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Social capital plays an important role in the success of entrepreneurs by helping them identify and exploit entrepreneurial opportunities. In this research, we try to investigate the role of social capital in identifying and exploiting entrepreneurial opportunities on the two categories. Therefore, social capital consists of three dimensions: structural (strong social ties, weak social ties), relational (shared codes and language, shared meanings) and cognitive (trust, shared identification) as the independent variables and identifying and exploiting opportunities as the dependent variables. The research is descriptive in terms of data collection method - survey. A set of questionnaires were distributed among 107 to 127 entrepreneurs in the Advanced Science and Technology Park located in Tehran to collect the necessary data. In order to test the research hypotheses, the Pearson’s correlation and binomial tests were used. The results indicate that social capital impacts opportunity identification by 74% and opportunity exploitation by 30%.

**KEYWORDS**: opportunity identification, opportunity exploitation, social capital, entrepreneurial opportunities

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Introduction

Glancing over the phenomenon of entrepreneurship, it becomes evident that some entrepreneurs are more successful than the others. Some entrepreneurs fail in the beginning stages of their business activities while on the other hand there are other entrepreneurs who get past this stage and continue their entrepreneurial activities and even go on further into the growth stage. Different studies have examined various factors that could improve the chances of success for entrepreneurs. Social capital could be one of the effective factors that could lead entrepreneurs to success. Social capital refers to the social assets inherent in the relationships between individuals (Nahapiet & Ghoshal, 1998).

Using social capital allows entrepreneurs to access valuable information and to obtain financial resources and to gain social and managerial support in entrepreneurial activities (Nahapiet & Ghoshal, 1998). On the one hand, identification and exploitation of opportunities is an important element in the entrepreneurial process and many well-known scholars such as Shane and Venkataraman (2000), Kirzner (1979) and Timmons (1999) have identified it as a crucial factor in entrepreneurial activities (Elyasi, 2011). Entrepreneurial activities are influenced by the mechanisms and social interactions that entrepreneurs undertake. On the other hand, the majority of studies have investigated the effects of individual and structural characteristics and environmental factors on performance and success among entrepreneurs and little research has been done on the effects of social capital on success (Bolino et al., 2002). One of the most widely accepted views toward social capital has been expounded by Nahapiet & Ghoshal (1998). They introduced social capital as having three main dimensions including structural (the relations between individuals), relational (trust between individuals), and cognitive (shared values and goals) (Andrews, 2010). Moreover, Shane (2003) introduces opportunity identification and exploitation as two main dimensions of entrepreneurial activities. Based on the mentioned conceptualizations, the present research attempts to address the following question: “How much is the impact of social capital on identification and exploitation of opportunities”.

The present research examines the role of the different dimensions of social capital in the identification and exploitation of entrepreneurial opportunities.
Background

First, the concepts of social capital, identification and exploitation of opportunities are reviewed.

The concept of social capital is comprised of the two words: “social” and “capital”. The term “capital” refers to accumulated wealth for the purpose of generating more assets. The term “social”, on the other hand, refers to the attitude toward people which could be conscious or unconscious (Gold & Golb, 1998: 29). In other words, it is the behavior that emerges out of the interactions and relations of people with each other. Some scholars consider social capital as a set of concepts such as trust, norms, and communication networks in a community (Nahapiet & Ghoshal, 1998). Abdi (2006) introduces trust and participation as one of the important elements of social capital. Trust exists in different forms: people trusting each other, people trusting the government and main institutions of the community, institutions trusting each other, and the government and the institutions trusting people.

In general, social capital is concerned with the social relation that provide the entrepreneurs with information, resources, support or ideas and this takes place through transactions (Bourdieu, 1985). From Nahapiet & Ghoshal’s point of view, social capital denotes actual or potential resources that are inherent in the relations between individuals or are generated as a result of them and are made available by them. Therefore, they believe that social capital includes networks and advantages that may have been molded by relations. On that account, social capital is considered to have three dimensions: structural, cognitive, and relational. The structural dimension refers to an overall pattern of communication and ties between individuals or in other words, how and with whom a person communicates. The most important aspects of the structural dimension include network ties, network configuration, and appropriate organization. The cognitive dimension include Interpretations, explanations and shared meanings systems among groups.

The most important aspects of the cognitive dimension include, shared codes and language, shared narratives, etc. Finally, the relational dimension describes the implicit contents and characteristics of the relations between individuals. The most important aspects of this dimension of social capital include trust, norms, obligations and expectations, and identification (Nahapiet & Ghoshal, 1998: 248).

Some scholars consider the identification and exploitation of opportunities as the key stage of the entrepreneurial process (Shane, 2003; Baron & Shane, 2008). Approaching it as a process based on the concept of opportunity, Elyasi (2008) defines entrepreneurship as follows:

1) how or according to what patterns 2) the opportunities 3) are identified/created, evaluated and exploited 4) by the entrepreneurs (individuals or organizations) 5) in order to produce a new product or services 6) in a relatively suitable environment 7) and thus results in value creation in light of the values of the
community. One should note that in the mentioned definition the spirit of creativity and innovation dominates the principle dimensions of opportunity. Some well-known entrepreneurship scholars such as Kirzner (1973), Schumpeter (1934), Shane & Venkataraman (2000), and Timmons (2007) consider the role of opportunity identification as crucially important and inevitable in entrepreneurial activities. Shane (2003) believes that studying the origins, nature, and evolution of entrepreneurial opportunities should be viewed as the main element in determining the field of entrepreneurship. The opportunity exploitation stage is a collective stage. After identifying an opportunity, the entrepreneur examines his/her financial and intellectual resources decides to or not to exploit the opportunity. Opportunity recognition is a process through which people identify the capacity or potentiality for creating a new phenomenon which has an economic value (Baron & Shane, 2008).

Opportunity exploitation involves various stages including the implementation method, the developing of an initial model, and completing the precursory market testing phases. Some scholars consider opportunity exploitation as the first stage of the production process that requires the acquirement of resources and ultimately leads to the generation of effective and efficient production and commerce systems (Choy & Shepherd, 2004). For an entrepreneur to move on from the opportunity identification stage to the exploitation stage, he has to be convinced the potential value he may acquire from that opportunity would exceed the loss he may procure. In the next part, we will proceed to review some pertinent valuable research in order to extract the research hypotheses.

