesting study to see the contribution of different regions towards GDP of the nation. Additionally, whether or not FDI's involvement has led to address the overall unemployment of Nepal is another interesting aspect.

The dissection of the FDI's geographi-



cal continuum of Nepal into various development regions has delimited and bound enquiry to a “statist framework”. The proposed research aims to reconceptualise these self-contained regions into a continuous economic space where there is an easy transference of regional distribution of FDI, its dynamics and impact, thereby complicating simplistic understanding and studies that concentrate on regional level analysis.



Thus, along with new research avenues, the proposed research will initiate critical analysis of impact and issues related to FDI which has been ossified in a stereotypical framework that draws its roots from colonial construction of knowledge.





**Jelena Obrenic**

University of Belgrade

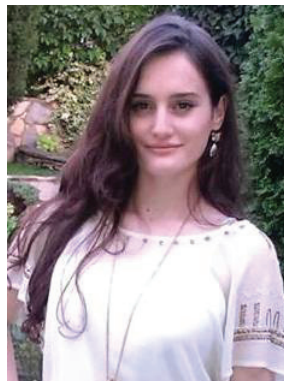
Serbia



## Strategies of the Balkan Countries in the International Tourism Market

Tourism is regarded as an opportunity for local, national and regional economic and social development. For this reason, we should not wonder why every country is trying to exploit tourism potential for local development and regional cooperation. This paper examines how the Balkan countries enter and grow in the international tourism market in the last decade. The assumption is that both the local entrepreneurship and the FDI

inflow have influenced growing trends in tourism such as capacity and infrastructure building, tourism flows, revenue etc. Finally, the paper analyzed the achieved results in the international tourism market observing basic tourism indicators and explores forms of cooperation between the Balkan countries.



**Reyhan Izet**

International Balkan University

Macedonia

## International Business Strategies: Market Entry Strategies and Foreign Direct Investment

The basis of this paper shows how globalization has led to a rapid growth in the number of multinational enterprises (MNEs) that have been investing in recent years.

Firms interested in servicing foreign markets face a difficult decision with regards to the choice of an entry mode.

This study elaborates the concept of strategic orientation toward the host country and its role in international investment. Secondly, we discuss the effect of strategic orientation on entry mode and FDI performance. Thus, foreign direct investments (FDI) by mul-

tinational enterprises have become significant as the extent of international business has grown steadily. This development has occurred because of the evolution and development of free-markets, the growth of international financial markets, communication and technology that make managing businesses easier. Furthermore, it is important to identify the strategies of MNEs and how they affect the performance of subsidiaries in the context of the international business.

There are a variety of ways in which a company can enter a foreign market. In addition, direct

exporting may be the most appropriate strategy in one market while in another you may need to set up a joint venture and as well license your manufacturing. As a result, there will be a number of factors that will influence firm's choice of strategy, including tariff rates, the degree of adaptation of product required, marketing and transportation costs.





## **Session IV. The Relevance of Corporate Social Responsibility (CSR) in Emerging Markets and Social Versus Public Entrepreneurship**

**Moderator: Dr. Julijana Angelovska,  
International Balkan University**

Corporate Social Responsibility in Emerging Markets	Husein Dogrul	Turkey
The Political Economy of International Organizations in Kosovo: How Foreign Aid for Development is (not) Working?	Isa Mulaj	Kosovo
The Relevance of Corporate Social Responsibility in Emerging Ukrainian Economy	Kateryna Gryniuk	Poland
The Trajectory of Entrepreneurship and Innovation: Comparative Analysis of Central Europe to the Rest of the Global Economy	Hayley Pallan	Canada
Kosovo Economic Diplomacy	Krenar Shala Florin Aliu	Kosovo
The Relevance of Corporate Social Responsibility in Emerging Markets	Ariola Ziraj	Albania
Effectiveness of Kagider n Women Entrepreneurship in Turkey	Ezgi Elci	Turkey
The Relevance of Corporate Social Responsibility in Emerging Markets	Selviye Selimi	Macedonia



**Hüseyin Doğrul**

Çanakkale Onsekiz Mart University

Turkey

## Corporate Social Responsibility in Emerging Markets

Turkey is a emerging country. Of companies effort is very big and successful for Corporate Social Responsibility in Turkey. There are examples a lot of this in Turkey. Turkish companies are so sensitive about this topic. Companies are more sensitive in emerging countries anymore. Also , The companies are not only sensitive in their country . they are responsible in international. For example , Turkish companies help at other countries. The emerging markets are more ac-

tive , responsible and topluma yararlı anymore. There are so much sample project about CSR in world. I hope , CSR will come into question and apply more.





