

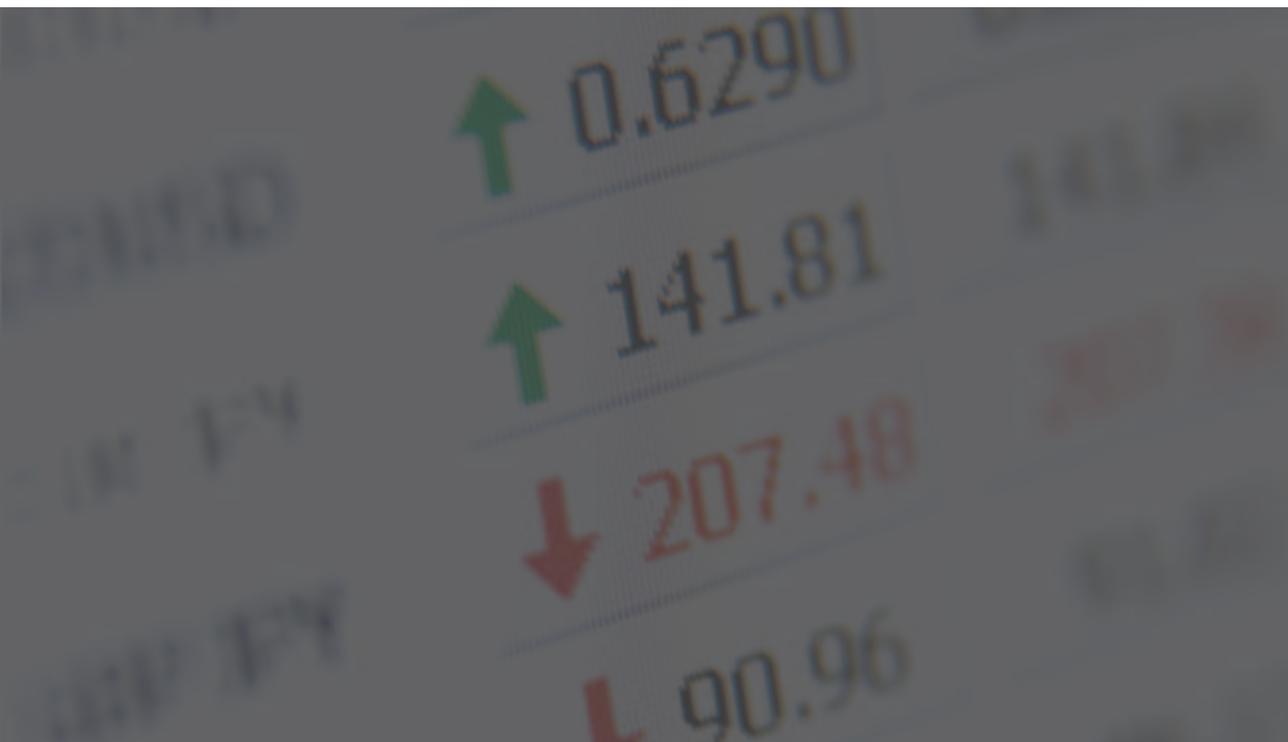
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Faculty of Economics - Prilep



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**THE ECONOMY AND BUSINESS  
IN POST-RECESSION**



**BOOK OF ABSTRACTS**

PRILEP, OCTOBER 29, 2010

University "St. Kliment Ohridski" - Bitola  
Faculty of Economics - Prilep

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PRILEP, OCTOBER 29, 2010

REPUBLIC OF MACEDONIA  
University "St. Kliment Ohridski" - Bitola  
Faculty of Economics - Prilep

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PART ONE

THE ECONOMY AND BUSINESS  
IN POST-RECESSION

## RECESSION IMPACT ON REGIONAL DEVELOPMENT

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Recession affects the change in macroeconomic variables and is present in every sector of the national economy. However, the impact of recession on the variables of regional economies and sectors within each region of the national economy is significantly different both in its direction and intensity in relation to changes in the national economy. The main distinguishing factor is the sectoral structure of regional economies. This paper examines the sectoral structure of the NUTS-2 regions in the Republic of Croatia and the impact of recession on different variables on a regional level. It also compares the differences in direction and intensity of the changes in individual regions in relation to a national average. This analysis will determine the existence of correlation between the structure of regional economies and the direction and intensity of the effects of recession.

## THE MACEDONIAN SOCIETY - FROM TRANSITION TO POST-RECESSION CONDITION

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This paper analyses some characteristics of the socio-economic and cultural development (marketisation, privatisation, re-traditionalisation) of the Macedonian society after the nineties of the last century. The attention of the analysis is mainly towards the specifics of the development in conditions of radical twist from nonmarket to market type of economy and pluralistic consensual democracy. The question set by the author regarding the specifics of the Macedonian society development, mainly concerns some of the cultural assumptions, the value system, political factors, ethnisation and re-traditionalisation of the relations.

The second part of the paper concerns the results of the empirical research conducted by the student population regarding the perception of the crisis of the Macedonian society. How much the values of the liberal orientation and market economy and the multi-party system are typical for the student population, which can be taken as an indirect answer of the question for the role of the social capital in the transformation process.

**Keywords:** transition, marketisation, privatisation, re-traditionalisation, culture capital, values

## THE PORTFOLIO MANAGEMENT IN THE REPUBLIC OF MACEDONIA IN POST-RECESSION

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The global economic and financial crisis that hit the world in 2008 caused bankruptcy of financial and non-financial institutions, loss of the trust in the financial systems, investors' aversion toward risk, as well as moderation in consumption and investment spending. This caused a great slow-down of the global growth, price decrease of the financial instruments and recession in the world economy. It was confirmed that the economic and financial crisis in the world, for the most part, is a result of the inconsistency between the globalization process and deregulation driven by the impressive growth rate of the world financial markets on one hand, and the public national and global policies on the other.

The efficient portfolio management represents a crucial factor for dynamic economic development of every national economy especially for the transition economies such as the Macedonian because it allows achieving higher efficiency of the investments with the available capital, which leads to an increase of the profitability of the economy and to a greater prosperity of the population.

The function of the portfolio management in the Republic of Macedonia must be observed through the prism of reforms that should be accomplished in the financial and economic system so that the country can exit the decades of stagnation and to ensure stable economic growth and development.

**Keywords:** portfolio management, investment efficiency, financial system

## THE MONETARY POLICY DURING THE PERIOD OF FINANCIAL AND ECONOMIC CRISIS

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In July 2007, the world faced a global financial crisis that started with the clash of the substandard share market. In December 2007 it transformed into global depression. The policies of management with the aggregate demand i.e. the fiscal and monetary policies together with the sanction of the banking systems became the general policies against crisis in developed countries. The quantitative loosening of the monetary policy has resulted in doubling of the balances in the central banks in developed countries for a period of approximately 15 months. This was accompanied with a rapid decrease of the interest rates. The stimulus of the domestic spending had to result in a revitalisation of the economic activity and employment. Hence, in 2008, "all became Keynesians". Exceptionally, the monetary organs in the Republic of Macedonia have remained monetarists. The balance of the central bank has remained unchanged. In contrast, instead of a monetary release, the need of defending the exchange rate of the denar has determined a monetary tightening during the first phase of the economic crisis 2007-2009, accompanied with deflationary pressures. The situation in the monetary policy has been determined by the inflow and outflow of foreign currencies in the country. The loosening of the monetary policy started at the end of 2009 enabled by the intense foreign currency inflow from the remittances. The economic tendencies in the country i.e. the decreased economic activity and deflationary pressures were not sufficient factors that determined the monetary policy. According to the proclaimed strategy of the foreign exchange rate targeting, the monetary and interest rate policies in the Republic of Macedonia were determined by the net inflow and outflow of foreign currencies.

According to this monetary strategy, the loosening of the monetary policy could be reached only by increasing the net foreign currency assets of the monetary system. Under condition of blocked private financial markets and restricted access to them, the increase of the net foreign currency assets of the monetary system could be realised only by borrowing from the private financial markets or from the international multilateral financial institutions. The borrowing price from the private financial markets during the crisis was almost prohibitive. This was a reason for postponing the loosening of the monetary policy. The borrowing from the multilateral financial institutions, particularly from the International Monetary Found (IMF) as an alternative was neglected by the creators of economic policies. Therefore, the monetary policy remained to be designed and carried out according to the net inflow and outflow of financial means from abroad.

## INTELLECTUAL CAPITAL MANAGING IN SERVICE OF CREATING ADDED VALUE IN CONTEMPORARY BUSINESS CONDITIONS

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Nowadays, but especially in the future, enterprises must have knowledge, speed and ability to react in order to manage successfully all business segments, that are under turbulent changes. There must be given a great attention in an enterprise to improve the knowledge of all employees through education, training and motivation. Competent employees who have modern and adequate knowledge with certain motivational factor, can help with all other material resources necessary to create new value and enable enterprise competitiveness in the market. Knowledge is the only resource being expanded by the use and it is the instrument in the struggle for survival in conditions of an increasing competition. Management should understand that it is worth investing in its intellectual capital in the conditions of the new economy, the so-called knowledge economy supported by contemporary information technology. With this support, information availability is faster and more complete so, in this way, the information basis of intellectual capital becomes stronger, which, as the effect, has the aim to create bigger value of the enterprise. Adequate knowledge management realizes bigger profit and makes the reputation of the enterprise stronger in contemporary competitive conditions. In the last 20 years, there have been pioneer attempts to evaluate it adequately and present it in complementary financial statements, which represent a powerful source of information for adequate management with a view of survival, growth and development. Interaction between the structural segments of the intellectual capital creates value for the enterprise, which is the goal of earning it.

**Keywords:** intellectual capital, successful, value added, knowledge, enterprise, human resources.

## INFLUENCE OF FINANCIAL CRISIS ON ORGANIZING BANKING ACTIVITES

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Financial institutions were severely hit by the latest financial crisis. This crisis demonstrated and stressed out numerous weaknesses in regulation and operation of financial institutions. Banks were one of the financial institutions that have borne the biggest strike of crisis. Accordingly, this paper gives special attention on the banking sector situation as well as on the required changes that will significantly influence further development and activities of the largest banks in the world. Since investment banks are amidst institutions that suffered most severe failure during the last financial crisis, and investment banking activities being in the middle of the crisis, special attention will be given to the future of investment banks and organization of investment banking activities within the scope of banking system after the crisis.

**Keywords:** financial institutions, banking activities, financial crises

## GAME THEORY AND DECISION MAKING IN THE POST-RECESSION PERIOD

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Decision-making is one of the most important activities within the organization's management process. Many different strategic management situations may possibly be modeled and simulated by the theory of games. There are numerous classes of games within the particular theory, but each of them might be reduced to a matrix game amid the two players. Worth mentioning is the possibility to model and simulate some conflict situations in economics, politics, war circumstances, etc. Moreover, every move is being related to a breach of some process. Recession and the post-recession period in particular entail many different challenges needed to be resolved in appropriate way. The enterprise behavior toward the possibility to gain a competitive advantage, capture a new and retain the existing market, but also shrink the cost and maximize the profit may well be modeled using the theory of games. At the same time, these models could be applied to simulate the incentives given to a certain industry, benefits, tariffs, etc. Moreover, many tools are developed on the basis of the game theory heading for the effective management of the companies.

The purpose of this paper is to provide evidence for the effective use of the game theory and explain the complexity of the process to determine the "payment" coefficients considered as time functions in general case, rather than static coefficients. Dependence on time may possibly be modeled with stochastic functions, thus appropriate software tools are being usually applied in solving the particular models.

**Keywords:** game theory, conflict situation, modeling, simulation

## PREDICTING RECESSIONS IN EU CANDIDATE COUNTRIES: A PROBIT MODEL APPROACH

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The 2008-2009 global recession has marked the beginning of an entirely new economic era. To cope better with the frequent and intense turbulence in the global economy, both the countries and the companies need to predict in advance the likelihood of recession. This is especially true for the EU candidate countries where the convergence towards the EU could create additional problems regarding their macroeconomic stability.

This paper is the very first one on the topic of predicting economic crises in the group of EU candidate countries (Croatia, Macedonia and Turkey). Our objective is to assess the importance of the different determinants of economic crises (identified by the behaviour of the exchange market pressure index) and to identify the best predictors of crises in this group of countries. In estimating the best predictors of recession in the three EU candidate countries, we applied the probit model on quarterly data for the period 2005-2009. The findings of our model suggest that the increase of the ratio of broader monetary aggregate to currency reserves, the rising differential between the real domestic and foreign short-term interest rate, the real exchange rate appreciation, the real GDP decline and the growth of imports are the leading indicators of recession in the three EU candidate countries. These results are in line with "the first-generation" crisis models. We expect that our findings will enable policy makers of the three EU candidate countries to recognize vulnerability of their countries to economic crises at an earlier stage and take measures that would prevent the occurrence or diminish the severity of recessions in the future.

