

**COMPETITIVENESS AND ECONOMIC DEVELOPMENT:
CHALLENGES, GOALS AND MEANS
IN A KNOWLEDGE BASED SOCIETY**

Proceedings of the ASERS Second on-line Conference on

***Competitiveness and Economic Development:
Challenges, Goals and Means
in a Knowledge based Society***



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Competitiveness and Economic Development: Challenges, Goals and Means in a Knowledge based Society

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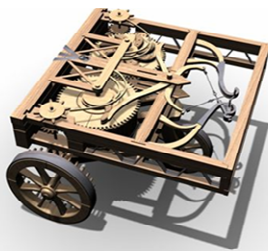
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**The Second Online International Conference on
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e-BOOK of ABSTRACTS

**CREATIVE MANAGEMENT AS A KNOWLEDGE MANAGEMENT TOOL:
THE CASE OF KOSOVO**

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Abstract:

Creative Management has a meaning of innovative management, which always requires changes in terms of searching for the new paths of development in this area. Therefore, the aim of this paperwork is to present a relatively original model of managerial approach which will serve to the professional managers in their efforts to manage with changes. These changes appear as a result of the social and political change dynamics, namely globalization, as a European and worldwide processes.

The meaning of creative management takes on many different meanings e.g. Entrepreneur management, innovative management, change management and so on. The essence of the content of these expressions is the same or similar, if we accept the situational approach, where in the last instance, true understanding that any tendency for the exact definition of creative management is in fact averting from the rational approach. A creative manager has the meaning of that person who is never satisfied with the current situation but is in a permanent search for the new paths for action.

Creating an environment for new ideas and initiatives namely the construction of systems that stimulate and motivate people to take something in the field of business is the essence of social relations and capital for the development of specific entrepreneurial mentality. Experience has shown that the mentality and entrepreneurial behavior of individuals or groups to develop, either as a result of the struggle for existence, (the case of Kosovo during the 90's) or as a goal to get, that together build the basic objective of every business.

Keywords: Creative management, knowledge management, innovative management, leadership development

JEL Classification: M12, M13, M14, M54

INNOVATIONS AS A BUSINESS GROWTH TOOL

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Abstract:

The study of the influence of innovations on business growth is relatively new. But in general it seems that a consensus that innovations can lead to business growth in particular, and economic growth in general exists. The relations between innovations and business growth are a constantly changing and developing topic.

Innovations can be seen as the process that renews something that already exists while growth is usually considered to be an increase of a certain quantity over time. The most simplified approach is that growth can be the result of an increase in sales and/or a decrease in costs.

The goal of this paper is to provide a review of the main theoretical approaches regarding the correlation of innovations with business growth. The focus of the paper will be placed more on the nature, role and importance of innovations than on business growth models.

Keywords: innovations, inventions, business, growth, strategies

JEL Classification: O30, O31, O32, O40

THE USE OF INTERNET AND ENTERPRISE COMPETITION

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Abstract:

The Internet has changed our world. Gathering information, buying goods and services, finding people, making travel reservations, and more can now be done from the comfort of your own chair. Businesspeople need to be aware of the new ways consumers do business in order to compete in the new economy. Whether you are starting a new business or just getting around to putting your existing business on the World Wide Web, you will probably have many questions about how to legally and practically reach the consumers who use the Internet to buy or research goods and services, or to find a business's name, address, and phone number. People discover various

benefits of the Internet for business. Unlike grassroots companies that don't use the Internet, firms that do have the potential to grow their business, earn greater revenue and save money by opting to do a large percentage of their business online. New businesses and established companies also increase their visibility because of the accessibility of the web. One of the benefits of the Internet for small businesses is that the Internet creates a competitive marketplace in which small businesses have the opportunity to grow as much as larger companies. Creating a website benefits businesses because people can market their products and services without using traditional marketing techniques such as fliers, mailings and newspaper ads. Online marketing saves the company money that would otherwise be spent on traditional means of advertising. A key benefit of the Internet for business is the potential for customer growth. A small business without a website may be able to compete only with other local businesses. However, people conducting business on the Internet have the potential to gain customers from around the world because Internet companies are open 24 hours a day. Another benefit of the Internet for business includes the availability to network with other businesspeople and organizations. Many Internet businesspeople have created organizations with others in their field in which they can talk about the challenges and rewards of Internet business. This interchange of encouragement often helps new businesses experience growth. Businesses that use the Internet for transactions save money on paper and other office supplies. Instead of mailing or faxing multiple letters to clients and other businesses, they can correspond via email or set up paperless e-Fax accounts. Internet businesses that participate in affiliate programs gain extra income by marketing the products and services of other companies on their websites. Many companies that regularly do business with certain companies join these programs, which help both companies gain more customers and revenue. The purpose of this paper is to describe and explore the use of internet by enterprises and to point competition between enterprises that use the Internet and those who do not use Internet.