**Isa Mulaj**

Institute for Economic Policy Research and  
Analyses-Prishtina

Kosovo

## **The Political Economy of International Organizations in Kosovo: How Foreign Aid for Development is (not) Working?**

Kosovo is a unique example of substantial foreign aid recipient since the second half of 1999 to the present day. The international community invested 25 times more money per capita in Kosovo (June 1999-2005) than in Afghanistan (October 2001-2005). Aid has had and continues to have a very wide range of purposes. Initially, it was provided for humanitarian relief and emergency phase of reconstruction. A part coming from various international organizations and donor agencies was directed to support economic development. The fact that Kosovo after a decade of this massive support remains the poorest country in Europe with a deteriorating economic performance, seeks an answer which many would be interested to know. Having this in

mind, the first impression is that the aid has largely failed to generate intended and expected economic benefits, though the answer should not be limited to the causes without understanding whether the system and policies that were put and are in operation led to unconscious or deliberate failures. While achievements in broad terms can be reported, among others, by the international organizations themselves, which is also their exclusive task about their work as experience, the aim of this paper is to critically assess what went and is going on with foreign aid in Kosovo, and learn lessons about deficiencies and pitfalls in its management not only elsewhere, but also in the country under consideration where the mission is still going on.



**Kateryna Gryniuk**

Polish Academy of Sciences

Poland

## The Relevance of Corporate Social Responsibility in Emerging Ukrainian Economy

Corporate social responsibility is not just nice-to-have anymore. It became a must-have activity of any organization, especially multinational one, operating in emerging markets. Its understanding becomes broader than initial one, introduced by Bowen (1953). It should not only respond to pressures of civil society and consumer (UNIDO 2014), help to develop CSR in small and medium business (UNCTAD 2012), but also contribute to the formation of educated labor force, ready to the requirements provided by market economy.

In my paper I show how multinational corporations, operating in such emerging economies as Ukrainian one, invest in their future employees, coping with structural differences between old system of formal

education, inherited from planned economy and necessities of emerging economy. I explain why this direction of corporate social responsibility is especially important and urgent, providing the evidence of current disproportions in job market and results of the qualitative research among university entrants, who will form the labor force in the nearest future.

Multinational corporations understand the necessity and relevance of corporate social responsibility in emerging countries. They realize that one of its most important directions consist in investment in human capital, potential and current employers. Society is open to such initiatives and is ready to support them. At the same time, from my point of view authori-

ties do not provide relevant support for such important activities, constituting the basics for normal development of emerging economy. I believe the ways of state support towards initiatives of corporate social responsibility is an important area, where further research should be focused.



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Hayley Pallan

University College London  
and Charles University

Canada

## The Trajectory of Entrepreneurship and Innovation: Comparative Analysis of Central Europe to the Rest of the Global Economy

In a previous paper, I analyzed the effect different motivations behind entrepreneurship have on economic growth in a cross-country empirical analysis of 60 countries. There have been previous empirical studies and theories developed on this topic. The model I developed for my analysis drew from The Effect of Entrepreneurial Activity on National Economic Growth (Carree, Thurik and Van Stel, 2005) and used some of the methodology from Entrepreneurship, Innovation and Economic Growth: Evidence from GEM data (Wong, Ho and Autio, 2005). The dataset used was obtained for the year 2012 from World Bank Data and the Global Entrepreneurship Monitor. The main re-

sults of the model indicated that not all types of entrepreneurship are statistically significant for national economic growth, however, all 4 types (improvement-driven entrepreneurship, necessity-driven entrepreneurship, female entrepreneurial activity and male entrepreneurial activity) tested do have positive coefficients when regressed on growth.

To specify these findings, I will specifically analyze the effects of these variables in Central European countries. Additionally, I would like to compare the role of entrepreneurship and innovation. And finally to discuss how different histories, national systems of innovation and financial constraints on firms affect innovation

and entrepreneurial development. This analysis could have useful policy implications. For the types of entrepreneurship affecting growth in a positive and significant way, policy measures to promote these areas of entrepreneurship could have potential positive long term impacts. Additionally, determining an area for improvement (the less effective en-

trepreneurs) could lead to the development of strategies and programs specifically to address the challenges in their businesses with more effective solutions. And as a result, achieving positive impacts for national economic growth.