**Keywords:** recession, probit model, early warning system, EU candidate countries, exchange market pressure index, economic crisis

# THE IMPACT OF INFORMATION AND COMMUNICATION TECHNOLOGIES ON BUILDING BUSINESS STRATEGIES IN THE POST-RECESSION

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Information and communication technology is inseparable part of the business processes. Almost every company, today, use information technology in their business strategy, and people involved in the business agree that IT is very important in the building of a post-recession strategy. One of the main business challenges in the post-recession is to determine which technologies will help and transform their individual business initiatives. According to the Gartner Inc. (the world's leading information technology research and advisory company) the key strategic technologies with the potential for significant impact on the enterprise in the next three years are: Cloud Computing, Advanced Analytics, Client Computing, IT for Green, Reshaping the Data Center, Social Computing, Security – Activity Monitoring, Flash Memory, Virtualization for Availability and Mobile Applications. These technologies force the organization's long-term plans, programs and initiatives. They may be strategic since they have experienced to broad market use and they allow strategic advantage even at the beginning of the acceptance.

**Keywords:** business strategy, ICT, post-recession

# ONLINE PRESENTS AND ENTERPRISE INTEROPERABILITY FOR UNPAINFULL PASSING THE RECESSION

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The economic crisis from 2007-2009 which began in the financial sector in the USA spread to the real economic sector over the world. Enormous impact to all sectors in economics and businesses was inevitably (imannity) with reason for comfort of financial assets which are motor activator in economics and business processes.

Although the recession began in the USA, the consequences spread in the economies in others parts of the world in smaller or bigger volume depending of the openness of the economies, and it was quickly felt all over the world. The governments of all countries administered measures for passing the crises less painfully.

Beside the economic measures introduced, the growth of the internet with its possibilities and its usage are important factors for easier overcoming of the recession, which were unavailable to businesses in previous recessions. Therefore, the bigger and bigger acceptance of online business helps the enterprises to collaborate with other enterprises and its customers with smaller exposure to expect. The collaboration between enterprises is a challenge which can be resumed by those words: far away, faster and stronger.

This way, the competition of enterprises is determined from possibilities for interoperability seamlessly. Enterprise interoperability is and should be a driver for success of enterprises in future internet and future needs of the people, processes and knowledge very often connected with internet. Also the interoperability should achieve an internal and external collaboration on 3 levels: data, applications and businesses that today is still unsatisfied, and we have "Irelands of automations". Disconnected and customized solutions are reason for problems like: Lack of data integrity - detailed spreadsheets never match with aggregated data at the ERP level: low information visibility – manual intervention is required to determine the real status of customer orders; poor flexibility – increasing change means systems are left behind; high cost - custom integration requires high cost maintenance.

This paper researches the influence of the internet, its mass usage and possibilities that offer to businesses and people, as participants in the internet traffic (clients, partners, and customers), and achieving effective and efficient enterprise interoperability.

**Keywords:** enterprises interoperability, internet, online business, recession

## QUANTITATIVE SUPPORT OF THE DECISION - MAKING PROCESS IN THE MODERN BUSINESS ECONOMY

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The fundamental challenges of the managers in the 21th century are focused on creating organizations, participation and use of knowledge in optimal decision - making. From that aspect, the paper deals with the needs of innovations and knowledge, which in the present competitive and global business ambience are recognized as the most important strategic resources for realization of one of the fundamental functions of the managers - decision-making and its realization. The complexity of the surroundings, the dynamics of changes and the high degree of uncertainty which follows the processes of restructuring, even in property transformation, need fully new concepts of strategic management and management decision - making. In that sense, the paper also deals with the decision analysis which provides systematic and logical consistent procedure in order to answer many, real decision - making situations. The decision analysis consists of: system structuring of the analyzed problem, making decision - tree of the problem, analyzing uncertainty, risk and utility in order to choose the best - optimal strategy. Also, the paper points out the possibilities of the quantitative researches and qualitative analysis in decision - making management, as well as the use of contemporary methods and models in dependence of the holder's and the creator's needs, namely, for reasonable and optimal decision - making, for defining an optimal quantity of production or for successful organization of big multinational companies. Some attention is paid to the possible application of some current methodologies for measuring the efficiency of decision - making units, for comparative analysis of similar units with common inputs and outputs, as well as performances evaluation. Therefore, some generalizations of the models are made in order to support the decision - making process which provides a logical and sustainable analysis.

**Keywords:** decision analysis, decision - making units, optimal decision, measuring of efficiency, performance evaluation.

## AN EXPLORATION OF PARTNERSHIPS, COALITIONS, SOLE AND TRANS-ORGANIZATIONAL SYSTEMS IN THE CURRENT TURBULENT ENVIRONMENT

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In the current turbulent environment with the inter-networked enterprises, by establishing effective community partnerships the opportunity of adaptive space, flatter and more democratic organizations and communities will be more effective. Organizations must create effective relations among themselves and others. In this time the issues like cooperation and relationships come up. Organizations should investigate themselves and scan and do scrutiny the environment precisely to create a sustainable community. This paper aims to review some important aspects of Partnerships, Coalitions, Sole and Trans-organizational Systems In the current Turbulent Environment.

## RETHINKING NATIONAL EXPORT STRATEGIES

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A complex interconnection between economic growth and exports inevitably imposes a need for permanent changes in export flows and creation of strategies that will be aimed at encouraging the national income growth. Modern export strategies are focused on export performance improvement and utilization of resources in order to promote exports and to enhance international competitiveness of the economies. Competitive challenges imposed by globalization have redefined international trade structure. At present, the share of technologically intensive goods and services that include higher levels of research and development is being significantly increased in global trade flows. These changes assume implementation of innovative production scenarios that will contribute for improvement the effectiveness and attractiveness of international business and impose the need for rethinking of export strategic visions. Contemporary analysis and studies incorporate new models and approaches for creation of national export strategies corresponding to the modern dynamics of economic change on a global level that should provide more effective integration of national economies in global trade. New strategic mechanisms and components are flexibly structured and adapted to specific conditions, needs and goals of individual national economies. The aim of this paper is to point out a few key elements in designing and managing national export strategies.

**Keywords:** export strategy, globalization, competitiveness

## THE IMPACT OF THE FINANCIAL CRISIS ON THE BANKING SECTOR STABILITY

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This paper analyses the impact of global financial crises on the banking sector stability. The analysis will be based on the measurement and evaluation of different indicators of banking sector stability, such as assessment of current situation and trends in financial intermediation, bank ownership, profitability, efficiency, concentration and competition in banking market, analysis of the banking sector position within the whole financial system and relationship between banks and other financial institutions and markets. Also, this paper examines financial indicators: credit activities, profitability and liquidity in the banking sector before and under financial crises. The key research questions that will be answered in this paper are: (i) has global financial crisis affected financial institutions stability (ii) what are the challenges for the central bank for formulating monetary policy in light of financial sector stability in post-crisis period. The results of this paper will show whether the financial crises influenced the banking sector stability, performance, liquidity, credit activities and capital adequacy. In addition, the paper analyses the key characteristic of monetary policy and how and what instruments central banks use to ensure adequate liquidity position and credit activities of banks as the important source of financial resources for all other sectors in national economy.

**Keywords:** financial crisis, financial stability, banks, monetary policy.

## ACCESS TO FINANCE FOR EUROPEAN SMES - UNDER THE IMPACT OF THE FINANCIAL CRISIS

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It is well known that the small and medium enterprises (SMEs) play a vital role in economic development. In fact, they offer the most economical use of capital in relation to job creation and provide the strongest growth channel for regional development. Therefore, the SMEs can act as catalysts for change, helping economies to restructure quickly in response to changing economic, social and market conditions but in the same time, they have to face many challenges. One of the last challenges with a great impact on SMEs is the international financial crisis. The SMEs sector was one of the most affected by the financial crisis and the access to finance is one of the main problems they have to confront with.

In the current economic recession caused by the financial crisis the SME sector need a special attention. Overcoming the present difficult conditions for SMEs and entrepreneurs requires effective short-term measures that need, however, to be linked to structural improvements in the SME financial environment over the longer term in order to be successful and to restore growth.

The risk that restricted availability of finance on favorable terms to firms could slow down an economic recovery is still present. In order to improve the access to finance for SMEs, the efforts should be focused on solving the problems regarding the working capital, assisting innovative start-ups and high-growth SMEs, improving the SME and entrepreneurship financial environment in the long term, attracting new financial resources (mezzanine finance, venture capital, business angels, etc), facilitating dialogue and consultation between governments, SMEs and financial institutions.

## ORGANIZATIONAL LEARNING AS A CONCEPT FOR CHANGE MANAGEMENT IN ORGANIZATION

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In order to enhance results and efficiency within an organization, it is necessary to secure constant change. Especially today, this becomes an imperative due to the highly turbulent environment. Furthermore, socio-economic conditions, as well as specific interaction between internal and external factors emphasize and determine the need for changes within companies. Successful change management imposes the need for application of specific concepts, more precisely change programs, whose goal is to enhance, facilitate and direct development of an organization. One of these concepts is organizational learning which offers some possibilities for problem solving which are usual for the organizational changes. Organizational learning is one of the contemporary concepts for managing organizational changes, which allows the organization to develop new skills and knowledge in order to enhance market competitive value. In today's competitive conditions, the unique permanent source of competitive market advantage is organizational learning capability. The companies succeed to achieve superior market position, to enhance their performances and to secure efficiency in today's modern dynamic and turbulent business environment.

**Keywords:** organization, efficiency, changes, change concepts, organizational learning

## MARKETING STRATEGIES FOR THE POST-RECESSION CONSUMERS IN THE REPUBLIC OF MACEDONIA

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Becoming aware of the fact that the consumer's behavior is shaping new patterns after the period of recession, the main aim of this paper is to explore the changes in consumers' behavior, i.e. whether they prefer to save or to spend their money.

A survey will be conducted in this context mainly intended to investigate the purchasing and spending habits of the Macedonian consumers during the recession and the impact of the recession on their post-recession behavior, taking into consideration the diversity of consumers' recession experiences and their expectation after.

Received findings will contribute to the understanding of the consumers' attitudes, values and trends in their behavior and it will help the development of appropriate marketing strategies. However, the companies have to check their business plans and current strategies and decide what they need to change. They have to create a flexible framework within which their marketing plans can be adapted to fit a changed situation. Focusing on their own costs and their high-potential consumers, Macedonian companies have to identify their lead indicators and develop several scenarios in order to build effective marketing strategies. It will enable them to offer appropriate values to the post-recession consumers and will meet their changed needs.

**Keywords:** post-recession consumers, post-recession marketing strategies

## CHALLENGES OF LOGISTICS DEVELOPMENT IN MACEDONIA

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Globalization of economy as a process enables a creation of a single market and logistics is an important tool in this process. A market with contemporary logistical capacities has a comparative advantage over other economies. Trade logistics is critical for developing countries to improve their competitiveness, reap the benefits of globalization, and fight poverty more effectively in an increasingly integrated world. Success in integrating global supply chains starts with the ability of companies to move goods across borders rapidly, reliably and cheaply. In order to connect the Macedonian economy to the world trends and processes and connect the Macedonian market to the European and the world market, the highest priority should be given to the development of logistics in Macedonia.

This paper elaborates the current level of logistics development in Macedonia and the challenges facing the further logistics development in the country.

## SERVICE QUALITY AND CUSTOMER SATISFACTION – A BASE FOR BUSINESS DEVELOPMENT IN THE POST - RECESSION PERIOD

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In competitive post - recession economy customers may choose from whom and how to buy, while services program is constantly evolving in accordance with their demands. In order to be successful, the companies must always provide superior value, better than competitors, when it comes to quality, price and services.

It is necessary to realize that good reputation is based upon quality and attractive services and positioning customers in the first place.

Three basic processes, innovation, operations and customer creation and services, are the basis for competitive position.

Customer orientation requires organisational changes and increased level of service quality in order to gain competitive advantage.

The gap analysis model of customer satisfaction is based on the premise that quality can be defined by the differences between the customer and the organization on the perceptions, expectations, and actual delivery of service. The basis of this model states that service quality can be defined by the differences between the customer – external elements - and the organization – internal elements. This is true of not only of the actual delivery of a service, but also those perceptions and expectation of the service delivery and its accompanying processes.

These gaps can be used to identify the relative strengths and weaknesses in service quality of an organization and assist in correction of any problems.

The business is able to implement adjustments in service delivery that directly improve customer satisfaction and profit. SERVQUAL is an instrument based on this model, that can be utilized in various service industries. This instrument illustrate the association between service quality and customer satisfaction

**Keywords:** services quality, customer, satisfaction, model

## DIGITAL MARKETING – A NEW WORLD MARKETING ORDER

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This paper’s objective is to analyse the impact of digitalisation towards marketing strategy design and implementation, and to analyse the trend of shifting from traditional marketing towards digital marketing worldwide.

Digital Marketing as a part of the world trend towards digitalization is a phenomenon that challenges the traditional marketing worldwide, in terms of virtually dictating the need of restructuring the traditional marketing concept. It is not difficult to recognize the potential of digital marketing; to understand that marketing instruments are seriously affected by the digitalization, and that marketing strategies need to be redesigned in order to become compatible to the challenges emerging from The New World Marketing Order – the Digital Marketing. This trend has become especially evident in the recession. While the overall marketing budgets were decreasing , digital marketing budget recourses were steadily increased. Marketing communication, marketing finance, marketing metrics, marketing accountability are some of the key areas that has been virtually redesigned in this context, at a global level. Companies need to design an integrated digital marketing platform that would enable maximum customer acquisition and retention, and also customer engagement, as a key element in digital marketing strategy, leading to the maximum marketing performance.

