

OUT OF THE CRISIS: EU ECONOMIC AND SOCIAL POLICIES RECONSIDERED

8th Annual international conference on European integration



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Skopje, 16 May 2013

BOOK OF ABSTRACTS

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8th annual international conference on European integration
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Welcome to the 8th annual international academic conference on European integration

OUT OF THE CRISIS: EU ECONOMIC AND SOCIAL POLICIES RECONSIDERED

Thursday 16 May 2013

The European Union is slowly emerging from the deepest economic recession in its history. Long-standing challenges like insufficient growth and population ageing have been coupled with fiscal instability and deep fissures within the euro-zone. Competitiveness and unemployment indicators place the EU behind its main global rivals. Moreover, the crisis has put in doubt the overall political architecture and economic governance of the Union. With millions of citizens unemployed, to amend inequalities and sustain a democratic and social Europe have become issues of legitimacy for the European political elite and for the whole project of united Europe. While member states tend to keep the main focus on national interests and well-being of their citizens, EU's politico-economic model as a pole of attraction for the aspirant countries is clearly in decline.

This inter- and multi-disciplinary conference seeks to reconsider the current EU complexities across diverse policy areas and suggest perspectives on growth and ways leading out of the crisis.

Major issues to be addressed include, but are not limited to:

- Austerity or Growth Union?
- How to amend state structures to sustain economic growth in Europe?
- Scientific and technological achievements, renewable energy sources and sustainable growth
- How to save the euro, or the EU without the euro?
- Synergy of competitive capitalism and the welfare state: setting an integrated socio-economic agenda
- EU funds: assessing their scope and effectiveness
- Economic rationale behind investments in education and human capital in general
- EU Cohesion Policy reconsidered: perspectives on regional and urban development
- How to overcome the democratic deficit in the EU
- EU integration and enlargement: opportunities for success vs. likely alternatives to the project

The times of crisis have always presented a chance for the academic world to offer constructive response so as to catalyze positive change. We are looking forward to your participation in the one-day program of the conference in Skopje on 16 May 2013.

Sincerely Yours,

Prof. Marjan Bojadziev, PhD
UACS Rector

CONFERENCE PROGRAM

8:45 - 9:15 Registration

9:15 - 10:45 Opening ceremony

Opening addresses:

Dr. Fatmir Besimi, Deputy Prime Minister for European Affairs in the Government of the Republic of Macedonia

Mrs. Gudrun Elisabeth Steinacker, Ambassador of the Federal Republic of Germany to Macedonia

Dr. Heinz Bongartz, Resident representative of Friedrich-Ebert-Stiftung, office Macedonia

Dr. Ivan Dodovski, UACS Assistant Professor and Chairperson of the Conference Organizing Committee

Official key speakers:

Ms. Anita Angelovska-Bezoska, Vice Governor of the National Bank of the Republic of Macedonia:
The Euro Zone Crisis through Economic Glasses: Origins, Responses and Challenges Ahead

Dr. Dimitris Akrivoulis, Assistant Professor of International Relations at University of Western Macedonia, and Adjunct Professor of Politics and International Relations at New York College, Thessaloniki, Greece: *"We All Knew This": Digging Ourselves Out of the Hole*

Master of Ceremony:

Dr. Stevo Pendarovski, UACS Associate Professor in International Security and Foreign Affairs

Note: Working language of the conference is English.

10:45-11:15 Coffee break

11:15-13:00 Working session – parallel academic tracks 1 & 2

13:00-13:45 Lunch

13:45-15:15 Working session - parallel academic tracks 1 & 2

15:15-15:45 Coffee break

15.45-16:30 Closing plenary session

Biography

Anita Angelovska-Bežoska has 16 years of experience, mostly in the areas of monetary policy, macroeconomic policies in general, fiscal policy and public finance management. Currently, she holds a position of a vice-governor of the National Bank of the Republic of Macedonia (NBRM). Previously, she held a position of Chief Economist of the NBRM, involved in the area of design and implementation of the monetary policy, macroeconomic forecasting, analysis and research. She worked for the International Monetary Fund in Washington as an economist in the European Department and Fiscal Affairs Department for two years. As a leader of the task force for establishment of the treasury system in Macedonia, and later on as a head of the Treasury at the Ministry of Finance, she participated in the process of reforming the public finance management system in the Republic of Macedonia. She also held a position of State Secretary in the Ministry of Finance, and was a member of the Management Board of the Health Insurance Fund and the Deposit Insurance Fund of the Republic of Macedonia. She holds an MBA degree from the Faculty of Economics in Skopje, and since 2009 she has been working on her doctoral thesis at the Faculty of Economics in Ljubljana, Slovenia.

Dimitrios E. Akrivoulis is an Assistant Professor of IR in the Balkans at the Dept of Balkan Studies (UOWM) and a Visiting Professor at UACS. He has also taught at the University of Kent, UK, and NYC Thessaloniki. He holds an LLB and an LLM from the Aristotle University in Thessaloniki, and a PhD in IR from the University of Kent. He is an active member of PSA, BISA, ECPR, and HESILIR. His interests include International Political Theory and Continental Political Thought. His work has been published by international publishing houses, such as Macmillan, Palgrave, Routledge, and Peter Lang.

Academic Track I: EU Politics and EU Social Policies

Moderator: Ivan Dodovski, UACS Assistant Professor

Opening remarks: Robert Hudson, Full-time Professor at University of Derby, UK

Rapporteur: Ana Tomovska-Misoska, UACS Assistant Professor

Gaspar Biro: *We, the States of the Union...*

Biljana Sekulovska Gaber, Marijana Sekulovska: *Territorial Cohesion: A Bridging Concept*

Zlat R. Milovanovic: *Migrations In the European Union: Looking Ahead to 2050*

Stevo Pendarovski, Zoran Sapurik: *EU Crisis and the Western Balkans: Enlargement Unaffected*

Katharina Crepaz: *The Impact of Internationalization and Norm Transfer on Minority Protection*

Policies

Natasha Gaber-Damjanovska: *The Constitutional Principle of the Equality of Vote Viewed Through the EU Standards – the Case of Ex-Patriot Vote*

Ganka Cvetanova, Veno Pachovski: *E-democracy Strategy in the Republic of Macedonia in the Context of E-democracy Strategies in EU Member States*

Kimo Cavdar: *Implementation of EU Directives on Consumer Protection in the Countries of the Former Yugoslavia: Focus on National Laws on Obligations*

Krum Efremov: *Economic Diplomacy as a Strategy for Sustainable Economic Growth*

Ana Stojilovska: *Green, Greener, the Greenest: Western Balkan Countries on Test – Lessons for Macedonia*

Emilija Tudzarovska-Gjorgjievska: *Economic Rationale behind Investments in Education and Human Capital in General*

Marija Andonova, Nikica Mojsoska-Blazevski: *Factors Influencing the Wage Expectations Among Macedonian Students: A Comparative Perspective with the EU Students*

15.45-16:30 **Closing plenary session**

Academic Track II: Economic and Financial Aspects of the EU Crisis

Moderator: Jeremy Cripps, Full-time Professor at American University in Bulgaria

Opening remarks: Marek Radvanský, Head of the Department of Economic Modelling at the Institute of Economic Research, Slovak Academy of Sciences (Slovakia)

Opening remarks: Leo H. J. Verhoef, Full-time Professor at Eindhoven University of Technology (The Netherlands)

Rapporteur: Ilijana Petrovska, UACS Assistant Professor

Emilija Stevanovska, Tome Nenovski: *Maastricht Criteria - Foundation or Obstacle to the Further EU Economic Integration*

Zoran Sapurik, Ninko Kostovski, Elena Klisarovska: *The Future Challenges Arising From the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union*

Lukasz Czernicki: *The Potential Role of Development Banks in Solving the EMU Crisis*

Evica Delova Jolevska, Jadranka Mrsic, Bogoljub Jankoski: *Assessing the Challenges to the Single European Banking Supervision*

Jeremy Cripps: *The New Economics: A Leaner, less Bureaucratic European Union*

Vesna Georgieva Svrtinov: *Capital Flows and the Eurozone Crisis-Implications for Economic Policy*