Krenar Shala  
Florin Aliu  
Masaryk University  
Kosovo



## Kosovo Economic Diplomacy

In view of the fact that Kosovo FDI have declined in volume since 2011 - reason overwhelm being the poor, ineffective and politically driven of the justice system, following with poor administrative capacities and the last but not least, the negative image that Kosovo continues to bare in the international scene. Many of our industries and sectors requires new entries, some of them through privatization and the others as Greenfield investments, IT sector, minerals and mine mills, education and agriculture which wouldenable setting up competitive environment within many sectors and industries. Historically our major export in the west was labor force, our trade relations are dominated by imports and we have huge trade deficit. Privatization is key initial step to-

ward market economy, some countries went from beginning to end with rapid forms of privatization just to get full asset utilization of social owned enterprises (SOE-s) no matter which will be market structure of ex ante privatized companies and what will occur with price in the industry, others took step by step approach in order to carefully observe market impact of privatization, not creating market failures such as monopolies and oligopolies. Kosovo is moving all the way through fast waves of privatization and in the same time is adopting new laws and regulation that would protect property rights, reduce bureaucracy in order to create a secure environment for foreign investors.

Transformation of our economy requires new incentives in order to

accelerate engines of our economic growth, attracting foreign investment would bring now just know how but also new technology better corporate governance and so on. Kosovo corporate income tax is flat and is only 10% comparing to the region, just Montenegro has 9% tax on corporate profit. In order to attract foreign investments in agriculture, sector requires deep reforms not just in formalization of the sector but also deep agrarian reforms.

Considering the premise on which the IR is based, today economic development, business relations and cooperation among various parts of the region and beyond is the cornerstone of a small state to achieve its objectives to reach the most possible results in the international scene. Countries of small global engagement need to focus their attention to advance and reform the administrative capacities alongside building an effective and efficient judicial system



as prerequisites to reform and increase their economic might.

Alongside public diplomacy, cultural diplomacy and so on, economic diplomacy plays a crucial role in making the potential investors attractive by making the parties deploring the potentials which would enable investors to invest. Diplomats together with business people have to develop a collaborative strategy in order to lobby effectively. They must be closely related to each other in the missions.

To conclude, image and the internal politics are unavoidable in pursuing one nation's interest to develop its citizen's wellbeing. The close cooperation among diplomats and the business people as well as the necessary reforms in tackling issues that deal with making the state administration effective and transparent and forging dramatic justice reforms remaining the backbone of the small countries to engage in their endeavors.



Ariola Ziraj  
University of Tirana  
Albania

## The Relevance of Corporate Social Responsibility in Emerging Markets

The paper thoroughly outlines an approach for understanding the rise of the corporate social responsibility (CSR). Although various firms have tried to place CSR at the core of their strategies, few seem to have figured out how an integrated business strategy incorporating the social agenda might be fashioned. In any case, there is still a gap between companies' aspirations in CSR and their actions. One important reason for this discrepancy is our insufficient understanding of what exactly is required of today's companies to simultaneously generate profits for shareholders and make a positive contribution to society. CSR is a term that doesn't have a precise definition. But nearly everyone can agree that it is about the business contribution to sustainable development—how business can take into account the economic,

social and environmental impact their operations will have on the society.

Furthermore, workplace issues cover a wide and expanding array of topics, the most prominent being labour standards. In addition to traditional human resource areas, workplace issues now include HIV/AIDS, work-life balance, diversity, sexual harassment, employee privacy, downsizing, and organizational development issues related to overall workplace culture and work processes.

Although developed countries' economies have become more information and service intensive, globally, the unsustainable use of raw material and fossil energy has exploded during the past 50 years, with dire consequences for the world environment. Approximately 60% of the ecosystem services that support life on



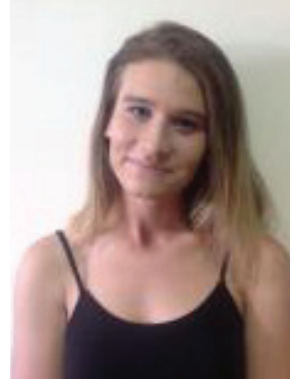
Earth—such as fresh water, oceans, soils, and climate—are being degraded or used unsustainably.