## POSSIBILITIES FOR APPLYING STRATEGIES OF SOCIAL MARKETING IN THE REPUBLIC OF MACEDONIA

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The civil and social problems in the contemporary societies impose the need for changing the way of life, behaviour, belief and values on different levels in a country. Sometimes, these changes are spontaneous but more often they occur as a result of a conducted and conceived campaign of social marketing with foregoing goal. These campaigns are based on utilisation of a marketing concept that brings benefit to the society (public health, security, environment etc.)

The basic characteristic of the social marketing is in that the marketing philosophy is applied in solving the society's problems and it can be applied on individuals, institutions and creators of policies for their behaviour. It focuses on the "sale in behaviour" and its only goal is worthiness of individuals, groups or the society as a whole.

The world trends in this area indicate that considerable resources and capacities are invested in the creation and the successful application of social marketing. Even though the global society problems of the 21st century are almost identical in all national economies, in the Republic of Macedonia, due to the limited human resources and lack of knowledge in this issue, the social marketing is not developing with the sufficient dynamics. For a successful implementation of this contemporary concept, the Republic of Macedonia can use the experiences of the developed economies aiming at successful application of proved techniques for creating external strategies (change of behaviour) and internal strategies (lectures and prevention) of a successful social marketing.

**Keywords:** social marketing, social problems, social marketing campaign, external strategy, internal strategy

## BUSINESS CYCLES, INEQUALITY AND UNEMPLOYMENT: CONDITIONS AND CHALLENGES

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According to numerous relevant indicators such as genesis, current circumstances, structure, dynamics, global acceptance and consequences, business cycles represent significant challenge not only for the economic theory and practice, but for all the rest social sciences as well.

Namely, the business cycles in general serve as guidelines for the cycle-bound fluctuations of all economic activities and as such, through the periods of expansion and recession, they represent an elemental characteristic of the market economy, and consequently, an integral part of the economic structure. Therefore, dealing with the current affairs of modern economy also means dealing with the different phases of the business cycles and their respective consequences upon society.

In this article I will attempt to analyze the current conditions regarding the business cycles and their influences upon the most difficult problems of our civilization: inequality and unemployment. Consequently, I will direct my focus to their mutual dependence, keeping in mind our goal of identifying the challenges in their current state, as well as finding alternatives with advanced economic and social development based upon higher degree of social justice.

## THE PERSPECTIVES OF MACEDONIAN LABOUR MARKET IN THE PERIOD OF POST-RECESSIONAL DEVELOPMENT

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During the two decades long period of transition Macedonian labour market has been characterised with depressed labour market conditions. The initial 'transitional unemployment' differed in several aspects from other types of unemployment in that it was characterised by pronounced labour market segmentation, long average duration of unemployment and a low probability of exiting unemployment into employment. Given the depressed characteristics of labour markets, the traditional western form of adjustment was coupled with other mechanisms, such as growing employment in the informal sector, non-participation and emigration.

The last recession on the world wide scene started in december 2007 and according to recent statistical data is most likely to be over. However, in the major part of developed countries the recovery has been characterised with moderate increase in job creation, which has been termed as "jobless recovery". The past experience from the European hysteresis problem shows that external shocks might have long-lasting effects on the unemployment rate. Hence, in the aftermath of recession there is an urgent need for government policies that would spur the economic development by creating increasing number of new jobs in the most competitive industries.

Macedonia and the region of South-East European countries has not remained apart from the negative global macroeconomic tendencies. Although recession has started one year later, after three consecutive quarters of negative GDP growth the macroeconomic performance by the end of 2009 has already demonstrated some signs of recovery. However, during the same period the rate of unemployment has remained relatively stagnant, thus indicating roughly unchanged labour market conditions. The aim of this paper is to analyse the impact of recession on current labour market tendencies and to propose policy measures that would improve the perspectives of the Macedonian labour market performance in the period of post-recessional development.

## REVEALED COMPARATIVE ADVANTAGE AND COMPETITIVENESS OF THE MACEDONIAN ECONOMY

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Integration into the world economy is to be among the highest priority for any country, particularly to those distinguished themselves for their size and economic performance, such as the Republic of Macedonia. Attract foreign direct investment, effective inclusion into the global trade flows, as well as the possibility to exploit new technology are supposed to increase the enterprise efficiency and economic growth. Therefore, the Republic of Macedonia incorporation into the world economy may well be observed upon the three compatible processes, such as: integration into the multilateral trading system, increasing the level of cooperation with the European Union, as well as the prospects to capture some initiatives aimed at regional economic integration. The particular movements, in addition to achieved levels of trade liberalization have implicitly traced the policy of open economy and increased competitive pressure. Hence, the purpose of this paper is to examine competitiveness of the Macedonian economy within the European context, employing four indices of revealed comparative advantage. In addition, a number of measures are applied so as to observe the stability of revealed comparative advantage.

**Keywords:** Revealed comparative advantage, competitiveness, Macedonian economy

## MACEDONIA'S OUTPUT IN THE POST-RECESSION PERIOD – CONDITION AND PERSPECTIVES

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Main feature of the global economy ambient in 2009 was the collapse of economic activity and deflation, as a combined effect caused by high prices level in 2008 and negative productivity in most of the countries. World economy growth rate in 2009 was -0, 8%. The biggest contributors in the growth rate were the developing economies, with positive, but low rate of GDP increase of 2, 1% in 2009, while the developed economies had a negative rate of GDP with average of 3, 2%.

As a result of the fall of demand, in 2009 there was a huge decline in the global trade of merchandise and services of -12, 3%, compared to 2008. The drop was even, for both, the export and import rates.

The effects of the global economic crisis, which have penetrated Macedonian economy through market and financial instruments in the second quarter of 2008, had a significant impact on total economy and by that on foreign trade as well. The negative influence led to significant decrease of the economic activity in the last quarter of 2008 and 2009, accompanied with unfavorable developments in trade conditions (downsizing home demand and drastic reduction of foreign demand for home production).

Almost 60% of Macedonia's foreign trade is done with the EU countries and other developed countries, that were most affected from the crisis. As a result of that, the demand for Macedonian products in these countries have noted a significant fall, and the effects were substantial for all export oriented subjects, especially for the ones from the metal industry.

This paper analyses the influence that global economic movements in 2009 had on Macedonia's foreign trade and what was done to reduce the effects. Also, this work will consider the EU debt crisis and the possible effects on the Macedonian output.

**Keywords:** global economic crises, foreign trade, Macedonian economy

## THE WORLD ECONOMIC RECESSION AND THE SCIENCE OF ECONOMICS

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The world economic recession has raised again the issue of relevance of contemporary science of economics, from the point of view of its ability to anticipate the socio-economic development and also to predict new and changed economic problems and challenges it may cause. First of all, from the standpoint of supplying the answers and solutions for anticipated upcoming problems but also through offering specific solutions for already manifested economic problems, in order to overcome it. The Keynesian and classical approach - two more or less confronted economic concepts, are again confronting their scientific arguments regarding the old and new issues and problems in the contemporary science of economics that are still open. Therefore, due to its seriousness, dimensions and the duration of the new world economic crisis, the neoliberalism as a dominant paradigm in the contemporary economic science has become a subject of numerous critics in terms of the reasons that has caused the world economic recession, and also the methods, measures and instruments for overcoming the recession. In that context, the question that emerges is whether the Keynesianism will become a dominant economic paradigm again. On the other hand, maybe, the time has come when the science of economics needs to step out to the new paradigm (more successful than the Keynesian and the classical theory) that will be able to offer answers and solutions for socio-economic problems and challenges (especially evident in terms of increasing globalization) that national economies, world economy, and the World are facing with!

**Keywords:** World economic recession, globalization, science of economics, neoliberalism, Keynesianism, dominant economic paradigm

## THE WORLD ECONOMIC CRISIS AND POVERTY IN DEVELOPING COUNTRIES

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The financial crisis that started in the last quarter of 2008, and lasted in 2009 and the beginning of 2010, it's coming to its end. The crisis started in developed countries, on financial markets so later on to spread in the whole world. As a result of the accelerated rhythm of the modern wave of globalization process, the world became more connected and interdependent. The fast science-technological process and information technology enabled better and cheaper transfer of information, so today anybody from all parts of our planet is "attendant" and follows and feels what's happening on the other parts of the world. As IT enables fast information transfer in such a way the global connectivity lead to quick recovery of consequences of the decease called financial crisis in all countries and even in third world countries. Compared to developed countries, in the developing and underdeveloped countries where poverty prevails and in the World Bank, the "effects" of crisis were felt subsequently. International community predictions are that in post-recession period as a result of the crisis, in the poor regions the number of people living under the poverty level (1.25 \$ and 2 \$/per day), as well as increase of mortality as result of many deceases. This means that because of the world economic crisis, in the poor world there will be a stagnation of the improvements in the realization of the Millennium Development Goals that were mark down in the before-recession period. That's why in this paper we have a goal to overview why the world economic crisis has different affect in low-income countries and how's the reflection of the accomplishment of the Millennium Development Goals until 2015.

**Keywords:** economic crisis, poverty

## CREDIT RISK MANAGEMENT IN THE REPUBLIC OF MACEDONIA DURING THE POST-RECESSION

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Banking institutions are amongst the oldest and the most important financial market participants, since they primarily serve as financial intermediaries between depositors and lenders. They usually face an enormous risk pressure, among which the most outstanding are: credit, interest rate, market, liquidity risk, foreign exchange and operational risk. In terms of many complex and numerous financial products, the bank management faces a number of challenges concerned to risk management. The effective management of those risks, particularly the credit one, is to be a core determinant of the bank profitability, as well as the shareholder value added.

**Keywords:** credit risk, risk management

## CASH FLOW IN FUNCTION OF THE DETECTION OF BUSINESS - FINANCIAL RISKS IN POST-RECESSION

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Many entities in the enterprise itself and outside it have more emphasised need for timely and real identifying of the business - financial risks. However, given the presence of various asymmetries, the identification of risks is most important to investors. Especially in a post-recession when because of the presence of diverse risks, not only they can not realize the expected profit, but they can even lose the invested capital. Significant and frequent abuses in the financial statements for the last ten years, primarily related to the unreal display of the Income statement and the creation of hidden losses in the Balance sheet lay in the foreground of the information contained in the Cash flows report, as reliable and very assurable Information resource for consideration of the exposure of the company at the financial business risks in the post-recession and a real base for business and developmental decisions. This is due primarily to the fact that the confidence in the Cash flows report is greater compared to the Income statement and the Balance sheet, because with implementation and creation of different accounting policies it can be more easier to affect the incomes, expenditures and liabilities, and the profits and capital, rather than the inflow and outflow of funds.

In this paper the intention is not to do a standard analysis of cash flows that are known to financial analysts, but the attention will be focused on three main areas including: 1) an indication of the potential use of information from the Cash flows report for the early recognition of the exposure of the company to the real business - financial risks, which relies on the concept of sustainable cash flow; 2) identifying the possibilities for the presence of creative accounting policy in the informational statements of the Balance sheet and Income statement, and 3) consideration on the exposure of the Cash flows report at the impact of the creative accounting policy.

The essence of these three directions, and thus this paper is in recognizing the unconventional warning signals on business - financial risks, which in our practice are not often used.

**Keywords:** business-finance risks, cash flow, sustainable cash flow, creative accounting policy.

## FOREIGN DIRECT INVESTMENTS- STATE AND TRENDS, WITH PARTICULAR REFERENCE TO THE REPUBLIC OF MACEDONIA

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The new global financial crisis further highlighted the importance of capital and its movement in the world. Hence, the national economies set new questions and problems as to attract foreign capital as an important source of economic development of the national economies. This is especially noted in less developed countries, which on one hand are faced with the lack of capital, and the other with a low degree of development. The new situation in the world contributed to increased risk of investments, and thus to greater precaution of investors in investments not only for the investments in the national economy, but also in the broader terms. All this contributes to increased competition between national economies in attracting foreign capital. Therefore, the need to pursue appropriate policies and measures by the national economies in increasing their attractiveness to attract foreign capital is stressed. Macedonia is also faced with this problem, which further stated the need to faster economic development that is necessary for its regional and worldwide integration process. In its development so far growing number of measures and activities were taken in great number of activity areas of the national economy, but that didn't give the expected results. Thus, it poses the need to take additional measures and activities aimed at increasing the attractiveness of the economy in attracting foreign capital.

