

**BOOK OF ABSTRACTS**  
**2012**

# Monetary policy in a small open economy with fixed exchange rate: The case of Macedonia

---

**Marjan Petreski**

*Economic Systems, 36(4), p.594-608.*

## **Abstract**

This paper empirically applies the New Keynesian model for monetary policy analysis in a small open economy with a fixed exchange rate. Official reserves are included in the interest rate rule to account for the constraint that these impose on monetary policy when the exchange rate is fixed. Also, the foreign interest rate is included in order to reflect the necessity of following the foreign monetary policy. The model is applied to Macedonian data from the period 1997 to 2011. In general, results indicate that monetary policy has been focused on domestic objectives during this period, despite the fixed currency. In addition, there seem to have been significant differences in the conduct of the monetary policy in the first and second half of this period. The response to inflation has been more aggressive in the earlier period, at a time when reserves appear less important, while the output gap is found to be important only in the latter period, possibly due to the stronger monetary policy transmission. Finally, results indicate that the monetary policy has likely moved from adaptive in the first period to rational in the second period.

**Keywords:** New Keynesian model; Monetary policy; Fixed exchange rate; Macedonia.

**JEL classification:** E12; E43; E52.

# Output Volatility and Exchange Rate Considerations Under Inflation Targeting: A Review

---

**Marjan Petreski**

*International Journal of Economics and Financial Issues, 2(4), p.528-537*

## **Abstract**

The objective of the paper is to offer a critique on the theoretical and empirical literature on inflation targeting (IT). It seems to exist a consensus in the theoretical literature that this monetary regime reduces both inflation and output volatility, mainly through building monetary policy credibility. When the role of the exchange rate is discussed, while there are some arguments that, as an instrument, it should not be explicitly stated in the central-bank loss function, theoretical arguments and evidence are still mixed as regards the effectiveness of exchange-rate management under IT. On the empirical front, the paper concludes that despite the fact that the work on IT in the last two decades has been immense in quality and quantity, still there is no quantitatively-credible study for the developing world, let alone a study that appropriately measures the regime switch from one monetary strategy to another.

**Keywords:** output volatility; exchange rates

**JEL classification:** E42; E58.

# Monetary Policy in China: The Role of Qualitative Instruments

---

**Marjan Petreski**  
**Branimir Jovanovic**

*MRPA Working Paper 40497*

## **Abstract**

The objective of this paper is to shed some light on the role of the qualitative instruments for monetary policy conduct in China. The unobservable qualitative instruments are calculated by Kalman filtering and then are used in a Taylor rule regression, to estimate if and how they react to inflation and the output gap. The results are compared to the estimates of a classic Taylor rule, with the base interest rate as the monetary policy instrument. Results suggest that qualitative instruments react to the business cycle, but not to inflation, while base interest rate reacts both to inflation and output. As Chinese monetary policy relies more on the qualitative than on the quantitative instruments, People's Bank of China seems to promote growth primarily through stabilizing output, not inflation.

**Keywords:** China, monetary policy, qualitative instruments, Kalman filter, Taylor rule

**JEL classification:** E5

# Hemlock for policy response: Monetary policy, exchange rates and wage bargaining in South-East Europe and the Commonwealth of Independent States during the crisis

---

**Branimir Jovanovic**

**Marjan Petreski**

*FIW Working Paper N° 81*

## **Abstract**

The objective of this paper is to assess whether the level of unionization and the rigidity of the exchange rate affected wages and monetary policy in SEE and CIS during the ongoing economic crisis. The paper employs a New Keynesian model with embedded price and wage rigidities. In addition, the monetary rule includes the exchange rate and the foreign exchange reserves to capture their potentially restraining role for the monetary policy conduct in countries with fixed exchange rate. The model is estimated with a panel GMM over the period January 2002 – March 2011 on sample of 19 countries. Results suggest that the labour wedge arising from the monopolistic competition in the labour market works mainly through the wage gap, not the output gap. Strong unions not only prevent wages from falling and reaching equilibrium in good times, but they also prevent a weak economy to drag wages down. Furthermore, central banks are found not to react to price or wage movements in countries with strong unions, which points out to the burden that strong labour unions represent for the policy makers in times of crises. On the other hand, rising wages in good times are not considered as being a threat for the monetary policy conduct under weak unions and the policy can relax even if wages show some growth. Similarly, the maintenance of a fixed exchange rate is found to restrain the monetary policy conduct – in countries with flexible exchange rates, monetary policy during the crisis responds to movements in output gap and reserves, in contrast to countries with fixed exchange rate, where monetary policy does not respond to any domestic macroeconomic variable.

**Keywords:** monetary policy; fixed exchange rate; wage bargaining; unionization; SEE; CIS

**JEL classification:** E52, F0, F31, J51, P20

# Grooming classifications: Exchange rate regimes and growth in transition economies

---

**Marjan Petreski**

*Paper presented at: EFSS'12 – Eurasian Forum on Social Sciences “World Economic Development Paradigm: Market and Beyond”, October 18-21, 2012 Baku.*

## **Abstract**

The objective of this paper is to test the exchange rate regime – growth nexus in transition economies by looking if and how some inherent characteristics of the transition process might have affected the de-facto classifications of exchange rate regimes. 28 transition countries of Central and Eastern Europe and the Commonwealth of Independent States are investigated over 1991-2007 and three de facto classifications of exchange rate regimes are considered. As usual in the empirical literature, initially, the exchange rate regime effect on growth differs across classifications. However, further investigation suggests that the three classifications usually disagree around some inherent characteristics of the transition process, like the higher trade openness of the countries, the episodes of high inflation and the bank system reform and interest rate liberalization. Results indicate that high inflation likely determined disagreement in early transition, while trade openness and interest rate liberalization in late transition. After classifications have been cleaned of the disagreeing points, the final results, corrected for the potential selectivity bias, suggest that both pegs and intermediate regimes of all three classifications significantly outperform floats in terms of economic growth, the average effect being slightly lower for pegs.

**Keywords:** exchange rate regime classifications, economic growth, transition economies

**JEL classification:** E42, F31

# Taxation of Labour: The Effect of Labour Taxes and Costs on Employment in Macedonia (2012)

---

**Nikica Mojsoska-Blazevski**

*Post-Communist Economies*, 24(2), p. 241-256.

Presented at the International Workshop on “Crises, Institutions and Labour Market Performance: Comparing Evidence and Policies”, organized by the European Association for Comparative Economic Studies (EACES) and the University of Perugia, Perugia, Italy, November 10-11, 2011. (Taxation of labour)

## **Abstract**

The objective of this article is to investigate the effect of tax and social contributions reforms on employment in Macedonia, through estimating a labour demand function over the period 1998:Q1--2010:Q3. The results are used to establish a foundation for an evidence-based policy for increasing employment in a country with high unemployment, while recognising the reality of budget constraints. The article disaggregates the total tax wedge into an income tax wedge and a social contributions wedge, in order to test the argument that the main burden on labour in transition economies stems from social contributions and not from income taxation, mainly due to the dominance of unskilled jobs in those countries. We also impose a control for the introduction of the gross wage concept in 2009, which is said to have had the effect of reducing the informal economy. We find that the reduction of social contributions has a significant effect on employment in Macedonia, ranging from 0.9 to 3.1 percentage points. The effect of the income tax wedge is found to be insignificant. Moreover, the estimates relating to the gross wage concept and the associated measures provide some evidence for the view that the reform generated a transfer from the informal economy into formal employment, thus most probably shrinking the grey economy in the country.

**Keywords:** income tax, taxation of labour, employment.

**JEL classification:** C3, J2, O4.

# Learning through a Reflection: Becoming an effective PhD supervisor

---

Nikica Mojsoska Blazevski

*International Journal of Learning and Development (on-line), 2012, 2(5)*

## Abstract

The aim of this paper is to learn how to be a better or more effective supervisor through a critical reflection on my own supervisory experience. The importance of the effective supervision is highlighted in view of the established link between effective supervision and greater completion rates of postgraduate degrees, where the latter is main focus of higher education institutions/authorities in the last decade.

The reflection is used to not only to justify the way we were supervised, but to challenge it and find ways how we can improve our effective supervision. Several researchers argue that supervisors usually adopt the same supervisory practice and style as the one they experienced themselves as research students (Pearson and Brew, 2002; Lee, 2008; Wright *et al.*, 2008), notwithstanding additional factors that might influence the effectiveness of supervision. Pearson and Brew (2002) argue that new supervisors should have an ability to critically reflect on their past experience as research student in light of the theoretical conceptions and research findings in the literature on supervision, a process called “a critical reflective journey” by Tait (2009, p.193).

The methodology for this research is based on the framework for effective supervision adopted by Engebretson *et al.* (2008) who establish eleven characteristics of an effective supervision. Parallel to the examination of each of those individual characteristics, I provide my insight into each characteristic by reflecting on my own experience.

The structure of the paper is as follows. Section 1 introduces the importance of an effective supervision in the modern educational environment, as well as the value that critical reflection brings to the learning. Section 2 provides a literature review of the characteristics of a good supervisor, along with a personal experience related to each of them. Section 3 concludes.

**Key words:** reflection, learning, supervision, students, oversees.

**JEL Classification:** I2, I21.

# The Macedonian Labour Market: What makes it so different?

---

**Nikica Mojsoska-Blazevski**

**Nexhati Kurtishi**

*Social Policy Review, No. 9/2012, Friedrich Ebert Foundation and the Faculty of Philosophy-University St. Cyril and Methodius, pp. 11-43 (bi-lingual in English and Macedonian)*

## **Abstract**

The aim of this paper is to investigate the performance of the Macedonian labour market in the period 2006-2011, as well as to provide a comparative analysis with the countries from the region and the EU. In particular, for over a decade, Macedonian labour market puzzles economic researchers. Despite the expected improvement in the allocative efficiency of the markets (including labour market) in the process of transition to a market economy, the performance of the Macedonian labour market has deteriorated during the transition. Unemployment rate for the population aged 15-64 reached 37.7% in 2005, though has been declining modestly since then to 31.6% in 2011. Participation and employment rates of 64.2% and 43.9%, respectively, are low compared to the peer countries from the region, and even more if compared to the EU countries. This holds even more so for Macedonian females.

In this regard, the paper examines the main challenges in the labour market, in general, but also does so for specific groups of workers (differentiated by age, gender and education). We also calculate the extent of the skill match, as well as the presence of the over/under-education phenomenon (mismatches). Moreover, it empirically tests the determinants of the employment, that is which factors might bring higher employment rates.

**Key words:** labour market, Macedonia, skills mismatch, determinants of employment

**JEL Classification:** J6, J5, E24.

# Is Government Effective in Promoting the Human Capital: The case of Macedonia

---

**Nikica Mojsoska-Blazevski**

**Maja Ristovska**

*Paper presented at an International Conference “New Skills for New Jobs in the Western Balkans”, organized by the Faculty of Economics-Belgrade and London School of Economics (LSE) Institute, Belgrade, Serbia, 11 May, 2012.*

## **Abstract**

It is a common understanding that greater human capital is key to higher productivity and growth (Mendolicchio, 2005; Burdia and Moro-Egido, 2009; Sondergaard et al., 2012). Hence, increasing the human capital stock of a population might bring greater growth and development. Higher human capital brings benefits to individuals, organizations and society.

Given these established arguments, the aim of this paper is to assess the effectiveness of the government policy in Macedonia in promoting greater human capital, as well as to draw recommendations on improving educational policy. Recent educational reforms in Macedonia were mainly based on the premise that the country has a comparatively low human capital, and that improving the educational attainment of the population would bring greater productivity and growth. Whereas undoubtedly Macedonia cannot become a modern, innovation-driven, export-oriented economy without a well-educated workforce, we argue that a link between education and human capital is maintained only in the case of quality education. Moreover, the current policy of expansion and increased subsidies to post-compulsory education in Macedonia might not be effective in bringing higher human capital in an environment in which pupils in primary education fail to achieve minimum standards of literacy and numeracy.

