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Dr. Patrycja Chodnicka-Jaworska

Dr. M. Veysel Kaya

ISBN: 978-605-70583-1-7/May 2021

HCC. ST. MORITZ HOTEL – ONLINE/VIRTUAL

May 19-20, 2021

Barcelona, SPAIN

Published by:
BC PUBLISHING

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CONFERENCE PROCEEDINGS

Book of Abstracts

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Dr. M. Veysel Kaya

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BC Publishing

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M. Veysel Kaya

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Publisher: BC Publishing

Certificate No: 6641

Address: Mustafa Kemal Mah. 2134. Sokak Dereli Apt. No:15/2
Cankaya/Ankara/Turkey

Publication Date: 24.05.2021

ISBN: 978-605-70583-1-7

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Formal economy, underground economy and CO2 emission in Pakistan: Novel Dynamic Simulated ARDL Model and Wavelet Coherence Analysis

Muhammad Ahad^a

^a *Beijing Institute of Technology, Beijing, China*

E-mail: m.ahad68@yahoo.com

Abstract

The study explores the individual impact of underground/informal, official/formal, and true/actual economy (GDP) on CO2 emission while controlling energy consumption and urbanization in the case of Pakistan. The annual time series data from 1972-2018 is utilized. The traditional ADF and PP unit root tests are considered to check the level of stationary. After confirming that all series are integrated at the first difference, a novel Dynamic Autoregressive Distributed Lag (DARDL) simulation is employed to confirm the existence of cointegration. The long- and short-run coefficients of underlying variables are estimated DARDL model. Moreover, this novel approach also estimates, stimulates and plots to predict graphs of negative and positive changes in the variables. The estimated results confirm the long-run association between CO2 emission and its determinants in case of Pakistan. The findings reveal a positive and significant impact of the informal economy, formal economy, actual economy, energy consumption and urbanization on CO2 emission is the short as well as long run. Additionally, the wavelet coherence approach is used which estimates the interplay of variables at different frequencies and various periods. The DARDL forecasting of positive and negative changes of the regressors will help policymakers to formulate environment-friendly policies. This study also opens some new policy visions.

Keywords: Underground Economy; Formal Economy; CO2 emission; Urbanization; Energy Consumption

Jel Codes: C55, F64, N1

The Impact and Potential Impact of COVID-19 on China's Economic Structure and Sustainability: Comparable Evidence

Hai Long^a

^a *International Economics School, Anhui International Studies University, China*

E-mail: soholonghai@163.com

Abstract

Based on the Chinese economic data from 1978 to 2020, this study employs regression models to investigate China's economic structure and examine further the impact of COVID-19 on China's economy in 2020. Based on the current impact and predicted economic data in 2021 and 2022, this study explores this pandemic's potential impact on China's economy in the next two years. This research finds that the short-term impact of COVID-19 is unlikely to significantly change China's agriculture-based, industry-dominated economic structure and sustainability, because the Chinese government may launch some stimulus packages to maintain economic growth after each economic shock. Investment and consumption are the most significant contributors to economic growth, followed by the government expenditure, while international trade has the least contribution. Additionally, China's economy has been achieving V-shaped recovery from the pandemic and its sustainability in ongoing.

Keywords: COVID-19 Pandemic, China's Economy, Economic Structure, Economic Sustainability

Jel Codes: O11, O40, O53

Does labor market reform boost firms' domestic value-added in exports? Evidence from the Hukou reform in China

Fengning Huan^a

^a *Zhongnan University of Economics and Law, China*

E-mail: 398994884@qq.com

Abstract

This paper investigates whether the hukou reform in China, which significantly relaxes labour flow restrictions across cities, contributes to the intriguing rise in Chinese firms' domestic value-added content in exports (DVAR). Using China's relaxation of Hukou policies across cities and time as a quasi-natural experiment, this paper finds that Hukou reform significantly increases the DVAR of Chinese manufacturing firms. The empirical results show that firms exposed to the Hukou reform tend to employ more workers, conduct more R&D innovations and have higher productivity than similar firms without reform. We also observe that this effect is more prominent for processing firms, non-SOE firms, and downstream firms of global value chains.

