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EMERGING TRENDS IN
ECONOMICS AND FINANCE
Angelina Ilchenko, Xiang Xiao Gang, Vladimir Stepanov.
Econometric Modelling of Influence of Level of the Social and Economic Infrastructure on Quality of Life of the Population

Abstract. In article the index approach to an estimation of situational multifactor economic categories is considered: a level of development of a social and economic infrastructure of region and population living conditions. Author’s mathematical models of formation of the integrated estimated indexes, formulated on principles of the factorial analysis of hierarchies are used. The constructed estimated integrated indexes form a basis of ranging of territories, both in an annual cut, and in dynamics on years that, in turn, allows to analyze change of ratings of territories (during 5-10 years): on a level of development of an infrastructure and quality of life of the population. Authors give results of computer modelling of an index of development of a social and economic infrastructure. Here authors use additional parameters for measurement of an index of capital investments in an infrastructure. Further authors model an index of quality of life of the population. Here methods are used: the analysis of hierarchies, the factorial analysis, a method of the main things a component. Then the interrelation analysis between tendencies of change of indexes, through comparison of ranks of territories is made. Theoretical offers of authors are accompanied by quantitative results of modelling experiments on materials of 30 Chinese provinces for the 10-year-old period.

Keywords: infrastructure; quality of life; mathematical modelling; integrated indicator; ranging of territories.

JEL code: H54; O18; R58; C02

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Katarzyna Żak. Physical Investment Financing: The Cases of Poland and Latvia

Abstract. The aim of this paper is to develop a consistent set of comparable data on the sources of physical investment financing in Poland and Latvia, and to determine of changes in the financing of the corporate sector in the period 2005 - 2015, and if so, what and why? In this paper I would like to use the methodology of financing the net
initiated by C. Mayer, J. Corbett and T. Jenkinson. Financial data analyzed in this article come from the capital and financial accounts, which are part of an integrated system of national accounts. Assuming that during the period the source of funds (revenues) are equal to their use (expenditure) it is possible to estimate the financing structure of physical investments in the corporate sector. Practical dimension of the analysis should be considered through the prism of ability to set the direction of the changes in the physical investment financing in companies in both countries: Poland and Latvia.

**Keywords:** physical investment financing; capital and financial accounts; Poland; Latvia.

**JEL Classification:** G390

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**Michael Levens. The Influence of Organic Product Classification on Charitable Contributions embedded in Retail Prices**

**Abstract.** Research on embedding direct charitable contributions into purchase transactions through increasing product price has revealed mutual benefits for charitable organizations and for-profit companies. The potential for this type of mutually beneficial cause marketing has been shown to apply equally to hedonic and utilitarian products. The fastest growing product classification in the United States, organic products, generally cost more than their non-organic alternatives and are often considered a “way of life”. The basis of this research is to examine if the “organic” way of life enhances the utility of a donation-linked product offer. Eight different organic and non-organic food products are presented in a 64 block, single choice set design to a national sample of consumers with choice options between current market price and current market price plus 5% or 25% price premium with entire premium going directly to charity. The results of the research indicated that organic products with increased price and embedded donation were, on average, chosen 5 percentage points less frequently than similar choices involving non-organic products.

**Keywords:** organic; charitable contributions; bundling.

**JEL Classification:** M31

**Biography of the author**

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Abstract. The financial crisis we faced and its repercussions, which have still been affecting the EU and global economy, showed that the financial system requires both global and local recovery measures to be taken. The researches the results of which are presented in the paper become in a way an inseparable part of the financial system recovery measures. This is because monitoring financial effectiveness of individual national banking sectors and the entire EU banking sector, in particular in the context of the Banking Union under establishment, might constitute a component of a more complex sector risk identification system at the micro- and macro-level. It needs to be also borne in mind that the greater the capability of financial and credit institutions to identify various types of risks in the banking sector, the more effective its control. Currently, one of the most popular methods of analysing the financial position of a bank is the ratio analysis. Its basis is the amounts disclosed by banks in financial statements. The ratio analysis provides a range of significant information about the bank’s standing, which – when skilfully used among others for effectiveness assessment – might enable recovery measures to be taken sufficiently earlier, owing to which negative consequences of “spoiling the market and the economy by a bank” can be prevented. The following groups of ratios, which are significant from the viewpoint of the financial position of a bank, can be distinguished according to the relevant literature: profitability, margin, charges on the financial results and effectiveness of employment. According to another literature item, effectiveness, liquidity and solvency, stock market and assets quality ratios are enumerated as groups of financial ratios that allow a proper reflection of the financial position of a bank. The presented paper focuses on the ratios used for assessing financial effectiveness of banking sector entities. Values of individual ratios are analysed from the viewpoint of the group of the examined banks and time. The aim of the presented paper is to answer the question whether the EU banking sector was and still is effective? and also the question how developed financial indicators of the banking sector in Latvia compared to other banking sectors European Union. The economic interpretation of the analyzed indicators will be made in the paper with reference to individual values of the analysed ratios based on the relevant literature as well as knowledge and analytical skills of the author of the paper.

Keywords: financial efficiency of banks; financial ratios; ratio analysis; method development pattern.

JEL Classification: G15; G21; M21

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Abstract. Flexibility is defined as the modification of generation injection and/or consumption patterns in reaction to an external signal (price signal or activation) in order to provide a service within the energy system. Flexibility resources are an important tool to achieve the EU target of at least 27% of renewables in the final energy consumption by 2030. Integrating such resources into the electricity market will also increase security of supply, support market competition and enable consumer empowerment, which are important objectives of the EU energy policy. To facilitate smooth integration of flexibility resources in the energy retail market, energy aggregators come into play. Currently, the main barrier for the aggregators in Latvia is the lack of a regulatory framework defining the roles and responsibilities for the aggregators and the compensation mechanisms between different energy system parties when aggregators participate in the market. The aim of this paper is to compare multiple market models currently existing within the EU by calculating the economic benefits for the parties involved. The quantitative analysis will be based on the historical balance regulation as well as electricity prices in day-ahead, intra-day, balancing and retail markets.

Keywords: aggregation; distributed energy resources; demand response; electricity retail; balancing markets

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Anna Jędrzychowska. Compensation for Lost Income for Indirectly Affected by the Death of a Household Member

Abstract. Article shows the size of the budget gap that arises in the household after the death of one of its members, who was the breadwinner of the family. It is also show how this gap can be covered by liability insurance of motor vehicles. One source of funding this gap could be for example annuity for indirect victims. In many EU countries, people who are members of the household of the deceased are considered to be affected as a result of his death. Indirectly affected will be the family members and relatives of the deceased (spouse, parent, child, sibling, and cohabitant). This person who is guilty of death should pay compensation to the family members of the deceased. One of the elements of this compensation shall be lost by a family income of the deceased. The paper will be presented to the study of literature as an introduction to the issues. The problem of compensation of lost income will be illustrated by low regulations and calculations based on the account actuarial – term annuity, taking into account the time of life. The study will be prepared for selected EU countries. Article is part of a broader study of the author of the material consequences of personal injury and sources of their financing.

Keywords: MTPL insurance; personal injuries; value of pensions; annuities.

JEL Classification: G22; G28; J17

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Tatyana Daudisha. Impact of the Changes in Personal Income Tax Regulation on Citizens’ Well-Being

Abstract. The paper is devoted to the changes in the legal acts of Latvian Republic regarding the application procedures of personal income tax relief and the introduction of differentiated non-taxable minimum. Differential non-taxable minimum implementation is reasonable in the countries with a relatively high income level. In turn, in low income level countries, this initiative can cause a social stress, to increase intention to avoid taxes and to contribute to the shadow economy. The aim of the paper is to analyse the consequences of the introduction of the differentiated non-taxable minimum in Latvia, as well as to make recommendations to improve these procedures. Different income groups of population was analysed to evaluate the overpaid tax volume. Besides, the results of the survey among Latvian employees were analysed in order to test citizens’ awareness of income tax-related issues. The study allowed making conclusion that the implementation of differentiated non-taxable minimum for personal income tax results in reducing monthly income of all Latvian employees that, in turn, negatively influences social welfare level.

Keywords: personal income tax; tax relief; differentiated non-taxable minimum.

JEL Classification: E24; H24; I31
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**Lis Tomasz. Analysis of the Credibility of the Report on the Equity Accounting**

**Abstract.** The objective of financial reporting is getting fuller provide stakeholders with useful information about the possible economic and financial situation and the financial result of the operator. Statement of changes in equity (fund) is the analytical development of information about the formation of the individual components of the equity of the company. It contains particularized information about equity, which are synthetically presented in the balance sheet. This report works only a few years. At the time of introduction, given the usefulness of the information about the structure of capital and the need to adapt the Polish financial statements to the regulations of the International Accounting Standards, we extended the scope of the annual financial statements of the said statement. Report on equity did not meet expectations. Article present dilemmas and analysis around the information contained in this financial report.

**Keywords:** Equity, financial statements, information

**JEL Classification:** M41

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**Anastazja Magdalena Kasztalska. The Economic Theory of Luxury Goods**

**Abstract.** The main idea of the study is the research about the connection between theory of luxury goods and their practical aspects in the economy. This kind of goods is completely different than any other that exists on the market. In the theoretical part will be an explanation of what they are luxury goods and how their understanding has changed over time. The next step is to introduce and explain the concepts such as Giffen’s Paradox and Veblen’s Effect. These concepts explain how the theory works with practice about luxury goods. Theoretical goal of this article is to explain how luxury goods are understood in economics as well as their understanding of
customers changed over time. The practical aim is to check whether the theoretical approach to economics luxury is a reference in practice. It is worth to look through the eyes of customers on the theoretical aspects, because the patterns can be adjusted by the economic context. The study method was applied interview with the clients of a luxury brands, because they are only an attempt to correct research. This is because they participate in the economy of luxury. The value of the research is their novelty, as well as the ability to be implemented by the managers of luxury brands.

*Keywords*: luxury goods; Giffen’s paradox; Veblen’s Effect.