As financial intermediaries, the concept of CSR has been questioned in terms of its validity and usefulness for profit-making companies. Milton Friedman, for example, famously asserted that “the social responsibility of business is to increase its profits.” Although one can still hear “the business of business is business” type of argument, the question for today is

no longer whether companies should practice CSR, but what, specifically, and how.

At the end, the concept of CSR itself may disappear, as a corporate social agenda will be an integral part of business strategy in the 21st century.





Ezgi Elci  
Maltepe University  
Turkey

## Effectiveness of KagiDer n Women Entrepreneurship in Turkey

KAGİDER (Women Entrepreneurs Association of Turkey) was founded in the year 2002 by 37 woman entrepreneurs. It is a non-profit, non-governmental organization which operates all around the country. KAGİDER currently has 307 members composed of woman entrepreneurs and pursues to build a bridge between woman entrepreneurs and the government, private and public sector. It provides a connection with the parliament, concerned ministries and bureaucratic bodies to empower women and increase women employment and also provides expertise in policymaking about integration of women into the national economy. Although it is a national organization, KAGİDER has strong international connections such as memberships of

United Nations Economic and Social Council, Balkan Coalition, The International Alliance for Women and The Association of Organizations of Mediterranean Businesswomen.

In this paper KAGİDER's activities and projects will be examined. The methodology which will be used for this study will be based on a general literature review on woman entrepreneurship and interview with the officers of KAGİDER. Also a questionnaire will be prepared for the members of the Association receiving expertise and financial funding from KAGİDER. Regarding all the data collected, the main research topic which is the "effectiveness of KAGİDER on women entrepreneurship" will be debated.



Selvije Selimi

International Balkan University  
Macedonia

## The Relevance of Corporate Social Responsibility in Emerging Markets

The principal aim of this paper is to provide an in-depth analysis of the importance of the socially responsible practices performed on the business arena, that day by day become more and more important for the contemporary business environment. Given the importance of the new market stages and their increasing influence on the global economy, this paper is mainly focused on exploring and defining the relevance of the corporate social responsibility in these emerging markets. Due to that fact, this paper firstly tries to define the key concepts of emerging markets, and the social corporate responsibility, and additionally showing their interconnectivity and interdependence.

Furthermore, a slight highlight is given on the importance of the relationship between the companies

and the society. In the present-day corporative stage, the companies are required to offer something beyond plain products and services. This is a relevant indicator that drives companies not solely on the course of generating profit but of continuous commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

At last, in the paper are incorporated some real life examples that prove the inclination of new emerging markets toward SCR and the importance of the same for their long term sustainability.



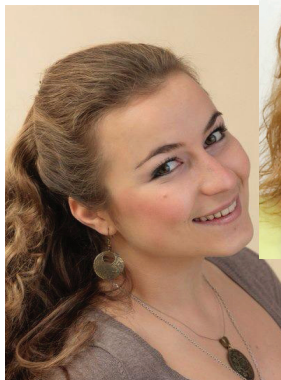
## Session V. Income and Wealth Inequalities and the Role of Big Business / Global Value Chains and Logistics in International Business

**Moderator: Dr. Merve Ugur, Maltepe University**

Learning the Value Chains and Logistics in International Business Using the Serious Games	Anna Kobzar Nathalie Masliyuk	Ukraine
Global Value Chains and Logistics in International Business	Ana Gincu	Moldova
Income and Wealth Inequalities and the Role of Big Business	Katerina Kruhscheva Dmytro Kolesnikov	Ukraine
Global value chains and logistics in international business	Valery Dele	Belarus
Income and Wealth Inequalities and the Role of Big Business	Klaus Xhaxhiu	Albania
Young and Courageous: The Success Story of Dövsan Limited Company	Utkuhan Subutay	Turkey



Anna Kobzar  
Nathalie Masliyuk  
Kharkiv National University  
of Economics  
Ukraine



## Learning the Value Chains and Logistics in International Business Using the Serious Games

A value chain is a chain of activities that a firm operating in a specific industry performs in order to deliver a valuable product or service for the market.