Suela Kristo, Raimonda Duka, Eri Gjoka: *How Similar Are the CEE and SEE Countries in Terms of Financial Institutions Efficiency?*

Igor Ivanovski, Dragan Tevdovski: *Income Inequalities in SEE Countries and the Way Out of the Crisis*

Dimche Lazarevski, Jadranka Mrsik: *The Small Stock Exchanges in South-East Europe Countries: The Future After The Crisis*

Despina Petreska, Nikica Mojsoska-Blazevski: *The Feldstein-Horioka Puzzle and Transition Economies*

Maja Ristovska, Nikica Mojsoska-Blazevski: *An Alternative View to the Tax Evasion: The Effect of Tax Morale on Paying Taxes in Macedonia and EU Countries*

Ema Kastratovic, Marjan I. Bojadziev, Venera Krliu-Handjiski: *Creating a Market Oriented Organizational Structure as a Key to Overcoming the Financial Crisis – a Comparative Study*

15.45-16:30 Closing plenary session

Academic Track I: EU Politics and EU Social Policies

Moderator: Dr. Ivan Dodovski, UACS Assistant Professor

Opening remarks: Prof. Robert Hudson, PhD, Full-time Professor at University of Derby, UK

Rapporteur: Dr. Ana Tomovska-Misoska, UACS Assistant Professor

Ivan Dodovski is Dean of the School of Political Science at University American College Skopje. He studied general and comparative literature with American studies, and obtained an MA degree in Macedonian literature and narratology at Ss Cyril and Methodius University in Skopje. He holds a PhD from the University of Nottingham, UK. His recent research in the field of cultural studies is focused on politics and identity representation in contemporary Balkan drama. Dr. Dodovski has edited the volume *Multiculturalism in Macedonia: An Emerging Model* (2005). He has also published academic papers, three poetry books and a collection of short stories.

Robert Hudson is Professor in European History and Cultural Politics at the University of Derby, and Director of the Identity, Conflict, and Representation Research Centre. A graduate of the School of Slavonic and East European Studies, University of London, he held a Yugoslav government scholarship as a Postgraduate Fellow at the University of Sarajevo. In the 1980s, he lectured at Exeter College of Art and Design and the University of Rennes (France). Hudson is a faculty of member of the European Doctoral Enhancement Programme (EDEN) in Peace and Conflict Studies. He has revisited Yugoslavia and its successor states frequently since 1995 and during the 1990s participated on six missions with OSCE (Organization for Security and Cooperation in Europe) as an election supervisor. He co-edited *Politics of Identity: Migrants and Minorities in Multicultural States* (2000), *Different Approaches to Peace and Conflict Research* (2008) and *Peace, Conflict and Identity: Multidisciplinary Approaches to Research* (2009). He is currently co-editing *Land and Identity* (forthcoming).

Ana Tomovska-Misoska obtained her PhD from the School of Education, Queen's University Belfast. Her research interests are concentrated on exploring children's views and interests in different areas of life. She is especially interested in connecting issues of ethnic identity, culture and language with issues of intercultural education and peace education. She has been involved in a number of research projects and initiatives for educational reforms in the Republic of Macedonia and presented her research in national and international conferences. Her recent research work is presented in 'Social Context and the Contact Hypothesis: Perceptions and Experiences of a Contact Programme for 10-11 Year Old Children in the Republic of Macedonia' published in C. McGlynn, M. Zembylas, Z. Bekerman and T. Gallagher (eds.) *Peace Education in Conflict and Post-conflict Societies: Comparative Perspectives* (Palgrave Macmillan, 2009).

Prof. Gáspár Bíró, PhD

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We, the States of the Union ...

Abstract In the past two decades the member states of the European Union have undergone a process of transformation leading to a gradual relinquishing of attributes of sovereignty to the organs of the Union. The content of citizenship, traditionally the basic mark of the political nation has also been changed. The main question addressed by the text is: what happens with the basic components of the nation, both political and cultural, if the dismantling of the nation-state continues? The reflection is reduced here to some questions related to territory, language, ethnicity, genealogy, and the fate and vocation of the nation in a historical perspective. Can a supranational integration deal with these elements as the nation-state does, channeling and moderating towards the common good their distinctive and potentially explosive political potentials? The democratic nation-state, among others through the rule of law, has been able to rationally limit potential excesses of popular sovereignty. The deepening integration within Europe will lead to a super-state, a federation, as many claim, or to something else? This is open to speculation, but the survival of the basic components of the nation on a longer term seems almost sure.

Keywords: United States of Europe, nation-state, political nation, ethnicity, ethnogenesis, fate, vocation, dominion

Biography

Dr. Gáspár Bíró is Professor of International Relations at the Institute of Political Sciences of the Faculty of Law, Eötvös Loránd University Budapest. Some of his studies written in this field have been published, among others, by the Institut Universitaire de Hautes Études Internationales (Geneva, 1993), United Nations Association of the USA (New York, 1994), ICES Kandi, Sri Lanka (1997), La documentation Française (Paris, 1999), Central European University, Budapest (1999), Lit Verlag Münster-Hamburg-London (2000), or Brill Publishers (2013). Member of the Editorial Board of the International Journal on Minority and Group Rights (Published by Kluwer Law International).

Prof. Biljana Sekulovska Gaber, PhD, Marijana Sekulovska

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Territorial Cohesion: A Bridging Concept

The purpose of this paper is to provide an insight perspective on the concept of territorial cohesion in the direction of its enhancing the EU Cohesion Policy. In order to present that territorial cooperation is a new way of overcoming problems of the EU regions, especially due to current economic crisis, at first the paper shall refer to the evolution of the economic and social cohesion into a territorial cohesion which if being appropriately implemented could lead to a maximum usage of the so called territorial capital and potential of the urban regions defined as urban systems.

Further, the paper shall shed a critical reflection on the issue of “Whether there is a need to reconsider/revise EU Cohesion Policy by actively implementing the concept of territorial cohesion?” Namely, the paper shall try to answer whether territorial cohesion could be a ‘bridging concept’, by explaining the functionality of this concept in practice, due to the very fact that it represents a combination of territorial cooperation policy and EU Cohesion Policy.

Finally, the paper shall present the process of how to build EU territorial cohesion policy perceived through the EU institutions (also referring to the Territorial Agenda 2020 and the Territorial State and Perspectives 2020), and shall further reflect on the capacity of this instrument to turn territorial diversities into strength. It is expected that the conclusions that shall be drawn in this paper shall stress out that it is the territorial cohesion concept that shall represent a driving force for both the successful realization of the agenda Europe 2020 as well the overcoming of the existing disparities among the EU regions.

Keywords: territorial cooperation, territorial cohesion, cohesion policy

Biography

Prof. Biljana Sekulovska-Gaber is a full-time professor as well as Head of the European Integration Training Centre (EITC) at the Faculty of Economics, UKIM - Skopje, Republic of Macedonia. Her professional engagement is in the field of European Integration and Economic Statistics. Presently, she is engaged in teaching International Organizations and Integration on graduate studies, as well as European Economic Integration on the post-graduate European Studies.

Marijana Sekulovska is Head of Career Centre and Correspondent at the same Faculty and Master of Economics candidate in the field of European Studies, presently working on her Master Thesis titled: “Territorial Cohesion towards Enhancing EU Cohesion Policy.”

Prof. Zlat Milovanovic, PhD

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Migrations in the European Union: Looking Ahead to 2050

“Migration is a part of our past, present and future. It has always been a part of what makes Europe, and if looked upon as an opportunity, rather than a threat, migration can make us stronger, economically, culturally, morally.”(Cecilia Malmström, 2012). If the EU decides to close its doors to further immigration (or enlargement) its economic development will be at stake. Its aging population will not be able to compete in the global market as successfully as now. Smaller numbers of workers and employees will not be able to produce resources needed for the pensions of those retired or for the repayment of debts of various EU nations. The financial crisis will continue, leading to emigration from Europe to other parts of the world. If, on the other hand, the EU decides to open its gates to greater immigration, especially from the developing nations, it will be helping not just the immigrants but its own people. States and international organizations exist to provide services to their people, increasing their standards of living, in solidarity with other nations. In 2011, immigrants composed 4% of the EU population (not counting internal EU migrations), compared to 21.30% in Canada and 13.50% in the US. Clearly, the percentage of immigrants in the EU can increase.