*JEL Classification*: M21; M31; E21

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**Liucija Birškytė. The Effectiveness of Financial Support to Small and Medium Size Enterprises in Lithuania**

**Abstract.** Small-and-medium size enterprises (SMES) are considered to be a key to economic, social, and political development. Small businesses are also a crucial source of innovative potential and job creation therefore entrepreneurship and small business are supported by governments in various forms. The aim of this article is to assess the effectiveness of financial support to the development and survival of small businesses in Lithuania. Though the benefits of financial aid to bolster start-ups and increase the chances of survival seem obvious, the true measure of the effectiveness must demonstrate that the benefits exceeded the costs. The task gets even more complicated because the effectiveness measure needs to control for all other factors that have impact on the success of SMES. In this paper the experts’ evaluation research method has been used alongside the analysis of statistical data and legal regulations. The results of the research indicate that financial aid is a significant factor in small business formation and performance. Other findings of the paper provide evidence that the existence of long-term planning in SMES and the aid aimed at innovations contribute to the effectiveness of the financial support. In addition, the variety of available financial aid instruments reduces the bankruptcy rate among the SMES. This paper contributes to a better understanding of what kind of financial support and what features of aid recipients make the financial support more effective and how policy makers could shape their policies to effectively encourage small business formation and sustain their operations medium and long-term.

*Keywords*: small-and-medium-sized enterprises; financing; effectiveness; economic development.

*JEL Classification*: L26

**Liucija Birškytė (PhD)** is an Assistant Professor at the Mykolas Romeris University (Lithuania).
Maria Misankova, Katarina Zvarikova, Jana Kliestikova. Bankruptcy Practice in Countries of Visegrad Four

Abstract. Numerous economists and analysts from all over the world have been trying to find an appropriate method to assess company health and to predict its eventual financial distress for many years. No economy is a small isolated subject and the bankruptcy of a company can cause through its stakeholders significant impact on the sustainable economic development. Otherwise, companies are very complicated entities and it is not a simple task to estimate company future development. Together with the best-known Z-Score model of bankruptcy prediction developed by Altman there have been developed numerous models worldwide, which are based on different methodologies. We assume that individual state’s economy has major influence on the final form of these models as well as there are several common characteristics between Slovak economy and economy of countries of Visegrad four. Therefore, we applied chosen bankruptcy prediction models developed in countries of Visegrad four on the set of Slovak companies and validated their prediction ability in specific condition of the Slovak economy. Based on the provided calculations we compared gained results with the prediction capability of other popular prediction models also applied on the dataset of Slovak companies. Through this, we pointed out the importance of the development of unique bankruptcy prediction model, which will be constructed in the specific condition of individual countries and highlight the weak forecasting ability of foreign models.

Keywords: bankruptcy; financial health; Visegrad four; prediction models.

JEL Classification: G33

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**Aija Sannikova, Tamara Grizane. Factors Influencing the Supply of Labour in Latvia**

**Abstract.** The research problem relates to the fact that in Latvia there are available vacant jobs and, at the same time, there is unemployment across all education level groups. The research aim is to identify whether the factors influencing the supply of labour are the same for individuals with higher and those with lower education, which has been a little researched field up to now. The research employed statistical data provided by the Central Statistical Bureau of Latvia and involved a survey (N=124) and unstructured group interviews (N=8; N=124). The empirical research was performed in Latvia, Riga region, in 2016. The results of the empirical research revealed that: (1) the size of wages and salaries was regarded as a significant factor in the supply of labour across all the subgroups of economically active individuals broken down by their education level, yet with different levels of priority; (2) it was important for economically active individuals with higher education whether the build-up of skills was provided at their jobs, whereas for the other education level groups this factor was less important; (3) social contacts provided by their new jobs, the social hierarchy at their jobs as well the innovative nature of their jobs were important for employees with higher education, while the other groups did not rank these factors in the top 1-3 positions. The research has found that: (1) in the supply of labour, the factors were not equally significant across the groups of the economically active population, therefore the factors should be examined in detail for all the regions of Latvia; (2) to promote employment and occupy vacant jobs, national responsible institutions and employers in Latvia have to focus not only on remuneration issues but also on the whole range of the influencing factors.

**Keywords:** region; employment; vacant jobs; education levels of economically active population.

**JEL Classification:** E24

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Abstract. The world economy can be viewed as an international exchange of goods and services, but this perspective immediately calls for other elements to be included. The flow of global capitals causes an increasing interconnectivity within the world’s money markets. Hence, this massive movement of capital relies on information—elusive at times, often difficult to quantify, sometimes expensive to acquire. Investors want to make informed decisions and this realization constitutes the basic principle behind Investor Relations (IR). All stakeholders should have access to sufficient information so that they can make a fair judgment about the financial health of a company that they are interested in (Dziawgo, 2011). A genre that has become part of corporate communication and IR practice is the letter to shareholders. The paper aims to look into how rhetoric is used to achieve communicative purposes behind the letter to shareholders. The theoretical framework draws on genre theory, (Bhatia, 1994, 2016; Freedman, Medway, 1994; Lanham, 2006) and business communication theory (Laskin, 2016; Hyland, 1999; Millar, Heath, 2006). The paper seeks to establish what rhetorical and generic features can be identified in the letter to shareholders as a non-financial component of the annual report. Particular emphasis is placed on the aspects involved in crisis communication, when financial information is explicitly negative. The analysis is based on the corpus of letters to shareholders published by global insurance companies listed on the New York Stock Exchange in the aftermath of the financial crisis of 2008.

Keywords: investor relations; genre; rhetoric.

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Piotr T. Nowakowski, Bogdan Więckiewicz. Major Principles of the Governmental Family 500 Plus Program and Its First Effects

The paper is a preliminary study on the governmental Family 500 Plus program which was launched on 1 April 2016. It is a pioneer pro-family policy project which, on the one hand, constitutes financial support for families and, on the other hand, is to tackle the issue of demographic collapse faced by Polish society. Under the program families are paid a monthly benefit of PLN 500 for their each second and next child. They are additionally eligible for the payment of the benefit for their first child provided that they meet an income criterion. The benefits are paid until the children turn 18. The government expected that 2.7 million Polish families would take advantage of such form of assistance and the benefits would be paid to more than 3.7 million children. Based on the accessible data, the authors of the paper describe major principles of the Family 500 Plus program and analyze its first effects.
Abstract. In today's trade, the vast majority of commercial transactions both domestically and in international trade, are concluded applying trade credit terms. On one hand, applying trade credit conditions, company can attract more customers and increase sales volume, on the other hand company deals with payment failure and shortage of working capital risks. By providing its customers credit terms payment conditions, company risks that because of the incorrectly assessed debtor's potential to cover its debts, the liabilities will be covered not on time or in case of client insolvency, will fail to be covered at all. Analysing trade credit risk management options and their suitability it is incorrect to evaluate trade credit risks only in context of financial analysis, because the risk of payment failures are dependent not only from the company's financial results, but also from non-financial factors and the debtor country's tax, financial, legal and political situation. It is relevant for business representatives to know what the trade credit risk management capabilities are and which is appropriate for them to effectively manage trade credit, therefore it leads to the relevance and importance of the article. It is important to note that trade credit risk can affect not only private business entities performance, but also country economic development. Trade credit implementation encourages domestic and foreign trade; in consequence export growth improves country's foreign trade balance. Sales revenue receivables provide economic profits. The dependence of above mentioned processes shows the relevance and importance of trade credit risk management not only in micro but also in macro environment context. The aim of this article is to analyse the trade credit insurance and according to the methodology to evaluate it as a credit risk management tool in the context of Lithuanian business market.
After the 2007-2008 crisis, when the financial system worldwide, including large banks and other financial institutions, collapsed, countries started to implement monetary policy and quantitative easing programs which should have stimulate the economy and step by step eliminate the consequences of the crisis. The Federal Reserve (FED), European Central Bank (ECB) and other central banks of the world lowered their interest rates to promote borrowing and thus to elevate the economy. This cheap borrowing had to enhance economic growth and in 14th December, 2016, the FED increased its rate from 0.25% to a range of 0.50%-0.75%. However, the eurozone economic indicators have shown that the economy is not growing as it should, so the ECB had to set even negative rates to put even more stimulus to the economy. The aim of this paper is to identify the causes of low interest rates and valuate the implemented monetary policy in the USA and eurozone economies after 2007-2008 crisis. Research methods: scientific literature analysis, statistical analysis from the FED and the ECB balance sheets and loan portfolios of the largest U.S. banks: “Bank of America”, “Wells Fargo” and “JP Morgan Chase”.

**Keywords:** monetary policy; quantitative easing; interest rate.

**JEL Classification:** E4; E5

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EMERGING TRENDS IN

BUSINESS ADMINISTRATION, MARKETING AND

ENTREPRENEURSHIP
Marcin Komańda. Ways of Organizing Forms of Trainings Concerning Internal Documentation and Databases in Polish Enterprises

Abstract. The rules concerning creating, circulation as well as use of information resources connected with internal documentation and databases within an organisation are regarded as a significant element of cold organisational knowledge. Thus, organisation of appropriate forms of employee trainings in this regard becomes essential. Therefore the first objective of this article is to distinguish the schemes of applied forms of organisation of employee trainings within business entities represented by the surveyed respondents. The second objective is to determine whether there is a relationship between them and the type of an enterprise itself. A survey based on purposive sampling of respondents was conducted for the purposes of the work (in the number of 215). In order to achieve the first objective a two-tiered clustering analysis was applied, which made it possible to distinguish four groups of organisation of particular forms of trainings. Three groups are represented by the same main forms of trainings in both cases, and one includes the lack of trainings on databases. The analysis of correspondence, in turn, made it possible to establish that respondents from branches as well as from head offices of multi-branch enterprises were, in case of trainings concerning internal documentation, more prone to point at two forms of trainings: blended and special. Whereas, in case of training within the scope of databases they were more willing to point at a special form of trainings. The obtained results broaden the theoretical background of the issue of realisation of trainings in respect of cold organisational knowledge.

Keywords: training; knowledge, employee; organisation.

JEL Classification: M12; M19

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Viktorija Skvarciany. Factors Influencing Individual Customers’ Trust in Internet Banking: Case of Latvia

Abstract. Banking sector has developed and extended usage of online services in the last decade. In fact, nowadays Internet-based banking services dominate over other historically provided alternatives. This article explores individual clients’ trust in Internet banking in Latvia. The model of trust in Internet banking was developed based on four factors distinguished from the scientific literature. They are as follows: provided information, the bank's characteristics, e-banking system, website of a bank. Hence, the goal of the research is to measure the distinguished factors impact on trust in Internet banking. In order to determine the factors impact on individual customers’ trust correlation and regression analysis were applied. The results showed that the most vital factor affecting individual clients’ trust in Internet banking is e-banking system. What is more, it was found that provided information is statistically insignificant factor and, hence,
it was removed from the model. Limitation of the study is the respondent profile. The respondents were individuals, thus the results do not reflect companies’ trust in Internet banking.

*Keywords:* trust; Internet banking; Latvia.