Keywords: Value-added Trade, Domestic Value-added Content, Global Value Chains, Hukou Reform

The relationship between official development assistance and Donor's exports: The case of the European Union and Southern Africa¹

Lenka Fojtíková^a & Petra Doleželová^b

^a *Department of International Economic Relations, VSB-Technical University of Ostrava, Czech Republic*

E-mail: lenka.fojtikova@vsb.cz

^b *Department of International Economic Relations, VSB-Technical University of Ostrava, Czech Republic*

E-mail: petra.dolzelova@vsb.cz

Abstract

Official Development Assistance (ODA) is a way how developed countries promote the economic development and welfare of developing countries. The European Union (EU) and its member countries share in ODA by more than 55 per cent. This paper focuses on the ODA of selected EU countries granted to four least developed countries in Southern Africa and examines the relations, in terms of correlation and causality, between ODA and the donor's export. In most cases, the results of Pearson's correlation coefficient showed a positive correlation. The strongest association was identified between exports and the ODA in Germany. The Johansen cointegration test and the Granger causality test confirmed a stronger causal relationship in the direction from ODA to exports than for the relationship in the opposite direction. Besides a social issue, ODA also has economic implications. Policymakers on both sides should cooperate in order to increase ODA, and to support trade.

Keywords: Official Development Assistance, export; European Union, least developed countries, Southern Africa

Jel Codes: F13, O24, O55

¹ **Acknowledgments:** This research was supported by SGS grant from the VSB – Technical University of Ostrava (grant number SP2021/50).
Declaration of interest statement : No potential conflict of interest was reported by the authors.

Improving social performance of a resource cooperation model - Science Education Business Power-based on “Smart Specialization” principle

Venelin Terziev^a & Viladimir Klimuk^b

^a *University of Rousse, Rousse, Bulgaria & Kaneff University Hospital, Rousse, Bulgaria*

E-mail: vkterziev@gmail.com

^b *Baranavichy State University, Baranovichi, Republic of Belarus*

E-mail: klimuk-vv@yandex.ru

Abstract

The article presents the cooperation model -Science_Education_Business_Power- based on “Smart specialization“ principle emphasizing the possibilities for its application and implementation. The successful functioning model of an organization, especially in the current situation, is partnerships based on the principles of smart specialization. The collaboration aimed at increasing innovation potential should be implemented by components – the educational and research sector, the real sector, the business sector, the government sector and the public sector.

Keywords: science, education, business, organization, development

Jel Codes: P00, I20

Analysis of policies that ensure transition to a green economy in SME's activity in Republic of North Macedonia

Katerina Hadzi Naumova-Mihajlovska^a & Neda Petroska –Angelovska^b

^a Associate professor, Institute of economics, Ss. Cyril and Methodius University in Skopje, Republic of North Macedonia

E-mail: katerina@ek-inst.ukim.edu.mk

^b Full-time professor, Institute of economics, Ss. Cyril and Methodius University in Skopje, Republic of North Macedonia

E-mail: neda@ek-inst.ukim.edu.mk

Abstract

Green economy in SMEs in the Republic of North Macedonia is a new concept in the modern society and aims SMEs in its basic policy to recognize the impact of the business activity on the environment. Therefore, on that basis to adopt environmental elements and also independently create policies to protect the environment. The purpose of the paper is by analyzing all documents and programs relating to sustainable development, specifically, the policies that indirectly encourage and / or stimulate the development of the concept of green economy in the operation and functioning of SMEs, to see the institutional support for promotion and development of the concept of green economy in the Republic of North Macedonia. Namely, there is a general agreement that the concept of green economy is closely related to sustainable development. Specifically, the areas of operation of the green economy are economics and ecology, and the three pillars of sustainability are economy, ecology and society. Hence, given that in the Republic of North Macedonia, the green economy is a relatively new concept and there is no single document - strategy or program for development of the green economy, the analysis uses documents and programs related to sustainable development policies. The analysis has determined that there are certain documents that have given special attention to supporting the adoption of environmentally-friendly business practices, but a special document is needed that will clearly determine the policies for the development of this concept and will concisely align them with the growth and development of SMEs in the Republic of Northern Macedonia, more precisely, the policies for development of the concept of green economy to be incorporated in the activities of SMEs. The results of the analysis are the basis for summarizing certain recommendations and measures to improve the institutional and regulatory framework for the development and application of the concept of green economy in SMEs and the creation of conditions for their successful implementation.