**Keywords:** foreign capital, measures and activities, activity areas, attractiveness of the economy.

## INVESTMENTS FOR ENVIRONMENT PROTECTION AND FINANCIAL CRISIS IN ROMANIA

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The main idea of this paper is that the environmental sustainability must be integrated into core development work, maximizing synergy and the environmental investments represent a way for the breaking the actual crisis. It should be underlined the link between the environment problems and the economic and social situation from every country. Concretely, it should be noticed that there is a correlation between poverty and its destructive effects on the environment. In addition, it should be emphasized that the problems of the financial crises severely affects environmental investments. The environmental sustainability depends on the correct identifying of the investment needs as well as on the creation of financing possibilities of these investment projects. The integrated Europe underlines the fact that the environmental investment projects should be subscribed to the cohesion policy with a lot of objectives established by the Lisbon Strategy on March 2000. The Sectoral Operational Programme Environment (SOP ENV) in Romania is closely linked to the national objectives of the strategy laid down in the National Development Plan 2007-2013 (NDP) and National Strategic Reference Framework (NSRF), which takes into consideration the European Union's supporting objectives, principles and practices. First of all, in Romania, the main idea is that the environmental sustainability must be integrated into core development work, maximizing the synergies. Secondly, the environmental investments need the financing funds and the good ability to access these funds. Thirdly, the financial instability threatens the investment for the important environment projects but in these conditions, should be done more minor projects, promoted by the small business sector.

## MUTUAL DEPENDENCE OF QUALITY MANAGEMENT IN AUTO INDUSTRY AND SPECIFIC DEMANDS OF BUYERS WITH RESPECT TO ECO STANDARDS

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The business conditions in the global market are all unfavorable and directly reflect not only on the growth and development but also the survival of the company. For most of the companies it can be harder to maintain acquired positions in the markets already conquered. The conquest of new markets will depend on the ability of the companies to efficiently manage their resources, of the abilities of the employees and to effectively respond to challenges from the environment. The main indicator of the quality of operations and the successful positioning of the company is competitive advantage. By fulfilling the requirements of ISO/TS 16949 quality management system in the auto industry the company raised the quality, efficiency and effectiveness of its processes to the level as calling for the world's automakers. Updates the specific demands of customers suppliers are obliged to follow and apply them properly in their processes. The aforementioned is not an easy task. In most companies customer requirements are the weak point. Eco Standards represents a new dimension to set goals that should be met in order to preserve the environment, which can be enabled by increasing the eco culture of enterprises, and raising consumer awareness about its importance.

**Keywords:** quality management, customers, Eco Standards

## QUALITY COSTS MEASUREMENT SYSTEM IN THE FUNCTION OF ACHIEVEMENT OF THE STRATEGIC GOALS OF THE BUSINESS ENTITIES

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The quality costs are expenses that are created to ensure that a product or a service fulfill the users' expectations.

Quality costs measurement system is imperative for increasing the quality as one of the strategic goals of the business entities. The purpose of the quality costs management is to increase the value that the users of products or services receive. Therefore, it is important that we emphasize the product performance. The enhanced product performances decrease the cost for both the manufacturers and the users (during the time of use of the products or services). For successful implementation of the quality costs measurement system, it is important to know what the quality management system comprises and how to identify the quality costs. Thus, it is important to include all costs that arose in the process of supervision and prevention of problems with product or services performances as well as the cost for solving the problems that have already existed. For that matter, this paper will explain:

- The reasons for quality costs measurement;
- The quality costs measurement system;
- The information necessary for managing the quality of the business entities.

**Keywords:** cost, quality, measurement system, performance

## CHALLENGES OF THE OFFICE OF INTERNAL AUDIT IN THE BUSINESS ENTITIES IN THE REPUBLIC OF MACEDONIA IN THE POST-RECESSION PERIOD

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Reasons for the occurrence of internal audit are caused by the need of the modern company to incorporate its own internal form of supervision.

This supervision is implemented in order to ensure greater efficiency in the provision of assistance to the owners (shareholders) and management of the company in order to realize their professional duties more effectively by supplying them with analysis, calculations, recommendations, suggestions and information.

Every company aims to maximize its profit. But, in achieving that goal, the company faces many problems of objective and subjective nature.

Early detection, isolation and elimination of these problems are the main goals of effective internal audit. Its work contributes to successful business outcomes through: better working operation; better work discipline; better financial discipline.

This paper will present the perspectives for the development of internal auditing as a profession in the Republic of Macedonia

## THE USE OF EARNED VALUE ANALYSIS (EVA) IN THE MONITORING AND CONTROL OF THE PROJECTS

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Economics of the projects is an important process in the management of the project. Effective control of the projects is based on appropriate methods of monitoring the costs, quality and risks. The Earned value analysis is a standardized indicator for tracking the progress of the project's activities. The baseline plan is an essential input component of this method and it acts as a referent point for all related activities. This method is the start point for calculating the index of the project performances. The basic contribution to the concept of Earned Value analysis is to motivate project managers and project team members rationally to manage the cost of the project within the projected budget. In this paper the architecture of Earned Value analysis will be analyzed and the need of this method in project management as whole will be emphasized.

**Keywords:** value analysis, project management, performance.

## REASONS FOR IMMIGRATION OF YOUTH ABROAD AND UNDERLYING ECONOMIC ISSUES

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This research is engaged in "brain drain" issue, i.e. immigration of highly educated people from Serbia to abroad. Fundamental question lies in psychological characteristics of the students intending to leave their country. For creating clearer image about complexity of effects contributing to raising awareness about immigration, this research includes issues related to demographic characteristics, knowledge of foreign languages and computer literacy of the students.

The sample consisted of 258 students enrolled at the University of Novi Sad. The sample is equalized by gender, with average age of 22. The students are predominantly interested in staying in another country until they reach satisfying economic stability, rather than staying permanently. 12,8% students fully agrees with the claim that they want to spend their whole life abroad; 25,6% fully agrees with the claim they would stay more than three years, and 23,6% with the claim that they would go abroad to seek a job.

Results of the research indicate that persons with competitive orientation and distinguished persistence for achieving goals have highlighted intention for migrating abroad. This research showed that the potential immigrants have self-perception as intellectually more capable and physically more attractive comparing to others.

Other findings related to self-perception of the students in terms of knowledge of languages show that 76,4% of those who are polled assess they speak English better than average, and 26% fluently. In regards of other languages 8,2% speak German; 5,1 % Spanish, 3,5% French and 2,4% Italian language better than average. Percentage of the students using computer at their homes is rather high, 85,3%. Top 5 preferential migration countries are: Italy (17%), Spain (11%), the United Kingdom (7%), France (7%) and the USA (5%).

**Keywords:** departure of intelligence, motive, dissatisfaction with a job.

## MINI-ROUNDBABOUTS, AS A MEASURE FOR LOWERING IMPLEMENTATION COSTS

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## THE NEW EMERGING ICT TECHNOLOGIES: OPPORTUNITIES FOR THE ICT SECTOR FACING THE RECESSION

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One of the most effective ways for economical road transport system and safe roads is the comprehensive approach which involves all of its components: human, vehicle, road and environment. In accordance with the results of the recent research worldwide, the low and middle income countries are facing serious road accident problems with fatality rates which are still on an upward trend.

This paper highlights the influence of mini-roundabouts on transport economics and traffic safety. The design of these road network functional elements is one of the possible measures for decreasing the overall costs in highway engineering and improving road safety.

The recent financial crisis, as a systemic shock and a period of economic uncertainty, has had profound effects on all sectors of human activity. The experiences and analyses show that the extensive usage of ICT-based business solutions and implementation of IT and communication innovations radically speed up the processes of economic stabilization and recovery. The paper aims to highlight some of the most important aspects of the recent economic downturn regarding the Information and Communication Technology (ICT) sector and its vital role in economic recovery during post-recession, both worldwide and in the Republic of Macedonia. It also points out the role of IT outsourcing as an emerging economic trend in ICT industry during recession, the SaaS paradigm, along with the key innovative IT technologies on the loom, such as cloud and grid computing. All of these are expected to play the role of stabilizing factors and catalysts for faster economic growth during post-recession.

**Keywords:** ICT sector, post-recession, innovative IT technologies, IT outsourcing, SaaS model, Cloud computing

# THE TAX REFORMS IN THE REPUBLIC OF MACEDONIA IN THE POST-RECESSION

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A modern tax system and efficient tax administration is the basis for the economic development of each country. Increased workloads, expanded responsibilities and continuing demands for faster and better tax reporting drive tax departments to become more efficient and effective.

The recent reforms of the tax system in Republic of Macedonia which involves lower taxes and modernization of tax administration, should lead to a modern, simple, transparent and fair tax system that contributes to improvement of the business climate in the country. Not only has regulatory and investor scrutiny been heightened, but the corporate governance landscape and the marketplace are also undergoing rapid change. This raises the responsibility of tax accounting in the companies for: embedding best practices throughout the process; optimizing efficiency and use of time; enhancing accuracy and transparency; managing corporate tax risk; improving data management; and strengthening the tax reporting function.

**Keywords:** tax reform, administration, flat tax

# NEW MODEL FOR DEVELOPMENT AND STABILISATION OF THE ECONOMY OF THE REPUBLIC OF MACEDONIA IS NECESSARY

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The biggest world economic crisis after the World War II, along with the global implications, imposed the need for the Republic of Macedonia to re-examine the development strategy in order to exit the magic circle of slow growth, i.e. the trap of low level of balance. This is of a significant importance for a country with low level development and high rate of unemployment. The country needs a strategy for export-oriented growth that will deliver decrease in the unemployment, growth of the standard and macroeconomic stability.

The Republic of Macedonia, as a country out of the Euro-Atlantic integrations, cannot rely on import of foreign capital. That is an important factor but it cannot be the main or even more the only factor, especially in conditions of uncertainty in achieving the determinations for integration, particularly because such orientation, in the mentioned crisis, has proved as vulnerable even for some countries members of the EU since this capital is quickly leaving the country.

Consistent to achieving the determination for joining the Euro-Atlantic integrations, the Republic of Macedonia paid high price (through low rates of growth, high unemployment and increase of the foreign debt) by implementing a contractual policy of macroeconomic stability (liberalization of the current and capital transactions, sustaining internal convertibility of the denar and fixed foreign exchange rate). The Macedonian economy has experienced that achieving macroeconomic stability is not a sufficient condition for instigation and acceleration of growth and it losses sense if it is accomplished on the development credit. The macroeconomic policy of RM successfully accomplished stabilisation, mainly understood as a stability of the exchange rate and the prices, however, the expectation that this will create favourable ambient for investments and growth and for their prosperous effect, is lost.

**Keywords:** development, stabilisation, macroeconomic policy, investments, growth

## STRATEGY 2020 AND GROWTH OF THE EU ECONOMY IN POST STAG – DEFLATION TIME

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Strategy 2020, (only) defined as “Strategy for smart, sustainable and inclusive growth,” should effectively play the role of successor of the Lisbon strategy / Agenda 2010, adopted in March 2000, especially in the current post – stag deflation conditions. In the EU were not conceal the knowledge that the statement is not implemented fundamental goals of the Lisbon strategy. These are commitments that are in reality establish and build strategy and 2020th . It, at this point as a document still in draft, the EU lead public debate on it, and is scheduled to be adopted in June, 2010, a year. Lisbon its genesis, essentially speaking, we have ( a fact that is the genesis and Strategy 2020 - simply because we are far from satisfactorily implemented commitments of the Lisbon agenda ) in the knowledge that the economies of EU countries recorded rates of economic growth being lower than the rates of economic growth in the competitive global economies. That, above all, the economies of the United States and Japan, including fast - growing economies here in the BRIC ( Brazil, Russia, India, China ) and G - 5 ( Brazil, India, China, Mexico, Republic of South Africa ) , although not in the same context to put these rates, primarily because much lower initial level of economic growth on the basis of which the calculated rates of economic growth in fast - growing economies.

The Lisbon Strategy and the Strategy 2020, is grounded on three basic groups of priorities:

- 1st Clever growth - through knowledge-based economy and innovation;
- 2nd Sustainable growth - through the “green” economy based on more resources to be ecologically - sustainable climate and,
- 3rd Inclusive growth - through the achievement of high employment, followed by social and regional cohesion.

## DEVELOPING SPECTRUM INNOVATION FOR SURVIVAL AND SUCCESS IN THE GLOBAL ECONOMY

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In the last two decades the competitive landscape for many organizations has been changing rapidly in complex and unpredictable ways. As a result, their ability to survive in the global economy often takes priority over the industrial era goal of profit maximization. This is particularly obvious now, following the onset of the current global economic crisis, the biggest since the Great Depression of the 1930s. Full-spectrum innovation capability refers to an organizations’ ability to create value derived not only from new products and services for customers, but also from changes in its business model, in its culture and in the distribution of power for decision-making. The proposed approach involves pursuing innovation horizontally, working from customer needs backwards along successive stages of firms’ value chain and vertically, at successively deeper assumption underlying the present business model. The purpose of full-spectrum innovation is twofold. The first is to achieve the outcomes needed for survival and sustainable excellence by creating value for customers and other stakeholders. The second is to capture most of the value created from the temporary monopoly-type competitive advantage conferred from innovations.

**Keywords:** innovation types, horizontal versus vertical innovation capabilities, innovation strategies, innovation culture.

## DEVELOPING AN EFFECTIVE STRATEGIC LEADERSHIP FOR LEARNING WORKING OVERCOMES

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To overcome the unpredictable problems and dangers related with economic and other trends that may fall in future period in the existence of this world, as a necessary factor appears the effective strategic leadership.