In their research under the title of “Social Capital, intellectual Capital and Organizational Advantage”, Nahapiet & Ghoshal (1998) conceptualize the dimensions of social capital and introduce three dimensions for it namely structural, relational, and cognitive. In their framework, they introduced sub dimensions for each of the dimensions to show the relationship between social capital and intellectual capital (Table 1).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Characteristics (sub dimensions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural</td>
<td>Network ties</td>
</tr>
<tr>
<td></td>
<td>Network structure</td>
</tr>
<tr>
<td></td>
<td>Suitable organization</td>
</tr>
<tr>
<td>Cognitive</td>
<td>Shared codes and ethics</td>
</tr>
<tr>
<td></td>
<td>Shared narratives</td>
</tr>
<tr>
<td>Relational</td>
<td>Trust</td>
</tr>
<tr>
<td></td>
<td>Norms</td>
</tr>
<tr>
<td></td>
<td>Obligations and expectations</td>
</tr>
<tr>
<td></td>
<td>Identification</td>
</tr>
</tbody>
</table>
In their research, Greve & Salaff (2003) studied the entrepreneurial networks during the three phases of a new venture creation in four countries. In order to start or continue a business, entrepreneurs contact with the individuals in their network. By analyzing the number of involved partners and the arguments of the entrepreneurs and the time that entrepreneurs allocated to the network, the authors concluded that entrepreneurs create networks that systematically alter in terms of the phase of the entrepreneurial process.

Puhakka (2006) investigated the impact of social capital on the opportunity identification process in IT and metal ventures in three districts of Finland. According to the research findings, when identifying opportunities, entrepreneurs observe the following criteria: 1) in order to acquire prior knowledge, predict the future trends, and evaluate information and decisions, they engage themselves in active social interactions, 2) they have personal ties that they use to acquire knowledge and analyze the market, 3) they have responsible cognitive ties which they use to evaluate and also understand the information and actively perceive the future trend. Therefore, social capital mainly achieves its impact on opportunity identification via evaluation and prediction of trends.

In their research, Hou, Wen & Wu (2007) inquired into the role of social networks and prior knowledge in identifying entrepreneurial opportunities. They categorized the identification process into three stages: identification, evaluation, and implementation. They also argue that entrepreneurs make use of four networks: 1) weak ties, 2) set of initiatives, 3) participation, 4) inside circle. According to the findings from this research, having a network structure and prior knowledge are considered as effective factors that help entrepreneurs in identifying unique opportunities and developing business models. Network structures are critical sources of opportunity identification. Entrepreneurs could design and develop business models based on their social network structure.

In their research, Klyver & Schott (2003) argue about the personal networks of entrepreneurs that the network plays a much more important role in the activities of entrepreneurs than the ordinary people. In their research by the title of “Measuring the Impact of Social Networks on Entrepreneurial Success”, Lonier & Matthews (2008) examine the prevalence of social network and the effectiveness of special conferences and identify their advantages for business owners. They conclude that there is a strong relationship between social networks and entrepreneurial success.

Given the comprehensiveness of the Nahapiet & Ghoshal’s model in the field of social capital and the fact that it has been widely used by many researchers, the present paper also used the three dimensions introduced by Nahapiet & Ghoshal (1998) for the concept of social capital as the independent variable and employed the dimensions of opportunity introduced by Shane (2003) as the dependent variables. The research hypotheses thus would be as follows:

1. Social capital (structural, relational, cognitive dimensions) has a positive impact on opportunity identification.
1.1 The more the entrepreneurs employ strong social ties the more could they identify better opportunities.

1.2. The more the entrepreneurs employ weak social ties, the more could they identify opportunities.

1.3. The higher the use of shared codes and language between the entrepreneur and social network, the more the entrepreneur identify opportunities.

1.4. The more the shared meanings between the entrepreneur and social network, the more he/she could identify opportunities.

1.5. The more the trust between the entrepreneur and the social network, the more the entrepreneur would identify opportunities.

1.6. The more the shared identification between the entrepreneur and the social network, the more the entrepreneur would identify opportunities.

2. Social capital (structural, relational, cognitive dimensions) has a positive impact on opportunity exploitation.

2.1. The more the use of strong social ties, the more the entrepreneurs exploit opportunities.

2.2. The more the use of weak social ties, the more the entrepreneurs exploit opportunities.

2.3. The higher the use of shared codes and language between the entrepreneur and social network, the more the entrepreneur exploit opportunities.

2.4. The more the shared meanings between the entrepreneur and social network, the more could he/she exploit opportunities.

2.5. The more the trust between the entrepreneur and social network, the more could he/she exploit opportunities.

2.6. The more the shared identification between the entrepreneur and social network, the more could he/she exploit opportunities.

**Methodology**

The present descriptive paper employs the correlation methodology and uses a questionnaire proportionate with the social capital’s model offered by Nahapiet & Ghoshal (1998) and indices introduced by Pahoka (2006) as the instruments to collect required data.

The statistical population of the study includes 127 owners and managers of advanced technology industry businesses established in seven Development Centers in the Tehran province. The research sample is comprised of 96 individuals which was determined on a 95% confidence level. In order to achieve the sample number, 125 questionnaires were distributed from which 107 were used. For the purpose of improving the reliability of the measuring instrument in this research,
first, the statements were matched with the theoretical definitions of the framework. Then, we canvassed and exerted the opinions of 15 experts including the faculty members and also some entrepreneurs who had studied the questionnaire in the pre-test stage.

The Cronbach’s alpha was used in order to ascertain the validity of the questionnaire. The Cronbach’s alpha for the social capital dimension and the opportunity identification process were 0.765 and 0.833, respectively. The overall alpha coefficient for the questionnaire was 0.863 which indicates the stability and consistency of the questions of the questionnaire. Since the variables for each dimension are qualitative, the Pierson’s correlation test was employed to investigate the relationship between them and in order to determine the absence or presence of a relationship between each of the social capital parameters and opportunity identification, the Binomial test. The linear Structural Equation Modeling (path analysis) method was used to test the hypotheses.