Keywords: green economy, SME's development, environmental policy, Republic of North Macedonia

Jel Codes: Q58, Q56

Research macronutrients intake from cadets in tactical classes

Ivan Ivanov^a & Krasimir Koynakov^b & Simeon Simeonov^c

^a Kaneff University Hospital, Ruse, Bulgaria

E-mail: isivan@abv.bg

^b National Military University „Vasil Levski“ - Veliko Turnovo, Bulgaria

E-mail: krasi.koynakov@gmail.com

^c Kaneff University Hospital, Ruse, Bulgaria

E-mail: sansiood@abv.bg

Abstract

The intake of a sufficient amount of nutrients by the servicemen, in particular the cadets from the Vasil Levski National Military University, is an essential part of their daily lives. When placed in a specific environment, field training in winter conditions with high energy consumption, an important part of keeping them in good condition to perform their tasks is food intake. The object of the present study is precisely the intake of essential nutrients by cadets in tactical classes in summer conditions.

Keywords: military education, training, cadets

Jel Codes: O10, P00, I20

Selected factors influencing domestic investment in the European Union²

Sandra Clement^a & Monica Violeta Achim^b

^a Ph.D. Student Babeş-Bolyai University, Faculty of Economics and Business Administration, Romania

E-mail: Sandra.clement@econ.ubbcluj.ro

^b Professor PhD. Dr habil., Babeş-Bolyai University, Faculty of Economics and Business Administration, Romania

E-mail: monica.achim@econ.ubbcluj.ro

Abstract

Domestic investment serves to expand and rehabilitate infrastructure, minimize the gap between rich and poor, and preserve jobs. This paper analyses the role of several determinants (such as corporate profit, inflation, tax determinants etc.) affecting domestic investment. For this purpose, we use data for 28 European Union member state over the period 2008 – 2018. The ordinary least squares method is used to investigate the influencing factors. The results show that for the tax variables, both corporate income tax and labor tax have a positive impact on domestic investment. The interest rate, in turn, is negatively related to domestic investment. Among the economic determinants, both the inflation rate and unemployment have a negative impact on the domestic investment rate, and profitability has a positive impact on the domestic investment rate. Based on our results, various influences on investment play an explanatory role. Circumstances for investment changes can be the economic crisis, but also tax reforms and economic recovery. The results represent important lessons for European governments, for companies, investors, but also for individuals.

Keywords: investment rate, influencing factors, Economic Determinants, Tax determinants, FMOLS

Jel Codes: E22, O16, H25

² **Acknowledgments:** „This work was supported by a grant of the Romanian Ministry of Education and Research, CNCS – project number : PN-III-P4-ID-PCE-2020-2174, within PNCDI III.”

Climate finance: Is Sub-Saharan Africa using it for greenhouse gas emission abatement?

Isaac Doku^a

^a *Nelson Mandela University, South Africa*

E-mail: isaacoberkoh27@gmail.com

Abstract

Sustainable Development Goal 13 postulates that by 2030 all countries should combat climate change and its impact, to realise this objective there is the need to reduce greenhouse gas emission. Hence, the main objective of this study is to find out whether Sub-Saharan Africa (SSA) countries are using climate funds for abating various greenhouse gases emission among 19 SSA countries, covering the period 2006 to 2017. This study employs system GMM robust standard errors and triangulates the result by using DOLS and FMOLS for robustness check. The findings show that climate finance is not reducing nitrous oxide, methane and total greenhouse gas emissions into the atmosphere, whereas carbon abatement is taking place. System GMM results further affirmed the existence of EKC and pollution haven hypothesis in SSA. Existence of pollution haven hypothesis shows that more hazardous and dirty investments are moving from developed countries to developing countries with less strict environmental rules. Therefore, i recommend African countries to strengthen their practice of rule of law and put in place more stringent rules to prevent environmentally unfriendly investments from coming in-to reduce greenhouse gas emission.

Keywords: carbon emission, greenhouse gas

Jel Codes: Q53, Q57

Performance analysis of the implementation of innovation policy in Belarus

Venelin Terziev^a & Viladimir Klimuk^b

^a *University of Rousse, Rousse, Bulgaria & Kaneff University Hospital, Rousse, Bulgaria*

E-mail: vkterziev@gmail.com

^b *Baranavichy State University, Baranovichi, Republic of Belarus*

E-mail: klimuk-vv@yandex.ru

Abstract

The Republic of Belarus, like any other developing country, pays special attention to the development of an effective and dynamic innovation infrastructure that creates favourable conditions for innovation start-ups, introducing the country on a global scale, increasing export potential, solving employment-related issues and increasing wages.