**Key words:** effectiveness of education policy, human capital, Macedonia, education reforms, growth

**JEL Classification:** I25, I28, J4.

# Challenges to successful employment policy in the Western Balkan region: towards more jobs, quality labour force and greater competitiveness

---

**Nikica Mojsoska-Blazevski**

*Paper presented at the EC/IFI Coordination – Social Sector Workshop, Brussels, Belgium, 23 October, 2012.*

## **Abstract**

Low job creation and high unemployment are major concerns in all Western Balkan countries. The economic and social prospects of these countries with employment rates of about 50% and unemployment rates that exceed 30% are significantly constrained with severe challenges for higher and more inclusive future growth. After the recovery achieved in 2010 and 2011 with average GDP growth of 3% per year, the Western Balkan countries are showing considerable slowdown in 2012, with latest International Monetary Fund (IMF) projection for these countries being a low 0.9%. Sluggish economic conditions and low growth prospects in the EU, the main trading partner of the Western Balkan countries, are also holding back growth prospects in the region. The recent economic crisis caused a severe blow to its fragile economies and labour markets, halting the positive development trends in the last decade. This has, in turn, intensified the future challenges.

In this regard, the aim of this paper is to analyse the recent trends in the economies, and particularly labour markets, of the Western Balkan countries, to investigate the main short- and medium-term challenges, as well as to discuss possible policy responses. Whereas a detailed and quality analysis of the region's labour markets is constrained by scarce and flawed data, the analysis undoubtedly shows that there is a room for improvement in the labour market and social sector. This will require a combination of policy reforms, capacity building and investment. Increasing job creation and substantially reducing unemployment requires a comprehensive reform agenda on several fronts, directed towards (i) growth-enhancing economic and structural policies and (ii) improving the functioning of labour markets, with combined efforts of governments and the international community.

**Kew words:** Western Balkan, labour markets, growth-enhancing policies, Europe 2020 agenda.

**JEL Classification:** J4, O1, O4.

# The econometrics and the management (focus on HR costs and influencing)

---

**Kristina Krsteska**

**Marjan Bojadziev**

*8ma Majska konferencija o strategijskom menadžmentu (MKSM012)*

*25 - 27. maja 2012, Bor, Srbija*

**Abstract:**

It is in general known that if “something” could be measured, than it could be managed well. Therefore, mathematical and statistical methods are used in many business areas (i.e. Finance and Marketing). Considering the stated above, the aim of this paper is to contribute to the theoretical literature by proposing the areas where econometrics (i.e. practical application of mathematical and statistical methods) could be found as beneficial (focus to the HR field). Specifically, this paper is focusing on stressing the importance and in the same time giving proposals for possible application of econometrics in analysis and forecasting of HR costs, as well as the usage for influencing via stating facts and developing scenarios and other aspects as well.

**Key words:** *Econometrics, HR costs, influence*

**JEL classification:**

# Econometrics and Strategic (HR) management

---

**Kristina Krsteska**

**Marjan Bojadziev**

*8ma Majska konferencija o strategijskom menadžmentu (MKSM012)*

*25 - 27. maja 2012, Bor, Srbija*

**Abstract:**

It is generally known that the strategic decisions are very often based on analysis of the previous situations, analysis of the influencing internal and external factors and on the base of developing scenarios for the future business environmental settings. Therefore the aim of this paper is to bring to open the importance of use of econometrics in the Strategic (HR) Management as well as other specific fields of econometrics application that support the Strategic Management. The contribution of paper is to enrich the literature and to influence over the HR professionals perception about the use of econometrics (mathematical and statistical methods) and the benefits of it.

**Key words:** *Econometrics, Management, HR practices, IT*

**JEL classification:**

# Factors of creativity in marketing agencies

---

Ana Tomovska-Misoska, Ilijana Petrovska, Marjan Bojadziev

*193-197 //// International Conference on Contemporary Marketing Issues (ICCMi)  
2012 (ISBN 978-960-287-140-9)*

## Abstract

Nowadays when we are bombarded with more than 1,600 messages a day, it is of a great importance to advertising agencies to be more creative and to develop unique and creative advertising campaigns that will differ and come out from the messages clutter of the media. As such the nature of the work calls for creativity of the employees and creativity is of paramount importance to marketing and advertising agencies. Therefore a number of authors point to the importance of enhancing work creativity to enhance organizational performance.

However creativity is connected to and influenced by a number of variables. In an attempt to understand the determinants of creativity this paper employs the methodology developed by Grant and Berry (2011). This paper tests the assumption that creativity is influenced by the intrinsic motivation of the employees. Furthermore the paper also hypothesizes that this connection is moderated by prosocial motivation. The model is tested using a sample of employees in marketing agencies in the Balkan countries.

This paper will be of assistance to the marketing agencies and the science of marketing creativity, providing data which factors are having the biggest influence in the agency for creating better working conditions and better creative marketing agencies.

**Keywords:** creativity, organizational performance, marketing/advertising agency.

**JEL classification:** M30

# Understanding Factors of innovative thinking in Advertising agencies: Case of Macedonian, Slovenian and Serbian Advertising agencies

---

**Marjan Bojadziev, Ilijana Petrovska, Ana Tomovska-Misoska**

*Seventh annual international conference on European integration: Europe 2020: toward Innovative and inclusive union, 17 May 2012.*

## **Abstract**

Increasing pressure for innovations is present in nowadays' business, coping with financial crises, which places higher importance on creativity. The Innovation is in the center of the Europe 2020 strategy for growth, and European Council has recognized the need for urgent action in the field of innovation. And it is not just innovation in production, but especially innovative thinking seen as creativity, that is a priority for each company, institution or at a personal level. Creativity contributes towards higher competitiveness in the globalized market. This paper explores the creativity as a fuel for innovativeness in advertising agencies in three countries in the Balkan region. The advertising agencies are tightly connected to creativity since they do not produce creative ideas for themselves, but focus on creative outputs for companies and institutions as their clients. In an attempt to understand the determinant of creativity this paper employs the methodology developed by Grant and Berry (2011). The paper uses sample of employees from Macedonian, Serbian and Slovenian advertising agencies, demonstrating the connection of creativity with the intrinsic and prosocial motivations, and taking into account specific organizational and individual factors influencing creativity at advertising agency level. As such, it will contribute to understanding of innovative thinking and enhancement of innovative ideas at advertising agencies and companies as their clients.

**Keywords:** innovation, advertising agency, intrinsic/prosocial motivation.

**JEL classification:** M30

# The Business Case for Corporate Social Responsibility in Education

---

**Elena Bundaleska and Makedonka Dimitrova**

*Publication: Proceedings from Business Development Conference 2012, ISSN 1840-4006, Volume: / Issue: 5, Pages 345-355, Conference presented: Business Development Conference 2012, Zenica,*

## **Abstract**

In the dynamic global marketplace, understanding the fundamental connections between business, the environment, and society has become essential. The roles and responsibilities of business, as a global force, are becoming more complex, and concepts related to societal responsibility and sustainability are gaining recognition as essential elements in business management.

Increasing complexity requires new approaches. Companies need integrative management tools that help incorporate environmental, social, and governance concerns into their strategic thinking and daily operations. They require talented and ethical leaders to do so.

That is why companies need the help of the academia. By being involved in the education of current and future managers, academic institutions most directly act as drivers of business behavior. They help shape the attitudes and behavior of business leaders. Through different means, academic institutions have the potential to generate a wave of positive change, thereby helping to ensure a world where both businesses and societies can flourish.

However, there is much more that can be done by the academic institutions. This Paper will try to identify and evaluate the actions, methods, means that may be employed by the academic institutions to support and promote social responsibility. The Paper will discuss the Global Compact Principles of Responsible Management Education, as well as other relevant principles or recommendations, and possibly suggest new directions and aspects of improvement.

Due to the fact that businesses by definition are profit driven, considering the academic institutions merely from a business perspective, the Paper will also touch upon the question: Do academic institutions have the business case for being socially responsible?

**Key words:** *Corporate social responsibility, responsible education, academic institutions*

**JEL classification:** I29

# Pride and Perplexities: Identity Politics in Macedonia and its Theatrical Refractions

---

Ivan Dodovski

*In: Glenn Bowman and Robert Hudson, eds. After Yugoslavia: Identities and Politics within the Successor States. London: Palgrave Macmillan, 2012, pp. 92-104.*

## Abstract

Theatre in the globalised world has lost its mobilising power and can no longer sustain a social synthesis. Still, the theatrical medium refracts social convulsions particularly in societies which undergo an immense political and economic change. This paper considers the intricacies of the Macedonian case. After a few contextual details at the very beginning, I analyse four performances which illustrate the controversies of identity representation in Macedonia in the 1990s and early 2000s. Performances like *Darkness 005* and *Wild Flesh*, though being adaptations of national classics, have demonstrated a genuine disbelief in a mythologized construction of the nation, warning of political manipulation and common conceptual impasses in our time. Others, like *Macedoine – Odyssey 2001*, seem to aim at provoking strong national pride, inaugurating – *inter alia* – a new perception of the ancient Macedonian heritage. Some directors and playwrights from this period have questioned collectivist obsessions, opening historical taboos, such as the appraisal of former Christian identity of ethnic Albanians in the play *Late Coming Bones*. In this light, I conclude that Macedonian theatre has captured significant aspects of the politics of national identity in the period of social transition, refracting the tension between past national imaginings and current challenges of the nation.

**Keywords:** Macedonian theatre, identity politics, social transition

# The Balkans beyond the Balkans: Diasporic Escape as a Nightmarish Homecoming

---

Ivan Dodovski

*In: Stojmenska-Elzeser, Sonja and Vladimir Martinovski, eds. Literary Dislocations: 4<sup>th</sup> International REELC/ENCLS Congress. Skopje: Institute of Macedonian Literature, 2012, pp. 129-137.*

## Abstract

Diasporas in the globalised world bring about a momentous reconsideration of the notions of nation and authenticity. Balkan diasporas provide some vivid examples. This paper examines how pretence to cosmopolitan emancipation and modernity clashes with inherited national imagining within a diasporic community. The analysis of the representations in the play *Tattooed souls* by the Macedonian dramatist Goran Stefanovski reveals a paradoxical situation in which the diasporic subject over time seems to move away from his mother culture by the very insistence on preserving or imitating its imagined properties. On the other hand, by joining a diasporic community, a new émigré initially finds this ‘preservation’ or ‘imitation’ by other fellow countrymen of earlier arrival to be an exaggerated, grotesque form of enacted traits which he, in fact, sought to abandon by emigrating. The fissure, then, is a result of the changes that take place within his mother culture, and the attitude towards the culture of his arrival. As the dramatic images demonstrate, it often happens that those who decide to leave because of economic or political reasons find their diasporic escape a nightmarish homecoming. In this refracted and ominous vision of Stefanovski, the dislocated subjects once deeply rooted in the tenacity for the national cause become incapable of grasping the new global reality.

**Keywords:** the Balkans, diaspora, diasporic subject, Goran Stefanovski

# Evolution of the venture capital financing for growing small and medium enterprises in central and Eastern Europe countries: The case of Macedonia

---

**Jadranka Mrsik    Dimche Lazarevski    Edi Smokvarski**

*Entrepreneurship & Finance e-Journal, Vol. 7, No. 47, (07. September 2012).*

*Paper presented at the "VIII May Conference on strategic management", Bor, Srbija, May 25-27, 2012, ISBN 978-86-80987-96-5, pp. 879 - 890.*

## **Abstract**

The objective of this paper is to examine and analyze the differences between Venture Capital development in Macedonia and several Central and Eastern Europe countries, to determine the reasons, and hence extract certain conclusions that will serve as a guideline in Macedonia's venture capital industry development.