The effective strategic leadership imposes ability for prediction of the events, anticipating the opportunities, maintaining the flexibility and power of professionals to create strategic change. It uses seven components for building a model for overcoming the unmasterable including: determining strategic direction of the company, exploiting and maintaining core strengths, developing human capital, effective maintenance of organizational culture, emphasizing ethical practices, using a balanced organizational control and continuous improvement of the system using feedback.

In fact, such a strategic model for overcoming the unmasterable can only develop business organizations that are guided by the transformational-charismatic leaders.

In the paper will be presented a strategic model for overcoming the unmasterable as well as the characteristics and the role of transformational-charismatic leaders, as initiators of the strategic intention for achieving long-term vision.

**Keywords:** strategic model, transformational-charismatic leaders, vision

## THE ROLE OF EMERGING MULTINATIONAL CORPORATIONS IN POST-RECESSION PERIOD

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Global financial and economic crisis caused negative implications for multinational corporations (MNC), reflected in downfall of their sales and profits as a result of reduced demand in times of recession. This global economy contraction forced many world established MNCs to choose survival strategy with reducing of costs and/or stopping of activities.

Uncertainty and high risk that prevail on global markets induced historic downfall of global foreign direct investments (FDI) flows. Because of this negative macro context of global environment, MNCs are forced to divestment and delay new investments for international expansion, which contributed for further downfall of FDI in the two most preferred forms: mergers and acquisitions (M&A) as well as greenfield investments. Although greenfield investments were immune to the crisis in 2008, they were severely hit in 2009, while the number and value of M&A is in constant downfall, but with potential for this FDI form to emerge as a leading model of MNCs for internationalization in the postrecession period.

This article is focused on emerging economies MNCs, especially those from China, India, Brasil and Russia (BRIC), because this emerging markets were less affected by world crisis, have faster recovery and continual improvement of business environment, and so they limited further downfall of FDI flows, induced by recession. This way they supported the prospects of their MNCs to continue with internationalization strategy and conquering of developed markets, and developing also. Thus they emerge as significant FDI sources in post-recession period, especially in South-North FDI and wide. This implies reconsideration of the MNC theories because they suggest that the capital usually flow from rich countries (the North) to poorer countries (the South). It also instigate the need of understanding the role of the state and its interventions for faster recovery from recession.

Nevertheless, the recession introduced a treat for developed countries MNCs and possibility for emerging MNCs expansion, but for the first ones the recession is a sign for reorganization and internal restructuring for evolution towards the form of metanational corporations.

**Keywords:** multinational corporations, emerging economies, BRIC, foreign direct investments, metanational corporations.

# MACROECONOMIC POLICIES DURING RECESSION AND POST-RECESSION PERIOD IN THE REPUBLIC OF MACEDONIA

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When we speak about the economic i.e. business cycles that could be met in the macroeconomics literature, then we think about the economy in the short run, i.e. economic fluctuations. Modern economies are subject to significant short-run variations in aggregate output and employment, so such fluctuations are periodic problem for economists and politicians. The understanding of the causes of aggregate fluctuations is the main goal of macroeconomics. Recession as a phase of economic cycle is hard to predict because of the fact that each recession is distinguished by its dynamics, severity and duration.

We know, from the economic theory that the macroeconomic variables move simultaneously. This means that, if the real GDP increases (expansion) in the national economy, then in the same time the employment, investment, standard of living increases as well. But if the real GDP declines (recession), then at the same time the employment, investment and the standard of living are reduced too. So, the question is whether each of these macroeconomic variables move simultaneously, i.e. whether they move with the same dynamics. The answer of this question is of course, no they don't. The national economy is relatively more complex, and therefore its study is relatively difficult.

Based on a scientific research, the aim of this paper is to see and analyze the economic policies that are focused towards taking measures in order to stabilize the national economy, i.e. improve the economic performance in the period of recession.

# THE INTERNATIONAL TRADE AS AN IMPULS FOR ECONOMIC GROWTH

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International trade is chronologically the oldest, while most massive and most developed form of economic cooperation with foreign countries. The exchange of goods and services is the fundamental reason why the independent economic subjects establish economic relations with each other and become part of local or national economic community. As the exchange crosses state borders, national economic systems become part of regional, continental or world economy. Thus international trade becomes an integral part of the process of economic globalization as a real historical process of universalization, homogenization and unification of the economy, also promotion of the growing interdependence and conditionality of economic entities in the frames of the global economy. Due to the global crisis that has engulfed almost the entire world, the attention is directed to the broader and long-term implications of economic globalization. One of the main drivers of economic globalization is the liberalization of international trade. But finding the abyss of severe recession, all countries around the world are protected by the presence of stressed protectionists measures. But whether the solution should be found in this regard is a question on which we hope that we will give acceptable answer. The aim of the research in this paper is an analysis of the situation in international trade (as one of the main mechanisms for spreading the negative implications of the global economic crisis) in the post-recession period (of course if we are really in post-recession period since the events due to some economies of the EU can contribute for prolonged duration and deeper recession or obtain the form of the so-called recession with two bottoms) by comparative parallels of the situation in international trade in prerecession and recession period and the empirical analysis of the impact of global economic crisis on foreign trade of the RM.

**Keywords:** international trade, economic globalization, global economic crisis, protectionism

## MACEDONIAN EXPORT PERFORMANCE AND THE POTENTIAL GAINS FROM CEFTA 2006

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The objective of this paper is to assess Macedonian export performance as a function of the economic performances of its main trading partners, with special reference to the role of the EU demand and the potential CEFTA-2006 benefits. We do this in an advanced 'gravity' framework, whereby besides incomes we let relative prices and trade-enhancing and trade-restricting factors to play a role. The referent period is 2000-2009 using quarterly data. Several panel techniques are utilized and special attention is paid to the potential presence of endogeneity within the model. By analysing the export on a bilateral level, in a panel context and by modelling the 'multilateral resistance' effects of foreign trade through the individual country effect, the paper makes contribution to the existing knowledge and understanding of export performance of Macedonia. Results, in general, suggest that Macedonian export is highly dependent on foreign demand, in particular on EU demand. Relative prices are found insignificant. FTAs are found to increase Macedonian export by half, but no additional gains are approximated from the CEFTA agreement. This is along the lines of the conclusion that EU economy plays a strong role for Macedonia, and hence CEFTA countries, including Macedonia, are rapt to trade with the EU in lieu to among themselves.

**Keywords:** Macedonia, export, gravity model, Lisbon Treaty, EU economic integration  
JEL classification: F13, F15, F41

## WHY ARE POST-CRISIS FISCAL RULES AND FISCAL RESPONSIBILITY IMPORTANT FOR MACROECONOMIC STABILITY?

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This paper analyses the impact of fiscal rules and social responsibility on the effectiveness of fiscal policy as a macroeconomic stability instrument. The paper offers an overview of the links between post-crisis fiscal targets and social fiscal responsibility. The fiscal rules are useful instruments for countries to achieve fiscal discipline. The fiscal policy affects the output in the short run and real interest rates, as well as investment and growth in the long run, and fiscal rules has proved useful in restraining debt and deficits. Post-crisis reforms of fiscal policy have typically focused on long-run sustainability because they are useful for the deficit bias and pro-cyclical nature.

Fiscal rules may be helpful in achieving fiscal success and may even be necessary in certain counties, but not in all. Fiscal rules can be effective in economies that have weak institutions. Many studies find that fiscal rules advocates the importance of having a broad consensus among the political and government institutions on the design and content of the rules. Fiscal rules should also provide the opportunity for the public to look into the fiscal performance and hold government agents accountable for poor performance.

The strict budgetary restrictions lead to lower policy volatility and strong restrictions reduce the responsiveness of fiscal policy to output shocks. In fact, while less discretion should reduce volatility, less responsiveness of fiscal policy might amplify business cycle.

The Republic of Macedonia, with a strong political leadership, which has social responsibility and makes appropriate fiscal policy decisions, will address its fiscal challenge and bring public finances back to a sustainable path.

**Keywords:** Macroeconomic stability; fiscal policy; post-crisis fiscal rules; social fiscal responsibility

## REASONS AND FACTORS FOR THE OCCURRENCE OF ECONOMIC AND FINANCIAL CRIMES IN THE POST-RECESSION PERIOD

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The periods of serious political, social, economic, ideological, moral and cultural crises and depressions, as well as various disasters and catastrophes usually cause asocial and antisocial behaviours. These conditions are accompanied by economic insecurity, rise of prices, unemployment and poverty. There is a lack of social discipline and awareness and new forms of crimes occur characterized by great brutality, aggressiveness and cruelty. The perpetrators are usually persons with reduced ability to control their behaviour, led only by the animal drive for self-preservation and commit crimes they normally would not commit.

If we observe the conditions in our and other countries we can notice the occurrence of criminal activities which acquire different forms, dimensions and “quality” in the recession period and according to certain indicators they will continue in future. The paper focuses on the reasons and factors for the occurrence of such forms of economic and financial crimes.

## IMPLICATIONS OF THE FINANCIAL AND ECONOMIC CRISIS FOR MACROECONOMICS THEORY AND MACROECONOMICS AND FINANCIAL POLICIES

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The crisis we face in the financial markets and world economy has many novel aspects, largely arising from the complexity and sophistication of today’s financial institutions and instruments and the remarkable degree of global financial integration that allows financial shocks to be transmitted around the world at the speed of light.

As in all past crises, at the root of the problem is a loss of confidence by investors and the public in the strength of key financial institutions and markets, which has had cascading and unwelcome effects on the availability of credit and the value of savings. Although global macroeconomic conditions might not be at the origin of the crisis, they have contributed to it. To help solve the crisis, we should not only overhaul the regulatory framework for financial markets but also ensure a better macroeconomic management of our economies.

“Bretton Woods II” represents a new era of cooperation between economic and financial authorities worldwide, enhancing cross-border regulation and reform the financial system, it is a full redesign of the global financial architecture and of the role of the multilateral institutions and it implies a sort of arrangement to stabilize major exchange rates – or at least to reduce their fluctuation, a new global exchange rate system, maybe as the one established in the aftermath of the Second World War.

The current economic crisis should provide an opportunity to reassess global economic arrangements and prevalent economic doctrines.

## THE BANKING INDUSTRY IN THE POST-RECESSION PERIOD IN DIRECTION OF MAKING TRADE-OFF BETWEEN THE TRADITIONAL BANKING PRODUCTS AND THE FINANCIAL INNOVATIONS

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Almost several decades the traditional banking products in the developed banking industries with developed financial markets have accessory impact in the set of the offered banking products and services. The processes of globalisation that imply intensified international competition have tightened the rules for competition in the banking market. The clear distinction between banking and non-banking participants in the financial market has substantially eroded. It has become vague whether the supply of financial products comes from the banks or non-banking institutions. Initially, the invested capital remained to yield satisfactory return.

The above situation resulted in deterioration of the portfolio quality, the spill over of this segment on the financial market and in return a negative accelerated effect. The banking industry has faced the traditional risk i.e. the credit risk and its multiplicative transmission throughout the instruments of the financial market. Therefore, the epilogue is clear.

The direction of development of the banking industry in the post-recessional period remains to be defined in trade off relation between the traditional banking products and the financial innovations. This is important for providing satisfactory return on the shareholders' capital, quantitative and qualitative satisfaction of the customers and accomplishment of the employed as agents in the banking industry.

## PRIMARY CAPITAL MARKET AS A FACTOR OF ECONOMIC DEVELOPMENT

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In this paper we investigate the role and the significance of the capital market, its participants and used instruments, as well as fundamental functions and options which it provides with objective of pointing out significance of its existence, functioning and adequate and undisturbed development based on market principles, for overall economic development and progress of the society with special review and emphasis on long-term financial instruments.

Capital market is foremost a place of meeting of supply and demand with capital, providing in this way option for the most rational allocation of financial resources, and therefore forming diversified investment portfolios. Basic division of the capital market is as follows:

- Primary capital market
- Secondary capital market.

The primary and the secondary capital markets are inseparable and function as a whole in practice. This paper has an objective of explaining the primary (issuing) capital market, as well as methods and ongoing procedures, i.e. way of falling due of long-term securities at the market. It allows us to see the stage of the capital market development in our country and what measures should be undertaken for successful future development of the market.

**Keywords:** capital market, financial instruments, dividend, offering, issuing

## THE INFLUENCE OF THE ECONOMY AND BUSINESS ON THE HUMAN RESOURCES DEVELOPMENT IN THE POST-RECESSION

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At the beginning of the 21st century world economies were faced with lot of challenges such as global environmental changes, increased competition at the world market, global financial crisis, demographic changes and significant use of new information technologies. The process of global transformation of societies and economies from work-based to knowledge based societies and economies made human resources development one of the key assets of every organization and most important element in the economic growth of a country. Investments and reforms of the higher education system have become a reality for Europe and Western Balkan countries in order to meet the newly emerged needs of the labour market. Improvement of higher education system and development of the concept of lifelong learning are preconditions for development of highly competent individuals, which would contribute to the development of competitive economy. The main goals of this scientific paper are to present the reasons for the reforms of the higher education system, to make analyses of the current reforms in the higher education system in the Republic of Macedonia based on the Bologna Declaration, as well as to point out specific problems faced by the higher education institutions during the reform process. Also, the ultimate aim of the paper is to make conclusions on the progress of the Republic of Macedonia in the process of reforms in the higher education in order to meet the needs of the global demographic changes in economies and contemporary labour market needs. The role of higher education in human resources development and economic growth will be elaborated, as well. The findings will give an insight into the improvements of the higher education system in the Republic of Macedonia, challenges which would be taking into consideration and recommendations for the future activities in the process of development of qualitative human resources capital.