Keywords: innovation policy, development, economy, Belarus

Jel Codes: O10, M21

Analysis of China's economic growth factors: 1953-2017

Shide Feng^a & Huimin Zhang^b

^a *Lomonosov Moscow State University / Moscow State Institute of International Relations under Ministry of Foreign Affair, Russia*

E-mail: Shidefeng508@gmail.com

^b *Lomonosov Moscow State University / Moscow State Institute of International Relations under Ministry of Foreign Affair, Russia*

E-mail: huiminzhang658@gmail.com

Abstract

The paper analyzes China's economic growth from 1952 to 2017, using sophisticated mathematical models and empirical analysis to decompose economic growth, analyze and forecast it. The paper applies the relatively latest data, analyzes the situation in each stage in detail, and elaborates the intuition behind economic growth in different periods, these are the new contribution of the paper. The conclusion shows that the contribution of growth of total factor productivity and labor force growth to economic growth was relatively high before the economic reform. However, after the economic reform, capital growth and total factor productivity growth contributed the most. The forecast results indicate China's future economic growth will slow down by maintaining the current situation.

Keywords: China, economic growth

Jel Codes: O40, O42

Corporate governance and earnings management: A bibliometric review³

Ioana Lavinia Safta^a & Andrada-Ioana Sabau (Popa)^b & Monica Violeta Achim^c

^a PhD. candidate, Babes-Bolyai University, Faculty of Economics and Business Administration, Romania

E-mail: lavinia_s15@yahoo.com, ioana.safta@econ.ubbcluj.ro

^b PhD. candidate, Babes-Bolyai University, Faculty of Economics and Business Administration, Romania

E-mail: andradaa.ioana@yahoo.com

^c Professor PhD. Dr habil., Babes-Bolyai University, Faculty of Economics and Business Administration, Romania

E-mail: monica.achim@econ.ubbcluj.ro

Abstract

The aim of this paper is to overview the publications between corporate governance and earnings management, using a bibliometric approach. Both topics are of great interest for the economic environment and a business wellbeing. Therefore, conducting a bibliometric analysis of the publications on corporate governance and earnings management can provide a direction for future research trends to cover the gaps in the literature. In order to conduct the study, we have constructed the sample using the Web of Science (WOS) database. In the specialized literature we have found research since 1992 until the present. We have identified a number of 2953 publications on the related topics. The results showed us that the most cited articles are contained in the top 10 magazines. A total of 503 papers are published in the WOS database. The most cited journal was Journal of Accounting & Economics, with 12,426 citations. From these we can conclude that both topics correlated together are of great interest. In future studies we intend to expand our research both on the literature and on the application of existing models. It is especially important to evaluate the quality of the many research papers published in the literature and to obtain valuable information.

Keywords: earning management, corporate governance, bibliometric

Jel Codes: M41, G32

³ **Acknowledgments:** “This work was supported by a grant of the Romanian Ministry of Education and Research, CNCS – project number PN-III-P4-ID-PCE-2020-2174, within PNCDI III.”

This work was possible with the financial support of the Operational Programme Human Capital 2014-2020, under the project number POCU 123793 with the title „Researcher, future entrepreneur - New Generation.”

All authors equally contributed to this paper.

Bibliometric analysis of the performance of the use of European funds and their impact on rural development⁴

Remus Ionuț Ilieș^a & Sorin Nicolae Borlea^b & Ioana Lavinia Safta^c

^a PhD. candidate, University of Oradea, Faculty of Economics, Oradea, Romania

E-mail: ilies_remus@yahoo.com

^b Professor PhD. Dr habil, University of Oradea, Faculty of Economics, Oradea, Romania

E-mail: snborlea@yahoo.com

^c Professor PhD. Dr habil., Babes-Bolyai University, Faculty of Economics and Business Administration, Romania