*JEL Classification:* G21; C3

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**Mateusz Bogołębski. Cooperation of Science and Business on the Example of Warehouse Area**

**Abstract.** Enterprises leading warehouse management in Poland investing in developing solutions based on technology implementations. The choice of technology takes place on the basis of knowledge and skills that are the resources of enterprises. Support for this process could be carried out with the cooperation of research teams that have experience and competence to support projects. The main objective of the study is to investigate whether the company collaborates with universities in the area of technology implementation. It is very important that this kind of cooperation could bring benefits for both sides. The aim is to check whether such cooperation exists and determine its possible scope. Applied research method will be structured interview. Companies could express their views on co-operation with universities. The results of the research will identify existing forms of cooperation between science and practice. The interview will show the barriers of companies in acquiring theoretical knowledge. The results of the research should also identify areas in which cooperation will be possible in the future. The research will be carried out in the area of investment in technology, where cooperation of science and business would be particularly important in the context of the innovation and competitiveness of enterprises in the market.

*Keywords:* cooperation, technologies, competitiveness, warehouse, logistics

*JEL Classification:* O3

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**Natalja Verina, Jelena Titko. Taxes and Corporate Social Responsibility Perceived by Business Sector Representatives: Development of the Research Instrument**

**Abstract.** There are different viewpoints of business sector representatives on tax information disclosure and aspects regarding corporate social responsibility. Considering the requirements regarding disclosure of non-financial and diversity information (Directive 2014/95/EU of the European Parliament and of the Council), companies' top-executives should be ready to pay attention to responsible tax management. The goal of the current research is to evaluate the level of respondents' awareness and understanding of the research-related questions. The current paper describes the process of development of the research instrument – questionnaire. The next stage of the research is conducting a survey among Latvian business sector representatives.

*Keywords:* corporate social responsibility; tax management

*JEL Classification:* M14

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**Maciej Pienkowski. Lean Maturity Assessment Tool for Production Companies**

**Abstract.** Lean Manufacturing is nowadays one of the most frequently used methods for improving competitiveness of production companies. Despite unquestionable popularity, still many organizations experience a lot of problems with effective implementation of lean principles. One of the reasons for this fact, are difficulties with a proper measurement of its adoption level. In order to answer this need, the goal of this paper is to develop and empirically validate a lean maturity assessment tool, which can be practically used in production companies. The presented instrument was developed based on study of existing subject literature, aimed at investigating best practices and desired qualities of lean assessment tools. As a result, the developed tool enables lean maturity measurement in four categories: Leadership, People, Process and Outcome. Aiming to support the lean implementation process, the instrument possesses also following characteristics: provides comprehensive analysis of lean adoption level within a company, provides quantified lean maturity result, enables discrimination between companies at different Lean maturity levels and provides information about main gaps and improvement opportunities. In order to
empirically validate the instrument, a case study in an airspace manufacturer was performed. Such developed and validated lean maturity assessment tool can be successfully applied within production companies to support and guide their lean transformation efforts.

**Keywords**: lean manufacturing, maturity model, continuous improvement

**JEL Classification**: L60

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**Edyta Klosa. The Approach towards Logistics Staff Improvement through Trainings in Polish Companies**

**Abstract.** Due to increase of perceived and actual significance of logistics staff for achievement of goals by polish companies as well as continuous formalization of the logistics, more interest is paid for ensuring proper qualifications of logisticians. One of the most commonly mentioned ways to improve staff, that one which is only just hired as well as that one which has given practice in the company, are trainings. Trainings are popular method of personnel improvement because of multitude of their forms, wide and at the same time specialized subject range, and vital experience already achieved by Polish companies in using them. However, because of multiplicity and importance of tasks performed by the logisticians, possible dilemmas can be raised in relation to their subject as well as the required approach to their organization. Thus the main purpose of this paper is to present the approach of Polish companies towards organization of trainings for the logistics personnel according to the results of research conducted among 402 enterprises. In order to achieve the purpose literature as well as quantitative analysis was conducted. Quantitative results, obtained by usage of descriptives and correspondence analysis, revealed, among others, that logistics staff needs rather multidisciplinary training than specialized one. Results presented in this paper help to fulfil the gap in the literature related to development of logistics staff competences. They can be also used as a guideline for managers responsible for logistics and human resources.

**Keywords**: logistics; logistics staff, logistics personnel, trainings

**JEL Classification**: M19

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Monika Piśniak. Technology in Decision-Making under Uncertainty’s Condition

Abstract. The purpose of the work is to describe the techniques used in the processes of decision-making under uncertainty. Decision theory is interpreted differently depending on the scientific discipline in which aspect is analyzed. Naming the theory it is taken from the many others that have developed in parallel. The problem is most common decision-making under conditions of uncertainty with which today we have to do in every area of life. Therefore, this work highlights the importance of the problem decision-making, indicating distribution into the everyday management problems of today’s organizations. This is due to the fact that decision-making is closely linked risk. Dynamically changing environment, a variety of resources, which the company manages, a significant amount of information that you must have in every process, and above all, the number of business areas for influencing decisions tend to take interest in a variety of tools, techniques and methods of supporting decision-making.

Keywords: decision; decision making; management; decision-making techniques.

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Jacek Pasieczny. Organizational Pathologies under Conditions of Economic Downswing

Abstract. The paper is based on an analysis of literature and on empirical research conducted by the author. The research applied partially structured interviews as its method. These interviews were conducted with entrepreneurs and managers of various levels. They made possible the drawing of conclusions relating to conditions behind the genesis and growth of selected organizational pathologies in a situation of economic downswing. The article briefly presents the concept and influence of pathology on the functioning of an organization. The author concentrates on the causes of the phenomenon and presents them from various perspectives. It is during times of economic downswing that an increase in unethical behavior, including corruption, mobbing as well as others, becomes particularly visible. Also noticeable is a concentrating on limiting costs, which can sometimes reach pathological scale. This can lead to a permanent loss of pro-development potential by the organization. Moreover, numerous pathological phenomena emerge at the tangent point of the organization and its surroundings. The source of many undesirable phenomena in the organization and in its relations with its surroundings is a fall in trust, which makes its appearance in crisis situations. More often than not, managers facing a situation in which they have no choice, perpetuate organizational pathologies, while at the same time being aware of the lack of validity of their actions. However, a more frequent source of problems is the differences in perspective in perceiving organizational phenomena by various actors and stakeholders.

Keywords: organizational pathologies; downswing; dysfunction; error.

JEL Classification: M10
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Jana Kliestikova, Maria Misankova. By Disobedience to Success: When Brand Value Should Be Measured in Different Way than Theory Recommends

Abstract. Brand value building and managing is an interdisciplinary issue with serious impact on company's effective market performance. Knowing this, more and more companies try to extract the competitive advantage of valuable brand. But there are a lot of practical restrictions which result from universal application of formulated theory without respecting national specifics and which often cause that company's activities in scope of branding and brand value measuring are not successful. This is the reason of scepticism towards brand management activities implementation, almost in former socialist countries where the tradition of brand is not such a developed due to the long term application of principles of planned economy. So, the undesirable spiral mechanism is evident – domestic companies apply inconvenient methods of branding and brand value evaluating – brand value decreases – companies rather do not build and manage theirs brands – brands loss their competitive potential in comparison with foreign competitors and the market deforms – survive only strong foreign brands applying their national branding mechanisms – the impression of so called "good practice" is created – domestic companies apply inconvenient methods of branding and the circle can start again. According to this, the aim of this paper is to critically discuss the applicability of selected brand valuation methods in the specific conditions of Slovak republic and to verify its applicability in context of framework conditions of their applicability.

Keywords: brand; brand value; brand valuation.

JEL Classification: M21; M31; M40

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Andzela Veselova, Inara Kantane. Influencing Factors for Implementing the EFQM Excellence Model in the Latvian Enterprises

Abstract. Excellent organisations achieve and sustain outstanding levels of performance that meet or exceed the expectations of all their stakeholders. The EFQM Excellence Model allows people to understand the cause and the effect of relationships between what their organisation does and the results it achieves. Enterprises are the one we call Leaders, role model enterprises and they are always looking for opportunities to improve and be innovative because they know the world never stands still.

In order to be excellent, enterprises cannot focus their efforts in just one area. They have to optimise the use and effectiveness of all of their resources within the overall enterprises. This paper presents the results of the empirical study of Latvian enterprises which have immersed in the implementation process of the European Foundation for Quality Management (EFQM) excellence model. The objective of this paper is to explore the main factors of Total Quality Management (TQM) implementation through the EFQM excellence model. Methods applied in the paper: analysis of scientific publications, analysis of the enterprises survey data. For survey data analysis descriptive statistical analysis was used and multivariate data analysis method – factor analysis in order to identify the key factors and determine the mutual statistical relations of the factors was used. The research results show that the most important disincentives factors that drive enterprises to implement the TQM through the EFQM are lack of management support and lack of resources, the most important contributing factors are management support and staff support.

Keywords: EFQM model; enterprises; excellence; implementation; survey.

JEL code: L26; M11

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Saparbay Zhubayev. The Development of Entrepreneurship in Kazakhstan

Abstract. The economic reforms conducted in the years of independence, opened new prospects for the development of entrepreneurship in Kazakhstan. Socio-economic importance of entrepreneurship is increasing due to the fact that it gives the market economy the flexibility that encourages the involvement of financial and industrial resources of the population; carries potential antitrust; creates the preconditions for
development in several areas of scientific and technological progress; in many ways solves the problems of employment and other social problems of the market economy. Currently, entrepreneurship in the Republic of Kazakhstan is being developed in a variety of types. Dynamics and the economic results of entrepreneurship in the country are largely governed by the applicable prerequisites: legal framework, institutional entrepreneurial environment, the level of state support for business structures etc. In the Republic of Kazakhstan intensely created all the preconditions for the development of entrepreneurship, in particular, great work has been done on the privatization of ownership, through which creates the economic basis for enterprise development. The legislative basis of entrepreneurial activity in the Republic of Kazakhstan was established in the 1990-2000 years. Adopted and apply the laws, legislation and other normative — legal acts aimed at regulating the issues of formation and development of this business. They cover many of the issues of entrepreneurship development, such as the freedom of economic activities, protection and support of private entrepreneurship; the development of individual enterprise, the peasant (farmer) farms, protection of the rights of citizens and legal persons engaged in entrepreneurial activities, and others. Dynamically developing market infrastructure – stock companies, banks, insurance companies, auditing, consulting firms and other. The problems that hinder dynamic development of small and medium business in Kazakhstan, remain largely unchanged for several years: lack of credit resources, high interest rates, contradictions in legal acts, the weak interaction with the state authorities, corruption, etc. Small and medium business is still very susceptible to various external and internal factors, is experiencing tough competition from importers. The aim of this work is the discussion of the situation of entrepreneurship in Kazakhstan and a comparative analysis with the situation in Lithuania and to prepare proposals for the solution of these problems. These proposals will give a new impetus to the development and development of legislative initiatives in the conditions of accession of the Republic of Kazakhstan in the 30 developed countries of the world.