**Keywords:** Human Resources Development, Higher Education, Bologna Declaration, Labour Market Needs, Republic of Macedonia

## THE INFLUENCE OF THE ECONOMIC SECURITY POLICY AND EURO-ATLANTIC INTEGRATIONS FOR EASING THE BUSINESS IN THE POST-RECESSION

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The idea of economic security is placed into a debate about the nature of the relationship between political structure of international (in) order and economic structure of the world market (Buzan, 1991). The main contradiction of the relationship creates different views about which has primacy in this relationship: the state and society or the market, and whether individual economic actors may be entitled to the protection of the functioning of the market. The global financial crisis has inevitable economic and security implications for NATO and its Member States. Two priorities are especially important for NATO-reducing defense costs and legal extracting lessons from the crisis. The economic crisis has replaced terrorism as the primary security concern in the near future. The crisis frighteningly resembles terrorist attack. In order to destabilize the country, the terrorists typically use a limited destruction of lives and property causing massive economic and social costs. Jeopardizing the basic financial or physical infrastructure (e.g. transport, energy, communication links) the terrorists force the Government and people of defensive action. The frightened consumers are withdrawn from the market stopping the economic growth and giving thus contribution to unemployment and political instability.

In the first moment when the idea for Macedonia to join NATO appeared, the public debate was focused on political and military aspects of the issue. In addition to political and security benefits, joining the most powerful political-military alliance of the Republic of Macedonia will bring many economic benefits as well, especially in the post-recession period.

The membership in NATO for the countries that joined the alliance brought expansion of foreign investments and in some countries it even tripled. This paper examines the economic dimensions of future membership of Macedonia and other countries of Southeastern Europe in NATO. It should make proposals that would give guidelines for a future plan of action in connection with NATO enlargement: how to be supported by the business and be used for general benefit of business environments and the society as a whole. The basic aspects of the economic dimension of enlargement of NATO in Southeast Europe are set: The link between security and safety and trade union amid economic crisis; economic role of modernization of the military - the defense sector; impact on military industry and particularly on the civilian sectors of industry and the overall economy.

## THE UNEMPLOYMENT AND POVERTY IN THE REPUBLIC OF MACEDONIA DURING THE POST-RECESSION PERIOD

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The unemployment and poverty as socio-economic problems have to be continually observed and statistically assessed and measured by using appropriate indicators. An emphasis should be given to an interaction among the indicators, their comparison with the surrounding during different time periods (before and after recession). The aim of this analysis is to evaluate these problems, to create appropriate data base as a basis for creation of action plans and programmes for their solution.

**Key words:** Unemployment, Poverty, Relative measures of unemployment, Index of poverty.

## THE STRATEGIC MEANING OF THE BRAND IN THE INTERNATIONALISATION PROCESS OF THE COMPANIES OF THE REPUBLIC OF MACEDONIA

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The brand of the product, along with the design and the package is one of the key elements of the visual identity, recognition and competitive differentiation of the product in regard to the similar products offered on the market. Establishing a brand product is a creative issue and business strategy. The unbranded products are present on the market either under a strong institutional protection, or under an already established business brand. The selection of a good strategy for product branding as well as the achieved quality of the brand directly influences the dynamics of internationalisation of the companies of the Republic of Macedonia.

**Key words:** brand, quality, market, competition, differentiation, internationalisation

## HOW HAPPY EMPLOYEES ARE?

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Professor Joseph E. Stiglitz winner of the 2001 Nobel economics prize argue that for having objective picture on economic progress it is important to look not only at the statistical measurement of socio economic phenomena but also to be aware of citizen perception of this phenomena .

Therefore the research on society progress should be conduct on social capital , happiness, and helth and mental well-being. Considering the definition of wellbeing: the state of being happy, healthy and prosperous, this paper analyzes the relation among happiness at work and possibilities to learn to be happy. Happiness is a state of mind or feeling characterized by contentment, love, satisfaction, pleasure, or joy. The pilot questionnaire has been made, where participants (postgraduate students) were asked what are basic elements that contribute to raise their happiness at working life: working conditions, money, respect, close positive relation with coworkers partners, accomplishment of objectives, more responsibilities, feeling self-actualization, humor, working hours, promotional opportunities, learning opportunities, leisure time. And whether there are possibilities to learn to improve happiness at work by learning skills like: skills to make better decisions, communication skills, negotiation skills, adaptation skills, learn more about art, team work, learn how to be more attractive, time management, learn about healthy food, sport, learn about other culture, improve technical skills, conflict resolution, learn parenting, learn how to motivate.

University "St. Kliment Ohridski" - Bitola  
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50  
years

PART TWO

YOUNG ECONOMISTS SESSION

## CHALLENGES OF MANAGEMENT ACCOUNTING IN A NEW BUSINESS ENVIRONMENT

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The process of globalization and liberalization of business ambience is characterized with increased business internationalization, augmented development of the information, communication and computerization production technologies, forceful competency impact, flexibility organization structure and developed relations between the partners. The global economic conditionality of the world economy contributed to rapid dispersion of the finance crisis which at first captured the biggest financial centers. Consequently, the contemporary enterprises confront with completely changed and new business environment with amplified management information requirements which impose adaptation of management accounting in a new environment.

## RELATIONSHIP MARKETING AND ACHIEVING “TRUE (RELATIONAL) LOYALTY” AMONG POST-RECESSION CUSTOMERS

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The economic and financial crisis, caused huge changes in the behavior of “post-recession customers”. Their loyalty and trust in companies has decreased. Customers are more careful in spending their income, but also in selecting products and brands, and they constantly pressure companies to deliver more value for money.

Considering these facts, the main aim of this paper is to emphasize that if companies want to be successful in the period of economic recovery they will have to focus on achieving a “true (relational) loyalty” among their most profitable customers. In other words, instead of focusing only on providing economic benefits for today’s customers, they should also offer them more psychological and social benefits, which ultimately will lead to deep emotional connection to their brands and high resistance to competition and other external pressures and influences.

Without pretensions for developing a comprehensive model in achieving this goal, the paper will conclude that it can be completed only through continuing delivery of “superior value” to their customers, which is consistent with (or exceeds) their expectations, in that way increasing the level of satisfaction and trust. Therefore, the importance of the three key determinants for achieving “true (relational) loyalty”: customer value, customer satisfaction and customer trust, will be elaborated in detail. The various types of customer loyalty will be explained and defined previously in the paper.

It is important to mention that, all of the determinants will be considered from the perspective of the Customer Relationship Marketing (CRM) approach, under which companies should focus primarily towards maintaining and strengthening long-term relationships with their most profitable customers. In fact, the ultimate goal of implementing the CRM strategies is to gain “true (relational) loyalty” of these customers.

**Keywords:** customer loyalty, customer relationship marketing, post-recession customers, customer value, customer satisfaction, customer trust

## MAKING BUSINESS DECISIONS IN CONDITIONS OF ABEYANCE

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## THE SIGNIFICANCE OF THE AUDIT OF FINANCIAL STATEMENTS FOR THE OPERATION OF BUSINESS ENTITIES IN THE POST-RECESSION PERIOD

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Man is everyday exposed to the need of making some decisions, weather they are his personal decisions or they are connected to his work. That is why it might be said that the abeyance is present in all business decisions, no matter how simple the problem is. At this point the following question can be asked: How much the decision maker is ready to set aside the abeyance, and how ready is he to accept the risk of the made decision. Mostly the abeyance is caused by wrong hypotheses as a result of the lack of information or not having enough knowledge about the problem that is a subject for making decision. Also, all the events that have an effect on the decision might not be correctly predicted, as well as the effects that are expected to be caused by it.

Despite some statistical methods by which, according to the past knowledge, conclusions might be made for the future in all segments, there is no way for predicting the future situations.

The abeyance is present even when we make a decision where all parameters are well-known, but there are separate criteria of qualitative nature and their assessment depends on the subjective estimation of the decision maker of the tangible decision.

According to this context, the abeyance might be observed in the following situations:

- when the given conditions, that characterize the event, don't determine a single expected result, in addition these situations are modeled by the help of the theory of probability;

- when it is not possible (or it is not necessary) to determine precisely the observed values, this indefiniteness is usually treated by interval mathematics. and

- when the indefiniteness exists as a result of the non-precision in the communication among people, the indefiniteness is modeled by the help of fuzzy unions.

In modern conditions of management and especially in newly emerging conditions, the need for organization of the audit of financial statements is more than necessary. The range of business entities need to make their business decisions based on the information they have no access in preparation, participation or influence.

Thus, the role of the auditor can assess as a mediator between businesses and the users of their financial statements.

The effects of the users are recognized by making the right business decisions based on relevant information, while the usefulness of the subject is reflected in increase of its rating and easier access to the money market, capital market and products / services market and thus increase overall economic efficiency of the economy.

# THE INFLUENCE OF THE GLOBAL ECONOMIC CRISIS TOWARDS THE OPERATION OF THE INVESTMENT FUNDS IN THE REPUBLIC MACEDONIA

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The stability and development of the financial sector is very important for the growth and development of each state economy, whether that economy is dominated by banks or external funding of the capital market.

Investment funds are financial institutions, which have a special role of capital markets in many countries. Some of them have even become major actors which have an impact on many events both in the financial markets and outside them.

This paper shows the impact of global economic crisis on the development of investment funds in Macedonia. These funds represent a completely new form of financial institutions in the Republic of Macedonia, which did not exist in the past period of its economic development. However, since the Republic of Macedonia has a small and open economy with the dominant banking sector, the first steps were made in developing the capital market.

As a result of the adoption of the amendments and supplements to the Law of Investment Funds in March 2007, conditions were created for the formation of investment funds. From the end of 2007 three investment funds started their work in the Republic of Macedonia, followed by another nine the following year. The results of the analysis in this paper point to the conclusion that the funds started their operations with loss, due to several factors, and as a result several investment funds were closed. The establishment of investment funds in the Republic of Macedonia was done in the wrong time period before the global economic crisis.

**Keywords:** capital market, investment funds, global economic crisis, yields

# MACE MANAGEMENT WITH FINANCE IN PUBLIC ENTERPRISES

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The development of private and public enterprises depends on the quality of law that ensures increased trust, lower costs, and smaller number of disputes.

Good management in the public enterprises, especially in the finance sector, should improve the efficiency and the access to assets (capital). The choice of the “exact” management model depends on the overall institutional capacity of a country.

Due to that, in this paper, an accent is given to the finance management in the public enterprises.

The financial manager should play a crucial role in ensuring successful performance of the enterprise. That means that the manager should support (help) the development of plans and should find different opportunities for attracting businesses. The management in the public enterprises should carefully manage the assets (capital) with increased awareness and responsibility towards the fact that they are spending “state money”.

In order the spending of the state (public) money to be efficient, a higher responsibility, short term and long term planning, cost control, well defined accounting procedures, employee trainings in the financial management area and team work, are acquired. Only on that way the goals and the high level commitments will be achieved.

The integral role of the financial management of the public enterprises provides strategic measures in facilitating the process in achieving accountability.

**Keywords:** public enterprises, financials, managers, costs

## THE ROLE OF THE SUSTAINABLE DEVELOPMENT MANAGEMENT IN THE WORLD ECONOMIC CRISIS

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The goal of this paper is to reinforce the importance of the role of management in sustainable development, which with its creativity and importance improves business environments. The importance and role of the society based on knowledge is highlighted, but also the necessity of a concept that in moments of world economic crises, overrides them. Every long term state strategy for competitive economy, prosperity and social cohesion is built over the base of education. The concept of sustainable development favors learning and knowledge. The existence of new social values based on knowledge, creativity and human resource is needed for creating a quality management which transforms the existing society into a society based on knowledge. The society based on knowledge is an innovative society in which there is a space for aspirations of all members and has ways and means for supporting the personal development in each phase in the life of a person.

**Keywords:** sustainable development, management, learning, knowledge, human resource

## REDESIGNING THE INTERNATIONAL FINANCIAL ARCHITECTURE FOR BUILDING UP SAFER ECONOMIC SYSTEM

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The multispeed recovery is realized in many advanced economies and most emerging and developing countries. Last year recorded significant economic growth throughout the world, but the pace of recovery is not the same in emerging and developed countries. Financial and economic risk has been reduced, but financial and economic stability is not reached yet. That means a number of changes need to be adapted, for re-cutting the international financial architecture in order to promote stable and sustainable macroeconomic environment for the world economies. The process of stabilization requires greater involvement and changed role of IMF, enhanced involvement of G-20 as a forum for cooperation and consultation on matters immanent to international financial system, implementation of strong regulatory, supervisory and other policies proposed by the Financial Stability Board and active macroeconomic policy realized by the state as a response to the vulnerabilities determined by the financial and economic recession. This paper's aim is to explore the changed role of international financial and monetary system, implementation of prudent fiscal and monetary policy as a responsibility of the state, greater cooperation in the banking system and cross border cooperation in order to reduce credit risk, exchange rate risk and system risk immanent to the world economies. This paper also explores the implementation of new monetary and fiscal solutions especially in the USA, European Union and Japan as leading countries and their experience in dealing with the global economic recession.