E-mail: lavinia_s15@yahoo.com, ioana.safta@econ.ubbcluj.ro

Abstract

This paper aims to perform the bibliometric analysis of the literature on European funds. The structural funds are absorbed by the European Union, this absorption presents an opportunity to support economic growth and reduce the development gap, which, in the conditions of the global recession, becomes a new challenge for Romania. Growth, competitiveness, hard work, and improving the environment are the most important benefits of funding. Rural development is the main tool for bridging the gap between rural and urban areas. The implementation of European funds for rural development aims to meet the social, cultural, and economic needs of this environment. The literature has been exploiting this theme since 1900 to the present. The researchers' articles were selected from the international Web of Science database. Following a bibliometric analysis of these articles through the VOSviewer program. The bibliometric analysis helps us to have an overview of the topic. With the help of the VOSviewer program we made scientific maps to show the field cooperation between countries, as well as a scientific map of keywords for publications, such as: "rural development", "European funds", "structural funds", "Common Agricultural Policy". The result obtained show that this topic is not even a typical one. The most cited journal is Regional Studies, with 984 citations, followed by Energy Policy. 7745 articles were identified in the WOS database between 1900 and 2021, which included 4895 research articles, 1850 proceedings paper, 116 reviews, 199 100 books, 594 early access. Of these, 4589 were published during the years 2010-2021, and the rest being published between 1975-2021. It is particularly important to evaluate the quality of such a large number of research papers and to obtain valuable information.

Keywords: European Union; European funds, economic growth; rural development

Jel Codes: G41, F42

⁴ **Acknowledgment:** "This work was supported by a grant of the Romanian Ministry of Education and ResearchCNCS – project number PN-III-P4-ID-PCE-2020-2174, PNCDI III."

"This work was possible with the financial support of the Operational Programme Human Capital 2014-2020, -under the project number POCU 123793 with the title - Researcher, future entrepreneur - New Generation."

Directions of the development of youth innovative start-ups in Belarus

Venelin Terziev^a & Viladimir Klimuk^b

^a *University of Rousse, Rousse, Bulgaria & Kaneff University Hospital, Rousse, Bulgaria*

E-mail: vkterziev@gmail.com

^b *Baranavichy State University, Baranovichi, Republic of Belarus*

E-mail: klimuk-vv@yandex.ru

Abstract

This article defines the importance of application of the cooperative resource model in the process of innovation implementation. It provides an algorithm for the development of innovative start-ups. The research describes the basic techniques for innovative ideas generation, basic models for innovation project development: Osterwalder business model, logical framework approach, as well as the “envelope” model designed by Klimuk V.V..

Keywords: start-up development, innovation, osterwalder business model

Jel Codes: P00, I20

Credit risk management in small and medium enterprises

Sabina Mammadova^a

^a *Ph.D candidate in Organization and Management of Enterprises, Azerbaijan State University of Oil and Industry, Baku, Azerbaijan*

E-mail: sabinagluckl@yahoo.com

Abstract

The modern enterprise faces a variety of risks on a daily basis. The risks of such situations pose a threat to the business, can lead to a shortfall in profit, interfere with the implementation of plans, and also threaten the very existence of the company. To maintain stability in business, a well-built risk analysis and management system is required. The main goal of creating such a system is to improve work efficiency, maximize income and reduce the level of possible losses. In order to correctly build the work of this system, it is important, first of all, to understand what risk is and what it is fraught with. The article analyzes in detail the methodological aspects formation of a risk management system at the enterprise based on the specifics of small business. Stages of risk management structure are considered. The article identifies two groups of modern methodological approaches to assessing the credit risk management system for small and medium-sized enterprises. Their comparative analysis is carried out. The position on the strengths and weaknesses of the existing methodological approaches is proposed.

Keywords: credit risks, small and medium enterprises, methodological approach, credit risk management

Jel Codes: G32, M21

Research the energy status of military personel in tactical exercises in a mountain forest area

Ivan Ivanov^a & Krasimir Koynakov^b & Simeon Simeonov^c

^a *Kaneff University Hospital, Ruse, Bulgaria*

E-mail: isivan@abv.bg

^b *National Military University „Vasil Levski“ - Veliko Turnovo, Bulgaria*

E-mail: krasi.koynakov@gmail.com

^c *Kaneff University Hospital, Ruse, Bulgaria*

E-mail: sansiod@abv.bg

Abstract

The present study is related to the comparison of the daily energy consumption with the daily energy intake of servicemen, in particular cadets from the Vasil Levski National Military University during a tactical exercise in a mountainous and forested area. By comparing these data, the energy status of the cadets is determined. This is related to the use of some of the existing methods for determining these indicators. The use of the data from the energy status is a step towards achieving a balanced diet of the cadets from Vasil Levski National Military University and maintaining them in good physical health.

Keywords: military education, training, cadets.