The paper is divided in four parts: 1. EU policy today and discussion of its future; 2. An overview of EU and European population trends: A reduction in natural growth will affect the EU and other parts of the world; 3. Candidate countries and their situation; 4. Global solutions for peace and prosperity. Parts 2 and 3 contain statistical overviews of the population development and its relative importance to member states. EU policy today is the policy of encouraging the immigration of highly skilled workers while limiting a more generalized acceptance of immigrants. The integration of foreigners is a concern, as is the changing identity of nations. The question is also who is or is not a European, where does Europe start and where does it end? Can the candidate countries join now, increasing the EU population and territory, are they to wait for decades or consider alternatives? Since the dawn of time, scholars, philosophers, intellectuals and politicians have expressed hundreds of ideas about the ways Europe should be organized and unified. We look at some of those, idealistic or realistic, and attempt to propose a number of solutions. Yes, Europe will need a larger population, yes, it should find ways to admit the candidates, yes, it should continue with its further integration in peace and prosperity. Further academic research is needed, as are further consultations within the EU and between the EU with its neighbors.

Keywords: Immigration, EU policy on immigration and enlargement, population size, aging population, labor shortages, pensions crisis, debt crisis, war and population, moratorium on warfare, United States of Europe, defining Europe.

Biography

Zlat R. Milovanovic has been Professor Honoris Causa at the UACS since August 2012, Professor of International Relations and Business Ethics, since 2007. Also Vice Rector of UACS. Milovanovic has a Ph.D. in International Relations from Temple University, a Doctorate in Public Law from the University of Nancy and a M.A. in European Studies. He taught at Boston University Graduate Programs, Temple University and SEEU in Tetovo. Lectured from Pretoria and Rwanda to Sts. Cyril and Methodius in Skopje. Many international meetings, in the US, Africa, UN. Various publications. Member of ASIL, APSA, ISA, Macedonian Chamber of Mediators.

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EU Crisis and the Western Balkans: Enlargement Unaffected

What started as the fiscal challenge, later revealed dormant structural problems within the European Union, at large. Among the other crucial areas, the crisis impacted the coherence and content of the EU foreign policy, as well. Surprisingly, the most successful foreign policy project in the EU history – the EU enlargement has not seriously been harmed by the protracted political turmoil in Brussels. Common EU efforts to preserve the Euro have long overcome the parameters of economy and became catalyst for transforming the overall patterns of the organization. The aim of the paper is to analyze the different options contemplated about the reform of the EU foreign policy so far and their direct dependence upon the changes eventually made on the broader political level. Western Balkan countries are not a part of the current debate, but, they will be heavily impacted by its outcome. Our basic assumption is that regardless of the transformations made, the EU enlargement policy towards the Western Balkan is going to persist. We would argue that the region can be integrated without substantial EU resources being applied and has weak capacities to fundamentally affect pillars of the future Union once in.

Keywords: euro crisis, transformation, enlargement, reforms, Western Balkan

Biography

Stevo Pendarovski is Associate Professor in International Security and Foreign Affairs at the School of Political Sciences at University American College Skopje. In the 1990s he was an Assistant-Minister for Public Relations and Head of the Analytical and Research Department in the Macedonian Ministry of Interior Affairs. In the last decade he had served as National Security and Chief Foreign Policy Advisor to two Presidents of the Republic of Macedonia. In 2004/5 he was a Head of the State Election Commission. His teaching and research areas include geopolitics, globalization, national security, US foreign policy, EU foreign and security policy, and small states in international affairs.

Zoran Sapurik, PhD, lawyer, with juridical exam and notary exam. He has published the books *Decentralization of Power* and *Environment and Sustainable Development*, and the textbook *The Structure and Institutions of the EU*. He has also published more than 20 papers in Macedonia and abroad. He took part in the Local and state government program at JFK School - Harvard University. He is former Mayor, former MP, and former Minister for environment and physical planning of Macedonia. At UACS he teaches Environment and sustainable development, EU Structures and Institutions, Local government and regional autonomy, and EU Law.

MMag. Phil. Katharina Crepaz

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The Impact of Internationalization and Norm Transfer on Minority Protection Policies

In the recent years of financial crisis, the EU has mainly been scrutinized from an economic perspective, and been evaluated on the basis of its performance on this sector. However, the Union has not only brought the continent closer together by creating a common economic area, but it has also repeatedly proclaimed itself to be a community based on international standards of human rights and minority protection. By doing so, an international arena for these issues was created, providing a forum to mobilize and exert pressure on often reluctant nation states; a very important issue, as in the face of economic crisis, minorities are often among the first groups to lose financial or other specific group rights. This paper argues that the internationalization of minority issues, as provided by the EU or through other means and organizations, is an important factor in making steps towards empowerment. If a nation state is reluctant to adhere to protection norms, the internationalization of the problem can lead to wider recognition, which could then generate more pressure on domestic actors. Internationalization can also lead to shaming processes, if the state is made aware of its deviant behavior from the norm entrepreneur group it aims to belong to. By looking at other variables that have an impact on minority protection being implemented (such as the presence of conditionality, the degree of conflict of international norms with state preferences, the presence of a kin-state in the EU and the strength of civil society), I will try to show that internationalization can be a crucial factor in norm adoption. Four countries will serve as case studies and examples for different outcomes and modes of norm transfer: Italy, France, Croatia, and Poland.

Keywords: minority protection policies, international norms, EU promotion of human rights

Biography

Born in Sterzing/Vipiteno, Italy, in 1986. Mag. Phil. (M.A.) degrees in Political Science and English and American Studies. Currently PhD-Candidate in Political Science at the University of Innsbruck, Austria. Main research interests include the EU's role regarding minority protection policies and human rights, as well as the relation between international norms and actual policy change.

Prof. Natasha Gaber-Damjanovska, PhD

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The Constitutional Principle of the Equality of Vote Viewed Through the EU Standards – the Case of Ex-Patriot Vote

Election systems in modern democracies are continuously remodeled and adjusted to meet the needs of societal changes. One of the recent issues regarding elections that attract the attention of comparative politics are the mechanisms countries adopt in order to allow the countries' nationals who have permanently moved out of the country to be able to vote. This topic raises various, often opposed opinions on the manner in which this right ought to be realized, the type of vote according to which the ex-patriots would be able to vote (national elections, presidential elections or/and referendums), the number of seats reserved for the ex-patriots representation compared to the national seats, the election model selection and adjustments, etc. According to international documents and conventions, expert recommendations (OSCE/ODIHR and others), and the Macedonian Constitution as well, one of the election principles that by all means ought to be respected while creating the election model of the country is to consider the equality of vote principle. This indispensable rule, that is essential for democracy built on equality of citizens ought to be respected for all types of elected political representation, including the seats dedicated to the ex-patriot votes. This paper intends to analyze whether in legal and practical terms the equality of vote is respected in the case of domestically elected member of Parliament compared to the elected ex-patriot MPs, including experience and comparison with other countries. Included are the OSCE/ODIHR recommendations on the Macedonian Electoral Codex, the Venice Commission recommendations, as well as studies and comparative papers from IDEA, IFES and other organizations and authors.

Keywords: elections, equality of vote, political representation, ex-patriot vote, out-of-the-country vote

Biography

Dr. Gaber-Damjanovska holds a Master's degree in Legal and Political Science and a Ph.D. in Political Science from the University St. Cyril and Methodius in Skopje. She also serves as the President of the Board of Macedonian Center for International Cooperation (NGO) and has taught several courses on election systems, civil society legal framework, women in politics, and globalization and world politics. She has participated in many domestic seminars and workshops, commenting on and emphasizing the cooperation between the civic sector and businesses, and raising corporate responsibility awareness especially from the business side. She also serves as a visiting professor at the Faculty of Law, tackling the domestic legal environment regarding the civic sector and its repercussions on the economy, and looking at the possibility of introducing legal change for tax and other benefits for the civic organizations.