**Keywords:** global economic and financial recession, international financial architecture, macroeconomic policies, risk, vulnerabilities.

## ADVERTISING AND PUBLIC RELATIONS OF COMPANIES IN POST - RECESSION PERIOD

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The world economic crisis effects were felt deeply in much business aspects leading to enormous lost, liquidity and solvency troubles, jeopardized market positions and bankruptcies. The markets are witnessing economic abnormalities and thus having difficulties applying the existing business models and strategies to the challenging new business environment. Hence, company's position, market share, mind share and brand image are insecure due to external and internal factors. The external factors are referring to the market situation explained previously. The internal factors are mainly related to two major determinants: decreased sales volume and the state of uncertainty which has even deeper impact taking into account the importance of the People factor. Operating in such existing circumstances and not being able to anticipate and plan the future, companies are having difficulties communicating with the concerned parties properly. Namely, the strategic role of advertisings is to communicate the value and benefits that companies are offering to its targets strongly supported and properly mixed with other promotional components such as Public Relations. However, during times of uncertainties companies are not just decreasing advertising budgets, and thus diminishing communication abilities, but also neglecting the power of Public relations promotional tool that serves as most direct component of the promotional mix. This paper is researching the reasons that lead to these communication discrepancies during times when communication, trust and relations with all stakeholders are crucial not only to survive, but also to win the crisis.

**Keywords:** Recession, Crisis, Advertising, Communication, Public Relations.

## A FRAMEWORK FOR FINANCIAL SECTOR RISK ANALYSIS AND FINANCIAL STABILITY

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The concept of macro-financial risk analysis provides a new perspective for the economic agents – investors, bankers, risk managers as well as the macroeconomic policy makers particularly for the creators of the monetary policy – for the measurement, analysis and management of financial risk in the developed as well in the emerging countries. The appearance and development of this concept have acquired particular significance in the last few years when the world is faced with economic crisis, which started with the banking/financial sector shock in the USA and quickly had transferred in the rest of the world.

This paper intends to go insight into the latest approaches for financial sector soundness analysis. Using the contingent claims analysis, which relies on data from the financial institutions risk-adjusted balance sheet, a set of indicators of financial sector soundness are defined which are based on market information. The aggregation of the individual financial institutions' indicators results in an aggregate indicator of the financial sector and that indicator usually is the distance-to-default (dtd). It is a barometer for the financial sector soundness and its vulnerability whose shock will affect the economy as a whole. Because the economy and the interest rates affect the instability and the credit risk of the financial sector and the financial sector has retroactive effect on the economy, we can ask if it is possible to make a link between the financial sector soundness model and monetary stability model. Market based financial sector soundness indicators (FSI) from the contingent claims analysis as it is the distance-to-default summarizes the credit channel and the mechanism of the credit transmission from the adverse affected lenders in the economy. There is a growing interest for making a link between the financial sector risks with the macroeconomic models but there is no consensus of how to achieve this goal.

**Keywords:** macro-financial risk analysis, financial stability, contingent claims, Merton model, credit risk, financial sector soundness indicators

# TO STOP OR TO POP WITH THE MARKETING COMMUNICATION DURING CRISES BANKING INDUSTRY IN MACEDONIA DURING THE FINANCIAL CRISES AND THE EFFECTS OF IMC IMPLEMENTATION

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The purpose of this paper is to implement a research regarding the marketing communications of the financial institutions during the last financial crisis in the Republic of Macedonia. The last world financial crisis had a big negative impact on the world economy, especially in the financial industry. However, the Republic of Macedonia didn't suffer big financial implications in the financial industry. Main reasons could be, as the investments in this sector are still underdeveloped and also the current financial actors are not active in the world financial markets.

However the financial institutions' marketing communications is showing changes in the world and in Macedonia as well.

For this paper, we are going to use a quantitative online research, covering all present and active banks with marketing communications in the Republic of Macedonia. This research should present what is the influence of the financial crises, if there are any changes in the communication approach, in the selection of media and selection of promotional tools, and also the measure of the changes in the budget allocation of the banks in Macedonia.

We expect to conclude the marketing communication strategies during the crises in Macedonia, in order to make a comparison with the world banks and to make a conclusion what strategy is effective for a future turbulent situation.

**Keywords:** banks, marketing communications, IMC, financial crises, message approach, budget allocation, deposit and loan products.

# GAME THEORY AS AN ECONOMIC INSTRUMENT FOR OVERCOMING THE POST-RECESSION

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The complexity of decision-making processes, the managers are facing with, continues to grow year by year, along with the changes within the business environment, as a direct consequence of the contemporary global recession's impact. During recession one has to find ways for achieving better results despite the severe conditions. Promising results are possible only if managers are willing to take into consideration new methods and techniques. One such approach could be also the implementation of the game theory. The most important goal of its possible usage would be the improvement of the efficiency and effectiveness within organization through improving decision-making processes.

Nowadays, relatively small differences in the functioning of companies can make one of them to be more competitive than the other, only by making proper and prompt decisions made on time. Companies and managers that are straggling behind the implementation and usage of decision-making methods and techniques put themselves in a growing competitive disadvantage that is hard to overcome. As a result, in many activities there is a wide discrepancy between successful companies and their weaker competitors, because their managers have made better decisions of how to exploit the available resources in the most efficient manner, in order to achieve greater profits than their own competitors'.

Therefore, research results have pointed out the fact that managers and companies, using proven decision-making methods and techniques based on the game theory, significantly increase their own efficiency. The aim of the paper is to give an overall fundamental basis about the importance and meaning of the game theory as a powerful tool which can help managers to overcome the post-recession, as well as to stress out the necessity and usefulness that comes out from its implementation in the processes of managerial decision-making within the businesses, especially in the Republic of Macedonia.

**Keywords:** recession, decision-making, game theory, management

## IS THE GLOBAL RECESSION JUST AN EXCUSE FOR NOT ATTAINING THE MILLENNIUM DEVELOPMENT GOALS?

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Since the financial crisis and the global recession spilled over from the US and hit Europe with full force in September 2008, the effects of the crisis have become increasingly felt also in developing and emerging countries. Although it still remains unclear how severe the consequences for developing and emerging countries will be, it has become evident that in the post – recession period it will be even harder for the international community to fulfill the world's biggest promise – the Millennium Development Goals. Even before the recession, the expectations of meeting the MDG targets in the Least Developed Countries were very low, but there was hope that at least the middle income developing countries will succeed to accomplish the Goals. Today, five years from the deadline, while the consequences of the economic downturn are still destroying the weak economies of the poor countries, the question remains: Were the MDGs just an unattainable overused rhetoric for poverty eradication by the developed countries or the recent recession is really the reason why they became unreachable? The main subject of this paper is to answer this question by presenting the transmission channels of how the economic turmoil is affecting the progress towards the Millennium Development Goals in the developing countries. The decrease in exports to and remittances from developed countries, the slowdown or even withdrawal of foreign direct investments, the difficult access to loans, as well as, the increase of food prices will be elaborated as the key mechanisms through which the recession has affected the progress towards attaining the MDGs.

**Keywords:** Millennium Development Goals, global recession, financial crisis

## POST – RECESSION OUTLOOK OF THE LITERARY MARKET IN MACEDONIA – NEW TRENDS AND RECOVERY STRATEGIES

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Economics of the arts and literature, also known by the term "cultural economics", has become an important economic driver and a leading component of economic growth in the emerging economies. Cultural economics offers to developing countries socio-economic growth and job creation on one hand, and promotes cultural diversity and social inclusion on the other. Among cultural industries, publishing and printed media including book writing and book publishing have already established a huge industry. The objective of this paper is not to predict the future of the literary market and the publishing industry in the post-recession period in Macedonia but to offer ideas of what literary market participants should do in order to recover from the recession and benefit from the new trends. In this time of technology and internet, the literary market conditions have changed and so have the consumers of literature. In this paper, international experience is explored, then used and adapted to Macedonian conditions to offer post-recession recovery strategies for the literary market. The literary market participants depend on each other and therefore they should evolve together by following the world trends in their fields. The publishing industry in Macedonia should make structural changes and use the post-recession period in order to prepare for the new digitalized era and the new forms of publishing (such as the e-publishing). Literary entrepreneurs should begin searching for talented writers, develop them and help them win fame by publishing best-sellers. The Macedonian government should develop a strategy and support cultural economics, which will promote the establishment of small businesses in the field of cultural industry as well as boost the economic growth of the country. Finally, authors should change their literary creations from being elitist to being popular, thus more appealing to potential literary consumers. Unfortunately, while popular culture targets consumers, Macedonian literature will lose its autonomy to consumerism.

**Keywords:** cultural economics, literary market, literary entrepreneur, publishing, e-publishing.

## THE POST RECESSION - TIME FOR NEW INVESTMENTS?

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A global economic crisis became on a half way between a banking sector and a property market. All over the world, big stimulation packages in all countries were directed to unfreeze the financial market, principally credits, because of crisis in liquidity in companies and citizens. Therefore, it was logical for our country to focus and observe the questions about influences of this economic crisis, from an aspect of possible activities which, in all areas, could be undertaken to avoid a financial collapse in Macedonia also. Answering these questions: “how economic crisis can influence on decreasing of purchasing power and people activity? What kind of government packages will help to absolve the financial stagnation; how our country can facilitate a foreign capital inflow; how Macedonia, in future, will be competitive investment destination in comparison from other countries from this region, or what kind of influence have freezing an investments to peoples activity?”. Will give a conclusion how much is Macedonia prepared to accept the attack of global recession and what price for economics and people, because all investments until now, before the crisis, were totally and absolutely probable, but now they are in one ephemeral circle of new reevaluations, analysis and studies of feasibility.

**Keywords:** global economic crisis, anti crisis measures, investments

## THE ROLE AND IMPACT OF INFORMATION TECHNOLOGY ON ECONOMIC DEVELOPMENT IN POST-RECESSION

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In an increasingly globalized economy, information technology is one of the key determinants of competitiveness and growth of firms and countries. The recent advances in information technology are becoming central to the process of socio-economic development. Information technology offers new ways of exchanging information, and transacting business, changes the nature of the financial and other service sectors and provides efficient means of using the human and institutional capabilities of countries in both the public and private sectors. The world is rapidly moving towards knowledge-based economic structures and information societies, which comprise networks of individuals, firms and countries that are linked electronically and in interdependent relationships.

ICT can be used as a strategic lever for socioeconomic development and a key competitive tool in an increasingly global and deregulated market. The correlation between information, communication and economic growth are well known, making the significance of networks apparent. Electronic networking is a powerful, rapid and inexpensive way to communicate and exchange information. When networks are available, developmental changes can be sporadic.

**Keywords:** Information technology, knowledge, economic development, networks,

## DEVELOPMENT AND STANDARDIZATION OF THE FINANCIAL STATEMENTS FOR EVALUATION OF THE BUSINESS IN THE POST-RECESSION PERIOD

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The most famous economic principles include also the principles of efficiency, performance management and the development of financial reporting and standardization so we can freely state that they are representing essential parameters to evaluate the economic and social development in the 21st century.

It comes from the notion that today, at different levels of theoretical and practical discussion renowned theorists and practitioners clearly indicate the problems and difficulties of the global recession.

These problems have expanded so quickly that hit all economies around the world, to that developed countries have strongly felt the effects of the fall in industrial production.

Actually, the development and standardization of financial reports, among other things, provide the necessary data to evaluate the results of business activities of companies. This, in fact, had forced businesses and business entities to be organized in a way that will allow disagreement and confrontation with all sorts of problems, requirements and changes, as well as gain opportunities for the design of modern competitive market economy and economic reality.

Hence, based on standardized financial data, comes quantification for measurement and evaluation of the decline of industrial production (which mainly is a consequence of global recession).

Therefore, the function of these reports generally provide data for assessing the success or failure as an indication of whether the business and managers have achieved their business goals in terms of general economic recession trends and movements.

Without doubt, the purpose of this paper is to emphasize the importance of the development and implementation of standardized financial statements in assessing the values of economic activities, and perspectives, based on business entities and the economy as a whole, especially in this post-recession period.

**Keywords:** development, financial reports, standardization of data, business, management, competition.

## PREDICT THE MOBILITY OF CUSTOMERS BETWEEN SAME / SIMILAR BRANDS IN PERIOD OF RECESSION

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This paper presents the basis for a model that should allow prediction of loyalty / customer mobility of the same or similar related brands. The focus is related towards adaptive application of the model into different socio economic conditions. It is specifically analyzed on the possibilities for this model to be applied to predict the mobility of customers between the same / similar brands in the period of recession. The base of these basic indicators has a dominant significance of such conditions. At the core of the model there are random processes, Markov chain models and application of integral calculus and differential calculation. The time dimension of the model and its adaptability is a major advantage that only increases the possibility of its application.