**Keywords:** entrepreneurship; Kazakhstan; limited liability companies; cooperatives; individual enterprises.

**JEL Classification:** L26

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EMERGING TRENDS IN
INTERNATIONAL BUSINESS RELATIONS AND
LEGISLATION
**Natalja Verina, Jelena Titko. Demand for Students Graduated from Law Programmes at the Latvian Labour Market**

**Abstract.** Demand for students graduated from „social“ study programmes (economists, lawyers, psychologists and etc.) is a frequently debated topic in Latvian and European society. Some experts assert that there is an overproduction of such specialists. Other experts point to fact that qualified specialists are The current research was conducted within the framework of research field „Matching HEI Students’ and Graduates’ Competencies and Labour Market Needs“. The goal of the research is to detect the most demanded competences of students graduated from law study programmes at the Latvian labour market, as well as to analyze the viewpoint of Latvian employers regarding current and prospective demand for law students. The original research instrument was created by the authors for the study purposes. The current research results confirmed the need for law specialists in the field of international commercial law. Besides, most of employers predict a high demand for law specialists in Latvian labour market in next 6 years.

**Keywords:** demand for labour, Law students, job competencies, employers' survey

**JEL classification:** J23; J24; C83

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**Gediminas Valantiejus. Are EU Member States Ready for the New Union Customs Code: Emerging Legal Issues on the National Level**

**Abstract.** In 2016 the European Union (EU) has launched a new and ambitious project for the future regulation of international trade in the EU and the rules of its taxation: since the 1'rst of May 2016, the new Union Customs Code has entered into force. It revokes the old Community Customs Code which was applied since 1992 and passed in the form of EU regulation sets brand-new rules for the application of Common Customs Tariff and calculation of customs duties (tariffs) in all the EU Member States. It is oriented to the creation of the paperless environment for the formalization of international trade operations (full electronic declaration of customs procedures) and ensuring of a more uniform administration of customs duties in the tax and customs authorities of the Member States in the EU. Therefore, the article raises and seeks to answer the problematic question whether the Member States of the EU themselves...
are ready to implement these ambitious goals and does the actual practice of the Member States support that (considering the practice of the Republic of Lithuania). The research, which is based on the analysis of case law in the Republic of Lithuania (case study of recent tax disputes between the taxpayers and customs authorities which arose immediately before and after the entry into force of the Union Customs Code) leads to the conclusion that many problematic areas which may negatively impact the functioning of the new Customs Code remain and must be improved, including an adoption of new legislative solutions.

*Keywords*: international trade; international business; the Union Customs Code; EU Member States; customs duties (tariffs).

*JEL Classification*: F13; K39

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**Jolanta Dinsberga. Establishment of Easements by Law**

**Abstract.** Article 1231 of the Civil Law provides for four types of the grounds for the establishment of easements, i.e. by law, by a contract, by a court judgment, by a will. Meanwhile, during the land reform, state or municipal authorities were also allowed to establish easements by issuing administrative acts on the basis of special laws. In the legal literature and press and on the radio and TV, easements established by law are sometimes treated as those based on administrative acts. However, no parallels can be drawn between these two types of easements. It should be noted that the right to establish easements was granted to state or municipal authorities during the land reform according to special laws. Meanwhile, easements by law are extremely rare and are different in terms of both their procedure and content. It is therefore reasonable to analyse each of the aforementioned types and discuss their content and peculiarities individually.

*Keywords*: administrative acts; land reform; law; servitude.

*JEL Classification*: P37; K11

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**Abstract.** The 2nd part, Article 1 of the Commercial Law explains, that a Businessman is an Individual (Individual Entrepreneur) who is registered in Commercial Register or Commercial Company (Personal company or Capital Company). But the 1st part, Article 4 of Labour Law defines that an Employer is an Individual or Legal Entity or as well as an authorised proprietorship, what on the base of Labour Law employ at least one Employee. That is why Article 149 of the Labour Law refers to Businessmen as Employers. It is very important to take into consideration the 2nd sentence of Article 149, part 5 of the Labour Law: ‘The Employer has a duty to pay for a whole period of Annual Leave what was not used by the Employee’, a new version of this article came into force on 1 January, 2015. It should be noted that the application of this Article could cause material losses to the Employer, in case when labour relationship is being stopped. The material losses could occur also if the Employee does not use Annual Leave by purpose, and if the labour relationship is being stopped, the Employer has the duty to pay to the Employee for a whole period when the Employee did not use the Annual Leave. That is why it is useful considerate and analyse the 1st and the 5th parts of Article 149 of the Labour Law, because of contradictions, the Employee has the right for paid Annual Leave, but not a duty, in is turn the Employer has the duty to pay for not used Annual Leave.

**Keywords:** a merchant; an employee; an employer; annual paid leave

**JEL Classification:** P37; K22; K31

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**Laila Vaivode. International and Local Legal Regulation Aimed to Prevent and Combat Terrorism Activities**

**Abstract.** Present study analyses the ways to combat the terrorism phenomena by employing the legal tools, such as, specialised international and local legislation applicable in several countries in Europe, Asia and United States. The hypothesis for this research tests the assumption that terrorism phenomena requires special
legislative acts to prevent and to combat terrorism activities often supported with modern legislative norms aimed also to minimization of the negative effects of terroristic incidents where it has taken place. Over last few years, the approach of the governmental security management agencies has changed and terrorism attacks are met with a range of countemasures, but it is often recognised that the legislative aspects may need further changes to address various aspects pertaining terrorism phenomena at both local and international levels with more focus of those at the prevention stage. One of the aspects that shall be further addressed from the legal perspective is regulation of the crisis communication applied in terrorism incidents. Often experts' prognosis towards terrorism incidents occurring also in the future suggest rather some increasing trends, thus requiring also adequate legal measures to tackle terrorism caused crisis, that nevertheless can differ from country to country. The research paper in the conclusion part sets out number of recommendations relevant for international and local laws that stipulates legal procedures for tackling and preventing the terrorism incidents and those that regulates terrorism caused crisis communication at various stages to foster resolution of the terrorism crisis situations.

Keywords: communication; crisis communication; terrorism communication.

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Una Skrastina. New Challenges in the In-House Public Procurement

Abstract. The new Public procurement law has entered into force. It has brought significant changes into the regulation of public procurement regarding procurement contracts between contracting authorities, also known as “in-house” procurements. Therefore, this theme is topical. With the new law the possibilities for contracting authorities to make purchases from other contracting authorities have widened. However, these three criteria should be met – full control over the legal person concerned, more than 80 % of the activities of the controlled legal person carried out in the performance of tasks entrusted to it by the controlling contracting authority and there is no direct private capital participation in the controlled legal person. Nevertheless the understanding of these criteria is not unambiguous. As a result contracting authorities may be not able to use all the possibilities to make purchases from the entities they own or they could incorrectly use the rules breaching the Public procurement law. The aim of this research is to clarify how, in what time limits and with which documents the contracting authorities can ensure that criteria for use of this exclusion are met. Theoretical, empirical, comparative and analytical research method will be used. As a result the contracting authorities will be able to understand the criteria that should be met to ensure that the full control is implemented, how to estimate the activities that fall within needed 80 percent threshold and what the direct private capital participation means, so they will be able to correctly use this opportunity of “in-house” procurement.
Keywords: public procurement; in-house procurement.

JEL Classification: K12

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Natalja Verina. Legal Rational for Application of Real Estate Tax in Latvia

Abstract. Nowadays, one of most disputable taxes in Latvia is real estate tax. The most discussible question is about fairness/unfairness of paying taxes for owned real property. According to the Constitution of the Republic of Latvia, electorate has a right to collect signatures in order to initiate amendments to the law. The part of social active population has a plan to initiate an abolition of real estate tax for exclusive dwelling. The aim of article to study the theoretical guidelines and worldwide practice regarding real property tax and compare with Latvian legal tax practice. Tax rates, as well as national legal acts, across EU countries were analyzed. Analysis of the scientific literature in the field of tax regulation was conducted to get an insight into legal substantiation of real property tax application in Latvia.

Keywords: taxes; immovable property tax; real estate tax; tax rates.

JEL Classification: K34

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Erika Krutova. Treaty of Lisbon and police cooperation

Abstract. Development of the common economy was the main target proclaimed by the European Union. Current priority has been changed by decision of UK. Such questions, as the development of common free, secure and legal environment, lost or changed their meaning. The aim of the review is to evaluate the future perspectives of police cooperation in case of collapse of common interior security politic. The new possibilities that were open by coming into the force of the Lisbon Treaty became unexpected. The legal cooperation still based on mutual recognition principle and, if necessary, closing together legal norms to gain cooperation in cross-border dimension while saving legal systems’ traditions of the member countries.
Keywords: Treaty of Lisbon; police cooperation; cross-border aspects; international diamention; mutual recognition principle.

JEL Classification: K39

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EMERGING TRENDS IN

EDUCATION AND PEDAGOGY
**Jelena Titko, Edgars Cerkovskis. Matching Competencies and Modern Labour Market Needs: Students' Self-Perception Study**

**Abstract.** One of the most often discussed problems in the business environment is that the current educational programmes are not consistent with the requirements of employers regarding the graduates’ competencies. One of the most prominent future economic challenges is the availability of competent workforce, which is closely associated with the issues of education quality and the future employees’ idea of the jobs that are necessary from the aspect of economics. Education in the 21st century is a perpetual process, a component of our everyday life – a conscious choice and satisfaction to know and be able to do more, study faster and more scrupulously, with sense and pleasure, learn from each other regardless of one’s social, economic or physical condition, learn in an environment suited to meet individual requirements, using modern educational facilities, so that the competence acquired would meet the requirements of the modern labour market. The goal of the paper is to evaluate working competencies, perceived by the students of Latvian higher education institutions. To achieve the research goal, 128 students of Latvian universities were surveyed, using the authors’ developed questionnaire. Respondents were offered to evaluate, whether they have competencies needed in the labour market. The list of required competencies was created, based on the results of the interviews with the representatives of Employers’ Confederation of Latvia (LDDK).