**Findings**

In order to investigate the absence or presence of a relationship between each of the social capital variables, the Binomial test was employed. The results of this test showed that the structural and relational dimensions were on a desirable level while the cognitive dimension was on an undesirable level according to the respondents (Table 2).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Number</th>
<th>Observed ratio</th>
<th>Test ratio</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural</td>
<td>38</td>
<td>/37</td>
<td>/5</td>
<td>/008</td>
</tr>
<tr>
<td></td>
<td>66</td>
<td>/63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cognitive</td>
<td>67</td>
<td>/64</td>
<td>/05</td>
<td>/004</td>
</tr>
<tr>
<td></td>
<td>37</td>
<td>/36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relational</td>
<td>21</td>
<td>/20</td>
<td>/05</td>
<td>0/000</td>
</tr>
<tr>
<td></td>
<td>83</td>
<td>/80</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The binomial test suggests that the opportunity identification and opportunity exploitation variables were in desirable states according to the respondents.
The relationship between the structural dimension and opportunity identification and exploitation

Using Pierson’s correlation coefficient, the relationships between the components of the structural dimension and opportunity identification and exploitation were examined in relation to the research hypotheses. The results of the bivariate correlation analysis are presented in Table 3.

Table 3: Structural dimension data analysis

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Correlation coefficient</th>
<th>Academic level of the referee</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strong social ties</td>
<td>Opportunity identification</td>
<td>/029</td>
<td>/769</td>
<td>Rejected</td>
</tr>
<tr>
<td>2</td>
<td>Weak social ties</td>
<td>Opportunity identification</td>
<td>/310</td>
<td>/001</td>
<td>Confirmed</td>
</tr>
<tr>
<td>3</td>
<td>Strong social ties</td>
<td>Opportunity exploitation</td>
<td>/048</td>
<td>/631</td>
<td>Rejected</td>
</tr>
<tr>
<td>4</td>
<td>Weak social ties</td>
<td>Opportunity exploitation</td>
<td>/211</td>
<td>/034</td>
<td>Confirmed</td>
</tr>
</tbody>
</table>

Since the obtained significance level (0.769) is greater than the error field (0.05), therefore, it can be said for the 1\(^{st}\) hypothesis with 95% confidence that there is not any particular association between strong social ties and opportunity identification. For the 2\(^{nd}\) hypothesis, it can be said with 95% confidence that the use of weak ties has a positive impact on opportunity identification. For the 3\(^{rd}\) hypothesis, it can be said with 95% confidence that there is no association between the use of strong social ties and opportunity exploitation. For the 4\(^{th}\) hypothesis, it can be said with 95% confidence that there is an association between the use of weak social ties and opportunity exploitation.

It is a significant finding that the positive association between weak ties and opportunity identification and exploitation was confirmed. On the other hand, the association between strong social ties and opportunity identification and exploitation was rejected.

The relationship between the cognitive dimension and opportunity identification and exploitation
Table 4: Cognitive dimension data analysis

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Correlation coefficient</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared codes and language</td>
<td>Opportunity identification</td>
<td>136</td>
<td>170</td>
<td>Rejected</td>
</tr>
<tr>
<td>Shared codes and language</td>
<td>Opportunity exploitation</td>
<td>129</td>
<td>199</td>
<td>Rejected</td>
</tr>
<tr>
<td>Shared meanings</td>
<td>Opportunity identification</td>
<td>338</td>
<td>001</td>
<td>Confirmed</td>
</tr>
<tr>
<td>Shared meanings</td>
<td>Opportunity exploitation</td>
<td>370</td>
<td>000</td>
<td>Confirmed</td>
</tr>
</tbody>
</table>

Analyzing the cognitive dimension data reveals that the relationship between shared codes and language and opportunity identification and exploitation was not confirmed. However, the relationship between shared meanings and opportunity identification and exploitation was confirmed by a reasonable degree.

The relationship between the relational dimension and opportunity identification and exploitation

Table 5: Relational dimension data analysis

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent variable</th>
<th>Correlation coefficient</th>
<th>Significance level</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Opportunity identification</td>
<td>147</td>
<td>136</td>
<td>Rejected</td>
</tr>
<tr>
<td>Trust</td>
<td>Opportunity exploitation</td>
<td>224</td>
<td>024</td>
<td>Confirmed</td>
</tr>
<tr>
<td>Shared identification</td>
<td>Opportunity identification</td>
<td>268</td>
<td>006</td>
<td>Confirmed</td>
</tr>
<tr>
<td>Shared identification</td>
<td>Opportunity exploitation</td>
<td>505</td>
<td>067</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

As can be seen in Table (5), trust between the entrepreneur and the social network has no association with opportunity identification, however, it has a positive relationship with opportunity exploitation. Shared identification between the entrepreneur and his social network has a positive relationship with opportunity identification and no association with opportunity exploitation.
In this paper, the structural equation modeling technique or path analysis was used in order to examine the impact of social capital on the entrepreneurial process. As indicated in Chart (1), the three dimensions of social capital namely structural, relational and cognitive each equally contribute to the formation of social capital. On the other hand, the social capital variable has a positive impact on the opportunity identification and exploitation stages with 74% and 30%, respectively. In order to examine the absence or presence of a linear relationship between each of the variables of social capital and opportunity identification and exploitation, the regression analysis was used. The findings show that there is not a linear relationship between the structural and relational dimensions and opportunity identification; however, there is a linear relationship between the cognitive dimension and opportunity exploitation. The findings also indicate that there is a linear relationship between the relational and cognitive dimensions and opportunity identification; however, there is not a linear relationship between the structural dimension and opportunity identification.
Discussion and conclusion

The main research question is “how does social capital impact entrepreneurial opportunity identification and exploitation”. The present paper attempted to address that question based on the particular framework provided by Nahapiet & Ghosha (1998).