Venture capital is an important intermediary in financial markets, providing capital to firms who otherwise have difficulties attracting financial support. Moreover, venture capital funds provide managerial expertise to the company they are investing in, and have impact on the overall economy through innovation, job creation, economic growth, increased competition and improved corporate governance.

Private equity and Venture capital funds are present for over 20 years in Central and Eastern Europe. The institutional investors evaluate the individual countries' attractiveness to identify the best investment opportunities for their asset allocation. On the basis of the performed analysis in this paper regarding the PE/VC fundraising and investment activities, conducted interviews, and Country Attractiveness Index (including the economic activities, depth of capital market, taxation, investor protection and corporate governance, human and social environment and entrepreneurial culture and opportunities), Macedonian small and medium size enterprises are obviously not on the PE/VC investors' map, according to the small amount of their investments up to now.

**Keywords:** financial markets, financial institutions, venture capital, small and medium enterprises, entrepreneurship

**JEL classification:** D53, G24, L26, N20, O16

# ELT methodologies in challenging the common sense: Are they applicable in the content learning classroom of higher education?

---

Klisarovska, E., Jovancevska-Milenkoska, J., Trajanovska, I., & Davitkovska, E

*In Procedia - Social and Behavioral Sciences Antalya: Elsevier Ltd.*

## **Abstract**

Current ELT methodology, especially the shift in educative approach, can be very effective if used in the content-learning academic classroom. Higher education instructors face different problems in their courses by simply not regarding their students as entities whose attention has to be “earned”. The ELT learner centered methodologies offer a variety of approaches to constructing complex higher order activities for full student comprehension of the “theory”. Dry face-to-faces input has to be challenged at one point or another. In this paper, the problems and the prospects of using ELT methodologies in the academic content learning classroom are discussed, as well as the implications and issues in the process.

**Keywords:** max 3 words, max 3 words, max 3 words,

**JEL classification:**

# Entrepreneurship influenced by education and ethnicity: A multidisciplinary research among Albanian and Macedonian students in Macedonia

---

**Elena Klisarovska**

*Mediterranean Journal of Social Sciences, 3(5), 155-165. doi: 10.5901/mjss.2012.v3n5*

## **Abstract**

Although entrepreneurship as a process has been present for centuries, entrepreneurship as an academic area of study has been introduced recently. And, like other economic and social disciplines it does not have clear-cut borders. Instead it overlaps, draws upon, complements and includes other areas of study including business and management, sociology, psychology, economics, finance, and public policy.

This is a multidisciplinary research study among Albanian and Macedonian students in Macedonia with the aim to study the development of entrepreneurship in Macedonia, to observe factors that are triggering and fueling entrepreneurial mindsets and what makes people want to become entrepreneurs with socio-demographic characteristics, especially ethnicity and cultural differences, of the students interviewed under review (gender, age, level of education completed, occupation, parents' occupation and locality –urban or rural)

**Keywords:** entrepreneurship, education, ethnicity

**JEL classification:** A1

# The Transformation of Institutions of the European Union towards a Stronger Common Economic Policy

---

**Klisarovska, Elena, Sapurik, Z., & Kostovski, N.**

*In Europe 2020: Towards innovative and inclusive union. Skopje: University American College Skopje.*

## **Abstract**

Recent developments in the European Union in the field of economic policy show the need for redefinition of certain aspects of the common activities. The consequences of uncoordinated government spending and fiscal and monetary activities in the member states are evident. It led to large budget deficits in some member states which have caused a range of threats to their macroeconomic stability and to the overall macroeconomic stability of the entire Union. This requires urgent harmonization of the national economic policies if further endangering of the value of the common currency, the euro, is to be avoided. The European Council meeting, in December 2011 and in March 2011, recognized the deterioration of the economic and the financial situation in the EU and called for full implementation of the European Union's New Economic Governance; aiming to increase the confidence in the European economy. The new EU Governance is possible only if common institutions are reformed. The reforms of the EU institutions are expected to yield stronger competencies to influence the implementation of common policies and legislation.

The main aim of this paper is to put in the limelight the needs for reforms of the EU institutions for a higher coherence of the common policy to be achieved. The paper focuses on the new Fiscal Treaty of the EU and points out the positive aspects of a fiscal union within the EU. It also emphasized the positive effect of the 25 member states accepting the Treaty which will lead to stronger position of the EU institutions. The history of EU has been studied, as well as other monetary unions such as that of USA, and it seems that both suffer certain volatility. However, it also seems that the more recent and less economically integrated unions are more volatile than the established ones.

**Keywords:** economic policy, common policy, EU institutions

**JEL classification:** K3

# Strengthening Entrepreneurship and Local Economic Development (Led)

---

**Elena Klisarovska & Snezana Hristova**

*Journal of Entrepreneurship and Innovation, Issue 4, Year IV, November' 2012*

## **Abstract**

A domain within the promotion of the competitiveness of businesses in the local economy is strongly linked with the growing role of micro, small and medium enterprises, or by stimulating the development of SMEs and entrepreneurship. In order to promote small and medium businesses and provide terms for real growth of the Macedonian economy through new investment and creating new jobs, despite the key economic policies for reducing the overall tax burden and structural reforms to improve the business climate, development of SMEs has become one of the key competencies for the municipalities in Macedonia.

**Keywords:** SME, municipalities, entrepreneurship

**JEL classification:** A1

# Designing Public-Private Partnership In Macedonia: Designing Crisis- Resilient Strategy

---

**Elena Klisarovska & Snezana Hristova**

*Economic Annals Journal, Faculty of Economics, University of Belgrade*

## **Abstract**

Worldwide, in the last 10 years we saw a significant increase in cooperation between public and private sectors in infrastructure development and management of infrastructure, intended to carry out many economic activities. One of the directions of the World Bank to overcome negative consequences of the economic and financial crisis of 2008-2009 was fostering infrastructure development plans among many countries in Europe. This paper shows that public-private partnership (PPP) financing remains viable and can bring value to the economy, despite the difficulties these projects faced. The global financial crisis has created new opportunities to refocus PPP projects on value-for-money and financial sustainability, as the primary drivers for private participation, and using the range of options and innovative approaches.

This paper provides an overview of PPP projects in Europe and Macedonia and an assessment of the current PPP market. The background provided, this paper addresses three key questions: (i) What are the main issues that need to be addressed in order to create such a favorable environment, and how have these been tackled in Macedonian government? (ii) What are the possible ways for managing conflicts between private and public partners? (iii) What are the most appropriate forms of incentives the Macedonian government should use to attract private investors?

Gradual reforms in facing with the consequences of the crisis could encourage wider use of PPPs. When allocation of capital resources become less politicized, innovative forms of financing projects are likely to become popular. It is necessary to change the rules governing for the provision of utility services. Public-private partnerships, where the focus is on the economic aspects, can contribute a lot for this situation to be changed.

**Keywords:** PUBLIC-PRIVATE PARTNERSHIP, ECONOMIC AND FINANCIAL CRISIS, INFRASTRUCTURE FINANCING

**JEL classification:** A1

# Assessing the Effectiveness of Architectural Design Communication through Public Participation Methods

---

Michael Serginson, Bob Giddings, Vladimir Ladinski and Sebastian Messer

*Sixth International Conference on Design Principles and Practices, University of California, Los Angeles, USA, 20<sup>th</sup> – 22<sup>nd</sup> January 2012.*

## Abstract

The range of communication methods available to architects to present design development has expanded over recent years. With an increase in competition between architectural practices and the resulting reduction in professional fees, it is becoming increasingly important to deliver quality projects in an efficient manner. A greater understanding of user interaction is invaluable for architects in order to assess specific requirements and produce design solutions. Effective design communication is also beneficial in the reduction of iteration during the design phase and remedial work to buildings during construction. As a result, architects are required to make difficult decisions about which method to use to present work at specific stages of the design process.

Public participation processes give an underpinning for data collection from stakeholder representatives of a school refurbishment project in the UK. Three forms of media were used to present the design: 2D drawings; a 3D model; and a VR (virtual reality) model. The stakeholders were divided into three groups with the environment, presentation and method of expressing opinion controlled. The results showed that a similar number of opinions were expressed in each presentation although with reference to different aspects of the design. The balance between positive and negative opinions also differed between each of the media.

The findings of this paper suggest several themes, including that a balance of media should be used at different stages of the architectural design process. 2D drawings appear essential in representing the arrangement of spaces; the 3D model encourages a balanced view, providing architects with information to assist critical design decisions; and finally, the VR model could be used for marketing purposes as critical analysis appears to be adversely affected by high quality rendered images.

**Keywords:** Architectural Design Process, Public Participation, Design Communication Methods

# Some Aspects Of The Representation Of Shareholders Under The Macedonian Company Law

---

**Marko Andonov, Zoran Mihajloski**

*Kopaonicka skola prirodnog prava, Kopaonik, dekemvri 2011*

## **Abstract**

In modern Company Law, it was raised as a principle the rule that the shareholder does not have to personally participate in the assembly of the joint stock company. In this sense, the shareholder may, without particular limitations, the exercise of his rights in the assembly of the joint stock company to be delegated by the representative, who in his/her behalf and account will perform all the rights and obligations that the shareholder has in the assembly of the joint stock company. This paper is generally devoted to issues of representation of shareholders, through review and analysis of normative solutions of the Company Law from 1996 and the present Company Law from 2004, with all their amendments and modifications. The paper particularly analyzed certain anomalies and abuses that arose in the practical implementation of legal provisions governing the issue of representation of shareholders and the appointment of a representative at the assembly of shareholders. Simultaneously, the author presents his own position in order to improve the specific regulation, placing an emphasis on recent amendments and modifications to the Company Law, which is completely harmonized with the relevant EU regulations

Keywords: shareholders, representation, company law

# Some aspects of the waste management legislation with special emphasis on batteries and accumulators and waste batteries and accumulators in the Republic of Macedonia

---

**Marko Andonov, Kristina Misheva**

*Univerzitet Sinergija, Bijelina, Bosna i Hercegovina, March 2012*

## Abstract

The development of the environmental law, undoubtedly is experiencing expansion the last few years. The Republic of Macedonia as a candidate country, makes significant efforts in the process of complying of its legislation in the field of environment with the relevant EU legislation. The common waste management policy was formed with the first national ecology plan, that was revised in accordance with the EU requirements.

The Waste Management Law takes special place in the subject matter, whereby it regulates the waste management, the principles and objectives of waste management, as well as the plans and programs for waste management. With the amending and complying of the relevant laws and bylaws with the acquies, and in accordance with the national strategy on waste management, the Republic of Macedonia has made significant step for setting up the basic guidelines in the field of waste management.

However, the main emphasis of this paper will be given to the legislation that refers to the batteries and accumulators and waste batteries and accumulators, expressing our hope that the consequent implementation of the relevant legislation will minimize their negative impact on the environment.

*Key words: environment, legislation, Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators, The Waste Management Law, Law on batteries and accumulators and waste batteries and accumulators*

# Some Specifics of The Management Contracts With Special Attention On Macedonian Regulative And Practice

---

**Zoran Mihajloski, Marko Andonov**

*International Management Conference, Bor, Serbia, May 2012*

## **Abstract**

By definition, the management contract is an act of freely stated entrepreneurship will by the both sides that conclude the contract. It is a document for exercising a professional synthesis of money power, the power of knowledge as well as the power of partnership. The key function of the managers, as carriers of the professional risk, is to create professionally based coalition of interests of all parties who are involved in realization of the corporate goals and business policy of the company.