Jel Codes: O10, P00, I20

Reviewing the Literature of Financial Performance in the Airline Industry⁵

Andreas-Daniel Cociş^a

^a *PhD candidate, Babeş-Bolyai University, Cluj-Napoca, Romania*

E-mail: danielandreas25@gmail.com, andreas.cocis@econ.ubbcluj.ro

Abstract

This article is based on scientific research available in literature, published by finance specialists. As a revised topic, there are the studies that addressed the financial performance of the global airline industry. Overall, this article mainly offers a conceptual approach in order to familiarize the topic in this industry. The purpose of this study is to analyse the specialized literature in the field of finance within the airline industry that provides information on financial performance. As a theoretical support, a number of approximately 50 available research papers have been studied, and their selection was performed by observing the topic and the industry. Based on the research steps, we acknowledged the fact that there is no conclusive relationship between financial performance and operational performance; non-financial performance measures provide information on financial performance; and following global warming, researchers have recently focused on operational efficiency measures for the airline industry, assisting the environment protection measures.

Keywords: Financial performance, airlines, operational performance, non-financial performance, CSR.

Jel Codes: G30, L25, L93.

⁵ **Acknowledgements:** This work was possible with the financial support of the Operational Programme Human Capital 2014-2020, under the project number POCU 123793 with the title „Researcher, future entrepreneur - New Generation”.

Shared knowledge as a part of open science

Venelin Terziev^a

^a *University of Rousse, Rousse, Bulgaria & Kaneff University Hospital, Rousse, Bulgaria*

E-mail: vkterziev@gmail.com

Abstract

This work attempts to discuss knowledge sharing as part of the Open Science movement. It attempts to briefly analyse its historical development and the options for modern implementation of the open science idea. It discusses the process of knowledge sharing as an element of recognition of scientific works and part of social development. It seeks a solution to the established national and other restrictions for sharing of knowledge, as well as its importance in the situation of limited sharing.

Keywords: knowledge, open science, regulation of knowledge

Jel Codes: I20, P00

Mechanisms affecting innovation development of industrial business organizations

Venelin Terziev^a & Viladimir Klimuk^b

^a *University of Rousse, Rousse, Bulgaria & Kaneff University Hospital, Rousse, Bulgaria*

E-mail: vkterziev@gmail.com

^b *Baranavichy State University, Baranovichi, Republic of Belarus*

E-mail: klimuk-vv@yandex.ru

Abstract

The article presents the mechanisms influencing the development of innovations in industrial business organizations in the Republic of Belarus, emphasizing the stimulation of the innovative development of organizations from the real sector of the economy, research and education sector. The innovation policy plays an important role in the development of country's competitiveness, creating favourable conditions for the increase of financial potential, development of intellectual resources, modernization of scientific and innovation infrastructure.

Keywords: education, business, organization, innovation development, economy

Jel Codes: M21, O10

Georgi Rakovski - whom we must remember and follow

Venelin Terziev^a

^a *University of Rousse, Rousse, Bulgaria & Kaneff University Hospital, Rousse, Bulgaria*

E-mail: vkterziev@gmail.com

Abstract

This article follows and reviews the life of Georgi Stoykov Rakovski, as a role model in behavioral, national and cultural aspect. The opinion of various Bulgarian researchers from different periods is presented, as meanwhile an attempt is made to assess the development of the national culture, education and folklore. Defining the national identity is the basis of the current piece of work, which puts Georgi Stoykov Rakovski, as one of its pillars.

Keywords: national identity, Georgi Stoykov Rakovski, cultural development

Jel Codes: P00, I20

On the role of innovation and market structure on competitiveness

Marc Guei Kore^a Ireen Choga^b

^a Faculty of Economic and Management Sciences (F-EMS), North-West University (NWU), South Africa.

E-mail: marcgueik@gmail.com

^b North-West University (NWU), South Africa.

E-mail: Ireen.Choga@nwu.ac.za

Abstract

We investigate the linkages between innovation, market structure and competitiveness. Using a detailed level dataset of 8 OECD countries in a panel of 17 industries, we find that at the aggregate level, innovation and market size have positive and significant effect on competitiveness in most of our specifications. However, innovation is negatively associated with economic performance in the case of bilateral trade between Spain and Netherland. Also, the sectoral analysis provides evidence that the innovation-competitiveness nexus depends on technological classification. We show that: (i) the effect of innovation activity on economic performance is lower for the high technology and high concentration (HTHC) market compared to the low technology (LT) market; (ii) the impact of innovation on economic performance is ambiguous for firms in the high technology and low concentration (HTLC) market.