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E-democracy Strategy in the Republic of Macedonia in the Context of E-democracy Strategies in EU Member States

According to Webster's definition "democracy is a government in which the supreme power is vested in the people and exercised by them directly or indirectly through a system of representation". An "e" in front of democracy refers to using the new Information and Communication Technologies (ICT) in order to increase and enhance citizens' engagement in democratic processes. E-democracy concerns all sectors of democracy, all democratic institutions and all levels of government, thus striving to promote, ensure and enhance the basic pillars of democracy such as transparency, accountability, responsiveness, engagement, deliberation, inclusiveness, accessibility, participation, subsidiarity and social cohesion. E-democracy is an integral part of the information society, which has ushered in a range of traditional and innovative tools that can usefully be applied in democratic processes and institutions. The paper analyzes the e-democracy strategy and levels of citizen involvement in the Republic of Macedonia while attempting to compare with the e-democracy strategies and citizens involvement in the EU Member States, presented in the *Handbook on E-democracy*, drafted, written and published as a part of the EPACE project (*Exchanging good practices for the promotion of an active citizenship in the EU*), produced with the financial support of the Fundamental Rights and Citizenship programme of the European Commission. Comparing the existing documents and the levels of citizen involvement, we tried to define the position of the Republic of Macedonia in the context of e-democracy strategies in EU Member States and to determine the levels of involvement.

Keywords: e-democracy, e-tools, e-democracy strategy, levels of involvement, Republic of Macedonia, EU Member States.

Biography

Ganka Cvetanova was born in Skopje, Macedonia in 1968. She graduated from the Faculty of Music Art 1989, and completed her MA at the same institution in 1994. She got her PhD in Sociology at the Institute for Sociological, Political and Juridical Research (ISPPi) at the University Ss. Cyril and Methodius in Skopje in 2006. In the period from 2008 until 2010 she was engaged as a visiting professor at the University American College – Skopje in the field of ethnic conflicts and conflict management. In 2010 she was elected as Associate Professor at the ISPPi. Currently, she is the head of postgraduate cultural studies at ISPPi. She lectures the following courses: Culture and Identity; Ethnic Identity; Cultural Politics and Cultural Institutions; Digital Culture; New Media and Democracy.

Veno Pachovski was born in Skopje, R. Macedonia in 1965. He graduated from Faculty of Natural Sciences and Mathematics, State University Ss. Cyril and Methodius, Skopje, Macedonia 1989, and completed MSc in the same institution in 2000. He got his PhD in Information retrieval at the University Ss. Cyril and Methodius in Skopje in 2007. Since 2009, he teaches a variety of courses at the University American College – Skopje, mainly within the School of Computer Sciences and Information technology (SCSIT). In 2012 he was elected as Associate professor at the UACS. Currently, he holds a Vice-dean position within SCSIT in charge of the part-time students, as well as heads the Linguistic modelling laboratory. His fields of expertise include Databases, Information systems and Natural language processing.

Ass. Prof. Kimo Cavdar, PhD

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***Implementation of EU Directives on Consumer Protection in Countries of the Former Yugoslavia:
Focus on National Laws on Obligations***

European Council Directive 85/374/EEC and Directive 99/34/EEC (amending the first one) have been adopted to reach compliance of the laws of the EU member states in regulating the liability for damage caused by defective product. Besides EU member states, candidate countries are also required to amend their national legislation in compliance with Directive 85/374/EEC and Directive 99/34/EZ. Bosnia-Herzegovina, Croatia, Macedonia, Montenegro and Serbia emerged as independent countries after the breakup of the former Yugoslavia and aspire to obtain their full-membership in the EU. Following their independence, these countries have taken the Yugoslav Law on obligations of 1978 to serve as basis for regulating the issue of liability for damage caused by defective product. In this paper we analyze the norms of the Yugoslav Law on obligations of 1978 as *lex specialis* and the changes that have been introduced to national laws on obligations following the process of harmonization with the EU legislation, and specifically in relation to Directive 85/374/EEC and Directive 99/34/EEZ. The comparative assessment of the changes to national laws on obligations in Macedonia, Serbia, Bosnia-Herzegovina, Montenegro and Croatia shows how specific terms and normative decisions have been transposed to fully harmonize the national laws on obligations with the EU norms.

Keywords: Law on obligations, liability for damage, product, defective product, producer, consumers, services users, Council Directive 85/374/EEC, Council Directive 99/34/EEC.

Biography

Kimo Chavdar was born 1967 in Skopje. June 1992 Bachelor of Law, Faculty of Law, University St. Cyril and Methodius – Skopje; November, 2001 Master of Law, Faculty of Law, University St. Cyril and Methodius - Skopje; February, 2009, PhD (Thesis: Political and Legal Aspects of Forced Denationalization Property in Macedonia), Institute for Sociological, Political and Juridical Research in Skopje, University St. Cyril and Methodius - Skopje. 2010 published the book "Business Law" and in 2012 published the book "Obligation law" for the students UACS.

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Economic Diplomacy - State Policy Tool for More Sustainable Economic Growth

Topic of this research is economic diplomacy as a possible state policy mechanism of support for better economic results. This research will be theoretical, with empirical explanation to the implementation of economic diplomacy in some countries from EU and Republic of Macedonia. Focus will be qualitative analyses with recommendations and results interesting for policy maker in public administration and academic staff. Research question: What is economic diplomacy? The economic diplomacy is a process through which countries tackle the outside world, to maximize their national gain in all the fields of activity including trade, investment and other forms of economically beneficial exchanges. The development of the world economy through progress of science, technology, traffic and communications, created higher connection and inter-dependence of the national economies. Therefore, changes in state policy should be in line with rules and principals of multilateral trading system, as a guaranty of liberal concept of development in the global aspect. Research question: Is economic diplomacy in accordance with the rules and principles of the multilateral trading system? Western economies, especially EU countries, are facing significant economic and fiscal challenges. There is no option to generate growth through increased government expenditure. That means that economic diplomacy is alternative tool to overcome the threats in the world and to increase influence in vitally important markets. The challenge is attaining future growth of EU countries. BRIC's countries are now the source of more of half global growth. Research question: Can diplomatic service considerably strengthen its "economic reflex" and also be "environmentally friendly"? The promotion of economic interests and priorities abroad is one of the most important operative tasks of the Government of the Republic of Macedonia. The purpose of these activities is to present the Republic of Macedonia as an attractive destination for foreign investments, through the promotion of business advantages, giving incentive to Macedonian export, as well as through strengthening of the country's position as a reliable business partner and attractive touristic destination. Research question: What is the position of economic diplomacy in the Republic of Macedonia?

Keywords: economic diplomacy, multilateral trading system, export promotion, investment promotion, globalization, sustainable development, competitiveness

Biography

Dr. Krum Efremov was involved in the process of accession of the Republic of Macedonia to the World Trade Organization; he was Chief Negotiator of the Republic of Macedonia for Agreement on amendment of and accession to the Central European Free Trade Agreement – CEFTA 2006; President of the Council for Consumer Protection of the Republic of Macedonia (2004-2009) and Chairman of the Stability Pact Trade working group. From 13.01-04.04.2003, he was participant on "23 Trade Policy Course" in Geneva, organized by WTO Training Institute. From 2009 he is appointed as a Director and State counsellor for Economic diplomacy of the Ministry of foreign affairs of Republic of Macedonia. From 2010 he is Assistant professor of UACS.

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Green, Greener, the Greenest: The Western Balkan Countries on Test – Lessons for Macedonia

The economic crises may have challenged the EU in many ways, forcing it to rethink its policies; however one thing the Union remained true to is the idea of promoting renewable energy and energy efficiency as means for achieving sustainable growth and low-carbon society. In fact, by setting its 2020 and 2050 policies, the EU sees the crisis as an opportunity for investment in its own competitiveness and growth, thus continues to present a “green” role model worldwide. In this line, being an essential part of the EU enlargement policy - the Western Balkan countries – play an important role in contributing to greener Europe. In fact they are to implement these EU energy and climate changes policies, thus have the opportunity to seize the region’s untapped renewable and energy efficiency potential, increase their energy security and fight climate change. However, although the counties are put under the same energy framework, they differ in their state of compliance with the EU energy policies and more importantly are significantly challenged in its implementation.