**Keywords:** labour market needs; students' competencies; self-perception.

**JEL Classification:** A2

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**Anna Svirina, Olga Gerasimova. University Entrepreneurial Centres as a Tool for Reducing Poverty**

**Abstract.** One of the main problems of global development is growing gap between 10% of the richest people in the world and 10% of the poorest. Millennium goals which stated reducing poverty significantly by 2015 can already be considered failing, those who were expecting higher level of living on the basis of education are joining “Occupy Wall Street” movement as their expectations are not fulfilled, and all of the above provides growing popularity of the motto: “Capitalism is not working”. Nevertheless, the real problem is inequity in entrepreneurial development throughout the countries: most of the world’s enterprises’ income is coming into 1/3 of countries
while in the others revenues from entrepreneurial activity are low. This is happening despite the fact that those countries which produce a small part of world’s GDP are usually the countries with very high entrepreneurial activity (in terms of TEA rate): Argentina, Chile, China, Peru, Trinidad&Tobago (GEM, 2011) which is significantly higher than entrepreneurial activity in entrepreneurial development leading countries such as US, Australia or Netherlands (for example, TEA rate in Chile is 23.7% while in US it is only 12.3% which is still the highest in innovation-driven economies). It is also important that all of the countries which are positioned above average curve “Early-stage entrepreneurial activity – GDP per capita” are developing countries while developed countries (with exception of US and Australia) are below or on the curve (GEM, 2011). So it seems that finding the an answer to the question why entrepreneurial activity does not necessarily influence growth rate of country’s enterprises is crucial in order to create a framework for entrepreneurial development in terms of fighting poverty – especially taking into consideration that almost all new jobs in the world are created by small newborn businesses (Audretsch&Keilbach, 2004). Entrepreneurship researchers explain those facts by means of different reasons. One of the main reasons which has proven to have significant influence on the level of entrepreneurial growth is the state of country’s institutions (see, for example, North, 1990, de Soto, 2001) and in the first place the state of property rights protection. Problems with access to finance (which are also referred to as one of the most important problems for entrepreneurial development in the poorest countries even with high entrepreneurial activity) are usually of the institutional origin as well. So development of institutional environment is the first set of problems mentioned by researchers to explain the above stated problem. The other reason which was mentioned in research papers is that in those countries with high level of entrepreneurial activity entrepreneurship is mainly necessity-driven (GEM, 2010) which means that entrepreneurs tend to build micro businesses or be self-employed rather than create something scalable – entrepreneurship is seen as earning a living, not as a tool for changing quality of life. It is worth mentioning that in many cases creation of non-scalable businesses is a consequence of low level of entrepreneur’s personal development, or his/her high fear of failure (for example in relatively well-off South Africa failure rate is around 75%). This set of problems can be considered the second important reason for low growth rates of new enterprises despite high entrepreneurial activity. Next, some researches state that poverty is often a state of mind (for example, Yunus, 2010) so potential owners of gazelle businesses just do not believe it is possible to make significant changes in quality of their lives. Since entrepreneurial attitude is one of the most important elements of success (entrepreneur has to believe he is creating something long-lasting and scalable), such attitude also does not increase opportunities for poverty reduction. Within this paper we are going to discuss those three reasons and the way to overcome them which in our opinion should create the basis for entrepreneurial development in order to reduce poverty, and possible role universities can play in corresponding processes.

**Keywords:** entrepreneurship; universities; poverty; poverty reduction; entrepreneurial universities.

**JEL Classification:** M2; O10

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Anna Kwiecień. The Role of Universities in Shaping Culture – Contemporary Changes

Abstract. The dominant role of knowledge for the rising and development of the New Economy is exhibited in the basic documents indicating the path of development of modern states. From this stems the special role of universities as places of production and transmission of knowledge. However, today the role of universities is seen more broadly. On the one hand, the idea of the traditional functions of the university - research and teaching activities, on the other hand, modern context - treating universities as an active participant in the market - entrepreneurial university - entering in interactions with the environment. However, over the centuries, universities played a key role in shaping culture, were “brain Latin civilization.” Over time the concept of the university subject to change, but there was always an expression of the condition of human culture. In light of the above considerations in this study was taken reflections on the role of universities in the modern economy, and the purpose of this article is to identify the role of universities in shaping the culture of the modern world. The method used to achieve the defined objective is a critical analysis of literature and other specialized publications. A special value of this study is to combine classic and modern approaches to make the role of universities. It is necessary to realize the differences between them, to do not allow the destruction of the cultural role of universities, which disappears against the background of turbulent changes, blurring the uniqueness of the university.

Keywords: culture; the university; the role of the university

JEL Classification: Z1

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Jelena Budanceva, Jekaterina Bierne, Zane Veidenberga, Jelena Titko. Study Process Improvement Directions: Students’ Viewpoint

Abstract. Knowledge-driven economy requires an increased care about the quality of study programmes offered to students, study process and teaching quality. In the given paper the focus is on student-teaching interaction and application of different
teaching methods and techniques to satisfy students’ expectations. The paper reflects the results of the study that was conducted within the framework of Erasmus Plus project Innovate Strategic Partnership for European Higher Education (ISPEHE). Scientific goal of the research was to evaluate business and management students’ perception of study process, as well as to identify areas for its improvement on the viewpoint of students. To achieve the research goal 82 students of different business and management courses were surveyed using the questionnaire developed by the project experts. Most of the respondents answered that the learning process met their expectations in a whole; however they were not satisfied with the limited number of real-life practical tasks. As main abilities/personal features requiring improvements to get optimal use of teaching methods in a class respondents mentioned creativity, abstract thinking and ability to search for and analyze the information. In turn, suggested initiative to improve these abilities was an increase of self-motivation and self-discipline.

*Keywords*: students’ expectation; teaching techniques; assessment methods.

*JEL Classification*: I21; C83

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**Vita Stiže-Škuškovnika, Agnis Škuškovniks. Trends in Career Development of Alberta College Graduates**

**Abstract.** The growing attention within higher education to enhancing students’ employability responds to student motivations and to policy concerns. It can reinforce rather than threaten traditional academic values, but it may also require organisational change within higher education. (Watts 2006) Study outcomes that
person will achieve in study process of higher education are defined by knowledge and motivation with which an institution of education and study programme was chosen. (Jaunzeme 2017) The aim of the paper is to study and analyse the career development of Alberta College graduates from the last five years. Using analysis of documents, statistics and previous researches, as well as survey and interviews of Alberta College graduates, in this paper authors a) gives an overview of the main trends of career development of Alberta College graduates from the last five years, b) analyses interview results and shows the main gains during the study period and career development after graduation.

Keywords: career development; higher education; graduates; college.

JEL Classification: I21; I23

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Mirosław Rewera, Jadwiga Daszykowska. Parents’ Expenditure on Children Education in Poland

Abstract. In the school year 2016-2017, once again decreased the average expenditure incurred by parents who meet the needs of children attending the primary school, secondary school or high school (expenditure on textbooks, school supplies, uniforms, compulsory fees, for example: insurance, tuition, dormitory, boardinghouse). At the beginning of this school year, parents who have children of school age spent an average of 903 zlotys (over than 200 EUR), which is 84% of the last year’s amount (school year 2015-2016). In the current school year 2016-2017 a record high are expenses declared in families, which need to equip for the school at least three children, and per one child of school age, they became to the level of expenditure in families with one pupil. In the current school year has significantly increased the parents’ interest of pay additional educational activities or the activities aimed at development in general of the child and pupil – of these additional activities use or intend to use 61% of the surveyed parents’ children. In the school year 2016/2017 sports for the first time have become the most popular pay additional activities, on which the parents of pupils attending the primary, secondary and high schools have decided to pay (of 39% of parents have decided to pay for these additional sport activities).

Keywords: expenditure on education; parents; children; pupils; educational and additional activities; general development of pupil.

JEL Classification: I20
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**Sandra Valantiejienė**

Problems of 14-18 Years Old Youth and the Trends of Organization of Prevention Activities: Lithuanian Case

**Abstract.** The World Health Organization (since 1998) recognizes that many modern diseases and disorders (including social problems) are caused by risky behavior. Youth risky behavior is generally defined as a behavior that directly or indirectly threatens the young person's well-being and health. This is usually understood as smoking, abuse of alcohol and psychoactive substances, early initiated and unprotected sexual relations. However, the risky behavior also includes such basic things as the failure to comply with diet regimen, sedentary lifestyle, not wearing the safety belt in the car, failure to wear a helmet while cycling or rollerblading etc. Adolescence itself is a risky span of the human life as it is associated with moving from childhood into the adult world and intensive search for the personal identity. To ensure a consistent development of personality adolescent risk behavior prevention include harmonization of education processes to help teenagers to develop responsible behavior skills by reducing the risk factors and increasing protective factors. The article aims to overview the factors which influence a youth risk behavior and the factors that determine the planning and organization of preventive activities for the pupils in the higher classes of the schools of general education. The study was completed in the form of a questionnaire which was conducted in the schools of the Lithuanian Republic in 2016. The results of the study describe trends of the prevention policies applied in the system of education, considering the national context of the individual Member States of the European Union.

**Keywords:** youth risky behavior; adolescence; prevention of risky behavior; schools of general education.

**JEL Classification:** I21; I28; I29

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Abstract. Internationalization of education and student mobility (incoming and outgoing) has become a significant factor in the sphere of higher education. These processes lead to interaction between local students and exchange students, as well as between exchange students and host universities. Being in the foreign country for a certain period (one or two semesters) requires some cultural and social adaptation that could or could not be problematic for various reasons. In order to maximize benefits for the exchange students and host universities it important to identify existing problems and to offer possible solutions. The aim of the current paper is to research the critical aspects of cultural adaptation process of ERASMUS students in Latvia. The international group that consists of the University College of Economics and Culture professor and three exchange students from Italy and Spain carries out the research. The empirical methods applied are the following: a survey of ERASMUS students (non-probability purposive sampling), in-depth interviews with the host university ERASMUS coordinators. Based on critical issues identified during the research process, the authors offer a set of practical solutions aimed at the host institutions.