Having in mind previously mentioned, one of the main aims of this paper is to penetrate into the idea and the concept of management contracts, thus determine the most specific aspects of these contracts.

For achieving the goals of this paper, we'll make an analysis of the specific provisions from the Macedonian Company Law, as well as the Labor Law, that are directly related with the subject matter. In this direction, we'll make an effort for defining the management contract, after that, it'll be screened the key features in the process of regulation the relations between the company and the managers.

The legal nature of the management contract will take the central place in the paper, including the legal specific related with the contracting parties. Of particular importance will be to determine the labor status of the managers in the companies. In this part, it'll be analyzed possible modalities that the lawmaker has determined.

We would like to express our hope that this paper will give a modest contribution in clarifying of certain dilemmas in the theory as well as in practice, regarding the subject matter.

**Key words:** contract, managers, company, management contract, labor status

# The Influence Of Corporate Social Responsibility On The Business Financial Performances

---

**Marko Andonov, Kate Trajkova, Kiril Savovski**

*International Management Conference, Bor, Serbia, May 2012*

## **Abstract**

The main aim of this paper is to present and emphasize the corporate social responsibility and its influence on the business financial performances. Thereby, it'll be initially made brief historical review on the concept of CSR. It is relatively new concept that is not sufficiently researched. Therefore, there are certain dilemmas regarding the essence, the idea, the definition, as well as the elements that the same concept includes itself. However, it is indisputable fact that the scientific and professional public pays an increasing attention to the CSR.

Increased pressure by different social groups is one of the most important motives (reasons) that the companies are considering the interaction between their operations within the society. These social groups are becoming stronger, creating a relatively complex environment. At the same time, they make pressure to the companies in order to behave responsibly and to create a social climate in which the expectations from some companies become high. In this sense, it should not be neglect the actual trends in the countries for adopting legislation in this area, which inaugurates the obligation for the companies to adhere and to fulfill certain commitments to the society and the environment.

As we already stressed, the emphasis of this paper will be given to the CSR and its influence to the business financial performances. For this purpose, it'll be reviewed different aspects of the CSR, including the reversible process of influence on the business financial performances over the liability to the society. The processing and analysis of some practical examples will aim to show and at the same time, to determine the interaction between these two categories, giving an illustrative character to this paper.

We hope that on this way we would be able to give a modest contribution to the clarification of certain aspects related with the subject matter, simultaneously expressing our expectation that this paper will be an incentive for further researches in this specific area.

**Key words:** corporate social responsibility, financial performances, business, company, society

# Aspects of Internal Migrations In The Republic Of Macedonia With Special Attention On Their Influence On The Demographic And Economic Development

---

**Kate Trajkova, Marko Andonov**

*International Migration Conference, Krushevo, Macedonia, October 2012*

## **Abstract**

The issue on internal migrations in the Republic of Macedonia becomes especially important in the period of its independence and transitional period. Basically, this is a result of the increased intensity of internal migration. In this sense, we should have in mind the changes in the territorial arrangement of the country, that resulted with new increased number of municipalities.

When we are talking about internal migrations, we must have in mind their influence on overall development of the population, including the economic development of the emigration as well as the immigration regions of the country. It's well known that the base of any well developed country is the quality (and well educated) human potential.

The migration from one to another region of the country, undoubtedly guides to unbalanced economic development of the different regions in the Republic of Macedonia. Speaking of our country, the most indicative situation is the great level of centralization of the capital city (and its region), that resulted with migration of the most quality human potential from other regions of the country in Skopje. This situation, leaves other regions of the country in subordinate position, without enough educated and quality human potential, that has direct impact on their economic (un)development.

Hence, we'll make certain observations in this article, in order to determine the measures that should be undertaken for decreasing the above mentioned negative tendencies in the Republic of Macedonia, with final goal for more balanced economic development of all regions in our country.

**Key words:** internal migrations, migrants, demographic development, economic development

# Related Parties Transactions and a brief review on the legal regulation of this institute in EU

---

**Marko Andonov, Zoran Mihajloski, Kiril Savovski, Kate Trajkova**

*International Conference – Atiner Institute, Athens, Greece, December, 2012*

## **Abstract**

When we are speaking about the related parties transactions, the experiences show that there is a broad diapason of techniques and procedures being used in order to identify the possible existence of such a kind of transactions. The parties are considered to be related if one of them has control over the other or, it exerts significant influence over the other party in the process of making financial and other operational decisions. However, we can not say that there is a simple definition that in itself contains elements that will enable identification of all related parties transactions.

The transactions that involve the majority stockholders or their close family members directly or indirectly are potentially the most difficult kinds of identifiable transactions.

There can be a certain degree of suspicion in the efficiency of the regulatory strategies, because we should not underestimate the ability of the managers and other participants to respond to the regulatory strategies aimed to stop their activities. The essence is that the legislators, should be encouraged to review and introduce another mechanisms aside from the provisions of the company laws and regulation from the field of the securities market.

**Keywords:** related parties transactions, regulation, disclosure, reforms, corporate governance.

# Reformed Pensions Systems in Central and Eastern Europe: Challenges to future safe pension benefits

---

**Jadranka Mrsik**

**Dimche Lazarevski**

*Published in: Development Economics: Microeconomic Issues in Developing Economies e-Journal, Vol. 1, No. 48 (12. September 2012),*

*Paper presented at the Seventh annual international conference of European integration "Europe 2020: Towards innovative and inclusive Union", Skopje, Macedonia, May 17<sup>th</sup>, 2012.*

## Abstract

The objective of this paper is to examine and analyze empirically whether the Central and Eastern Europe countries` reformed pension systems are providing adequate and safe pensions. Starting in 1990s, most Central and Eastern European countries radically reformed their pension systems. The rising optimism initiates many studies where the advantages of the reforms were in the focus.

The global financial crisis negatively affects the reformed pension systems. As a response, the policy makers in few of those countries decided to set up different measures: increasing or reducing the pension contribution for alleviating the fiscal deficit or encouraging the employment, adapting the contribution rate and allowing individuals to switch back to the old system. These last changes in the pension systems have triggered the following question: How much and in which way the implementation and experiences gained with the functioning of the reform pension system will have impact in the future pension adequacy and sustainability of the pension system?

*Keywords: reformed pension systems, financial crisis, sustainability of pension systems, government measures, pension contributions, pension benefits*

JEL classification: G10, G23, H55, J26, J32

# Music in Pilgrimage by Dorothy Richardson

---

Ivana Trajanoska

*11th Conference of the European Society for the Study of English, Bogazici University, Istanbul, Turkey September 4-8, 2012, Programme Book, p. 309*

## Abstract

This paper outlines the role of music in the 13-volume novel *Pilgrimage* by Dorothy Richardson. I argue that music is closely related to the search of national, religious and gender identity of the main protagonist, to the novel's aesthetic value, and to the basic concept of unity of present, past, and future, and the novel's narrative structure. I try to show how music functions as a metaphor, but I also point to its *melos*. The main focus is on the characteristics that make one novel musical; the term musical novel and whether it functions solely as a metaphor; to what extent musicalization of fiction is a metaphorical effort, are some of the questions addressed.

**Keywords:** Dorothy Richardson, musicalization of fiction, identity

**JEL classification:**

# The Global Simulation Technique in the EFL Classroom

---

Ivana Trajanoska

*7th ELTAM - IATEFL-TESOL International Biannual Conference, Skopje, Macedonia  
October 27-28*

## Abstract

The aim of this paper is to make EFL teachers familiar with the language learning technique called 'Global Simulation', and to provide a practical guide how global simulations can be used in class. This is an attempt to share the teaching practices of other foreign language learning methodologies, and to show how they can be adapted to meet the needs of an EFL classroom. GS is actually an extended role-play that triggers learners' imagination and creativity, activates and enriches their content and cultural knowledge, and successfully develops their language skills and functional communication competences.

**Key words:** global simulation technique, content and cultural knowledge, communicative approach

# ELT methodologies in challenging the common sense: Are they applicable in the content learning classroom of higher education?

---

Klisarovska, E., Jovancevska-Milenkoska, J., Trajanoska, I., & Davitkovska, E

*In Procedia - Social and Behavioral Sciences Antalya: Elsevier Ltd.*

## **Abstract**

Current ELT methodology, especially the shift in educative approach, can be very effective if used in the content-learning academic classroom. Higher education instructors face different problems in their courses by simply not regarding their students as entities whose attention has to be “earned”. The ELT learner centered methodologies offer a variety of approaches to constructing complex higher order activities for full student comprehension of the “theory”. Dry face-to-faces input has to be challenged at one point or another. In this paper, the problems and the prospects of using ELT methodologies in the academic content learning classroom are discussed, as well as the implications and issues in the process.

**Keywords:** ELT methodology, content-learning academic classroom

# Транзиција на македонската економија: Шокови, остварувања, можности, перспективи и закани

---

(“Transition of the Macedonian Economy: Shocks, Realizations, Opportunities, Perspectives and Threats”)

Томе Неновски

*Integrated Business Faculty – Skopje: Journal of Sustainable Development”, Volume 1, Issue 3, ISSN 1857 – 6095, January 2012; pages 5-16.*

## Апстракт

Во изминатите дваесет години македонската економија доживеа многу чести и силни шоковни удари. Тоа го наметнува логичното прашање: дали и колку успешно македонската економија се соочи со проблемите на транзицијата и дали успеа да воспостави основа за идно движење по експанзивната патека од нејзиниот развоен циклус? И покрај бројните проблеми со кои во изминатиот период се соочуваше македонската економија, одговорот на тоа прашање, сепак, е позитивен. Повеќегодишната макроекономска стабилност, воспоставената современа институционална рамка, ниската финансиска задолженост и релативно добрата деловна клима тоа го потврдуваат. Минувајќи низ сите тие турбуленции македонската економија ги покажа својата латентна сила и можности што претставува силна предност за воспоставување основа за нејзин иден развој. Тие можности, заедно со расположливите ресурси, знаења и умеења, во претстојниот период треба да се искористат за елиминирање и/или за намалување на слабостите што се присутни во македонската економија. На тој пат економијата ќе се соочува и со бројни пречки и закани. Неизвесноста на идните текови во светската економија по завршувањето на големата економска и должничка криза, како и грчкото ембарго за влегување на РМ во ЕУ и НАТО, се меѓу најголемите закани, но и предизвици со кои македонската економија ќе се соочува во периодот што следи.

**Клучни зборови:** шокови; можности; закани.

**ЈЕЛ класификација:** Е6 - Макроекономска политика, Макроекономски аспекти на јавните финансии и општ преглед

# Banking services in Terms of Changing Environment: The Case of Macedonia

---

**Tome Nenovski, Evica Delova Jolevska, Ilija Andonovski**

*ELSEVIER: Procedia – Social and Behavioral Sciences, Volume 44 (2012), pages 347-356, ISSN: 1877 – 0428;*

## **Abstract**

Speaking of changes, there are two tendencies that can be determined in the international banking: 1) increased competition that influence on the banking products and pricing, 2) technology improvements that affects the distribution channels of selling and the operating cost on the banking activities. Increased competition and sharing the same target market along with other financial institutions affects the banks' market share and prices of their products. In developed economies there is a trend of suppression of banks from certain market segments and reducing their market share. Also rapid technology development and penetration of Internet in everyday life doesn't leave immune nor the banking sector. The technological improvements affect the banking industry through introduction of new products, increasing efficiency in terms of operating costs and developing new distribution channels. Banks are forced to adapt their products to a new generation that is coming and who grew up in the Internet Age. The biggest changes have been made in terms of payment methods by allowing transactions to be made 24 hours a day from anywhere. The development of technology also affects on the improvement of data bases which enable better assessment of credit risk to individual products and customers.