The aim of this policy paper is by taking the case studies of Macedonia (“older” candidate), Montenegro (“younger” candidate) and Albania (potential candidate), to present the situation of adoption and implementation of the EU renewable energy and energy efficiency policies in the region. It will tackle the question whether Macedonia as “most experienced” is the leader among the other two. The overall conclusion is that despite Macedonia has the longest experience with membership obligations; it has much to learn from the region. Methodologically, the paper will combine both primary and secondary sources – qualitative analysis of the legal framework, relevant institutions’ reports, progress reports, Energy Community reports etc. The goal of this paper is to give recommendations to the respective Macedonian authorities for better performance in the area.

Keywords: Western Balkan countries, Macedonia, renewable energy, energy efficiency, EU energy acquis

Biography

Ana Stojilovska (1985) is a Research Fellow of the Energy and Infrastructure Program at Analytica Think Tank, Skopje. She holds a Master degree in European Studies from Europa-Kolleg Hamburg, University of Hamburg. Her previous academic and professional experience includes studies in social sciences in Macedonia and abroad and posts in Macedonian and foreign public and private institutions and organizations including internship at the German Parliament and research intern position at the Association for International Affairs, the Czech Republic. Author of several policy papers in the energy area. Areas of research: energy policy, energy efficiency, renewable energy, heat market, gasification etc.

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This paper evaluates the efficiency of the education and human capital' development practices in the Republic of Macedonia, as key stimulant in providing the necessary equilibrium between the labor market' impulses, educational quality and the workforce skill of its citizens. The comparative aspects of Croatia as another post-transitional South-East European country and 'next' EU member state, alongside with Germany as developed economic country, aims to offer perspectives of current and future challenges of the European economies and policies over emerging East world markets. The interpretation of European policies and strategies emphasizes the need of solid 'top-down' management and joint national approach for increasing the quality of education in accordance with business environment, indicates the need of strengthening the cohesion between the citizens, intuitions and state in order to leverage the human capital' potential in the country. As such, the investments in education and human capital will shape the workforce skills of the Macedonian citizens, impact the competitiveness' level, effect the country' economic performance and stabilize the macroeconomic policies which fosters the national economic growth.

Keywords: labor market, education, human capital, management, economic growth, economic policy, workforce, macroeconomic policy, Bologna reforms, globalization

Biography

Emilija Tudzarovska-Gjorgjievska is born 1981 in Bitola. Holds B.A degree in General and Comparative Literature, Faculty of Philology and M.A degree in Educational Management, Faculty of Philosophy at the University "St. Cyril and Methodius" in Skopje. Currently she is obtaining second MA degree in International politics at the CERIS University in Brussels. From 2005 she has been working as project coordinator at the Macedonian PEN Centre and from 2007 as project manager at the German political Foundation Konrad Adenauer in Skopje. Author of the book '*A Higher Education in 21 Century: Republic of Macedonia and the European perspectives*' (2013)

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Factors Influencing the Wage Expectations among Macedonian Students: A Comparative Perspective with the EU Students

The aim of this paper is to assess the wage expectations of Macedonian students, and main factors that shape their expectations. Previous research elsewhere has shown that wage expectation is a major determinant that influences' schooling decision (Wolter and Zbinden, 2001, Williams and Gordon, 1981, Betts, 1996). Given that the main pathway to developing human capital of an individual is schooling, learning about the factors that affect individual's decision whether to acquire more education can contribute towards better educational policy in the country. We employ similar empirical approach as the one used by Brunello et al (2001, 2004). We use available information to regress: i) students' beliefs about expectations for future salary with high school diploma; ii) future earnings with college degree; and iii) college wage gain, on a set of variables which includes: university dummies, characteristics of the individual, socio-economic background, field of study, year of enrolment, academic performance, sources of information for future earnings and reasons for university choice. Data would be collected through a questionnaire distributed to Macedonian students from different universities, in their first and last year of study. We expect that results from this study will be in line with the results disclosed by other researchers, where wage expectations are determined by a complexity of variables including: (a) socio-economic background of a student, (b) gender, (c) degree type, (d) academic performance, etc.

Keywords: demand of schooling, wage expectations, higher education

Biography

Marija Andonova, BSc, is a teaching assistant in Business Mathematics and Statistics at the University American College-Skopje (UACS). She graduated from University St Cyril and Methodius-Skopje, Faculty of Natural Sciences and Mathematics-Department of Mathematics. She continued her education by enrolling MBA studies at the UACS and is currently working on her Master thesis. Previously, she worked as a teacher in middle and secondary school. She attended several education workshops and seminars.

Dr. Mojsoska Blazevski is Dean of the School of Business Economics and Management at the University American College-Skopje (UACS), as well as a professor of economics and research methods. During her career, Mojsoska-Blazevski attended several seminars and trainings, in macroeconomic diagnosis, forecasting methods, impact evaluation, labor economics, etc. Mojsoska-Blazevski has published and presented several articles and reports in economic journals and conferences, mainly in the area of macroeconomics, labor market, education and social system and policy in Macedonia and transition countries. She has been working on several projects with World Bank, UNDP, European Commission, etc. She is advisor to the Minister of labor and social policy, member of the Management Board of the Association for Economic Research, Economic Policymaking and Advocacy, as well as a member of the Council of the Macedonian Development Foundation for Entrepreneurship.

Academic Track II: Economic and Financial Aspects of the EU Crisis

Moderator: Prof. Jeremy Cripps, PhD, Full-time Professor at American University in Bulgaria

Opening remarks: Dr. Marek Radvanský, Head of the Department of Economic Modelling at the Institute of Economic Research, Slovak Academy of Sciences (Slovakia)

Opening remarks: Prof. Leo H. J. Verhoef, PhD, Full-time Professor at Eindhoven University of Technology (The Netherlands)

Rapporteur: Dr. Ilijana Petrovska, UACS Assistant Professor

Jeremy Cripps apprenticed at PriceWaterhouseCooper. He became Chartered Accountant and then attended Case Western Reserve University in Cleveland, Ohio. Graduating Master of Arts, he became a CPA (Ohio) specializing in Tax Jeremy and then joined a client as European Controller. Married with new family he joined Heidelberg University in Ohio in 1982. Fulbright Scholarships in Zimbabwe and Bulgaria followed by setting up the Business program at the American University in Kuwait. This fall he returned to the classroom in Blagoevgrad.

Marek Radvanský is currently Head of Department of Economic Modeling and Analyses in the Institute of Economic Research at Slovak Academy of Sciences. Dr. Radvanský holds PhD from Operational Research and Econometrics at the University of Economics, Bratislavai. Since 2004 he is working as a researcher on IER SAS. He leads and participates in several national and international projects, such as FP6 and FP7 projects. He is co-author of 70 mostly empirical papers, mainly about macroeconomic modeling, forecasting of labor market and regional developments. He also provides lectures at Comenius University, Faculty of Mathematics, Physics and Informatics, where he is also supervisor of master thesis in the fields of Economics and Financial Mathematics. Furthermore he works as leader of the Component for long-term forecasting of the labor market in a Twinning project at the Ministry of Labor and Social Policy in Skopje.

Leo Verhoef is Professor of Entrepreneurship at Eindhoven University of Technology. He is also UACS Visiting Professor.