Keywords: Internet, competition, New Economy, World Wide Web

JEL Classification: L8, L86

WILL THE IMPLEMENTATION OF BASEL III IMPACT GLOBAL COMPETITIVENESS OF EMERGING ECONOMIES? AN APPLICATION TO EGYPT AND UKRAINE

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Abstract:

In the wake of the Global Financial Crisis (GFC) it was apparent that in spite of compliance with Basel II, many banks were responsible both for triggering the crisis and for the consequent contagion effects. A unified proposed reform package and a set of global regulation codes required the collaborative force of regulators, financial analysts and bankers round the globe. After a one-year public consultation throughout 2010, the Basel Committee on Banking Supervision outlined the shape of the new global banking regulatory regime needed to avoid future financial crises. The proposed regulatory framework, known as Basel III, is not solely a risk-based regulatory regime, but also focuses on capital risk management and governance underpinning a robust financial sector. In

light of the framework now agreed, and in spite of the expected implementation in 2018, many regulatory institutions and banking organizations have already begun the process of assessing their capital and risk management strategy. The calibrated impact and higher costs of these requirements have alerted bankers that they face a significant challenge of reduced competitiveness. It is asserted that the short and medium-term costs are immense for the banking units as well as for the economy at large and that banking institutions must retain flexibility to accommodate years of fine tuning and future reforms. Also, the pre-implementation requirements imply that central banks will exert pressure on weaker banks that find it more difficult to rebuild capital.

The aim of this paper is to assess the costs and benefits for both individual banks and the economies of emerging markets. The overall final impact is expected to change the competitiveness of the banking units as well as that of the national economy. Hence, a yardstick for measuring competitiveness will be designed and the expected changes will be studied.

This research utilizes a small-scale dynamic stochastic general equilibrium (DSGE) model to simulate the effect of the impending Basel III on emerging economies. The second step is to design a competitiveness benchmark model. Finally, the effect on competitiveness after applying changes will be reported.

Keywords: conditional economic forecasting, recapitalization, corporate governance in banks, financial risk management

JEL Classification: G17; G30; G320; G380; C320

SOME ELEARNING TOOLS FOR KNOWLEDGE-BASED SOCIETY

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Abstract:

Now, there are developed many eLearning platforms, but, this system is at the beginning, yet. Till now, a lot of methodological and didactical compounds were developed similar with the classical system of education. The utilisation of an eLearning platform is not easy for all and there are big differences of the results obtained in this kind of education system, between the young students and the older one. Many universities developed their own eLearning system but they had to surpass lot of problems due to the technical requirements for the server and, also, for the software used for providing the students access into system. The introduction of the SCORM requirements had provided a modality for measurement of the education's quality obtained using this kind of education at distance.

Another problem was to ensure a personalized access to the platform, for every student, 24 h per day and 7 days per week and also for a large number of students. But, now, this was resolved due to technical innovation in the computers manufacturing process. From our point of view, the payment for the stuff involved in this kind of education is not yet very well defined.

In this paper, we shall present our experiences as students and as non editing teacher in using MOODLE platform and the second Life Environment, compared with the traditional education systems for students and adult persons.

We are not able to identify a general perception of the E-learning Education System, because its evaluation differs in function of the age of the teachers, students involve or not in this kind of education, and of the mass-media representative or of the researchers in education who develop studies in this field.