Keywords: keyword; Internationalization of Education, student mobility, cultural adaptation, social adaptation

JEL Classification: I23, M14

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Abstract. Teacher is a key figure in the implementation of reforms in higher education. Pedagogical research of the professional identity (PI) of teacher, her/his priority values, self-evaluation of performances and professional knowledge, and the way how she/he conceptualizes the profession at an individual level can lead to the
most appropriate strategies to manage the educational reforms successfully. The aim of this article is to analyze and compare indicators of higher education institutions (HEI) teachers’ PI in Riga un Smolensk samples. To this aim, the survey was carried out using the questionnaire “HEI teachers’ professional identity”. In total, 198 teachers were surveyed in Riga and Smolensk. Three of the six structural components of the PI are analyzed here: philosophy of the profession, professional knowledge and professional roles. The results show that on the whole the answers of the Russians and Latvians in the questionnaire are fairly well agreed, despite the fact that during last 25 years the two public educational systems developed independently. However, some differences and peculiarities in the dates of Riga and Smolensk were observed. The technique used in the study can be applied as the tool of evaluation/self-evaluation of HEI teachers’ to improve the educational process.

Keywords: professional identity (PI); teacher of higher education institution (HEI); philosophy of the profession; professional knowledge; professional roles.

JEL Classification: I23

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Jelena Jermolajeva, Svetlana Silchenkova. Professional Attitude to Work, Cooperation with Colleagues and Professional Engagement Behaviours in Higher Education (In Riga and Smolensk Samples)

Abstract. The strengthening of professional identity (PI) of teachers of higher education institutions (HEI) is one of the ways to improve the quality of educational process. The aim of this article is to study the model of HEI teachers’ PI and compare the indicators of its structural components in samples of Riga and Smolensk. To this aim, the survey was carried out using the questionnaire “HEI teachers’ professional identity”. In total, 198 teachers were surveyed in Riga and Smolensk. Three of the six structural components of the PI are analyzed in the article: professional attitude to work, cooperation with colleagues, professional engagement behaviors. The results show some statistically significant differences in the dates of Riga and Smolensk samples. However, on the whole the answers of teachers of the two countries to the items of the questionnaire are well agreed, and their views on the profession have much in common. The technique used in the study can be applied as a tool of HEI teachers’ evaluation/self-evaluation, which is necessary in elaborating the appropriate strategies of educational management, as well as in the professional development of a teacher.
Abstract. Incubation is a support process that nurtures the development of beginning and emerging companies through a range of resources and services. The primary goal of a business incubator is to produce organizations that will leave the incubation program as a self-supporting organization during the start-up period when they are most vulnerable (Hackett & Dilts, 2004). There are more than 60 Higher Education Institutions (HEI) in Latvia, only 5 HEI have been offering business incubation facilities for students, alumni, young entrepreneurs since 2013. University Business Incubation is becoming more popular in Latvia. The aim of the article is to present the research results of the survey conducted in 2016 regarding the incubation services influencing incubates at University Business Incubators in Latvia. This research is a part of Thesis on University Business Incubation impact assessment on incubates development. Survey and research results could be used as a benchmark in the further business incubation impact assessment in University business incubation as well as in regional business incubation programme. The authors have used quantitative research method including Structural equation method thus providing the proof to the assumption that business consulting and networking services utilization is leading to the better incubates performance. The authors have identified the main factors of incubates development at HEI thus showing the contribution of the research.

Keywords: business incubation; entrepreneurship; start-ups

JEL Classification: M19; L26; M13

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Mali Nets. Rerouting: Management of “Pedagogical Flexibility” in Professional Development in Israel

Abstract. The past decade constitutes a significant turning point in the orientation of the policy makers in the Israeli educational system. This period is characterized by comprehensive structural and pedagogical reforms intended for the promotion of the system's achievements. "Pedagogical Flexibility", a reform in the professional development of teaching staff implemented in 2015, constitutes a significant breakthrough in the perception of development and learning in Israel. The school principals have a main role in the leading of the reform and the development of a new organizational culture in the staff. This led to the creation of focused learning frameworks for school principals who sought to improve their knowledge and skill in the leadership of the reform. The article presents the main points of the first pilot program implemented in the North District for the training of 20 school principals in the reform and the main findings from the evaluation data of the program. In addition, The article proposes a critical look at the program effectiveness and indicates further focuses for future learning. The article presents a retrospective look at the role of the school principal in Israel in the leadership of the professional development and reviews theoretical aspects that arise from the research regarding this issue.

Keywords: professional development of school principals; professional development of teachers; pedagogical leadership.

JEL Classification: I28

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Ilze Liepa-Balode, Edite Igaune. Evaluation Indicators of Social Capital in the Context of Non-Formal Culture Education

Abstract. Cultural education (formal and non-formal), as well as cultural consumption, is an important integral part of socially accepted norms, networking and civic participation, which classically are identified as an important aspects of building social capital. The topicality of the study is determined that non-formal education and the skills and knowledge gained in it is still in evaluation and recognition phase in Latvia and is still developing. There are some separate investigation about interconnections between education and social capital, but there is no direct studies have in connection with the reciprocity and effects of cultural and non-formal education, but there is still lack of directly attributable research in mutual reciprocity and impact on culture and non-formal education. In order to study and justify mutual reciprocity between non-formal cultural education and social capital (both individual and societal level) are necessary measuring indicators. The purpose of this paper is to develop and describe new, theoretically based evaluating model of social capital and characterization of indicators in the context of non-formal education. The evaluating model was piloted by analysing non-formal cultural education programs of ten subordinated institutions of Latvian Ministry of Culture (museums, theatres, concert institutions and opera) and conducts 19 in-depth and semi-structured interviews. The study uses qualitative research methodology. As the result study offers evaluating model of social capital and confirms mutual reciprocity between social capital and non-formal cultural education programs.

Keywords: education; non-formal cultural education; social capital.

JEL Classification: I29; Z19

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EMERGING TRENDS IN

APPLIED LINGUISTICS AND TRANSLATION
Inga Milevica. American Cinematic Text and Translation

Abstract. This article focuses on the comparative analysis of the titles of feature films produced in the USA and their translation into Latvian and Russian languages, and served as the main method of comparative study was the cognitive discourse analysis, which includes elements of the component analysis, stylistic and other calculations, and, of course, introspection. The main objective of the study is to analyse the titles of feature films (produced in the USA in 1991-2010) and their translation into Latvian and Russian languages to establish implementation of adaptation communication strategy – the systems of communication strategies and communication moves implementing them. For the description of appeal to source strategy, it would be appropriate to use the concept of precedent, which is realised in specific phenomena – precedent phenomena (e.g. precedent texts, precedent titles, etc.). Follow-ups and their translations have recourse to the source (first film, a film that originated a series of sequels). Follow-up titles are centripetal – the tend to a nest together with the film title as well. The analysis of formation of remake titles shows existence of active communicative tactics addressing the original which also realizes in communicative tactics of the translation of remake title.

Keywords: cinematic text, translation; precedent phenomena; comparative study.

Biography of the authors

Inga Milevica a teacher at the Alberta College and The University of Economics and Culture (Riga, Latvia). She received a master's degree in philology in the field of contrastive linguistics and study PhD programme in contrastive and comparative linguistics. Research interests: translation, communication theory, business communication, gender.

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Gatis Dilans. A Combined Process of Web-Search and Translation: The Case of user-Based Approach to Medical Terminology

Abstract. The study employs methodological triangulation (screen-recording and think-aloud verbal reports) to examine web-search driven translation process of medical terminology with expert and non-expert young adults (N=16). Eight of the participants were medical students, the other eight were translation students. They all performed the same task in which they had to search the web to find translations in English for five medical terms in Latvian. The medical students were in their second year of paediatrics and general medicine undergraduate programs at a major medical university in Riga. The translation students were in their third year of professional translation and interpreting undergraduate program at a university (also located in Riga). The program specifically teaches translation and interpreting undergraduate program at a university (also located in Riga). The program specifically teaches translation and interpreting from and into English. The study results show that although the performance of the medical students was faster, it did not lead to a superior outcome in terms of production. The findings also indicate that both groups used similar strategies to seek and verify linguistic information. However, in terms of using web resources, the medical students predominantly relied on Google search and Google autocomplete while the translation students proportionally used more Google search and online term bases. Finally, the
The article discusses the role of verbalizations and implications for domain-focused terminology training that would integrate information-seeking competence.

**Keywords**: medical terminology; think-aloud protocol; translation process; terminology training; web search

**Biography of the author**

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**Silga Sviķe. A New Botany Dictionary: What Should It Be Like?**

**Abstract.** The research provides an overview of issues to be solved by lexicographers before compiling a new terminological dictionary. Here, the botany dictionaries published in Latvia and abroad are being discussed; the description of an introductory part and an addressee, of the terms included and language materials compared is provided. The article outlines the main challenges and offers possible solutions for compiling a modern botany dictionary in reliance on previous lexicographic experience. The study highlights the main issues connected with planning the compilation of a terminological dictionary, such as choosing the name, the addressee, the volume, the principles and criteria of selecting terms to be included, the language pair. A potential new botany dictionary’s vision is given amongst the range of modern terminological dictionaries.

**Keywords**: botany dictionary; terminology, lexicography, terminography.

**Biography of the authors**

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**Zane Veidenberga. Emotional Connotations in a Literary Text: Source Text and Target Text Reader Perception**

**Abstract.** The present paper is a part of a research on the linguistic tools and translation solutions used for transferring the meanings, connotations and functions of diminutives in literary translations. The aim of the present paper is to analyse the perceptions of the Latvian source text and English target readers of various emotional
connotations expressed in the source text by a single linguistic phenomenon – diminutive (that may often be the only marker expressing various emotional nuances). The language material for analysis has been excerpted from Nora Ikstena’s short story Naģe included in Trafika Europe issue 3: Latvian Sojourn (translator Margita Gailītis). Such research methods as descriptive analysis, qualitative contrastive analysis and reader survey have been used to achieve this aim. The reader survey results indicate that approximately 30 per cent of the emotional connotations implied by the source text diminutives have been lost or changed in the target text, thus leading to some differences in the perception of a certain character or situation depicted in the story. Nevertheless, there are excellent examples of the use of various translation solutions to convey the wide range of emotional connotations implied by diminutives that translators (especially novice translators) may use as an inspiration for finding their own solutions to transfer the unique flavour of the Latvian source text.

**Keywords:** diminutive; emotional connotation; translation; transfer

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**Larissa Turusheva. An Interdisciplinary Approach to Translation and Interpreting**

**Abstract.** In the field of translation, there have been a number of discussions on the methods by which translation and interpreting should be taught. Topics such as curriculum and syllabus design have increasingly become of great interest for many researchers. Translation competence, which covers competence in language, culture, text analysis, research, emotional and information competence, etc., has become the goal of teaching/learning. The aim of this paper is to concentrate on the methods, in which professional training programme should be designed so that a functional way of teaching/training could be achieved through a concept of translation competence. A key concept in translation theories, function (providing an awareness and foreseeing the possible uses), is considered to be introduced through application and practice. Personality of the translator/interpreter plays an important role in translation, and not only the text, but also the intelligence of them should be taken into consideration. The study is based on qualitative methods: monitoring of the study process, interviews with students, comparison of Translation study programmes in Latvia and abroad, and analysis of students’ results. The results of the study will help understanding the main problems, developing the programme and lead to higher students’ achievements.