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Maastricht Criteria - Foundation or Obstacle to the Further EU Economic Integration

The paper focuses on the implications of the global crisis on the basic macroeconomic policies in an effort for maintenance of the Maastricht criteria and the stability of the Euro zone. After 20 years since the introduction of the Maastricht criteria, the question arises whether they operate towards to convergence and further development of economic integration of the EU or not. The five Maastricht criteria are rules that each Member State should fulfill to be able to join the European Monetary Union. The first three are related to the maintaining of stable and low inflation rate, exchange rate and long-term interest rate, and the latter two are related to the fiscal stability or control of the budget deficit and the public debt. Maastricht criteria were designed according to the neo-liberal, monetarist wisdom in the 1990's when the EU had only 15 Member States and when the economic growth forecasts were favorable. During the analysis of the criteria, it is necessary to keep in mind that macroeconomic and financial environment was very different from today's situation. Today, the European countries have been faced with the global economic crisis that started five years ago, and which may be qualified as financial, unemployment and fiscal crisis. Almost all Member States fail to meet the projected criteria, some to a lesser extent, and some such as: Greece, Portugal, Ireland, Spain, Cyprus and Italy deviate to a large extent with no prospect in the near future to deal with them. It became obvious that theory and economic policy require post-Keynesian measures to overcome the crisis and recovery of the fundamental macroeconomic developments. All of these factors have an influence on impact of fulfilling of Maastricht criteria and also on their consistency. The main message of the authors of this article is that establishing a foundation for new integrated strategy for economic growth is a condition for the survival of the Euro and for fulfilling of Maastricht criteria and their consistency as well.

Keywords: global crisis, Euro zone, Maastricht criteria, monetary policy, fiscal stability, economic integration.

Biography

Emilija Stevanovska is an Associate Professor at the BAS Institute of Management in Bitola. Her teaching subjects are: Introduction to Microeconomics, Business Finances, Corporate Investments and Finances. She has participated in organizing and conducting several field researches and taken part at various conferences, symposiums and seminars on domestic and international level. She is an author of numerous research papers and books in the field of labor market and macroeconomic policies, including: "Fiscal System and Fiscal Policy of the European Union", "Monetary Economics", and "The Labor Market in R. Macedonia and the Aspirations for EU Membership".

Professor Nenovski professional fields of work are Macroeconomics, Public finance, Banking and Monetary policy. He has taken part at numerous domestic and international conferences, symposiums, seminars and round tables. He has published 15 textbooks, among which are: "Money order and banks", "Creating prices of products and services of corporate banks", "Credit policy", "Structure of Public Finance in RM", "Macroeconomics", "Money and Banking" and "Grey economy in Republic of Macedonia". He has published 340+ professional works and columns in various domestic and foreign newspapers and magazines. Nenovski was awarded by three national awards for publication and scientific work.

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The Future Challenges Arising from the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union

Despite a lot of skepticism, The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, known as the “Fiscal compact”, or “EU Fiscal pact”, entered into force on 1 January 2013, after ratification by twelve member states. The Treaty produces new rules in the euro area and in the Union as a whole. It leads to strengthened fiscal discipline by establishing rules for balanced budget rules and limits. On the other side, the Treaty is one of the biggest challenges for the EU in its sixty-two year history because the budgets of the EU states now need to be limited and in balance, according to specific budgetary objectives and criteria. The Fiscal compact, as a legally binding act, sets pillars for building new economic and political governance of the EU. It will have influence, not only the 25 member states, but also on the countries that have not signed the Treaty yet, the United Kingdom and Czech Republic, and on the other candidate states. The main aim of this paper is to clarify the consequences arising from the Fiscal compact and other recently adopted measures for the future economic, legal and political development of the EU. In that context, the paper focuses on the implementation of the Treaty and a set of new measures that make efforts for stronger cohesion of the euro zone and the Union as whole. It will examine the case of Macedonia, the neighboring countries and the EU member states influenced by this Treaty.

Keywords: EU, budget, cohesion, common economic policy, member states, future challenges, EU institutions, reforms.

Biography

Zoran Sapurik, PhD is a Professor at University American College in Skopje. He has published several books as well as more than 30 papers, both in Macedonia and abroad and has participated in many international conferences and congresses. He has been responsible for many research projects. He holds doctoral degree from Ss. Cyril and Methodius University in Skopje and Certificate from Harvard University US. He is a former mayor, former MP and former minister in the Macedonian government.

Ninko Kostovski holds doctoral degree from Ss. Cyril and Methodius University in Skopje and Certificate in Finance and Management from the University of Wisconsin. His areas of interest are management, entrepreneurship, access to finance. He is consultant for many development programs in Macedonia and Kosovo and serves as country representative at the International Advisory Board of the European Business Competence Certificate from Paderborn, Germany.

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The Potential Role of Development Banks in Solving the EMU Crisis

The present crisis in the Eurozone is much more than a sovereign debt crisis. The Eurozone's southern periphery experienced strong capital inflows in the first decade of its membership in the currency union. However, these states, despite importing large amount of foreign capital, did not sufficiently increase their export capacities in order to repay the foreign loans. Since the introduction of the euro, the economic production in Europe's peripheral countries has been excessively focused on domestic demand (non-tradable goods and services). Therefore solving economic problems in the Eurozone requires a structural shift in the peripheral states. Relying solely on austerity, as we have observed during the last two years, is not sufficient to defuse the crisis. It only concentrates on cutting the budget spending by neglecting the structural problems. In the first part of that paper we analyze the mechanism, which led to a buildup of imbalances in the EMU and its impact on the structure of production in the southern periphery. In the second part we argue that, due to the problems in the private financial sector, the southern states should establish development banks to facilitate the change in their development model. In this connection we refer to the example of a German development bank - Kreditanstalt für Wiederaufbau - which played an important role in the reconstruction of the German economy after the World War II. This paper, which focuses on the theoretical analysis, is addressed not only to all those interested in solving Eurozone economic problems, but also to economists and politicians dealing with development and structural policy in non-EU countries.

Keywords: Eurozone, euro area, EMU, crisis, imbalances, structural adjustment, development banks, Kreditanstalt für Wiederaufbau, southern periphery

Biography

Lukasz Czernicki (born 1982 in Zielona Gora, Poland) is preparing his PhD thesis on management of portfolio capital flows at the University of Potsdam. He received his MSc in economics from the Technical University in Berlin. Since 2010 he has been an economic analyst in the Warsaw-based think-tank "Fundacja Republikanska". His work on the prospects of the European economy won the second prize in the contest "Europe 2020" organized by the Instytut Sobieskiego in Warsaw. He was a scholar at Ludwig von Mises Institute (USA) and Istituto Bruno Leoni (Italy).

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Assessing the Challenges to the Single European Banking Supervision

The aim of this paper is to examine the challenges of establishment the Single European Banking Supervision. The financial crisis has powerfully demonstrated the need for a new approach to banking regulation and supervision. In fact, the Eurozone debt crisis has shown that there are weaknesses in the design of EMU and its new architecture is needed. One of the strategic directions is to establish a regulatory and institutional framework at the European level with aim to protect and ensure financial stability through effective and consistent application of uniform single rulebook. The single supervisory mechanism is designed for those countries within the Eurozone, but is also open to other EU countries. Closer coordination would ensure that responses to EU-wide economic problems are coordinated and so more effective. The Single European Banking Supervision will have a statutory objective to promote the safety and soundness of EU banking system. It is one of the measures to overcome the debt crisis in the euro zone and the decision with far-reaching implications. In this paper will be elaborated the positive and the negative consequences from the single supervisory mechanism. Critics of this idea of the Single European Banking Supervision point out the existence of reputational risk and conflict of interest. Also, according to critics of the current approach to making and dealing with the crisis marked as "too little, too late" creates the perception that decision is more a sign of weakness rather than of having a clear vision and plan for the future of European (Monetary) Union and to exit from the current crisis. Vision for the future of EMU in the long run, undoubtedly lies in a deeper financial, fiscal, economic and political integration of the Eurozone.

Key words: European Union, banking sector, financial system, supervision, regulation

Biography

Assoc. Prof. Evica Delova-Jolevska has Ph.D. degree in Banking from the St. Cyril and Methodius University, Skopje. She is a part-time professor at the University American College, Skopje for subjects in the field of banking and quantitative methods. Her research interests are in bank management, risk management, finance, corporate governance and quantitative methods. She has presented her research findings at various international conferences and has published articles in international economic journals, mainly in the area of bank management and corporate governance. Her latest book (with Tome Nenovski), *Money and banking*, was published in 2012.