Table 6: A summary of the 12 hypotheses tests using correlation analysis

<table>
<thead>
<tr>
<th>Social capital</th>
<th>Opportunity identification</th>
<th>Opportunity exploitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural dimension</td>
<td>Strong ties</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Weak ties</td>
<td>+</td>
</tr>
<tr>
<td>Cognitive dimension</td>
<td>Shared codes and language</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Shared meanings</td>
<td>+</td>
</tr>
<tr>
<td>Relational dimension</td>
<td>Trust</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Identification</td>
<td>+</td>
</tr>
</tbody>
</table>

The research results indicate that social capital has an impact on opportunity identification and exploitation (Table 6). That means with a linear increase in the amount of social capital the chances to identify and exploit opportunities increase. Half of the 12 hypotheses of the present research were confirmed and six of them were rejected. In the next part, we will make a comparison between the present research findings and findings from other researches.

The present research findings around the first hypothesis shows that social capital impacts opportunity identification by 74% and opportunity exploitation by 30%. These findings are in agreement with Puhakka (2006) research that showed that the three dimensions of social capital have an impact on opportunity identification.

Based on findings around 1.1 and 1.2 hypotheses, strong ties (including family, relatives, and close friends) have no impact on opportunity identification and exploitation. This is while according to the findings around 2.1 and 2.2, weak ties (including distant friends, close relatives and acquaintances) have a significant impact on opportunity identification and exploitation. These findings have been supported in a research by Granovetter (1973) on the impact of weak ties and also another research by Yeganegi (2007) on the impact of social sources of information on opportunity identification. Her findings suggest that the three social sources of information (informal industrial networks, trainers, professional associations) as
weak ties positively impact opportunity identification and family members and close friends do not have such an impact on opportunity identification.

In their research on social capital structure, Aldrich & Zimmer (1986) concluded that the diversity of relationships between individuals facilitates the process of opportunity identification. According to Granovetter (1983), strong ties and weak ties facilitate opportunity identification. This research supports the positive impact of weak ties on opportunity identification but rejects the impact of strong ties on opportunity identification.

The findings of hypotheses 1-4 and 2-4 indicate that the shared meanings of the cognitive dimension of social capital has a positive impact on opportunity identification and exploitation which shows the undeniable importance of cognitive elements on opportunity identification and exploitation. Shared meanings encourage the exchange of experience between individuals which in turn improves the chances for exchanging and combining information and different kinds of tacit knowledge.

Researchers have considered shared codes and language as means of information transfer for interpretation and developing shared meaning between individuals (Nahapiet and Ghoshal 1990). Elyasi and Rokni (2011) concluded that the use of shared codes and language could increase the chances of entrepreneurs identifying opportunities which is not consistent with the findings of this research identifying no relationship between shared codes and language and opportunity identification and exploitation (1-3 and 2-3 hypotheses).

The research findings around the role of trust and shared identification in entrepreneurship shows that trust has an impact on opportunity identification and shared identity has an impact on opportunity exploitation. It means that trust between the individual and his/her social network helps him/her with opportunity identification but has no significant impact on opportunity exploitation (1-5 and 2-5 hypotheses). findings revealed that shared identification between the entrepreneur and his/her social network has an impact on opportunity identification; however, it does not affect opportunity exploitation (6.1 and 6.2 hypotheses). According to Lewicki & Bunker (1996), not only does group identity increase the chances of information transfer but also might increase the frequency of cooperation between the members. On the contrary, where the groups have distinct and conflicting identifications, they might face major problems when sharing information, learning and creating knowledge.
References


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IMPORTANCE OF INFORMATION FOR AN ORGANIZATION

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Milos Vučeković6

Abstract

Traditionally, it is management’s responsibility to manage their major resources; man money, materials machines, methods and time (5Ms + T) but these would not be enough to run an organization. Effectively without including information as a crucial resource. Meanwhile, some researchers in management have gone so far as to define a manager as “a transducer that transforms information into decision”. In this paper the author explored importance of information for success of organization. They will offer their original approach to the topic.

KEYWORDS: Information, IT management, organization, management environment, communication networks.

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**Introduction**

As a matter of fact, there must be principal reasons why the concepts of information systems and information management have become subjects of great concern today to individuals and corporate entities like the police, the Army, the Navy, the National Electornic Power Authority, NEPA, the Universities as well as the private sector organizations like the Shokas Industries, Bakeries, Soap-Making Firms etc (Omolaja, 2004). The major reasons include the fact that modern, organizations have grown to unprecedented complex levels and information plays a vital role in holding together and co-ordinating organizations even at the global level. Information may be said to be the mortal that holds together the edifices of modern multi-divisional, multi-locational, multi-products, multi-national and trans-national organizations. Indeed, management is nothing if it is not the co-ordination and control functions and it is through information processes that different departments sectors units or even branches can coordinate their activities in an organization. Actually, it is not only the speed of computers that really matters but rather, the reduced cost of information handling made possible with computers that has launched them into the management environment. Therefore, the unique feature of computer technology on management scene and its development has reduced the cost of information processing in the private and public organizations where they have been installed.

Moreover, there is the progress made in communication technology and the feasibility of linking computers through communication networks perhaps through the internet facilities, internal communication networks and the General System of Mobil communication (GSM). Such networks allow the sharing of expensive disks, printers and other hardware devices across an organization or even among different organizations. It has now become economic to transmit large amount of information (data or text documents) across long distances almost instantaneously. It is clear that such technological environment provides a challenge to management and administration in both the public and the private sectors.

**Theoretical background**

The role of an information system is to foster a data management environment that is robust and can be expanded according to an organizations' strategic plan for information processing(Courteney,2011). The amount of information in organizations is heavily increasing and it has become vitally important to efficiently manage and share information inside the organization (Anna, 2009). Dewett and Jones (2001) have closely investigated how IT impacts an organization and its characteristics. Handling the data migration, handling the cooperation with the partners, and acknowledging the risks related to overoptimistic schedules are
Importance of information for an organization

moreover found to have a place on the list of critical success factors (Anna, 2009). Anna also concluded that better information as basis for more accurate decision making is one area of benefits. Another is improved service for both the customers and the employees. Furthermore one benefit is increase productivity i.e. people can execute there duties much more efficiently. Despite its benefit, Salazar and Sawyer (2007, p.16) are saying; that in a typical organization 90% of the information is still on paper and information systems are still not even close to being fully integrated.