The concept of value chains as decision support tools was added onto the competitive strategies paradigm developed in 1979. In value chains, Inbound Logistics, Operations, Outbound Logistics, Marketing and Sales and Service are categorized as primary activities. Secondary activities include Procurement, Human Resource management, Technological Development and Infrastructure.

To study the value chains and logistics will be not enough to attend

regular lectures or read outdated textbooks. So many corporations engaged in the development of serious games that allow students to plunge into the virtual world, to develop their own solutions and tasks that will give the opportunity to see their performance in real time and analyze the mistakes.

INNOV8, the IBM Business Process Management serious game (interactive model of economic system, which is maximum approximated by its internal terms to the real economic item), gives both IT and business players a better understanding of how effective BPM impacts an entire business ecosystem.



We want to stop your attention on two important modules of INNOV8 which helps to learn more about logistics and global value chains: Smarter traffic and Smarter supply chain

Smarter traffic helps to learn the basic principles of the logistics of moving objects. This area allows the user to analyze the traffic patterns given, find all its advantages and disadvantages and re-route traffic based on incoming data.

This section allows you to rethink build path from point A to point B through the use of new technologies

and new policies. Contemplating on the traffic in the city, in real time, you can anticipate the problems of congestion and reduce the likelihood of accidents on the relevant sections of the road.

Smarter supply chain helps to learn the basic principles of the logistics of moving and handling objects. This model allows us to estimate the direction of the supply chain. You must consider the cost and currency fluctuations, supply disruptions and transport capacity constraints.





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## Global Value Chains and Logistics in International Business

International market has grown in recent decades at a pace that determines intensive opportunities for spreading and internationalization of business company. In these circumstances, the internationalization of markets and industries do business be influenced by political restructuring and changes in public policy, international capital market, international trade and others. In this context is a chain of exchanging goods , to a certain extent, by process of economic globalization according a value to commerce, competition between international companies, national and international economic development. There is a dependence between exporter and importer. It represents a global

marketing circuit. In this circuit are merged global value chains: production, investemnt and trade. Thus globalization contributes to economic cooperation of states. At this tier is developing investment and trade policy, competitiveness and development. Through access to networks, global markets, capital, technology, integration in a global value chain can be first step to economic development. Developing economies can enter global value chains by opening their markets to trade and foreign investemnt. In order to become the part of this kind of claim, countries need to adjust their "border" of trading and investment as well as 'behind the border' policies, in areas such as innovation, skills and



infrastructure. The positive effects of openness to trade and investment, which are the best actors in global value chain, on growth productivity are largely felt by the allocation of resources to higher value-added activities. That's why the governments should work together to ensure that the multilateral investment system continues to support growth. Investment policies need to focus more closely on activities in global value chains than on industries because success in it depends on the promotion and facilitation of both inward and outward investment. The importance

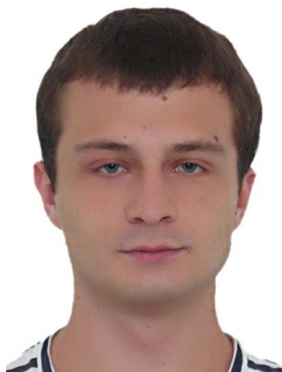
of foreign value-added content of economies' exports is determined by the economic structure and the export composition of countries. The sources of producing and export-import goods are business companies. The trade opens foreign markets to goods and services that can be efficiently produced in states. This represents the international economic relations. Nowadays international business is based on liberalization. The effect of trade liberalization and the creation of international business is exercised in the process of globalization.







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## Income and Wealth Inequalities and the Role of Big Business

Income inequality and wealth distribution are two different concepts, in that income inequality focuses exclusively on the income side of the equation while wealth distribution looks at how the ownership of assets in a given society is shared among its members. However, both measures help chart the economic gap within a country's wealthiest and poorest citizens. Over the last ten years, economic inequality has been growing, particularly in developed countries. Typically, at the beginning each person has only one wealth - is his work, in return for which he receives some income. Human

mind and knowledge, physical data, work experience, professional skills, natural abilities and inner spiritual world make human capital (human wealth). Human capital - is the value that determines the economic value (value) of the individual.

People get income as a result of the fact that create their own business (become entrepreneurs) or provide they own the factors of production (their labor, capital or land) in the use of other people or companies, and they use this property to produce the required goods. This mechanism was originally laid income generation op-



portunity inequality.