Ass. Prof. Jadranka Mrsik, PhD is dean of the School of Law at the University American College Skopje. She teaches Financial Markets and Institutions, Financial Statement Analyses and Principle of Accounting at the School of Business Economics and Management. The most of her career she was mainly on the senior positions in different financial institutions: pension funds (KB Prvo penzisko drustvo AD Skopje, Board Member and General Director and Chairman of the Board), banking (Komerrijalna Bank AD Skopje, Director of The Treasury and Financial Market Department) and stock exchange (Macedonian Stock Exchange, Director for Trading with Securities Department).

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The New Economics: A Leaner, Less Bureaucratic European Union

This paper examines the bureaucratic constraints on growth in Bulgaria a member of the European Union. The aim of the paper is first to document these constraints with examples from small and medium size business enterprises. A second aim is to demonstrate how bureaucratic constraints, particularly the existing distribution network, contributes to the necessity of small and medium size business smuggling to remain competitive. The third aim is to put the situation in Bulgaria into the European context following the arguments of Prime Minister Cameron who has proposed “a leaner and less bureaucratic European Union.” The paper offers a solution to bureaucratic constraints; the introduction of a Uniform Commercial Code for the European Union, following the example of the Uniform Commercial Code adopted in the United States. The Uniform Commercial Code “a comprehensive code addressing most aspects of commercial law, is generally viewed as one of the most important developments in American law.” Bulgaria’s Economy Minister has recognized the anti-competitive nature of business in the European Union noting that only smuggling generates any growth. He noted that “if we have to choose between gray economy and no economy, Bulgaria is definitely better off having gray economy.” Specific examples of the causes of the need for small and medium size business to adopt the methods of the gray economy will be documented. Specific examples of external anti- growth business competition from non-Bulgarian companies financed by European funding institutions will also be documented. The need to bypass existing legal distribution networks will also be documented. The paper will then identify the benefits of a Uniform Commercial Code for the European Union based on the experience of the Uniform Commercial Code in the United States. Such a code will provide a means of replacing existing bureaucratic constraints on business in the European Union. A Uniform Commercial Code will also provide new economics for distribution in the European Union and in this way contribute to a leaner and less bureaucratic European Union.

Keywords: European Union, bureaucracy, small and medium size business, Uniform Commercial Code

Biography

Jeremy Cripps apprenticed at PriceWaterhouseCooper. He became Chartered Accountant and then attended Case Western Reserve University in Cleveland, Ohio. Graduating Master of Arts, he became a CPA (Ohio) specializing in Tax Jeremy and then joined a client as European Controller. Married with new family he joined Heidelberg University in Ohio in 1982. Fulbright Scholarships in Zimbabwe and Bulgaria followed by setting up the Business program at the American University in Kuwait. This fall he returned to the classroom in Blagoevgrad.

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Capital Flows and the Eurozone Crisis-Implications for Economic Policy

Historical experience shows that one of the root causes of financial crises are the periods of high capital mobility. A significant number of authors agree that in the world of high capital mobility, sudden stops of capital inflows may occur, typically triggering financial crises. The latest financial crisis in the euro zone (EZ) seems to support this point of view. Euro adoption encouraged a capital flow bonanza to EZ periphery (Greece, Portugal, Ireland, Spain). The sudden stop which happened in 2009, made it difficult for these countries to roll over debt, and thus caused a crisis. This paper analyses the role of large capital inflows in generating the EZ crisis. It consists of three parts. The first part describes the episodes of so called “capital account crises” in the emerging markets, which occurred during the several past decades. The second part focuses on the impact of capital flows on the latest EU crisis. In this this part it is statistically documented that the crisis in the EZ has not occurred only as a result of fiscal indiscipline of some member states, as it is usually believed, but have also been a result of external, systemic reasons, such as the large capital flows. The third part recommends some measures of economic policy which could act as prevention in a situation of reappearance of great capital inflows in the EZ periphery. Not only could the actual EU member states benefit from these policy measures, but the potential candidates, such as the Republic of Macedonia as well. After a few years, investors will maybe regain confidence and once more try to seek the higher returns that are available in periphery countries. And the recipients of the resulting capital flows will once again be vulnerable to sudden stops.

Keywords: financial crisis, sudden stops, capital flows, EZ, recession

Biography

Vesna Georgieva Svrтинov, PhD was born on 1st August 1981 in Tetovo. Graduated at the Faculty of Economics and obtained the master degree at the “Sts Cyril and Methodius Univesrity” in Skopje. Dr. Vesna Georgieva Svrтинov received her PhD from the same faculty, doing research on the topic of “Capital Account Liberalization and Financial Stability”. During the academic year of 2012/2013 she has been elected as an Assistant Professor at the Faculty of Economics at the University of “Goce Delchev” in Shtip. Georgieva Svrтинov is an author of several scientific and professional studies in the country and abroad.

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How Similar Are the CEE and SEE Countries in Terms of Financial Institutions Efficiency?

This study tries to find similarities regarding the efficiency of financial institutions between the CEE countries. Similarities are also required within SEE countries that are not EU members to understand better their financial development. We apply cluster analysis techniques for the period 2003-2010 in order to see also the trend of homogeneity of these countries. The results show that Bulgaria, the Czech Republic and Slovakia are more integrated countries, while Hungary and Poland have much less similarities with other countries. Croatia, Macedonia, Bosnia and Herzegovina have much more similarities with other CEE countries that are EU member than Serbia, Albania and Montenegro, which usually are classified in a separate group. Therefore, because of their position we included Greece into the cluster analysis of SEE countries that are not member of the EU. This inclusion clarified the position of Albania, which seemed to have much more similarities with this country. Furthermore, seems even more obvious that Macedonia and Bosnia are included in the same group, while Serbia is again far away from other countries. Such differences appear to be maintained during the period under consideration, leaving scope for further integration.

Keywords: Efficiency, financial institutions, CEE & SEE countries, cluster analysis

Biography

Suela Kristo has graduated in Economics at Tirana University in 2000 and works at the Faculty of Economy, University of Tirana since this year. She holds MSc and PhD in Economics. She teaches and has research interests mainly: in the microeconomics field, financial institutions, competition policy, market efficiency, comparative Central and East European politics, etc.

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Income Inequalities in SEE Countries and the Way Out of the Crisis

The rising income inequalities are one of the most important structural reasons of the global economic crisis. We focus on the income inequality in the countries from South-East Europe (SEE). The inequalities increased significantly in the most of the SEE countries until 2009, while the two EU member countries are characterized by the decreasing trend of income inequalities after joining EU. Macedonia has the highest income inequality. We emphasize two factors of the rising inequality in the SEE region: the implementation of neoliberal economic ideology by governments and the distortion of legal system by political elites. The influences of these factors proxies on the GINI index are quantified by the panel regression model.

Keywords: income inequality, GINI index, neoliberal model, panel regression, South-East Europe.

Biography

Dragan Tevdovski is Assistant Professor at Faculty of Economics, University Ss. Cyril and Methodius. His primary research interests include econometrics, macroeconomic policy and labor markets. He is coauthor of the two university textbooks “Statistics for business and economics” and “Introduction in the time series”. He is also author of 31 scientific papers and 5 policy papers. Coauthors of some of the papers are professors from USA and EU. There are papers published in European Journal of International Management and Journal for Economic Forecasting. In 2012, he won Annual GDN Research Competition for examination of fiscal and monetary policy interactions in SEE countries with fixed exchange rate regime.