**Tasks of managers**

It is natural for company managers or organizational administrators especially in the public sector to seek, to give or to generate the type of information that meets their expectations, and rejects or frown at such other information that threatens or frustrates them. In other words, the computer information is a “tailored” information since the computer, like any other mechanical gadget does only that which it is instructed to do. The computer, in spite of its copious memory has no mind.

Secondly, there is the general perception that information is always better. For instance, most Executive Directors and Managers rush to establish Management Information System, MIS, with the belief that very much managerial and administrative inefficiency and ineffectiveness are the outcomes of lack of large volume of information. It should, however, be crystal clear to office holders that an over-abundance of irrelevant information cause more harms than good to management. The logic of this argument goes back to the question of the quality of the management, which is a predictor of the ability to decide the type of information needed and the system of information depends on the capacity of management to used it (Omolaja, 2004).

Another important factor which affects the tasks a manager has to perform and in-turn his information requirements is the extent of functional authority within his organization. Functional authority is that which is exercised by specialist managers like the personnel manager in Shokas Industries and Staff throughout the various departments and units of the organization. Take, for instance, the personnel department of the Gateway Bank, which has a functional responsibility for any personnel and industrial relations matter throughout the whole bank. Although management is grouped into a number of functional areas which constitute the task of management (i.e. planning, controlling, organising, motivating, staffing, communicating, etc.), three of these areas are considered of paramount importance. These are planning, decision making and control. Planning and decision-making have rightly been called the primary management tasks and they occur at every level of management. Although, there is a variation between the type of decision making between levels, planning is the process of deciding in advance what is to be done and how it is to be done. Plans pre-determine the course of action and this reflects on the organizational objective. They
are implemented by decisions and actions, for without decisions and action, the planning process is a sterile exercise. In order to provide adequate information, management information system, (MIS) must be designed with regard to the types of decision, how decisions are taken how the decision-maker relates to the organization, nature of the organization, its environments and so on.

And for effective MIS design, there must be acceptance, and understanding, between both the managers and information specialists like the Data Processing Manager in the U.A.C Company PLC. The MIS itself which binds them together must distinguish between effectiveness which implies doing the right things (i.e., producing the desired result) and efficiency, which is a measurement of the use of resources to achieve results bearing in mind the time constraint. On the other hand, control is the process of ensuring that operations proceed according to plan and at the most basic level, this is done by comparing the actual results or output of the system against a target and using any difference found to adjust the input side of the system so as to bring activities in line with the target. The target in this sense may be termed a budget, a standard, a norm, stock level or a performance, etc.

Finally, there is a general misconception that acquisition of a computer-based MIS will always improve management and administrative decision making (Omolaja and Radović Marković 2010). A computer-based MIS or Centralized Information Processing System, CIPS, has been proposed as a useful step to improving decision making in managerial or administrative situations.

**Data collection techniques**

Since data (or pieces of information) are naturally available in their original form, and at various sources, they have to be collected or gathered before they can be processed. This activity is however, possible through a sequence of steps called research process. Consequently, on information manager Data Processing manager or simple information scientist in the contemporary organizations must be highly knowledgeable as far as various research methods are concerned. This will enable such an information scientist or manager to be able to collect facts and figures for information whenever the needs arise.

By implication, any data or information collection (gathering) process would naturally involve more or less the application of some research methods, techniques or approaches to specific problem solving situation, disciplines, e.t.c. Among these methods are Experimental studies, Case studies, simulation and Survey methods of data gathering. Experimental methods or techniques of research involve the research project, which are conducted under a carefully controlled and structured environment (Omolaja and Radović Marković, 2010).
Gathering information through sampling

A trader buying a large consignment of grain might be seen to roll up his coat sleeve, thrust his hand well into the middle of one of the sacks and draw forth handful of the contents of the sack for careful examination. After repeating this process with three or four more sacks taken at random, the trader’s opinion of the quality of the whole consignment of grain would be established. This is also true of another trader who deeps one of his fingers into a gallon of palm oil so as to observe the quality of the content of the gallon. This idea of estimating the properties of the whole population by investigating a random sample taken from the population is widely used in social and management research generally (Omolaja and Radović Marković 2010).

A population is a set of all individuals of interest. It is usually referred to as sample frame or sample space. Rather than enumerating every individual as in the case of census, one may take just a few for empirical analysis. The main principle behind this is that a set of objects taken at random from a large group tends to reproduce the characteristics of the larger group. This principle is called the law of statistical regularity. In any sample survey, it is often advisable to take a reasonable large sample as the larger it is, the more closely it resembles the population from which it was drawn. This is the law of large numbers. There are two major requirements that must be met by any sample. These are representativeness and adequacy. A sample is said to be representative if it represents or reflects the characteristics of the population from which it was drawn to an acceptable margin or limit (i.e. tolerance limit or allowable limit). A sample is said to be adequate when it is of sufficient size to allow confidence in the stabilities of its characteristics. For instance, selection of five out of 10,000 units is not realistic. However, some factors/problems make it difficult to achieve representativeness in samples. These include: Infinite population; this implies that the total number of components, elements or individuals in the population (or universe) of discourse is not known and non-availability of sufficient information on the composition of the population.

Sampling is advantageous in many ways. For instance, it leads to economy of time especially when a lot of information is expected to be collected about a set of objects. It also leads to economy of money. It is obviously cheaper to study a fraction of a population than to undertake a complete coverage of the population although the unit cost may be higher when sampling is employed.
Conclusion

Conclusively, information that has been interpreted and understood by the recipient of the message performs a lot of functions to the manager or administrator in an organization some of these functions are:

(a) Reduction of Uncertainty: Since uncertainty exists where there is less than perfect knowledge, the relevant information helps to reduce the unknown as in the case of planning and decision making.

(b) As an Aid to Monitoring and Control: By providing information about performance and the extent of deviations from planned level of performance, management is better able to control operations. Relevant information helps to reduce the unknown. This is particularly relevant in planning, control and decision making.