**Keywords:** translation; methods of teaching; professional study programme, functional approach.
Biography of the author

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Margarita Spirida

Construction of Latvia’s Image in British Media

Abstract. The national representation of a country in the foreign media very often has regional differences and might change over time. Undeniably, internal and external perceptions of Latvia differ. The present research aims at establishing the composite image of Latvia as projected by the Guardian and the Daily Mail over 2016. The analysis is mainly devised within the framework of Discourse Historical Approach (DHA) proposed by Martin Reisigl and Ruth Woodak (2009). Reisigl and Woodak’s three-dimensional model provides for cognitive, socio-psychological and linguistic levels of analysis, with the latter being of major interest for this research. The analysis focuses on the strategies of nomination, predication, argumentation, perspectivization, and intensification/mitigation as used in the established corpus. To secure the validity and reliability of the findings and to avoid subjectivity so often blamed on discourse analysis, triangulation of methodologies is used, viz. content analysis, DHA and corpus methods. The proposed study has its theoretical and practical significance. At the theoretical level, it will contribute to the development of approaches to discourse analysis and at the practical level it will address the linguistic mechanisms of representation of Latvia in foreign media. Besides, the results of the empirical part of the research may become a historic evidence of the image of our country over 2016 and may be later used to compare the findings with the representation of Latvia as established over another timeframe.

Keywords: national representation; nomination; predication; argumentation; perspectivization; intensification

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EMERGING TRENDS IN
CULTURE, CREATIVE INDUSTRIES AND HUMANITIES
Abstract. Maskavas forštāde (Maskavas district) is a very special district of Riga – historically most of the inhabitants are not Latvians, and after the II World War, this district was developed to the one with high amount of Russian speaking inhabitants. There are also stereotypes, that this is one of the poorest and criminal districts of Riga. This district is placed close to the centre of the capital, have good transport infrastructure and some municipal culture centres. The aim of this survey is to identify the interests of the inhabitants of this district to the cultural events and the offer, to find out which events are most favourite for the district’s inhabitants and how are they included in the cultural life of Riga. To achieve the goal of the study, the authors developed a research instrument – questionnaire. 200 inhabitants participated in the survey. The results showed not only the habits of the inhabitants in cultural consumption, but also the differences to the other Riga districts. Results can be used by planning the cultural infrastructure and events in this district.

Keywords: cultural events; consumption; Maskvas forštatē

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Patrycja Farnczyk. Economics and Theology: A Change of Course?

Abstract. The paper deals with the connections between Economics and Theology. Pluralism will not only help to enrich teaching and research and reinvigorate the discipline. More than this, pluralism carries the promise of bringing economics back into the service of society. Three forms of pluralism must be at the core of curricula: theoretical, methodological and interdisciplinary. That quote from the ISIPE Open Letter from 2012 shows that economics is primed for and in need of a revolution. Since more than two hundred years, economic theory has been unable to account for a fundamental aspect of human experience. Trying to reduce human behavior to exchanges, modern economists have forgotten how essential motivations are expressed. Firstly, this paper gives a broad overview of Radical Orthodoxy movement who attempt to reclaim the world by situating its concerns and activities within a theological framework. They call to return to medieval roots, and especially to Augustinian vision of all knowledge as a divine illumination and what is more, realising that via such engagements we do have to rethink the tradition. Secondly, I refer to Neo-Scholastic Economics by John D. Mueller showing ideals into practicing.
Synthesizing the work of Aristotle, Augustine of Hippo and Aquinas, Mueller offered a comprehensive view of human economic actions and integrate four elements of economic theory: produce, exchange, distribute and consume goods. Originally grounded in natural law philosophy, that elements are the facts of human existence explained with elements originally derived from Greco-Roman philosophy and theology.

Keywords: Neo-Scholastic Economics; Radical Orthodoxy; Theology.

JEL Classification: A12

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Santus Kumar Deb, Md. Kamal Uddin. Empirical Analysis of Factors Affecting the Adoption Of Smartphone On Young Generation

Abstract. The purpose of this paper is to identify the impact of factors to the adoption of smartphone on young generation. This study proposed an approach by dividing smartphone-based services into four different categories like Productivity that includes business utility apps (e.g., MS file viewer and schedule manager, easy in use, filling up expectations, article, wireless internet, and education), Entertainment, which includes game, sports, music, mobile TV, and photography apps, Information, includes finance, news, travel, medical, banking, weather, and other information providing services, and Networking, indicates those services for the social networking such as Facebook and Twitter and others social networking apps. The survey comprises of four sections and responses are collected in 5 point likert scale to measure the actual view of the respondents. Pearson correlation and Regression analysis is conducted to measure the degree to correlation between independent and independent variables. There is no significant relationship between smartphone services with expensiveness, affordability and flexibility. But a significant relationship between smartphone services with protection towards environment, tools for social networking, wireless Internet services, mobile tv & online banking. Out of 150 respondents, about 80% of them are quiet satisfied on smartphone services. Among the respondents boys are mostly found of using different types of financial services like online marketing, online payment, online banking, etc. but girls are mostly found of entertainment services. Finally it’s observed that in the eve of twenty first century young generation demand and expectation regarding smartphone services is increasing day by day.

Keywords: Adoption, Young Generation, and Smartphone

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Krzysztof Rejman, Grzegorz Ostasz, Tadeusz Olejarz, Krzysztof Prendecki. Chosen Problems of the Economics of the Football

Abstract. The situation of the contemporary football is becoming like other fields of the social life which are undergoing principles of economics. If this is the case sport is undergoing the game of the supply and demand, becoming goods functioning in the consumer era. The football show is based on similar principles, what visit on the market or in the retail park. Consumers are paying for the admission and expect fulfilling certain needs. Around the football as phenomena about the enormous potential business and media entities are gathering. They are penetrating into sport where the rate of return of the invested expenditure will be biggest. Oblivious to everything football water parsnips which they are generating are investing the greatest interest of potential fans. Customers are choosing water parsnips which offer the best quality and the level of the game. Best at this situation attract the greatest interest of fans what is becoming an important bargaining card in conversations with sponsors. Mass-media however, particularly television, are paying big financial means for rights to transmission of the best leagues. As a result of the commercialization of the football they are formed in her range: centre - outskirts. The FIFA and the UEFA in the face of this situation, are implementing principles financial fair play, and large of this football world are using large expenses, rather than frugalities. Portraying the intricacies of managing sports clubs and the economic bill is a purpose of authors of the article.

Keywords: economics; management; globalization; sport; football.

JEL Classification: A1; F1; M3

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Armando Rotondi. Theatre as a Common Good: New Perspectives and Paradoxes in Theatre Creative Industries

Abstract. The aim of the following paper is to analyse the concept of theatre as a common good, delivering some specific case studies. Particularly, we can define common good at what is shared and beneficial for all or most members of a given community. Moving from this principle that is used in economics and philosophy it is possible to consider the new perspective in theatre organizations, as common good, in which the use of the term “common good” has managerial, artistic and economical repercussion. Specifically, the theatre as a “common good” include a different idea of theatre management and creative industries compared to theatre with institutional and defined governance, and it has seen an explosion of new realities, most of them related to political young people group belonging to the left wing, usually physically occupying spaces not with theatrical purpose. Specifically, I will use the case studies of some Italian realities of the last years (Teatro Valle, Cinema Roma, Ex-Asilo and the former OPG asylum) to show the development of new strategies n creative industries, with strengths and weakness, of a kind of management “from the bottom”.

Keywords: Theatre; Creative industries; Common Good; Theatre Management

Biography of the authors

Armando Rotondi (PhD) is currently Lecturer at the Institute of Arts Barcelona, where he is also subject leader for Professional Studies and Research Project. After a BA at the University of Naples “Federico II” and an MA at the University of Rome “La Sapienza”, he achieved his PhD at the University of Strathclyde in 2012. He has been PG Assistant in at the University of Strathclyde (2008-2011), then Lecturer at the University of Naples “Federico II” (2012-2013), Research Fellow and Lecturer at the Nicolaus Copernicus University in Torun (Poland, 2013-2014), Visiting Research Fellow at the University of Bucharest (Romania, 2013), Lecturer at the University of Naples “L’Orientale” (2014-2016), and Adjunct Professor at the University of Verona (2014-2016). He is a founding member of INIT – International Network of Italian Theatre. As a scholar, Armando Rotondi has been author of: 6 authored books; 2 edited books; 18 articles in peer-reviewed journals; 21 book chapters; 3 edited plays; 4 published translations; 2 forthcoming translations; 6 academic reviews; 53 voices in Dictionaries/Encyclopaedia; 4 invited lectures; 37 papers delivered at international conferences (UK, USA, Italy, Germany, Ireland, Poland, Turkey, Romania, India, Czech Republic).

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Lukasz Szwejka. CCTV deployment and crime prevention- results from the pilot study

Abstract. The aim of the speech is to present the results from the pilot study on the Closed Circuit Television's (CCTV) role in crime reduction. In Poland this solution is becoming the dominant strategy in crime prevention. In this context, an identification of factors which help to improve the effectiveness is very important because many evaluation studies show a limited effect of CCTV on crime. Effectiveness of CCTV depends on many factors (e.g. environmental features, socio-demographical features). Identification and transformation these factors may be useful in achieving the intended objectives. The data from the National Police Information System were used, which made it possible to know the extent of crime in the surveilled areas. The study was conducted in the quasi-experimental scheme. The target area and the corresponding control area were identified (similar in number of crimes, type of building, demographic structure, etc.). Two measurements were made - before CCTV implementation and after implementation. Using the Odds Ratio (OR) both areas were compared. The results show that the presence of CCTV does not significantly affect the fluctuation of crime. For this reason, further analyzes are required, taking into account data from the other source, for example the data from Municipal Police, as well as data of resident's interviews.

Keywords: CCTV deployment, crime reduction, situational crime prevention, pilot study.