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The Small Stock Exchanges in South - East Europe Countries: The Future after the Crisis

The stock exchanges in SEE countries are still underdeveloped. In 2007, they reached their highest levels in terms of market capitalization, but the global financial crisis brought great declines in 2008, and they stayed at their bottom until today. As a result, they have become even less significant for the domestic economies, putting their future existence under question. This apathy raises the question, should the SEE countries reassess their capital markets strategies, including the possibility for merger with the global or regional markets. The aim of this paper is to identify the effects of the regional and global stock exchange mergers, and to recommend future measures that South-East Europe stock exchanges should consider. The paper will focus on the impact that these mergers have on the market's liquidity, and the cost of capital. Our aim is to show a positive correlation between the Stock exchange mergers and the Stock exchange development. We expect that mergers decrease cost of capital, and increase stock exchange liquidity, investor base and number of quoted companies that help stock exchanges development, and thus the future economic development of those countries. In this paper, first we assess the level of SEE stock exchanges current development. We made comparative analysis among the selected SEE and worldwide-developed stock exchanges in terms of some market indicators. Then, we determined the breath, depth and liquidity of Macedonian Stock Exchange using a number of different liquidity measures. Based on the results from these analyses, we recommend the single and not integrated SEE stock exchanges to start at least regional integration process that will help their future existence and development.

Keywords: Financial markets, stock exchange, South-East Europe, mergers, breadth, depth, liquidity, cost of capital, market indicators, Macedonia

Biography

Dr. Dimche Lazarevski is professor of the Business School at the University American College-Skopje, and also a Head of the Financial Cathedra, with a previous position as a member of the Board of directors in the first Investment Fund Company in Macedonia where he also worked as a portfolio manager. He has published and presented several articles and papers, mainly in the area of financial, investment and portfolio management and financial markets and institutions. He has been working on several projects with European Commission, EPTISA, BAR ECE, etc. He is also working as an expert trainee on different topics related with Corporate Finance, Financial Entrepreneurship, Portfolio analysis and management.

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The Feldstein-Horioka Puzzle and Transition Economies

The objective of this paper is to investigate the existence of the Feldstein and Horioka puzzle in transition countries, divided into three groups of countries: South-East Europe (SEE), Central and Eastern Europe (CEE) and the Commonwealth of Independent States (CIS). Central importance in this puzzle has the β coefficient which measures the relationship between domestic savings and investment. In their seminal paper from 1980, Feldstein and Horioka estimated a value of β coefficient close to 1, which according to them is an indication of low capital mobility, as opposed to the theory and the conventional wisdom of perfect capital mobility. We use annual data for the period 1991-2010 and panel cointegration econometric technique to examine this relationship in panels of countries (SEE, CEE and CIS). The main conclusion from the empirical analysis is that the puzzle of Feldstein and Horioka exists in all three panels of countries, but the connection between savings and investment is generally lower than 1. As we move towards a panel composed of larger and richer countries (from CIS, to SEE and to CEE), the value of β coefficient increases (from 0.47, to 0.58 and to 0.86, respectively). Another important finding of this paper is the statistical significance of the coefficient of adjustment of the disequilibrium between domestic savings and investment. The coefficient in all cases is positive, indicating that any imbalance between savings and investment is not corrected immediately.

Keywords: Feldstein-Horioka puzzle, domestic savings, investment, capital mobility, panel cointegration, transition economies

Biography

Despina Petreska graduated from the University American College Skopje in the field of Finance and Banking and the University Ss. Cyril and Methodius Skopje in the field of Financial management. Her interest includes macroeconomics and applied economic modelling with time series and panel data. In 2012, she won the Annual award for Young Researcher conferred by the National Bank of the Republic of Macedonia. Since 2012, she works as an economic analyst in Association for Economic Research, Economic Policymaking and Advocacy "Finance Think".

Dr. Mojsoska Blazevski is Dean of the School of Business Economics and Management at the University American College-Skopje (UACS), as well as a professor of economics and research methods. During her career, Mojsoska-Blazevski attended several seminars and trainings, in macroeconomic diagnosis, forecasting methods, impact evaluation, labour economics, etc. Mojsoska-Blazevski has published and presented several articles and reports in economic journals and conferences, mainly in the area of macroeconomics, labour market, education and social system and policy in Macedonia and transition countries. She has been working on several projects with World Bank, UNDP, European Commission, etc. She is advisor to the Minister of labour and social policy, member of the Management Board of the Association for Economic Research, Economic Policymaking and Advocacy, as well as a member of the Council of the Macedonian Development Foundation for Entrepreneurship.

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An Alternative View to the Tax Evasion: The Effect of Tax Morale on Paying Taxes in Macedonia and EU Countries

The tax noncompliance reduces government's revenues and hence negatively affects citizens' life through an inadequate provision of public services. In order to tackle tax evasion, governments usually rely on enforcement matters applying higher penalties and/or increasing the frequency of audits. On the other hand, in the last couple of years there is a growing literature and evidence suggesting that enforcement efforts alone cannot achieve significant increase on tax compliance. This literature links the willingness of citizens to pay taxes with the social values and norms, i.e. to the tax morale (Torgler 2005; Frey and Torgler 2007; Alm and Torgler 2006; Alm et al., 2011). If correct, the optimal government policies to tackle the tax evasion might defer considerably from the common ones. The aim of this study is therefore to investigate factors that shape the tax morale of Macedonian citizens, and to provide a comparative assessment with the EU countries. Our empirical investigation is based on the work of Torgler, through estimating an ordered probit model in which the dependent variable is the tax morale, and is regressed on a number of independent variables, age, gender, marital status, education, national pride, trust in institutions, happiness, life satisfaction, etc. Data for our study are from the fourth wave (2008) of the European Values Survey. Our main finding is that contrary to other studies for the European countries, the non-demographic factors are more important factors influencing tax morale in Macedonia than the demographic ones. The main contribution of this study is that it is the first attempt in our knowledge to investigate the factors driving the tax morale in Macedonia.

Keywords: tax morale, tax evasion, social values and norms, European Values Survey, ordered probit

Biography

Maja Ristovska, MBA cand. is a member of the Laboratory for Labor Market and Social Policy Analysis, at the University American College-Skopje. She has attended several seminars and trainings in social safety nets area, social protection economics, impact evaluation. She has been working on several projects with the World Bank for the reforms of the social protection system, pension system and introduction of mandatory and voluntary pension insurance, and introduction of cash transfers conditioned on secondary education attainment for children of social financial assistance beneficiaries.

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Creating a Market Oriented Organizational Structure as a Key to Overcoming the Financial Crisis – A Comparative Study

The interconnectedness and the ever-growing interdependency of the European countries had set in motion a vast amount of processes that ultimately led to the infamous financial crisis. Now, as we are taking the first steps out of the tight spot, it is of exceptional importance to look back and examine some of the factors that have aided certain companies to prevail during the crisis. Therefore, the purpose of this paper is to qualitatively analyse the organizational effectiveness of a selected number of medium sized banks, which operate South Eastern Europe (SEE), with particular emphasis on the role of organizational structure, during the financial crisis period and afterward. The main result of this comparative study is to substantiate the underlying hypothesis of the research, which is to examine the positive correlation between the market driven organizational structure and the organizational effectiveness.

Keywords: Organizational structure, organizational effectiveness, banking

Biography

Ema Kastratovic currently holds a bachelor degree in Corporate Finance and Banking, while finishing her MBA with concentration in management at University American College Skopje. As a person of many interests, she has participated in many trainings and conferences in a variety of business oriented disciplines, such as marketing, leadership, strategy, entrepreneurship, business communication and many others. Her current focus is primarily based in the field of organizational behavior and research related activities.

Marjan Bojadziev is the Provost of the University American College Skopje since 2006 and became the Rector of UACS in 2010. He is one of the co-founders of the University and a CEO since 2006. Prior to becoming the Provost, Marjan Bojadziev was the Dean of the School of Business Administration. During his rich career as an industry professional he was the CEO in various financial institutions in the period 1993-2004, and is a member of over 20 professional or academic associations. His areas of expertise range in the fields of organizational behavior, leadership, brand management, sales management, and international business and marketing.

Venera Krliu – Handjiski has been an assistant lecturer at the School of Business Economics and Management at UACS for seven years, while acting as the chief post-graduate studies coordinator. As part of her professional development, she teaches courses for the undergraduate program, such as Principles of Management, Entrepreneurship and Organizational Behavior. She has been awarded an MBA in General Management (UACS), after completing a BA in International Relations - Certificate in Refugee Studies, a BA in Psychology - Certificate in Sociology (Webster University Vienna) and Young Managers Program - General Management (Bled School of Management). She is currently a PhD candidate in business studies.