(c) Information serves as a Monitoring Supplement: By having historical information about performance, transaction, results of past actions and decisions available for reference, personal memories are updated in contemporary organizations.

(e). As an aid to Simplification: By reducing uncertainty and enhancing understanding, problems and situations are simplified and become more manageable through availability of information.
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ORGANIZATIONAL CULTURE AND
ENTREPRENEURSHIP

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Abstract

As our society changes, the values and culture of its members changes with it. Businesses need to adapt their organization to these changes in culture in order to be successful. The Chrysler Corporation was failing as an organization until they embraced culture change. By involving people, focusing on learning, and emphasizing quality, they were able to adjust and are now a profitable business. By comparing Family Health West’s process to Chrysler’s process, one can better understand the process of culture change in business.

KEYWORDS: Culture change, involvement, learning, quality

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Introduction

In the field of entrepreneurship it is expected that any new creation of the company will result in the creation of new forms of cooperation among employees. What is surprising, however, is the fact that the research into the dynamics and interdependence of these relations are scarce (Radovic-Markovic, 2012).

Culture consists of a group of norms of behavior and the underlying shared values that help keep those norms in place (Kotter, 2012). In today’s business world, companies who understand culture know that it is changing. Those businesses willing to embrace culture change are the businesses that have a chance at being successful. Failing to adjust to changes in culture may lead to business demise. The Chrysler Corporation was a company that was struggling prior to their reorganization. An article in Toolpack Consulting reported they had outdated products and lacked customer service skills (2012). The company chose to address culture change and is now a profitable and successful corporation. For Chrysler, listening to customer desires, gathering ideas from their suppliers and involving employees helped to change the organization. Chrysler addressed culture change by involving people, focusing on learning, and emphasizing quality.

A similar culture change project is underway at the facility for which I work. Family Health West includes a long-term care facility, two assisted living facilities and a rural access hospital. As with many health care facilities, both the government and the patients that we serve have demanded a change in the provision of care. It is no longer acceptable for the facility to direct patient care; rather, the patient directs his care. Patients expect to be more involved in determining treatment processes and goals. Additionally, they expect better facilities, more homelike atmospheres, and better quality service. Family Health West has identified that failing to adapt to these changes in culture, will lead to failure. This is demonstrated by other facilities gaining business while Family Health West is showing a decline in business. By comparing the methods Chrysler used to the ones currently demonstrated by Family Health West, one can obtain a better understanding how culture change may occur.

Theoretical overview

To stay competitive in a global economy, organizations may frequently change strategy, structure and staffing levels (Radovic-Markovic, 2011). Firms need a global strategy, with broad-based resource, technology and marketing schemes, however, they also need a localized customer focus that accounts for regional or local conditions as well as culture, behavior and values (Rhinesmith et al., 1989). Although there are differences among experts in this area in terms of defining
organizational culture, most of them agree in terms of its six aspects (Radovic-Markovic, 2012): 

a) culture as property of a whole group of people  
b) it engages people's emotions as much as it engages the human intellect  
c) it is based on common experience  
d) it keeps changing as circumstances change  
e) it often incorporates many paradoxes and contradictions  
f) it uses symbols and metaphors  

The two most important issues facing organizations today are managing change and cultural diversity (Radovic-Markovic, 2011). Managing organizational culture is increasingly viewed as an essential part of health system reform (Scott, Mannion, Davies & Marshall 2002). Family Health West is still in early stages of the culture change movement. Involving people is one of the initial steps that was taken to begin the process. First, we began listening to our patients. This was done through direct interviews and review processes. This helped to identify what areas patients felt were acceptable and where growth was needed. In addition to patients, employees were also involved. “Health care cultures that emphasize group affiliation, teamwork, and coordination have been associated with greater implementation of continuous quality improvement practices” (Scott, Mannion, Davies & Marshall 2002). Employees have a knowledge base that can support great ideas. Finally, listening to physicians and other vendors that work with Family Health West has also supported culture change. This period of involving people has led to a plan of growth, which has already begun.

**Family Health West: Case Study**

**Focus on Learning**

As with most new processes, there is a learning curve. Most of the learning at this time is focused on new state and federal guidelines, which direct culture change. These guidelines focus on the rights and choices demonstrated by each patient. Health care facilities must provide an environment, which is a more home-like environment and should be suited to the specific needs of each patient. This is especially true in the long-term care facility. By first understanding the regulations presented by the government, Family Health West can move forward with learning how to make these changes a reality.

According to the Pioneer Network, culture change is the national movement for the change in older adult services. It calls for person-directed care where the patient’s choices are considered and respected. Core person-directed values are choice, dignity,
respect, self-determination and purposeful living (2012). Facilities that were established prior to the culture change reform are finding it difficult to accommodate these changes, as many facilities are not physically structured as a home like environment. This is the case at Family Health West. Family Health West Adult Extended Care Facility was established in the early 1980s. The building is institutional in nature with respect to its layout. Because they are a non-profit entity, money is limited for updating and remodeling. However, as the clients we serve understand and demand more from their care, we must adapt to survive. The Pioneer Network is helping to direct how Family Health West provides care in the culture change program. While plans to address the physical aspect of the building are still in infant stages, the Network has helped guide how care is delivered and patients are leading the way.

**Emphasize Quality**

One of the most important ways that Family Health West has decided to structure culture change is by providing quality care while working on the more labor-intensive remodel of the building. This involves redesigning how care is provided to our clients. Currently Family Health West offers a spectrum of care, which allows all levels of care to progress through our own campus. Employees are cross-trained in many of these areas to promote continuity of care. We are currently hiring a pool of health care professionals in order to provide a wide range of care to the community. From emergent care to family health care, and from surgical services to Alzheimer’s care, Family Health West is a leader in our community and the corporation feels confident that changes can be made to regain footing in the health care industry.

Additionally, each department has been given the task to improve the services they provide. For example, the Dietary Department is now offering individualized menus to patients instead of following a preset menu. This allows patients to order specialty items per their choice instead of settling for what is offered. The Activities Department offers a program based on the requests made by the patients and the Laundry Department is now carrying a variety of linen colors and types, which can then be chosen by the residents that reside in our building.