## THE IMPORTANCE OF BUSINESS INTELLIGENCE WITHIN THE BUSINESS

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Within the last 15 years, several economies have introduced a new business instrument i.e. the business intelligence, which is considered to be the core element of the modern business. That is to say, traditional business approach has been considerably transformed in terms of hypercompetitive and mostly globalized market.

In principal, business intelligence disposal might give an opportunity to take a certain advantage over the others. In other words, future appertains to those who may possibly collect and use information the most efficiently. Noteworthy is to mention that data collection and processing is a very complex issue that requires a working knowledge of different specialities. In this context, sitting up certain knowledge as regards to business may give an opportunity to introduce the business intelligence in proper way.

**Keywords:** business intelligence, business information, information, decisions, managers, knowledge, economy, business

## HOW TO CREATE A SUCCESSFUL BUSINESS PLAN AFTER THE RECESSION

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The current global economic crisis which resulted in collapse of credit market and share market, and began in USA, quickly disseminated in Europe and Asia, causing huge damages on the financial markets, slow increase, reduced demand, restricted lending in banks and increased interest rate, deficit of money and enormous new unemployment. The effects of this crisis, with some delay, reflected on our economy as well. But, watching the daily global news, gives us optimism that the world slowly gets out from this crisis. Big stimulation packages in every country are oriented to unfreeze and recover the market, so it is logical that in our economy, as an integrated part of the global economy, the following questions will be considered and reanalysed as well: how to avoid the effects of the crisis, but at the same time not to disorder the market principals and to help with measures for a long period for increasing the competition of our economy; but also at the same time how to ensure adequate development. To answer these questions and to intervene, we should target all segments where crisis reflected and offer adequate business plan for our companies to resolve their problems. Because the damages of the crisis are evident, and it is not defined how long will takes world recovery with decreasingly after-effects.

**Keywords:** global economic crisis, crossing measures, business strategy

## CREATING ON-LINE BUSINESSES AFTER THE WORLD ECONOMIC CRISIS

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2008 would be remembered as one of the most difficult years for the World Economy. Securities markets fell constantly, many banks and companies collapsed, while others were barely rescued by government intervention and many jobs were lost. Consolidating their ranks in terms of financial and business operations, companies in the post recession period create new policies for the development and application of new technologies in production and distribution of goods and services. The application of information and communication technologies (ICT) plays a major role in terms of conquering new markets, communicating with potential and existing business partners, finding the fastest and cheapest way of selling and marketing of assortments of products and services. This scientific paper will explain the creating and starting of an online business as an advanced mode of presenting the products and services of business companies, through which potential customers are attracted and communication and cooperation with business partners is realized. It will further explain the development of a web-based solution for online business which include: creating a business and a graphical solution, providing functionality and interactivity in communication, sales and marketing, as well as its filling with appropriate content which is more than necessary for the development of companies in the post recession period.

## MARKET ORIENTATION AND MARKETING STRATEGY – BASIC BUSINESS STEPS FOR REBUILDING THE STRONG RELATIONSHIP WITH THE CUSTOMERS

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“A Strategy is a sense of direction around which to improvise.”  
Peter Drucker

Even before the recession period began, it was clearly established that our companies have been scarcely surviving on the market, primary because of their played – out strategies and product orientation that has been outgrown since the 1950’s. Instead of market research, market testing and customer focus, most of the companies in Macedonia were and still are using the product orientation tools, such as: product research, product testing and product focus. It is possible to be successful with either type of orientation, but it is harder to succeed with the product orientation alone, especially if you run a business to customer business. This downturn has likely changed people’s buying habits in fundamental ways. It is necessary to start planning today in order to reach consumers after the recession. If your business has survived the recession, it means you’re still in the game and even if you suffered some negative effects like downsizing etc., there are some benefits as well: eliminating under – performing distributors, deleting poor – selling products from your portfolio and pushing away unprofitable or unreliable customers. With these adjustments the path of evolution is set. Having in mind that most of our companies are small and middle sized, it is of great importance for the marketers and entrepreneurs to think through how the recession has changed consumer preferences and prepare the development scenarios – changing the product into market orientation or at least combining the two and choosing the winning marketing strategy - the basic business steps for rebuilding the strong relationship with the customers...

**Keywords:** market orientation, strategy, customer focus, customer preferences, recession, change.

## LIFELONG LEARNING FOR BEST ADAPTATION TO THE 21st CENTURY CHANGES

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The 21st century world confronts with rapid changes in all of the life spheres. As the most significant changes we could highlight: the demographic changes, characterized by low fertility and mortality, which reflects on the ageing of the population; new cultural paradigms, evoked by migrations on regional and international level; continuous progress of technology and wide use of technological devices; changes and shifts in the job profiles and job tasks; globalization as world imperative and multidimensional process, which unites economy, politics, technology and culture, and has a great impact over the competitive advantage.

These changes lead to abandon the traditional economic models and social relations, stability and predictability exists on a low level. That requires a need for change of the individual, organization and the whole society, in order to adapt to the changes and successfully coping with the new situations.

The basic goal of this paper is to determine the forms and dynamics of lifelong learning which are most adequate for learning how to adjust to the changes. The targeted sample consists of 73 postgraduate students that were asked, by pilot questionnaire, which form of the LLL (formal, non-formal, informal) they consider most useful, does the current offer satisfies their needs, and what kind of learning dynamics they prefer.

**Keywords:** human resources management, competitive advantage, human capital, knowledge-based competition

## OBTAINING SUSTAINABLE COMPETITIVE ADVANTAGE THROUGH CREATION, TRANSFER AND KNOWLEDGE INSTITUTIONALIZATION

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The possibility to obtain strategic competitiveness in the new economic reality has been higher within the companies which have already concluded that their survival depends on the ability to recognize intelligence and to transform it into knowledge, which could be used promptly and it could be widened throughout the whole company. As a result, a number of companies are aimed towards transforming the employees' acquired knowledge into an organizational resource and a significant base of competitive advantage. The company critical assets do not appear on the balance of sheet, but instead, they exist within people and company's management systems. This paper points out the existence of connection between the changes in the sophistication of human resources company architecture and the change of market value per laborer, suggesting that companies may add value for the investors, consumers and employees.

The theory for company competitive advantage based on creation, transfer and knowledge institutionalization points out that companies do not exist and make prosperity because they integrate and apply the specialized knowledge better, but they protect the knowledge of expropriation and imitation better.

The management of knowledge demands from the companies to define knowledge, to identify the existing bases of knowledge and to provide mechanisms that promote creation, protection and knowledge transfer.

The connection between the management of knowledge and the organizational strategy, which is clearly established, becomes a key factor for its success. The effective management of knowledge asks for balanced mix of technology, cultural change, and well-established systems for awarding and business focus which will match the organizational business strategy.

## MANAGING CHANGES IN SME'S TO SUSTAIN BETTER ADJUSTMENT AND SUCCESS TO THE MODERN AND GLOBAL MARKET

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## EFFECTS OF THE INTERNATIONAL FINANCIAL SCENE ON THE MACEDONIAN'S BANKING SYSTEM

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Market is changing all the time. These changes are promoters of the modern market concept which is characterized with advanced manufacture, enhanced purchasing power and razed capital and cash flow. All mentioned characteristics of the modern market fasten its development and globalization.

Subjects in the market, especially SME's, should be reorganized all the time for the purpose of following the needs of the modern market concepts and to be successful. This is the only way of succeeding and staying alive. Sustaining that success has its challenges. Sometimes the challenge is external, such as competitors beginning their own international expansions in the market, so the SME has to follow competitors, but most of the time the challenge should come out from inside the SME's.

The SME's have its own specifics: smaller number of employees, smaller power to invest, smaller strength etc. These specifics tell that they should be more careful than the other subject on the market. „Staying alive” on the market for the SME's means that they should be using inside powers to better adjust of the changes. If these take wrong path it could be very unpleasant experience for the SME, leading to frustration of the employees, mistakes, and potentially, a failure. The challenge can be strategic, made ad-hoc for all levels if SME lose sight of their overall strategic plans. Sometimes SME's should pay attention to the concrete methods such as: technological adjustments, structural adjustments and employees adjustments.

After long years of world economic growth, high confidence, abundant liquidity in international financial markets, the world faced a severe economic and financial crisis. Macedonian economy, as a small and open economy has not remained immune to such movements, and thus the banking system of the Republic of Macedonia has not remained completely isolated from the effects of global financial crisis. The first significant effects are felt by slowing domestic activity of the banks, which influenced the slowdown in the growth potential of the deposit banks, and led to deceleration of growth in total assets of the banks. Such developments led to stagnation of some banks at the level of financial intermediation. But despite of the numerous crashes of banks from developed economies and from the region, Macedonia's banking system remained stable and reliable. Classic banking activities and little exposure to Macedonian banks against non-residents were their main advantages over internationally active banks.

**Keywords:** international financial markets, banking system, banking activities

# REVENUE POLICY IN DIRECTION OF OBSTRUCTING THE ILLEGAL BUSINESSES WITH PARTICULAR VIEW IN THE POST-RECESSION PERIOD IN THE REPUBLIC OF MACEDONIA

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We are all witnesses of the last happenings in the field of the world economy in the last two years. The recessive movements capture every sphere of the functioning of the global economy. Today we live in a time that indicates the slow but secure healing of the economy in a great part of the world. Different states undertake different measures to overcome the enforced crises from the careless expenses in certain economies.

Macedonia as a country with small economy and did not stayed untouched from the recessive movements. The key for solid position of our country in the crisis period is in the successfully conducted state policy. One of those polices is the revenue policy. The businesses in time of recession find different ways to exist on the market, and one of the ways is managing illegal business. From one side the businesses in Macedonia are facing with decreased consumption which further reflects on their liquidity, while on the other side is the revenue legislature that has an aim to maintain the general public consumption. On that field the Revenue Public Office has developed many instruments for detecting and chasing those who don't register their incomes and perform on the marked as unlicensed subjects.

**Keywords:** recession, economy, revenue policy, business, illegal economy, unlicensed subject.

# IS THE ENTERPRENEURSHIP THE NEW PARADIGM FOR PROGRESSOIN?

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Redundancy has been the topic on many employers and employees' agendas since the advent of the global economic crisis. As companies across all sectors of the world's economies announce losses and job cuts, entrepreneurship has become one of the most viable and most potentially long term rewarding employment for workers already made redundant by this desperate situation.

Entrepreneurship is increasing in popularity as a tool for stimulating local economic growth and development. Entrepreneurship has gained additional attention in the current economic crisis, as it is widely viewed as a key aspect of economic dynamism. Hence, policy makers look at entrepreneurship in combination with innovation to return to a period of sustained economic growth. Both entrepreneurship and innovation are associated with "doing something new" and policies, if designed appropriately, can be mutually reinforcing in (re-)creating economic dynamism.

This paper will examine if financial or the demand crisis the real one to hinder the development of the new firms. Several indicators will be in use to provide verifiable evidence of the survival rate of entrepreneurship and its power to move forward the economy. The Global Entrepreneurship Monitor and the Doing Business data will be fully exploited for these research intentions. The dynamic process of new firm creation will be under examination for its ability to introduce and disperse innovative products, processes and organisational structures throughout the economy. At the end the market conditions under which the corporate sector operates will be effectively described.

# EUROPE IN CRISIS, THREATS AND OPPORTUNITIES AND MACEDONIA IN IT (SOCIOLOGICAL VIEW)

ELEONORA STOJKOVA

The current world economic crisis is in action. Europe is in that position and the Republic of Macedonia is not excluded from this situation. It has bad sides but also good sides in the same time. Macedonia has to face it very soon and in a very positive way. I find it the question: How can political, social and cultural considerations contribute to comprehensive solutions to the new reality?

Workers who have lost their jobs in this recession are looking for salvation in special clubs where they are getting help for finding new jobs, but also are finding help to up bridge their psyche problems. Clubs like these are all over America, in every big and small city. Social clubs are places where unhappy jobless people (workers) learn how to survive in conditions of unpaid credit rates.

Many Americans and Europeans, especially Macedonians (Macedonian workers who have lost their jobs in the present crisis) in that matter, cannot waste their time and they have to become members of this kind of social clubs.

Members of these clubs are helping each other even when it should be crossed (surmount difficulties) of the negative answer by the employers. Social active persons (people) are more successful in finding new jobs then those who are giving themselves to one's mercy. Social clubs are playing an important role in connecting the redundant workers with the social community.

Workers are getting very important moral support for seeking new job on the labour market in this kind of clubs. This kind of support may help people bring new ideas ahead. Some clubs are let into their members what is the best way to have conversation for a new job and some are offering courses for using the internet. Some are singing songs together or are practicing common prayers and meals, which is raising the moral and the positive spirit all together. The clubs are working independently, they are financed by the churches, universities and other organizations that offer help for the citizens.

The first wave of people directly affected by the crisis are those having problems with real-estate, then the wave of those who can not pay off their credits, the third wave are those who have lost jobs in the banks etc. It is all about particular support, hope and advice which are most needed at the moment for the everyday people in this current crisis.

Macedonia and the Macedonian people are not excluded from the aforementioned and huge optimism to surpass all this is needed. Macedonia and Macedonian people can do this, it is time for action and it is time for a little bit more philanthropy.