Companies big business can afford demonstration commercials of their products at the most famous TV channels in the most demanded broadcasting time. Big business opens its branches and representative offices in different countries and provides jobs for hundreds of thousands of people.

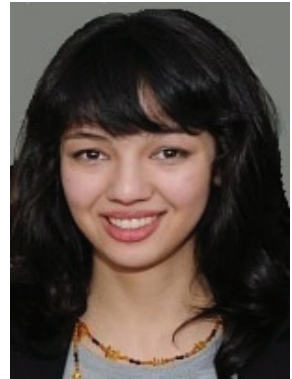
Virtually any company that everyone is talking about - it's big business. As an example, manufacturers of equipment, which uses the world: Apple, Samsung, Nokia,



Phillips and others. Food producers: Nestle, Danone, Kraft Foods. Car Corporation and popular clothing brands with revenues billionth are also big business players.

Basis for the success of big business - it's efficient business model, constructed so that after decades, they continue to work, surviving in a constantly changing environment and bringing profit, amounting to hundreds of billions of dollars.





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## Global value chains and logistics in International Business

Logistics is actually the sphere I am going to graduate at my university next summer. The term “logistics” was used even in ancient times as Roman Army supply management. But during the latest four decades, the term “logistics” has become very popular and defined more as supply chain management. Our world has become very small it is normal for businesses to have parts of a supply chain dispersed around the world. And since the supply chain became very complicated and distanced, now “logistics” is defined as a force which helps to optimize all the flows and minimize aggregated costs.

Why do we need to optimize? There are three main reasons. Firstly, we should recall the fact that the globalized world gave the ability to enter global markets to businesses. Therefore international competition

between businesses rose and became much more serious. Initially businesses started changing their production process, then they started investing in marketing. But now, when they already took the most from both tools, here comes logistics. Optimizing costs dramatically changes profits. So, first of all, logistics is a tool for competition and making a business more effective.

But not only that. Logistics also has a very important social function. Reducing the costs actually causes commodities to be cheaper (let’s not forget competition, which stimulates businesses not to overprice goods with low costs). And this means that a lot of people who were unable to afford certain things, now can buy them! By bringing such goods to the customer with an affordable price, logistics enhances the quality of peo-



ple's life and helps to bring essential commodities to the lives of the people that need them.

The third reason is concerning more about the future than the present times. Resources are not infinite. And the number of people on the Earth is growing. When we use some resources inefficiently, frankly speaking, we waste them for nothing. Here I include all kinds of wastes beginning from emissions by not fully-loaded trucks to a nature and people-damaging plant



which is operating and affecting hundreds of people living around and all their posterity.

I think that Logistics is the driver of competition and a filter that chooses the most effective business from all. Many countries should include the principles of logistics in many aspects that even do not necessarily refer to business. If everything around us is effective and efficient, it means that we are going in the right way.





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## Income and Wealth Inequalities and the Role of Big Business

This topic is a good one to make the differences between two types of society: the richest and the poorest. I will start with a history of this differences and how it is in our time now. There will be some interviews with people that come from big business and some interviews with their workers to tell how they live and what is the big difference between them. In some part of it there will be some comparisons between their life's also. I will try to give some statistics

for incomes in Europe and will give out the differences with the incomes in Albania. I think there is a lot to talk about it because the differences are too big. So, in conclusion I will make a good summary of everything and i will give some of the biggest benefits of big businesses in employing people and in the direct affect that they have in the budget of a country because of the taxes that they pay.



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## Young and Courageous: The Success Story of Dövsan Limited Company

Starting in the year 1978, the Dövsan Limited Company showed a distinguishable example of success. The entrepreneur Mustafa Erdoğan and his brother Mehmet Erdoğan took a great risk and launched a family job even though there were no examples of entrepreneurship in their family history. Mustafa Erdoğan describes entrepreneurship as a kind of rafting. He says: “you sometimes face with huge waves, giant rocks or sometimes there is a great waterfall on your way. The important thing is reaching the finish line”. “Rafting is just sports” he adds; “industry is not

limited with that. I developed my business and passed it to professionals. If I had quitted I would be drowned, I had no choice but to survive.”

In this paper the development policy of Dövsan will be elaborated and annual charts of production, expenditures and interests and the correlation among them will be examined. The methodology will be based on interviews with the entrepreneur and heads of finance and human resources departments; and statistical analysis on the production, interests and losses, if any.