**Keywords:** banking services, increased competition, technology improvements

**JEL classification:** G21 - Banks; Other Depository Institutions; Micro Finance Institutions; Mortgages; Foreclosures

# Macedonian Economy before and after the Global Financial and Economic Crises

---

**Tome Nenovski, Ivica Smilkovski**

*ELSEVIER: Procedia – Social and Behavioral Sciences, Volume 44 (2012), pages 417-427,  
ISSN: 1877 – 0428;*

## **Abstract**

The experiences and lessons taken from the global economic crisis should serve as a basis for changing the current model with a new one in order the economy of the country to catch a connection with the intense changes that are expected to occur in the coming period. It is expected that creating new economic model in Republic of Macedonia will result in multiple positive effects that primarily manifested in the increasing number of newly small and medium enterprises, domestic investments, industrial production, GDP, number of new employees and total exports as well as in reduction of the trade deficit in maintaining macroeconomic stability of the country.

The achievements of the Republic of Macedonia with the new development model will largely depend on the realization of risks and threats to which it is or will be exposed in the short run and in the medium run, and in relation to the developments in the global and especially in European economy in future, as well as the international political status of Macedonia in relation to its membership in NATO and EU.

**Keywords:** Remodeling; Risks; Threats.

**JEL classification:** E6 - Macroeconomic Policy, Macroeconomic aspects of Public Finance, and General Outlook

# Macroeconomic aspects of grey economy – The case of Macedonia

---

**Tome Nenovski**

*Mediterranean Research Meeting: “Causes and Effects of the Shadow Economy: MENA and Mediterranean Countries versus Rest of the World”, Robert Schuman Centre for Advanced Studies – Firenze, Italy, Montecatini Terme, Italy, 21-24 March 2012.*

## **Abstract**

Compared regionally, Republic of Macedonia has one of the highest levels of grey economy activity. According to some estimations, it accounts for about 40% of GDP. This high level of grey economy has a direct influence to the main economic indicators, categories and instruments for macroeconomic regulation. Because of its high value, grey economy is challenging and serious danger for macroeconomic planning and regulation.

This research attempts to locate causes, consequences and the scope of grey economy in Republic of Macedonia. It also presents different ways for measurement of the size of grey economy in the Republic of Macedonia and understands the basic characteristics of the Macedonian case in order to present well-grounded policy recommendations.

The main finding (conclusion) of the paper is the fact that the grey economy in The Republic of Macedonia is a multifaceted phenomenon and the most efficient manner to remove the causes for the occurrence and presence of the grey economy is the improvement of the institutional frame in the country. There is a need for directly focused Government measures that would precipitate the integration of the grey economy in the formal sector, once the right conditions are put in place.

**Key words:** macroeconomics; grey economy; formal economy

**JEL classification:** E6 - Macroeconomic Policy, Macroeconomic aspects of Public Finance, and General Outlook

# The Balkan Economic Union as a prospective integral part of the European Union

---

**Tome Nenovski**

*Seventh annual international conference on European integration: "Europe 2020: Towards innovative and inclusive union", University American College Skopje, May 17-19, 2012;*

## **Abstract**

Together with the IMF and the World Bank, the EMU is the biggest monetary project in the history of mankind. The main pillars of the monetary institutions were set up for its normal operation. However, the member-countries kept their fiscal sovereignty. The EMU was not a part of a larger political integration of the member-countries. It enabled them to make political decisions on a national level which were not in line with the so-called Maastricht criteria. The outcome of the lack of a political union is: growing budget deficits and continuing growth of the public debt of most of the member-states of the EMU. A debt crisis was created which shakes the basis not only of the EMU but also of the EU. The exit of this condition lies in redesigning of the basic structures on which it stands. This process might be fatal, as well as painful for the EU. In such situation, the Balkan aspiring member-states will have to wait longer to enter the union. In the meantime, to protect their national economic and political tissue, as well as to prepare for the accession in the EU, a regional cooperation and union is a necessity.

**KEY WORDS:** European Union; Balkan Economic Union; integration.

**JEL classification:** E6 - Macroeconomic Policy, Macroeconomic aspects of Public Finance, and General Outlook

# The impact on the banking system from the accession of Macedonia in the EU

---

Evica Delova Jolevska, Tome Nenovski, Ilija Andovski

*Seventh annual international conference on European integration: "Europe 2020: Towards innovative and inclusive union", University American College Skopje, May 17-th, 2012;*

## Abstract

The financial system of the new member country, and the banking system as a part of it, faces with the challenge of integration in the EU financial system. The future banking development in new EU member countries will very likely follow some main patterns known from the old EU members. The process of restructuring in the banking system through consolidation which lead to increased concentration was one of the main drivers of changes. It is important to examine whether significant efficiency improvements were achieved in the banking systems of the new EU countries and are they result from the bigger market power or some other factor. Also, there were changes in the funding sources of the banks from the new EU countries with a lot of potentials for alternative funding possibilities. The financial crises made these potentials to evaporate, but on long term horizon, those opportunities will appear again. The low level of financial intermediation in new EU countries leaves space for increasing the range of financial services and their scope. Associated with the previous, a further enlarge of the market share on non-bank financial intermediaries in new EU members can be expected.

**Keywords:** *banking sector, funding, financial intermediation*

**JEL classification:** G21 - Banks; Other Depository Institutions; Micro Finance Institutions; Mortgages; Foreclosures

# Uncertainty in Creating Macroeconomic Policy: Knowledge, Skills and (Un)predictability

---

**Tome Nenovski, Elena Makrevska**

*Scientific conference: “The Challenges of the Science in economy based on knowledge – present situation and perspectives”, Institute of Economics – Skopje, May 30-th, 2012;*

## **Abstract**

“If economists could manage to get themselves thought of as humble, competent people on a level with dentists, that would be splendid.” (Keynes, 1931). Then macroeconomics would transform into a useful and routine type of engineering, which will prevent the emerging of recessions. However, the appearance of stagnation and enormous financial crises started to change the economy postulates. Even though it poses significant findings, macroeconomics is not an exact science which has the ability to completely and accurately presuppose the actions of the economic entities and employ one general solution in every situation. The unpredictability of their conduct designates the dynamics of the science of macroeconomics and the need to adjust it to the contemporary economic status. The ongoing crisis undoubtedly proves that.

**Keywords:** macroeconomics, science, postulates

**JEL classification:** E6 - Macroeconomic Policy, Macroeconomic aspects of Public Finance, and General Outlook

# Post crisis Remodeling of the Economy for the Sustainable Growth of South Eastern European Countries

---

**Tome Nenovski**

## **Abstract**

Every bigger economic crisis leaves behind a huge material damage to the world economy, and to separate national economies as well. However, every such crises reminds national authorities of the mistakes done in the past while creating and running macroeconomic policy and teaches them how they should overcome them in the upcoming period. The economic growth model of selected South Eastern European economies (Albania, Bosnia, Macedonia, Serbia, Slovenia, Croatia, Bulgaria and Montenegro) during pre-global economic crisis was based mainly on foreign demand and capital inflows which created big external imbalances in those countries. It was main reason why those countries were exposed to big vulnerability of external shocks. The lessons learnt from economic crisis say there is a need for revising the pre - crisis economic growth model in the selected countries as they to be less vulnerable to external shocks. New economic model will enable their long lasting and more sustainable economic growth in future. The main finding of this research is that instead of experiencing external 'push' factors for economic growth by the Governments, a promotion of internal resources is needed in order to enable for "the catching up" process of these countries to continue.

**Key words:** Crisis; lessons; remodeling.

**J.E.L. classification code:** E6 - Macroeconomic Policy, Macroeconomic Aspects of Public Finance, and General Outlook

# Comparative advantage or sophisticated restraint in the international trade of EU?

---

**Tome Nenovski, Elena Makrevska**

## **Abstract**

Ricardo's theory for comparative advantages has in some way become a model for the creation of a common European market, in which member states of the Union trade freely. From the early beginnings of its creation, the EU was envisaged as free trade area in which the countries can use their comparative advantages. It is the theory of perfect competition, or model of trade without customs and other trade barriers in which the prices will gradually become equal, and the trade between the countries will be based on comparative advantages. Still, practice opposes to the basic values of Ricardo's theory because there is no model of perfect competition in the EU, because of the numerous custom and non custom restrains, different consumer tastes in different countries, high transportation costs and others trade barriers. Such trade barriers in some way give explanation to the high difference in the economic growth of the member countries of EU. If the EU really wants to realize the vision "Europe without borders", then the trade barriers should be removed as soon as possible. If this comes to light, we can say that Ricardo's theory is really valid in the modern ways of trading.

**Key words:** Ricardo's theory; comparative advantages; free trade.

**J.E.L. classification code:**

E6 - Macroeconomic Policy, Macroeconomic Aspects of Public Finance, and General Outlook

# Intuitive vs analytical strategists' thinking

---

Svetlana Petrovska, Ana Tomovska, Zdenka Nikolovska

*Zbornik Celih Radova 8 Majske Konferencije o Strategijskom Menadžmentu  
menadžmentu – MKSM2012, 793-801 //// Majska Konferencija o Strategijskom Menadžmentu*

## Abstract

Strategic thinking as a vital managerial activity in a phase of creating an organization vision and formulating an organization strategy cuts across any discipline dealing with decision making. Pure analytical and rationalistic approach to strategy has resulted in theories that exist apart from the reality of the business because they obscure the most significant reality – that strategy is a dynamic process created and practiced by human beings. In addition of being dynamic, management at strategic level involves coping with ambiguity, complexity and uncertainty. Two different types Intuitive Strategists and Analytical Strategists will produce different result when being challenged in same work environment and tasks characteristics.

This paper aims to understand the Intuitive vs Analytical Strategists. Understanding strategists' way of thinking will help understand their strengths, but also their limitations. The main research question is to explore personality characteristics and cognitive styles and provide recommendations for their potential utilization. This first research of this kind in Macedonia uncovered that strategist lean slightly towards the analytical side of the spectrum, which is line with other findings.

**Keywords:** cognitive style, strategists, strategic thinking

**JEL classification:** M19

# Factors of creativity in marketing agencies

---

Ana Tomovska-Misoska, Ilijana Petrovska, Marjan Bojadziev

*193-197 /// International Conference on Contemporary Marketing Issues (ICCMi)  
2012 (ISBN 978-960-287-140-9)*

## Abstract

Nowadays when we are bombarded with more than 1,600 messages a day, it is of a great importance to advertising agencies to be more creative and to develop unique and creative advertising campaigns that will differ and come out from the messages clutter of the media. As such the nature of the work calls for creativity of the employees and creativity is of paramount importance to marketing and advertising agencies. Therefore a number of authors point to the importance of enhancing work creativity to enhance organizational performance.

However creativity is connected to and influenced by a number of variables. In an attempt to understand the determinants of creativity this paper employs the methodology developed by Grant and Berry (2011). This paper tests the assumption that creativity is influenced by the intrinsic motivation of the employees. Furthermore the paper also hypothesizes that this connection is moderated by prosocial motivation. The model is tested using a sample of employees in marketing agencies in the Balkan countries.

This paper will be of assistance to the marketing agencies and the science of marketing creativity, providing data which factors are having the biggest influence in the agency for creating better working conditions and better creative marketing agencies.