Keywords: Innovation, competitiveness, bilateral trade

Jel Codes: O31; L110; C23

Price discrimination of monopoly⁶

Alena Bašová^a

^a Ph.D., Department of Finance, Faculty of National Economy, University of Economics, Bratislava, Slovakia.

E-mail: alenkabaso@gmail.com, alena.basova@euba.sk

Abstract

Price discrimination is a set of rules that determine the price of goods sold or services provided in the required volume, at the correct time and according to the criteria for determining the price. In Slovakia, pricing for households is still subject to regulation by the by Regulatory Office for Network Industries (hereinafter RONI) (hereinafter RONI), as the central management body for consumer protection, which was clearly defined in 2009, with the adoption of the third liberalization package in the European Union, which was implemented in Slovakia legal framework 250/2012 Coll. Act on regulation in network industries Act. In Slovakia, the Price Cap methodology is used to set prices for households and small businesses, which determines the maximum price for the service provided in the gas and electricity industries. For the purposes of this paper, we have chosen the gas industry, specifically the supply of gas to households. A new regulatory period has started since 2017 which lasts until today 2021.

Keywords: price discrimination, household sector, natural gas supply, Regulatory Office for Network Industries

Jel Codes: D18, L12, L43

⁶ **Acknowledgements** :The contribution is processed as an output of a research project Financial risks and their impact on the credit cycle and their financial stability of the economy in the Slovak Republic. (Finančné riziká a ich vplyv na úverový cyklus a ich finančnú stabilitu ekonomiky v SR) registered by the Ministry of Education of SR under the registration number : 1/0688/20.

Tax incentives applied in Turkey and some EU countries during the Covid-19 pandemic

Funda Tuncel^a

^a Asst. Prof., Marmara University, Turkey

E-mail: tuncelfunda@gmail.com

Abstract

The COVID-19 pandemic has adversely affected the economy of both EU countries and Turkey, as well as other countries all around the world and continues to do so. Due to the pandemic, perhaps the biggest economic crisis after the World Economic Crisis in 1929 has emerged.

In this process, the decrease in both production and consumption due to the pandemic shakes the economies of countries, and the failure to take the pandemic under control for a long period of time brings production to a halt, especially in those countries, where the pandemic has more severe impacts, and leads to a recession in economic growth.

The restrictions imposed because of the pandemic makes it all difficult for the businesses and causes them to take the decision to put an end to their activities, which results in unemployment. People who have lost their income and those, whose income have been decreased began to have difficulties even in meeting their basic needs such as nutrition and shelter.

Due to this exact reason, it is inevitable for states to take a number of measures. In our study, some tax incentives applied in some EU countries and Turkey have been evaluated by studying the tax-related basis of these measures. Accordingly, it is observed that countries have been acting in a similar manner with similar actions towards the same goal since the beginning of the pandemic. Economic and financial incentives have been applied with the aim to prevent the activities of businesses from getting interrupted and also to provide convenience for those, whose income is now decreased. In general, the extension of tax payment periods, the extension of declaration and notification periods, tax reductions, tax postponement, installments and deferring of the collection of some taxes to a future date are considered to be an example for the tax incentives applied. Evaluated on the basis of countries, it is seen that some tax incentives are applied to ensure the continuation of economic life such as the reduction of the default interest rate to 0 in Switzerland; the postponement of VAT and Income Tax as well as VAT reductions in Norway, renouncement of penalties for unpaid taxes in the Netherlands, France and Germany; suspension of VAT, real estate and income taxes for some sectors and also providing a lump-sum discount of 600€ for those working in some sectors in Italy; tax holidays for small businesses in Hungary; suspension of VAT payments as well as payments for other tax liabilities for businesses, self-employed people and sole proprietors affected by the economic crisis, and the option to pay for the suspended payments to be done in 4 equal installments without any interest and additional fees in Greece; postponement of Corporate Tax and VAT payments in the Netherlands and Germany; tax reduction in Corporate Tax and Real Estate Taxes and providing the possibility to extend the payment period of temporary taxes. In Turkey, on the other hand, there are tax incentives applied for sectors, on which the pandemic had more impact, such as VAT discounts, rate reduction in withholding rates for workplaces, postponement of declaration and payment periods and postponement of the implementation period of accommodation tax.

Keywords: tax incentives, covid-19 pandemic, tax reduction

Jel Codes: H87, K34, H25