Keywords: e-Learning for Knowledge-based Society, competitiveness based on quality and innovation, the MOODLE platform, Second Life, e-Didactics

JEL Classification: O20, Z00

SUSTAINABLE DEVELOPMENT AND COMPETITIVENESS THROUGH FOREIGN DIRECT INVESTMENTS. THE CASE OF CENTRAL AND EASTERN EUROPEAN COUNTRIES

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Abstract:

After a long period of transition to market economy, Central and Eastern European Countries (CEEC) have made great efforts regarding the attraction of foreign direct investments (FDI), which are considered as the main engine of economic restructuring and dissemination of technology, know-now, capital etc. However, the results of our research revealed that there is still a gap with the rest of the European Union member states and this is due mainly to deficient measures that were taken. For example, agonizing transition in Romania has been attributed to institutional fragility and incoherence or inconsistency of the state in the imposition of pro-market institutional framework.

Considering these aspects and the fact that attraction of FDI contributes to increasing the development level of a country or region, in this paper we attempt to analyze the investment flows in CEEC before and during crisis, as a share in GDP, which is the distribution of FDI stock by main economic activity in Romania, within the eight development regions, and in the last part of the paper, we will try to highlight some of FDI projections in CEEC until 2014 year.

Keywords: sustainable development, competitiveness, foreign direct investments, Central and Eastern European countries, economic crisis, projections

JEL Classification: E22, O16, O40, O47

BUILDING A KNOWLEDGE-BASED SOCIETY: THE CASE OF REPUBLIC OF MACEDONIA

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Abstract:

When a society becomes knowledge-based, it faces challenges on a variety of levels. How and why knowledge is produced and shared, where it is produced, how knowledge spillovers affect new knowledge creation and parameters of use, changes in strategic decision making in knowledge-based environments and how public policy can and should adapt all are crucial issues. Today, we are living in a chaotic transition period to a new age defined by global competition, rampant change, faster flow of information and communication, increasing business complexity, and pervasive globalization. The pace of change has become so rapid that it took a different type of firms to be dominant and marked entirely new era of business. The rapid development of the knowledge sphere of the rich countries today is one of the most notable mega-trends in the evolution of human civilization. In the new economy, the knowledge component of products and services has increased dramatically in importance and has become the dominant component of customer value. The shift to knowledge as the primary source of value makes the new economy led by those who manage knowledge effectively – who create find, and combine knowledge into new products and services faster than their competitors. Knowledge based economy has created a new discipline of economics. Vast quantity of information and knowledge has been concentrated in companies. Nowadays, each company collects and develops knowledge, and represents a learning organization. It is for this reason that a new discipline has been developed – knowledge management.

The actualization of the "knowledge factor" as a solution to the general problems of economic growth is a very important and controversial subject of economic policy in Macedonia. Republic of Macedonia has been a transition country. Although in the past 10 years she has experienced a moderate GDP growth, it has not been followed by the rise of percentage given for education in GDP. Global Competitiveness Index indicates weak points of Macedonia in certain sectors. Since she has had a limited resources, Macedonia needs to decisively develop the sector of services, but also to increase its competitiveness through investments into education. A well planned investment into education and knowledge is a developmental chance for Macedonia, particularly in the field of vocational education and higher education.

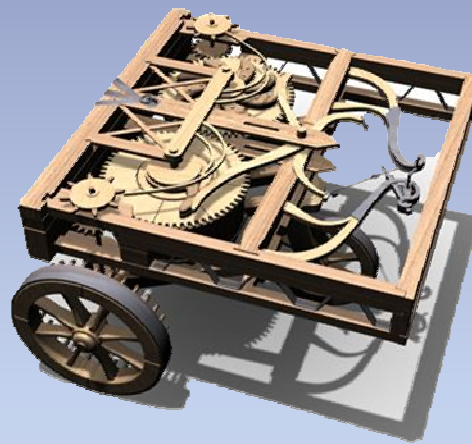
This paper aims to provide empirical and theoretical analyses of issues relating to creation and use of knowledge in the knowledge-based economy. First, we provide some theoretical argumentations. Then, we discuss about knowledge policy as a main strategic tool for achieving growth and competitiveness in the European Union. Last, but not the least, we investigate the past and current situation on this matter in the Republic of Macedonia and then the paper ends with some suggestions for improving its future situation.

Keywords: knowledge creation, economic growth, management knowledge, GDP, Global Competitiveness Index, EU, Macedonia.

JEL Classification: M20, M29, D8.

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