**Keywords:** creativity, organizational performance, marketing/advertising agency.

**JEL classification:** M30

# Understanding Factors of innovative thinking in Advertising agencies: Case of Macedonian, Slovenian and Serbian Advertising agencies

---

Marjan Bojadziev, Ilijana Petrovska, Ana Tomovska-Misoska

*Seventh annual international conference on European integration: Europe 2020: toward Innovative and inclusive union, 17 May 2012.*

## Abstract

Increasing pressure for innovations is present in nowadays' business, coping with financial crises, which places higher importance on creativity. The Innovation is in the center of the Europe 2020 strategy for growth, and European Council has recognized the need for urgent action in the field of innovation. And it is not just innovation in production, but especially innovative thinking seen as creativity, that is a priority for each company, institution or at a personal level. Creativity contributes towards higher competitiveness in the globalized market. This paper explores the creativity as a fuel for innovativeness in advertising agencies in three countries in the Balkan region. The advertising agencies are tightly connected to creativity since they do not produce creative ideas for themselves, but focus on creative outputs for companies and institutions as their clients. In an attempt to understand the determinant of creativity this paper employs the methodology developed by Grant and Berry (2011). The paper uses sample of employees from Macedonian, Serbian and Slovenian advertising agencies, demonstrating the connection of creativity with the intrinsic and prosocial motivations, and taking into account specific organizational and individual factors influencing creativity at advertising agency level. As such, it will contribute to understanding of innovative thinking and enhancement of innovative ideas at advertising agencies and companies as their clients.

**Keywords:** innovation, advertising agency, intrinsic/prosocial motivation.

**JEL classification:** M30

# Prototypical Cases of Zero Derivation in English and Macedonian

---

**Marjana Vaneva**

*BASEES (British Association for Slavonic and East European Studies) Annual Conference 31  
March - 2 April 2012, Fitzwilliam College, Cambridge, UK*

<http://www.suzy-howes.co.uk/BASEESconference2012/abstracts/Vaneva.pdf>

## **Abstract**

The process of zero derivation as a type of word formation is a very productive phenomenon whereby from a lexeme that belongs to one lexical category or subcategory by adding a zero affix another element is derived. That element has the same form; similar, extended meaning; and is a member of a different lexical category or subcategory. When comparing English and Macedonian, different types of zero derivation can be differentiated; thus, by using the cognitive method and explaining the metaphorical transfer, the participants in the conversation are enabled to zero derive new lexemes. Here I will focus only on the prototypical cases of zero derivation in the two languages, especially because the analysis of the corpus and the results will show that in English -an analytical language, the process does not require inflections for its realization in any direction, whereas in Macedonian - an inflecting language, this notion is limited to only few directions, due to the need for inflectional affixes. The results and conclusions of the paper will show that in both languages zero derivation enables speakers to use words in lexical categories or subcategories different from their original one, by expanding the meaning and overlapping the form.

**Keywords:** zero-derivation, form, meaning

# Negative Prefixes in English and Macedonian

---

Marjana Vaneva

*4<sup>th</sup> International BAAHE Conference Facing Present, Past and Future, 1 - 3 December 2011, University College Brussels, Brussels, Belgium, pp. 25-26*

## Abstract

Negation is a complex process which requires high sense of logic and understanding to be engaged on the part of the speaker and listener in order to untangle the meaning of the utterance. In almost all languages there are several different types of negation, which are distinguished on the grounds of the scope of reference of the negative element. Therefore, there are many studies that treat the concept of negation and make contribution to perceiving this notion in terms of the syntactic and socio-pragmatic implications of negation. In spite of the findings and results, there are still unresolved issues that need to be explored, such as the contrast between **no** and **not**, negative transfer, the problem with the scope of negation with quantifiers, double and multiple negation, as well as the opposition between affixal and non affixal negation. It is this last segment which has been of my main interest and I have been researching on. My aim is to show that there are complementary and contrary opposites, opposite and privative affixes, and that not every negative word has negative meaning, because there are some lexemes which are formally negative but semantically positive.

**Keywords:** prefixes, negative meaning

# Examining validity of explicit contextual clues in oral tasks

---

Slobodanka Dimova, Marjana Vaneva, Venio Pacovski

*9<sup>th</sup> Annual EALTA (European Association for Language Testing and Assessment) Conference  
Validity in Language Testing and Assessment, 29 May – 3 June 2012, University of  
Innsbruck, Austria*

## Abstract

Authentic oral tasks are crucial for language tests' validity because they should correspond to the characteristics of target language use (TLU) (Bachman & Palmer, 1996). However, task stimuli containing genuine texts and topics may still fail to elicit speech relative to the TLU domain because speech output also depends on test-takers' input processing and task interactiveness (Widdowson, 1990; Bachman & Palmer, 1996; Lewkowicz, 2000). The objective of the study was to investigate whether explicit verbal contextual information in stimuli affects oral task performance and test-takers' perceptions of authenticity. For that purpose, four performance-based oral English tasks and a questionnaire were administered to 80 Macedonian university students. Responses were transcribed, and then holistically rated and coded for discourse and contextual characteristics by two raters. A nested crossover design was used to examine the effects of the explicit contextual condition, and language proficiency on academic English oral proficiency task performance, while survey data were analysed descriptively. Results suggest that test-takers' perceptions of authenticity relate to tasks' content, rather than context, and that contextual clues engage only high-proficiency test-takers. Findings have implications for those involved in task design because they expand our understanding of whether contextual stimuli improve validity of monologic performance tasks.

**Keywords:** oral, context, content

# Improving the Traditional Testing Methods in Learning Foreign Languages

---

**Veno Pachovski, Slobodanka Dimova, Marjana Vaneva**

*ICT (Association for Information and Communication Technologies) Innovations Conference Ohrid, R. Macedonia 2012, Conference Web Proceedings, (Editors S. Markovski and M. Gusev), ISSN 1857-7288, pp.195-202*

## **Abstract**

A model for gathering oral answers as part of testing the speaker skills (i.e. command of language, native or foreign) is presented, as well as the software used in the experimentation. The research presented here is a result of more than six (6) months' work with TESOL experts, based on 60 test subjects who gave 240 answers.

**Keywords:** language, voice analysis.

# Second Language Grammar and Vocabulary Teaching

---

[in original *Наставата по граматика и речник на втор јазик*]

**Marjana Vaneva**

*Зборник на научни трудови од трета меѓународна научна конференција „Меѓународен дијалог: исток – запад (култура, славјанство и економија), Корпоративен Меѓународен Славјански универзитет „Г.Р.Державин“ – Свети Николе, Р. Македонија, стр. 183-186*

## **Abstract**

Teaching of grammar and vocabulary in a second language is a challenge for each teacher, since they need to prepare, plan and teach the material by incorporating interactive activities, using advanced methods and encouraging students' free and active expression. The aim of this would be to interest the students, but also to achieve the class objectives. Therefore, the teacher should think of activities in which the new form should be used several times and the student would be exposed to learning. In the past, several methods were used to teach grammar and vocabulary. Namely, the grammar-translation method which focuses on grammar and the audio-lingual method that makes the student a passive recipient of the new information and material have been criticized by the new theories, such as the communicative approach. According to this approach, the meaning is central, the students are very important in the teaching plan and process, the communication should be not only oral, but also written, authentic material should be used from the very beginning by native speakers and the communicative activities done in class should be purposeful.

**Keywords:** grammar, vocabulary, teaching

# The Role of Cognition in Teaching English Zero-Derived Forms

---

**Marjana Vaneva**

*7th International Biannual Conference ELTAM – IATEFL – TESOL Conference Continuing Professional Development - Opportunities and Challenges Young learners, ICT, ESP...? - Where do we go? What do we do?, 27 - 28 October 2012, Skopje, R. Macedonia, pp. 29-30*

## **Abstract**

Zero derivation is a word formation process when the concerned lexemes, the one before and the other after the process, most often, when talking about clear types of zero-derivation, share the same form, display similar, extended meaning, but unexceptionally belong to different lexical categories or subcategories - a characteristic conditioned by adding a zero affix to the first lexeme. The aim of the paper is to illustrate how cognition helps in teaching this very productive process in English, and how the teachers and the students can interact successfully in making this notion understood at the end of the class. The potential of the cognitive approach is seen in the prototypical types of zero derivation analyzed through the examples of the subtypes of this phenomenon: between-class, within-class, major to minor and minor to major. The text focuses on defining the term cognition generally, and then on explaining how the cognitive transfer and the association links can prove helpful in the process of learning, thus, consequently, in teaching English zero derived words.

Put in teaching context, it shows how teachers can be successful in teaching new vocabulary to their students by using cognition and illustrating it with examples of English zero derivation.

**Keywords:** cognition, zero derivation, teaching

# ADMINISTRATIVE LAW INSTITUTES AS SEGMENTS OF THE CIVIL LAW CODE

---

**д-р Борче Давитковски**

**д-р Елена Давитковска**

**м-р Драган Гоцевски**

*Зборник во чест на Тодор Пеливанов, Правен факултет “Јустинијан Први” Скопје,  
2012, стр. 59-70*

## **Abstract**

During codification of civil law, one must take in to account bordering points where public and private law intersect. This intersecting relationship between administrative (public) law and civil (private) law is of utmost significance for any civil law code. This paper focuses on elaborating these intersecting points in Macedonian Law.

Relations between administrative and civil law appear most convergent during direct comparison of administrative relations with civil relations. This is most evident determining the legal character of administrative contracts as a legal institute derived of public law yet reflect directly on contract law as part of civil law (public procurement contracts, concessions, public private partnerships etc.). Administrative contracts are concluded according to administrative process law, and the eventual failor to fulfill contract obligations is settled in civil litigation.

Another intersecting point of the aforementioned laws is expropriation as administrative constriction of property, or procedure in which private property is transformed in to public-state owned property according to administrative law.

*Key words: Administrative Law, Civil Law, Civil Law Code, Contracts, Concessions, Public procurement, Expropriation.*

# ADMINISTRATIVE MISDEMEANOR IN THE REPUBLIC OF MACEDONIA

---

**Prof. d-r Borče Davitkovski**

**Ass. M-r Elena Davitkovska**

*9th traditional international counseling "Legal Days Prof. Slavko Caric Ph.D." - "The Contemporary Trends in Development of the Legal Systems of States in the Region", Faculty of Law for Business and Justice, University Business Academy, Novi Sad 2012, pp. 25-68*

## Abstract

In this paper, an attempt is made to delineate the criminal act from administrative infractions. This delineation is essential to the imposition of sanctions (criminal or misdemeanor). All exposed elements support the quantitative differences between criminal acts and violations based on different levels, higher or lower, of violations of the legal good, which indisputably are treated as criminal offences and not as part of administrative infractions and represent the basis for an integrative approach to criminal acts! All this does not exclude the need of the correction of certain disadvantages of their treatment as punishable offences in the jurisdiction, emphasized by the fact that there are numerous lesser infractions. Thus a revision of the Law on misdemeanors is more than necessary. In addition to decriminalizing such violations, the court can be disburdened by introducing alternatives to tortious liability and introduction of procedures in the form of mediation in the Law on misdemeanors. Also, turning procedures and dealing with cases by competent police authorities and administrative authorities before they go to court, only leaving difficult and appealed cases to the judiciary. Also, changes in the Law on misdemeanors should include further measures to simplify and accelerate the legal procedure for infraction of misdemeanors.

**Key words:** *criminal act, administrative infraction, misdemeanor, administrative procedure.*

# CRIMINAL ACT VS ADMINISTRATIVE MISDEMEANOR

---

**Prof. d-r Borče Davitkovski**

**Ass. M-r Elena Davitkovska**

*“Hrvatska Javna Uprava” 2013*

## Abstract

In this paper, an attempt is made to delineate the criminal act from administrative infractions. This delineation is essential to the imposition of sanctions (criminal or misdemeanor). All exposed elements support the quantitative differences between criminal acts and violations based on different levels, higher or lower, of violations of the legal good, which indisputably are treated as criminal offences and not as part of administrative infractions and represent the basis for an integrative approach to criminal acts! All this does not exclude the need of the correction of certain disadvantages of their treatment as punishable offences in the jurisdiction, emphasized by the fact that there are numerous lesser infractions. Thus a revision of the Law on misdemeanors is more than necessary. In addition to decriminalizing such violations, the court can be disburdened by introducing alternatives to tortious liability and introduction of procedures in the form of mediation in the Law on misdemeanors. Also, turning procedures and dealing with cases by competent police authorities and administrative authorities before they go to court, only leaving difficult and appealed cases to the judiciary. Also, changes in the Law on misdemeanors should include further measures to simplify and accelerate the legal procedure for infraction of misdemeanors.