The biggest challenge thus far has been to update the building itself to provide a quality living environment. The first project was to redesign the bath areas, which were in poor repair and were institutional in nature. New whirlpool tubs were installed based on the desire of the clients. Currently remodeling is being conducted in each of the patient rooms; this includes painting and installing laminate flooring. New lighting and furniture is in the plan, but progress is slow as finances are limited. Overall, changes made by Family Health West are directed by consumer demand drive the way Family Health West addresses culture change.
Conclusion

Organizational change must occur in any business that desires to be successful. Changes in society affect its culture. Businesses must adapt to these changes. As demonstrated by both the Chrysler Corporation and by Family Health West, involving people, focusing on learning, and emphasizing quality are essential in moving forward with culture change. Each company must determine its own path and the plan will vary from company to company. However, listening to customer desires, gathering ideas from suppliers and involving employees can help change the organization for the better.

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PROMOTION, THE INTENSITY OF LABOR AND INVESTMENT IN THE CASE OF A PRIVATE ENTREPRENEUR IN OSIJEK-BARANJA COUNTY

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Abstract

Promotion is especially important as a system of communication between the service or product provider and the consumers. It is associated with the overall public that acts as a mass through which the company objectives are achieved.

The main objective of a company is to distribute a manufactured product or service to a potential consumer in order to make profit. With this kind of business, it is very important for a company to be informed, to keep up with the trends and events, to be accessible to a wide spectrum of public and to be extremely flexible, among other things.

A private enterprise Vrtni Centar Fontana d.o.o. has been analyzed, where promotional activities the company implements have been shown, such as personal selling, followed by sales promotion, trade fairs and free promotional products.

During the paper, the labor intensity was elaborated, given that it is a seasonal production that takes place in the open. The range of employees goes from the minimum of three employees up to twenty, depending on the labor intensity, of course. The range of activities is carried out throughout Croatia.

At the end of the paper, the investments made by competent institutions that encourage this kind of production, among others, have been presented. Development Agency for Osijek-Baranja County awards funds for participating in trade fairs, support for irrigation and co-financing when it comes to purchasing new machinery for the production.

**KEYWORDS**: promotional activities of the company, labor intensity, support, "The Gold Plaque", technology, local government

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Promotional activities by the company „Vrtni centar d.o.o.,“

Today, companies that provide a variety of services are forced to carry out promotional activities in order to reach the target customer group.

As a term, promotion can be easily defined as a system of communication between the provider of certain services or products and the consumers of the same. Therefore, it is associated with the overall public.

Due to the competition growing each day, promotion, as such, should be the main factor in which the entrepreneur must outshine everyone else. It is necessary to learn from the mistakes of the competition and to apply their weaknesses as your own advantages, because managers simply must daily be ready to quickly and effectively respond to the challenges that lie ahead of them.

The purpose of the promotion is constantly informing the consumer so that they can be directed to the target location, or to influence the purchasing decision, which is the goal of every company.

Methods that will be used during the seminar are personal selling, special promotional products, trade fairs: creating a public spectacle, sales promotion. Therefore, only the methods used by the company that is "carried" through the paper are listed.

In this paper, the enterprise Vrtni Centar d.o.o. will be used as an example because the company's primary activity is horticulture, because in that kind of business the management of promotion is a very important element to success. The fact is that the company has a geographical closeness, meaning that its market is at the same time the labor market, as well. The company's employees often encounter with the customers that are provided with the horticultural services, and know, almost everyone, by name, which certainly represents a huge advantage and "a powerful weapon". The firm can provide a personal service, tailored to its own customers, which makes the company presented flexible.

Large companies can not afford situations like this, which is the cause of a great loss for them, because each buyer feels better and is prepared for purchase when the manufacturer acts friendly, informal, yet professional.

Management is a conscious activity of directing business activities and development of the economic entity by making and carrying out business decisions.

Management promotion is an activity in which a manager reaches a gap when fulfilling the expectations of the company owner. Therefore, he or she manages to persuade the customer into purchasing while making a profit. First of all, an entrepreneur for this kind of job must be talented, educated, motivated, communicative and able to recognize the buyer's reaction because, in promotion, a two-way communication is very important.
Promotional activities used by an economic entity must be directed towards the customer in order to make him or her aware of the existence of a product/service.

Management promotion process consists of several important factors, which will be explained in the text below.

It is necessary to define the (potential) target market in which the company will operate. A desired message that has to be precisely determined should be conveyed to the target public. It is of great importance to determine initial attitudes and beliefs of the chosen public. Attitudes and beliefs are extremely difficult to turn in the wanted direction, that is, in the direction the company has set as such.

Precisely because of this, strategies are being elaborated for improving the existing situation in changing attitudes in the desired direction.

The goals must be clear, accurately conceived and specified, applicable and, of course, realizable because they were determined in order to be accomplished, without any obstacles. Although it is perhaps wrong to say "without obstacles", as they are always present. They are the reason why the manager previously sets goals, makes a choice and selection of objectives, and then presents them as such. Objectives must be defined quantitatively and temporally.

When creating a message, the best possible way to accomplish the set goals is chosen. Content of the message should be formulated as a unique selling proposition, which will appeal to humor, since laughter has a positive effect on people and gives them certain dose of energy. It is necessary to be careful when it comes to humor, so it would not look unprofessional. The opposite of humor is fear. Creating a message which appeals to fear also affects people, but presumably in a different way than the laughter does.

The structure of the message may contain one-sided or two-sided messages, as well as verbal and nonverbal components.

The source of the message has to be credible, among other things, and there must be trust and expertise. The messages usually portray celebrities, for example Pepsi Cola commercial, where the main participants are football players. It is perfectly normal that people who are sympathetic to football and the people in the commercial, will rush to get such products, because it comes down to trust.

Promotion budget consists of several methods that will be explained during the following sentences.

Arbitration is a method of certain investments in the promotion, and is consistent with the capabilities of the enterprise after all cost requirements have been concluded.