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Liliia V. Matraeva, Alexey A. Konov, Sergey G. Erokhin. Analysis of Key Criteria Identifying Corporate Cultures

Abstract. The aim of this article is to revise main distinctions between corporate cultures of different nations. National corporate cultures attract interest for economists all around the world. Such problem remains important nowadays as well, and it will be important in future, since effective cross-border cooperation is one of the crucial factors that attract overseas investors. Modern researches have proven that both cultural and financial cross-national bonds are getting stronger these days, which create new paradigms of international cooperation across the globe. Author set up new methods that analyze cross-cultural variance and statistically forecasting from the point of intercultural interaction. These methods are implemented for transnational cooperation assess and identification of its specific traits. The paper reflects a quantitative instrument that allows to measure cross-cultural conflictless and to sing out influenced criteria. The method can be applied in various levels, from measuring conflictless between two departments of a company to assessing return on investment of transnational companies coming to the new markets. Research is based on the criteria of corporate culture differentiation developed by Geert Hofstede. The study provides valuable information regarding the interaction of corporate cultures.
and enables to address this traditionally empiric question from statistical point of view.

**Keywords**: corporate culture; cross-culture; interaction efficiency; cultural criteria; social analysis

**JEL Classification**: C10; M14

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**Imants Lavins. National Cultural Canon in between Multiculturalism and National Identity**

**Abstract.** Despite the vast application of the term “cultural canon” there is no uniform viewpoint among the researchers about the essence of this term and what are the issues which should be included under it. There are no doubts about the fact that the canon of literature is an integral part of the cultural canon. More familiar to us is the “Canon of Western literature” which denotes a body of books that have been generally accepted by Western scholars as the most important and influential in Western culture. Some viewpoints have been voiced that apart this also the Canon of European literature should be created, which would chart the unifying elements of different European cultures. Irrespective of the fact that until now the creation of the kind of European Cultural Canon has constantly been a matter of discussions, some of the European countries have made their own cultural canons and canons of literature. Such canons have been made in the Netherlands, Denmark and Latvia. The preliminary job of canon creation opened up hot discussions about the processes of globalization and glocalization in our contemporary world, the role of culture in the formation of multicultural society, as well as the preservation of national peculiarity. Regardless of the fact that all these national canons of literature and culture have been created and are at present publically available, discussions about their aims and tasks are still continuing. Under public opinion other “parallel” and “alternative” canons are being created. The paper will deal with the experience which has been gained in creating these national canons of culture and literature in the Netherlands, Denmark and Latvia, as well as outline the problems which had to be solved during this process.
**Abstract.** In the paper the symbolary of national identity and décor of the living room is analysed. Such symbolary is important as a narrative about perception of the mythical and also it characterises national identity and set of symbolic things and images which structures the individual and personal history of human identity. Author uses research methods of visual anthropology and data, collected in the field research of Department of Latvian and Baltic Studies of Faculty of Humanities of University of Latvia. In this research the process of how various decors obtains individual symbolic meaning is analysed, and explained how the symbolary relates with cultural context and national identity. The region of Daugavpils is important in the research about modern society because in it the characteristic marks of various identities (Latvian, Slavic and others) are combined. Thus, the unique mythical thinking is created, and it also reveals modern concepts about sacral and profane worldviews. The duality of sacral and profane can be found in thinking and behaviour of any modern human. Also, the duality has an influence on various aspects of human behaviour, such as model of the decors of the living room. In the research, it is shown how the folklore concepts about sacral and profane part of the room are combined with notions, found in Christian thinking. The characteristic marks of new-born syncretism and formation of new symbolary are demonstrated in this research.

**Keywords:** national identity; religious ideas; mythical thinking; room/space

**Biography of the authors**

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**Juris Millers. Archival Documents Research Role in Latvian Cultural Heritage Exploration**

**Abstract.** One of the ways to systematize and identify any nation's history is the research and analysis of archive documents. Such studies are able to discover new

**Keywords:** cultural canon; literature; globalization; glocalization; multiculturalism.

**JEL Classification:** Z10

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facts about both generally acknowledged historical processes or events and the individuals' role in these events. The study "Moeller family reflection Baltic German culture" during the development of the past two years, efforts have been made by various countries private (family) and state archives and museum funds to the documents, oral information, literature analysis (including periodicals content analysis), collected data systematization, analysis and aggregation. Moeller family as an object of study was chosen because of several factors - firstly, it is a family whose past has been identified and addressed by various scientific studies (eg., in 1932, Prussia and in 1967, West Germany) to the 1490th year, thus becoming one of the oldest documented studied Baltic German families. Second, the "Courland branch" of the family of had hitherto been relatively few identified and explored, although it has a number of cultural personalities. This branch of the family is a connector between German philosopher Immanuel Kant and Russian writer Mikhail Lermontov families. The third factor is this family history in-depth research is the fact that this study is the author of one of its members.

It should be noted, that certain strains reflection Baltic German (and thus - Latvian) culture research is a complicated cross-border research complex, which has identified the most important having difficulty - research purpose of the relevant documents in the archives of scattering in different countries and a significant difference in the archives of internal systematization degree, as well as the institutional readiness for cooperation with foreign researchers. During the development of the research, the author has come to a number of conclusions, which in the future will encourage and facilitate Latvian cultural heritage identification and research. By contrast, a study has practical value is considered to be above little-known Latvian and Baltic German cultural interaction, as well as historical facts and events in-depth research and analysis.

Keywords: archival documents; genealogy; cultural heritage; research problems; Baltic-German.

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EMERGING TRENDS IN

ICT SOLUTIONS FOR BUSINESS, MANAGEMENT AND

EDUCATION
**Ludmila Penicina, Daniels Stugis.** Electronic Workflow and E-signature Implementation Pilot-Project in Riga Technical University

**Abstract.** In 2016 Riga Technical University (RTU) set up a cross-university project to implement electronic workflow and e-signature module in existing RTU Electronic Document Management System (EDMS). A project group, consisting of members of Document Management Department (DMD), IT Department (ITD), and Administrative Department, was set up to investigate the options and alternatives for improving administrative staff productivity by implementing electronic document workflows and signing document electronically with internal e-signature, and official e-signature technology in Latvia. The developed solution includes the following steps: (1) a document author in EDMS prepares MS Word document using predefined template, (2) the prepared document is saved in EDMS, and a user is able to edit the document in MS Word (WebDav protocol is used for MS Word and EDMS integration), (3) the document author starts a workflow by defining a list of internal approvers (sequentially or in parallel) and a person who will sign the document with e-signature, (4) when workflow is successfully completed e-signature is created, multiple documents can be signed. The fourth step is executed by Java desktop application made by SJSC Latvia State Radio and Television Centre, the only Trusted Certification Services Provider in Latvia. The potential benefits of the developed approach are as follows: (1) a step towards Green IT, e.g., reduced paper use, (2) cutting costs ("lost time" costs of RTU management by signing document by hand, scanning costs, disposal costs, etc), (3) efficient document management business process, (4) employee satisfaction.

**Keywords:** E-signature, Electronic Document Management System, Electronic workflows.

**JEL Classification:** I23; O30

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**Sanita Meijere, Tatjana Tambovceva.** ICT Solutions for Education Effectiveness

**Abstract.** The goal of this study is to analyse currently available digital - Information Communication Technology (ICT) - tools’ based projects in education sector in
different countries with the aim to identify potential tools to be proposed for education institutions in Latvia. The study is based on the extensive literature review, case studies, surveys, and analyses of statistical data from both - developed and developing countries. Special attention is devoted to the use of learning and content management systems that facilitate anytime and anywhere learning access. The scope is limited to IT solutions and applications and supporting ICT infrastructure requirements. Governments in different countries invest in the ICT systems that facilitate better quality of education and wider access to the education, special attention is devoted to bring good quality education to rural areas to increase labour force competitiveness among population in those areas. Many projects meet their goals and are rated as successful. But there are key success factors that need to be considered: it is not enough just to develop and implement ICT solutions, all starts with a proper infrastructure and infrastructure being accessible to the population. Potential target audience – the users should be made aware of the benefits of the solutions and the value those solutions bring when applied to a full extent. Potential users – both the ones who provide education and the ones who are studying, need to be trained how to benefit most from the ICT tools. Initial user motivation is another important aspect to facilitate wider and faster usage.

Keywords: ICT; education.

JEL Classification: O3; L86; D83; I21

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Marcis Pinnis. Lessons Learned from Post-editing with Statistical Machine Translation and Neural Machine Translation Systems

Abstract. Introduction of machine translation in professional translation services has shown to allow increasing translator productivity. This allows to lower translation costs and improves language service provider competitiveness within the translation and localisation industry. With the rise of neural machine translation, it is important to investigate whether neural machine translation systems allow achieving comparable productivity gains as statistical machine translation systems. It is also important to analyse machine translation quality thresholds at which post-editing increases productivity and at which the productivity is decreased. To address these questions, this paper reports on and analyses the findings of two comparable
statistical machine translation and neural machine translation post-editing efforts. The analysis was performed in the scope of a large European research project for the English-Latvian translation direction. We show that when using high quality machine translation systems, translator productivity can be increased by up to 145% (with an average of 104\%) using statistical machine translation systems and 118\% (with an average of 94\%) using neural machine translation systems. We also show that by analysing the post-editing effort performed by translators in post-editing scenarios and each translator’s pure translation productivity and post-editing productivity, we can identify for each translator a machine translation quality threshold at which post-editing of machine translation suggestions is more productive than translation from scratch.

*Keywords*: statistical machine translation; neural machine translation; post-editing; comparative evaluation.

*JEL Classification*: L86

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Rita Remeikiene, Gintare Grigaliune. The Peculiarities of Digital Shadow Economy

**Abstract.** Digitalisation of social life promotes the development of social networks (e.g. Facebook, Twitter, etc.), e-trade and e-business. Transfer of social life to digital space is one of the causes to cybercrime. As in the case of traditional business, operation of the subjects in digital space is not always transparent. As a result, public authorities start facing the problems of unpaid taxes and unaccounted income earned in digital space. The purpose of this article is to research the concept of digital shadow economy through its typical features. The analysis of the scientific literature has revealed that different authors follow different concepts of digital shadow economy. If digital shadow economy is defined by the typical characteristics, it is commonly linked to the concept of cybercrime, which proposes that illegal activities online refer to illegal operation on the Internet, conditioned by technological advancement and
causing serious threats to consumers, organisations and the public sector. Considering the aims of digital shadow activities, the concept of digital shadow economy is often related to the concepts of digital underground economy, digital black markets and e-fraud, which refer to performance of profit-making unregistered activities online, generation of illegal income from e-trade or e-service provision, violations of e-contracts or breach of trust between contracting parties.

*Keywords*: digital shadow economy; concept of digital shadow economy; features of digital shadow economy.

*JEL Classification*: E26; O17

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