# CIVIL SERVANT STATUS ACCORDING TO CONTEMPORARY LEGISLATION IN MACEDONIA

---

**d-r Borče Davitkovski**

**d-r Elena Davitkovska**

**m-r Dragan Gocevski**

*Časopis za pravnu teoriju i praksu, Udruženje pravnika Srbije, br. 10 tom II 2012, Beograd pp.275-284*

## **Abstract**

The Civil Service system in Macedonia, was formally constituted with the adoption and enactment of the Law on Civil Service in 2000. A flaw made than, was that it regulated the status of only a small margin of public sector employees: those employed in government agencies, ministries and units of local self government. Throughout 2010, the Law on Public Servants was enacted, attempting to regulate the status of the remaining public sector employees. This 10 year long run, on regulating the status of a large number of peoples status, with two separate Laws, proved to be erroneous. As the Law on Civil Servants saw 27 ammendments since it's adoption till 2012, and the Law on Public Servants was succumbed to a number of Constitutional Court Decisions which rendered it's text, virtually unusable.

With a goal, to remedy this situation, the competent Ministry for Information Society and Administration had prepared and published (11<sup>th</sup> of august 2012) the Law on Administration, whose current text shall be the subject of this papers analysis.

*Key Words: Administration agency, civil servants, public servants, Ministry of information society and administration.*

# PERSPECTIVES ON EFFECTIVENESS OF GOVERNMENT ORGANIZATIONS

---

**d-r Borče Davitkovski**

**d-r Elena Davitkovska**

**m-r Dragan Gocevski**

*Zbornik radova Pravnog fakulteta u Prištini sa privremenim sedištem u Mitrovici, Kosovska  
Mitrovica 2012, str. 191-202*

## **Abstract:**

A primary motive, whilst at the same time the goal for the research presented in this paper was devoting necessary attention to an aspect of how government agencies operate, as specific types of organizations to which standard logics of economics and accounting present in the real sector do not apply, their effectiveness i.e. their ability to successfully achieve the goals for which they were founded. The paper opens by defining what effectiveness as term means, and it's most common uses, after which it proceeds with a distinction between effectiveness and it's "sibling" principles of measuring performance: efficiency and economics. In the papers concluding chapters, the author deducts the basic factors which influence the effectiveness of government agencies as organizations, and elaborates on the effectiveness of human resources.

**Key words:** *effectiveness, efficiency, economics, organization, administration.*

# DEVELOPMENT OF E-GOVERNMENT IN THE REPUBLIC OF MACEDONIA 2009 – 2012

---

**d-r Borče Davitkovski**

**d-r Elena Davitkovska**

**m-r Dragan Gocevski**

*ПРАВНА РИЈЕЧ часопис за правну теорију и праксу, Удружење правника Републике Српске,  
бр. 31/2012, год. IX (ISSN:1840-0272), Бања Лука 2012, стр. 437-456*

**Abstract:**

This paper elaborates on the research performed in the field of implementation and utilization of information and communication technologies in the procurement of public services offered by state authorities, public enterprises, public educational institutions as well as other organizations who exercise public competencies according to law in the Republic of Macedonia.

The paper elaborates a working hypothesis and methodology used to conduct the research on the implementation of the concept of e-government in the Republic of Macedonia. Also, the research in this paper measures the progress rate of e-government in Macedonia in the period from August 2009 to March 2012.

**Key words:** e-government, public services, web site, public competencies, state authority, agency.

# THE FUTURE OF GOOD GOVERNANCE IN ETHNICALLY MIXED MUNICIPALITIES IN THE REPUBLIC OF MACEDONIA

---

**Elena Davitkovska**

**Ivan Stefanovski**

*Iustinianus Primus Law Review № 04 • volume III • Spring 2012*

## **Abstract**

Since the signing of the Ohrid Framework Agreement (OFA) and the beginning of the decentralization process, the preservation of stable inter-ethnic relations has been one of the biggest challenges in Macedonia. In the past ten years, the Macedonian society has been a good example of stable inter-ethnic relations at local level.

This paper provides a brief overview of the current situation in few ethnically mixed Macedonian municipalities: Gostivar, Tetovo, Debar, Struga, Butel, Gazi Baba etc. It focuses on the following issues:

- The level of cooperation among different ethnicities in the decisionmaking process, quantitatively measured through an analysis of the minutes of the meetings held by the municipal councils;
- The status and level of ethnic diversity of civil servants in the respective municipalities;
- Possible minorisation through mono-ethnic policies;
- The level of accountability, responsibility and transparency of the respective municipalities;
- Ideas concerning the enhancement of the quality of public services provided for the citizens and the business sector through rationalization of the administrative procedures, using modern IT solutions – sometimes small financial investments can bring great results;
- Proposals for capacity building of the human resources sectors within the respective municipalities;
- Overview of the public finance system and possible recommendations for the enhancement of the budgetary process through program-oriented budgeting and
- Raising the level of openness and transparency of the municipal administration through enhanced access to free public information for citizens, CSO's and companies.

# THEORETICAL DEFINITION OF THE CIVIL SERVICE SYSTEM

---

Д-р Ана Павловска-Данева

Д-р Елена Давитковска

*Annuary – 18 years of Political Science Studies, pp 336-358*

## **Abstract:**

The theoretical debate, regarding the definition of a civil service system, is one of the most important issues in public administration which concerns the administrative staff. Defining the system of civil service in theory, and emphasizing the principles on which the modern system rests, represents a stepping stone to further transformation and development of the system of civil service in to a fully rounded scientific discipline – civil service law. This separate, and defined discipline would elaborate the status of civil servants, thus belong to a broader theoretical scope of public law, opposed to the classical employment relations act which is incorporated in private law.

Клучни зборови: *службенички систем, јавна администрација, административно право, административна реформа, работни односи.*

Key words: *Civil Service, Public Administration, Administrative Law, Administrative Reform, Employment relations*

# The role of media in building positive social opinion on security structures

---

Ljupcho Stevkovski

*Presented at the International scientific conference at 14-15 of June 2012 in Skopje, Macedonia, titled as: "The role of the media in promotion of products and services"*

## **Abstract**

A key pillar for each state is security sector and therefore building a safety culture in every country is vital. On the other hand, the safety culture in a society is not an isolated phenomenon that exists independently of social milieu in a state. Safety culture is a product of the wider culture in a society, but primarily it is very closely related and derived from the political culture of citizens in one state. Media are also part of the social system and an expression of the dominant political culture in a country. Is nonetheless how the media report on the work of the security structures in the country. The bond between the media and security structures can be multiple, often negative and "one way", but in principle there should be a positive task to create continuous positive opinion among citizens. The author through scientific theoretical and empirical research tries to argue that the social role of media in building a positive climate for security structures are not easy nor normative question. The level of media information in one country is closely correlated with the level of political culture in that country. The author combines the research of security phenomena and political culture through the prism of media activity in a society in the context of the level of social opinion on security structures. Especially the task of the media is important in multi-ethnic and multicultural societies where we are faced with so cold "ethnic security culture".

Keywords: public opinion, safety culture, media, political culture, ethnicity safety culture.

# Reform of the Intelligence Sector in Macedonia, dilemmas and possible solutions

---

Ljupcho Stevkovski

*Presented at the International scientific conference in 15 of September 2012 in Skopje, Macedonia  
titled as: „Reform of the security sector in the Republic of Macedonia and their impact in fight  
against crime ”*

## Abstract

This paper explains the basic scientific problem of regulation of the intelligence community in the Republic of Macedonia through two aspects: historical review of the development of the intelligence services and the current legal and political situation in this regard in Macedonia. More precisely the research deals with some of the most troubled segments of the functioning of the Macedonian intelligence services such as the scattered legal framework and the lack of sufficient coordination and cooperation among the different security actors. Moreover it looks into the possible side effects that can distort the security sector. By analytically approaching this subject the paper aims at providing foundations for advancing the role of the intelligence in Macedonia's foreign policy. Apart from the critical analysis the paper offers applicable recommendations which would contribute in overcoming the current drawbacks in the functioning of the intelligence services especially in areas such as intelligence cooperation (both internal among the intelligence services and towards the other subjects of the executive branch). The idea behind it is to instruct political decision-makers for the need of adopting a comprehensive approach to the functioning of the Intelligence Community in the form of - National Security Law which will be in a function of the defense and security, sustainable development and economic prosperity of its citizens. It is of a vast importance that reforms in this sector are not random and party driven. It is widely known that in this segment transition countries (such as Macedonia) lack professionalism not only for the security segment, but generally for the entire state administration. This can be traced in the strong political-party interventions on the top professional and political elites. This party intervention (known in the political vocabulary as "spoil system") acts as an important limitation factor for effective and appropriate implementation of strategic security planning and execution of tasks. As such (among others) it certainly adversely affects to the career advancement rules and procedures especially in those posts that have expressed subordination and hierarchy elements.

Key words: intelligence community, reforms, national security law, coordination.

# Meeting the Challenges of EU Membership and NATO Accession – Macedonia and her Neighbours

---

Ljupcho Stevkovski

*Presented at the 25th Workshop of the PjP Consortium Study Group “Regional Stability in South East Europe”, 27-29 September 2012, Skopje, Macedonia*

## **Abstract**

Postponement of EU enlargement, with the Western Balkan countries, would be a risky operation that may lead to disruption of the region's security and stability. Confirmation of this thesis are the existing obstacles in the Belgrade -Pristina negotiations, the complexity of the situation in Bosnia and Herzegovina and the situation regarding the name dispute between Macedonia and Greece. Except that in such circumstances it is possible the occurrence of new conflict situations in Vojvodina, Sandzak, South Serbia, Bosnia and Herzegovina, Western Macedonia. These conflicts in conditions of uncertain European membership, supported by nationalist circles, can easily escalate. Besides, the uncertainty of European enlargement will not only lead to Euro-skepticism, but can be expected the decline in trust in institutions and in the political elites, with the possibility of political activity of a new generation of politicians, extreme left or right-wing, with populist and nationalistic political programs. In such circumstances, in terms of increased unemployment and poverty, it is easy to restore interethnic conflicts in the region, destabilization, and a new cycle of conflicts. Due to the multicultural character of the region is realistic to expect the emergence of violence and clashes on the religious plan. It is not difficult to predict that it would involve Turkey, for its interests and goals in the Balkans in order to protect the Muslim population. The delay of European enlargement also serves structures associated with organized crime, or so-called Balkan "confederate mafia". I am deeply convinced that the key question for the peace in the Balkan is connected with faster integration of the Republic of Macedonia into NATO and the EU. And, this will be the main goal of this reaserch paper.

Key words: Western Balkans, Republic of Macedonia, integrations, security, conflicts.

# What is there for the Western Balkans to loose from the current EU economic crises?

---

Ljupcho Stevkovski

*Presented at the International conference on neighbourhood: From war to eternal peace on the 100<sup>th</sup> anniversary of Balkan wars: October 4-7, 2012, Istanbul*

## Abstract

Concerns about the economic downturn in Europe cannot be just a matter of the political elites or the corporate world in Brussels. The economic crisis entering in its fifth year has shown its strength in many EU capitals, but more importantly it has also produced spillover effects in Skopje, Belgrade, Chisinau, Ankara etc. As such, the EU economic crisis is pointed as the *cause première* for the skyrocketing unemployment rates, decline of the legitimacy of the ruling political elites, populism coupled with cultural intolerance and anti-migrant and anti-Islamic sentiments. If the current patterns persist the estimations suggest that the EU economic crisis will generate deep divisions across the EU (political, economic and cultural). Even today it is evident that such developments generate new set of discourse among political elites by pinpointing the idea and glorification of nation states and diminishing the concept of European integration. As a conception which had its deifying moments in the past it might lead to a certain cut-back of the democratic processes all under the veil of the increased nation-centric ruling. The Western Balkans being the largest EU aid recipient per capita as well as being the most integrated with the EU (both politically and economically) would see possible spillover effects and developing more or less the same nation (sometimes ethnic)-state ruling patterns. Speaking politically, the stalemate of the EU integration processes coupled with the decreased economic activity might easily empower right – extremism groups in the region. Looked from the above, several issues of regional importance still hamper the picture of safe and secure Western Balkans. The unresolved constitutional processes in Bosnia and Herzegovina, the vague statehood question in Kosovo and the unresolved and locked dispute over the name of Macedonia greatly contributes to this thinking. Given the possibility of such a development scenario the research community in the region should be more vigilant in tracing the patterns and causes of possible shifts in the regional security. Nevertheless, in order to avoid the repeated ethnic conflicts or even the appearance of religious conflicts, the challenges of maintaining the security in the Western Balkans would be of paramount importance in the period ahead. This being said the key questions of this research would be: Whether the EU economic crisis will affect the security and stability in the Western Balkans? What impact will there be on the political processes in the states of the Western Balkans if the EU enlargement process are to be postponed?

Key words: Economic crisis, Western Balkans, security, conflicts, cooperation, media, civil society.

# The role of International Community vis-à-vis SSR in the Western Balkans

---

Ljupcho Stevkovski

*Presented at the Regional Conference “Security Sector reform as an instrument for Democratization and Peace in the Western Balkans” November the 05, 2012, Pristina*

## **Abstract**

The contemporary political and security scene in the Western Balkans is evidently characterized by peace, cooperation, economic and democratic development among states and Euro – Atlantic processes. In this past decade, the main actors on the Balkan scene are leaders who prefer cooperation and dialogue among the states, rather than using the national armed forces for resolving the disputed issues. The ambitions of all countries in this Region for EU and NATO membership and their “open door” policy are the key factors for the implementation of the national reforms, that is, the development of appropriate institutional capacities and capabilities. The region of the Western Balkans is geographically, culturally and politically an essential part of Europe. Its security is indivisible from Europe and vice versa. NATO and the EU have been present in this region in continuity over the past two decades. These two organizations, NATO and the EU, are the key factors for maintaining and enhancing regional security, stability and prosperity. From our perspective, NATO is the key pillar of the contemporary Euro – Atlantic security architecture, whereas the EU is seen as the major driving force for a democratic, economic and social development of the entire European continent. Once all countries from this Region are integrated in the Euro-Atlantic family, we can speak of united Europe, a free and democratic community of equal member states in peace.

Keywords: Security, reform, the role of international community, cooperation.

# Replacing European Union: Eastern Alternatives Awaiting?

---

**Stevo Pendarovski**

*IN: Dodovski I., Pendarovski S., Petrovska I., eds. Europe 2020: Towards Innovative and Inclusive Union, 7<sup>th</sup> UACS Conference on European Integration, Skopje, 2013*

## **Abstract**

Protracted crisis in the European Union has substantially augmented lingering euro-skepticism on the continent. Member-countries are desperate to restore the legitimacy of the organization, while descending perceptions about values of the EU integration model among candidates and would be members are real. Inward-looking EU is less engaged in imposing conditionality which has been for more than a decade main instrument in exporting democracy. With the EU gravitational effects largely absent, nationalistic and populist sentiments are gaining ground in some parts of the Western Balkan, advocating alternatives to European integration as regional gate to globalization.

What does the past record of several Eurasian regional organizations imply about their potential to serve as sustainable alternatives to the European Union? Can the regional trends in the wider Euro-Asian area eventually open up alternative perspectives for some of the Western Balkan countries trailing back on their European path?

In this article, the performances of a few regional organizations in Eurasia in several domains will be analyzed applying the comparative method. The aim of the paper is to depict different genesis and civilizational background and emphasize structural flaws and comparative weaknesses of these organizations to the European Union, especially in the area of political and cultural values underpinning their engagement.

**Keywords:** *Crisis, euroscepticism, alternative regional organizations, political values*

# JORIE GRAHAM: PRESENT IN THE DISCOURSE

---

**Lidija Davidovska**

*Paper presented at the Postgraduate Annual Symposium, School of American Studies,  
University of East Anglia, Norwich, UK, 21 June 2012*

## **Abstract**

Any general analyses of Jorie Graham's discursiveness do not do justice to her complex themes and techniques, if one does not explore the types of discourses the "protagonist" in her poems employs in an attempt to understand the scientific, philosophical and spiritual aspects of the poetic experience. In this paper, I demonstrate how a great number of her poems cut deeply into the 'flesh' of experience, creating a scientific-like discourse characterized by close examination and observation of minute details, acuity and accuracy of nuances, and quantification of time, space, force, matter and energy. Firstly, *matter* (inanimate objects and elements), energy, movements and force are described with microscopic precision in order to discern from their 'conduct' some general principles as a physicist would do; secondly, their general applicability is proposed to other planes of human existence as a philosopher, or a philosopher of science, would do. I argue that this type of discourse resembles the 17th-18th century scientific/philosophic discourses, when the disciplines were not clearly cut yet. In this quest for knowledge, after the scientific and the philosophical discourses have been exhausted, the spiritual, the numinous discourse emerges with an emotion, a plea, or humbleness and grace before the grand unknown.

**Keywords:** Jorie Graham, scientific discourse, immanence

**Areas of Research:** American contemporary poetry, literary criticism, philosophy.

**BOOK OF EXHIBITIONS**  
**2012**

## ВИОЛЕТА БАКАЛЧЕВ

2012 АСОЦИЈАЦИЈА НА АРХИТЕКТИ НА МАКЕДОНИЈА  
XVI БИЕНАЛЕ НА МАКЕДОНСКА АРХИТЕКТУРА

Muzej na grad Skorje, Скопје, 23 март – 06 април 2012.

Селектиран и објавен труд: реализација - СТАНБЕН ОБЈЕКТ ул.Донбас бр.7, Дебар маало 1,

(консултант Минас Бакалчев, припрема Никола Стрезовски, инвеститор „Потенца“ Скопје)

2012 АСОЦИЈАЦИЈА НА АРХИТЕКТИ НА МАКЕДОНИЈА  
XVI БИЕНАЛЕ НА МАКЕДОНСКА АРХИТЕКТУРА

Muzej na grad Skorje, Скопје, 23 март – 06 април 2012.

Селектиран и објавен труд: проект - СТАНБЕН ОБЈЕКТ ул.Козара бр.5, Центар 1,

(консултант Минас Бакалчев, припрема Никола Стрезовски, инвеститор „Луна Корпорација“ Скопје)

2012 Bakalcev, V + Metamak kolektiv, “АРХИТЕКТУРА ВО ОГЛЕДАЛО,  
СЕКОЈДНЕВНО И ВОЗВИШЕНО”, Comoon ground, Biennale  
Architettura 2012, Participating countries/ Collaborative Events, ( director  
David Chipperfield )

13 International Architecture Exhibition, La Biennale di Venezia,

Marsilio Editori, s.p.a., Venice (pp 48-51)

## ДАМЈАН МОМИРОВСКИ

Метамак, Архитектонски колектив  
БИМАС 2012  
Април, 2012

Architecture in mirror  
Venice Biennale 2012  
Sep. 2012

Конкурс за Телекомуникациска Кула  
АЕК  
Април, 2012

Партерно уредување, ул. Никола Вапцаров  
Општина Центар  
Април, 2012

## МАРТИН ГУЛЕВСКИ

### BINNALE DI ARCHITETTURA

La Biennale di Venezia

11. Mostra Internazionale di Architettura (2008)

Република Македонија

Metamak Cut Outs

Комесар: Фросина Зафировска

Куратори: Влатко П. Коробар, Минас Бакалчев и Митко Хаџи Пуља

Заменик комесар: Јован Шурбаноски

Учесници: Анастасова Искра, Бакалчев Минас, Десков Владимир, Гулески Мартин, Хаџи Пуља Митко, Ивановска Ана, Ивановски Дејан, Ивановски Јован, Коробар П. Влатко, Лековски Владимир, Папастеревски Димитар, Тасиќ Саша, Зекири Бетим

### BINNALE DI ARCHITETTURA

La Biennale di Venezia

12. Mostra Internazionale di Architettura (2010)

Република Македонија

Learning Architecture

Комесар: Фросина Зафировска

Куратори: Минас Бакалчев и Митко Хаџи Пуља

Заменик комесари: Јован Шурбаноски и Влатко П. Коробар

Учесници: Јоне Јанкоски, Дејан Ивановски, Александар Радевски, Саша Тасиќ, Домника Бошкова, Гоце Аџимитревски, Мартин Гулески, Слободан Велевски, Горан Мицковски, Филип Ценовски Оља Гулеска, Бетим Зекири, Никола Стрезовски, Наташа Милованчев, Елизабета Аврамовска, Митко Хаџи Пуља, Минас Бакалчев и 101 студент од прва година на факултетот за архитектура на универзитетот “Св. Кирил и Методиј” 2009/2010, Скопје

## ВЛАТКО КОЦЕВСКИ

ECONOMIC VIABILITY OF THE NEW SEISMIC ISOLATION SYSTEM TO BE USED  
OF R/C BUILDING STRUCTURES

4-ti internacionalni naucno-strucni skup "Gradjevinarstvo - nauka i praksa"

Zabljak, Crna Gora, 20-24 fevruari 2012

CIVIL ENGINEERING - SCIENCE AND PRACTICE, 4th INTERNATIONAL  
CONFERENCE

ŽABLJAK, MONTE NEGRO, 20-24 FEBRUARY 2012

Tema:

ISTRAZIVANJE EKONOMSKE OPRAVDANOSTI NOVOG IZOLATORNOG SISTEMA  
ZA A. B. KONSTRUKCIJA U VISOKOGRADNJI

3-ce naucno-strucno megjunarodno savetovanje "Savez gradjevinskih inzenjera Srbija"  
Divcibare, Srbija, 18 maj 2012

THE THIRD INTERNATIONAL SCIENTIFIC AND PROFESSIONAL COUNSELING,  
"EARTHQUAKE ENGINEERING AND ENGINEERING SEISMOLOGY" DIVCIBARE,  
SERBIA, 18 MAY 2012

## МАКСИМ НАУМОВСКИ

-БИСТА 2010, дипломски труд

-изложба 60 години АФС, Ноември, 2009

## ОЛИВЕР ИЛИЕВСКИ

-БИСТА 2010: дипломски труд

-изложба 60 години АФС, Ноември, 2009

-БИМАС 2010, Деловен објект-станица за технички преглед АМСМ Чаир

-изложба на конкурсни трудови за надградба на ГТЦ, 2010

## ФЕТАХ ФЕТАХУ

- Изработка на идејно решение за објект-Катна гаража на улица Мито Хаџивасилев Јасмин (cveten Pazar) - Vtoro rangiran
- Избор на идејно решение за Градска Куќа (pod Kale) – откуп
- Изработка на идејно решение за објект управна зграда на ЈП Водовод и Канализација Скопје (pod Kale - Vtoro rangiran
- Изработка на идејно решение за објект-затворен олимписки базен во Охрид и Крушево - prvo rangiran