Percentage of sales method is defined as a percentage of sale value in the previous period, that is, as a sale percentage of anticipated selling.

Fixed budget method helps determine the constant amount of investment in promotion based on the production volume.
Parity investment method compared to the competition, which is determined by the amount of investment made by the competition.

Objective and task method defines promotional goals, followed by formulating tasks to fulfill those goals, and finally, determining the required budget.

The total evaluation of the promotion is done by estimating the efficiency of the promotional process. Therefore, it is necessary to determine whether the selected elements of the promotional process were successful or not. It is likely that certain flaws have come up to the surface during the promotional process which need to be corrected and created properly within the framework of creating future promotional programs, and then to conduct testing’s.

Promotion, in a broader sense, represents a term for the improvement of something, while, in a narrower sense, promotion as an element of marketing mix is a set of activities that emit different kinds of information from the economic entity into the environment, mostly to the market.

Throughout the seminar only the promotional activities used by the company will be explained, which means that the explanation will be based on practical application, rather than on a theoretical basis.

The firm "Vrtni Centar d.o.o." most often uses personal selling as a method of promotion, because it is actually "face to face" marketing. It consists of three very important steps.

The importance of the first step lies within the achieving the contact with the potential buyer. The contact may sometimes be unusual, that is why it should be made interesting, warm, hospitable and friendly. From time to time it is necessary to talk about everyday issues or topics that interest the customer, and thus make a good impression.

Step two consists of a presentation that should be performed within a minute, if we are talking about a quality presentation. Many say "The more you talk, the more you sell". It is not recommendable to talk a lot, because it makes you sound tedious and uninteresting. The buyer wants hear what interests him or her. Since this is a horticultural service, the potential customers are women. Every housewife likes her garden to be nice and tidy; hence it is required to show the future look of the object in details. Furthermore, pictures of previously created objects can be shown to the customer or the buyer can be taken to the place where the object was designed to see it in person. The company here mentioned uses presentation of their products on the field, so that way, when it's all set in the original package, the customer can decide whether he or she wants something or not, which enables them to, in a way, set the price for themselves.

The third step is closing the deal, it is the magical moment when the customer says "yes" or affirmatively nods. If the finalization is not going in the right direction, your first impression and the presentation lose their importance, because in step three comes the magical word, if you closed the sale properly.
The company set as an example in the seminar also carries out the promotional activity of sales promotion. It is natural that every customer is more satisfied when getting a present, without having to pay extra money. Therefore, in this kind of business (horticulture), the owner gives a certain amount of grass carpet, flowers or ornamental plants to each of his/her buyers, if they have carried out a service in a particular business object. With this act, it is as if the owner "had obligated" the buyer for further business, whether it is the same person or one of his/her acquaintances because here we are talking about free promotion and free marketing where the customer continues to promote the company. It can be both positive and negative, and although it strives to positive, the risk is always present.

Advises are also useful, that's why they are attached after work. Of course that those same customers will spread out the positive attitude about the company, which is the key to better business. Cards should not always be open entirely, only to a point to give the customer timely information. A capable manager succeeds when he or she realizes the customer's post-purchase satisfaction.

Also, the company makes special promotional products. Those products, on which the firm's address, name and phone number can be found, remind the potential costumers of the stability of the company. For example, such products are pens, notebooks, umbrellas, calendars, key chains, lighters.

Vrtni Centar Fontana d.o.o. makes precisely these listed products because they simply impose to the buyer, they are needed every day and they carry the information about the company which is distinctly highlighted.

Promotional products are not too expensive, but their quantity makes them highly valued, except in the case of low-quality products, which makes them cheaper. If the company plans to distribute free products and samples, it has to take their quality into account, otherwise it can, in a way, damage the firm's reputation, and so the customers start thinking of the products as worthless. These products
are, unfortunately, associated with other company's products and services, that is, with the activities that the firm carries out, if we are talking about low-quality.

Trade fairs are extremely important, because, except for products that are presented and the brochures, almost nothing else matters. At the fair, the company should, in the first place, be an observer and see the flaws of the competition or even recognize the benefits that could complement the company's business.

Vrtni Centar Fontana d.o.o. is a participant in numerous trade fairs. For example, when the flower show was held in Osijek, the company invested a certain amount of resources and outdid its competitors. When they arrived at the fair in the morning, they saw that other participants presented nothing else but flowers. It made the director (VC Fontana) realizes how many things were missing, so he made a spectacle and all the buyers gathered around his product. So, what was the point? The point was in diversity, memorability and being recognizable. They insisted on making a rockery with a fountain around it that flows into a streamlet and a variety of ornamental plants on top of it. An entire circle of grass carpet was made around the fountain, which was very appealing, since it was a beautiful green grass carpet (two and a half centimeters thick) and the plants only made it look even better. The pumps were set, one casting the water a few meters into the air, and the other, creating a form of a mushroom out of water. Then the fish were put in the water, which were the main attraction, especially for children, and coloured reflectors, where the colors can spill over into six thousand different shades. Since the fair was taking place until the evening hours, it was then the reflectors evoke the real impression.

*Picture 2: Flower show Slavonski Brod*

*Source: Vrtni Centar Fontana (2009.)*
We can conclude that the trade fairs do work enchanting, if the company is ambitious, professional, organized enough and recognizes others' flaws and turns them into advantages.

**The intensity of labor and investment in the company, Vrtni centar d.o.o.,**

The previously mentioned company is new and perspective, having started operating since mid June of 2007. What makes it perspective is the fact that a product like this, that is the grass carpet, is produced in Croatia only in small numbers.

The company currently owns about 60 hectares of land that is exclusively leased by the state. A part of the land is used as a pasture, which makes it rested and suitable for this kind of production, while the rest of the land are arable fields which require more money for investment.

The number of workers is highly variable, as the "flowery period" in such business is considered to last from early spring to summer, and then again from fall until November, depending on the weather. So, just like the agricultural production, it also depends on the weather conditions. During summer, grass sward can not be laid due to excessive heat that can damage it. All sorts of modifications may turn up on the lawn because of the excessive heat and uncontrolled water use. However, with the grass carpet comes the irrigation system as well, which the company also sets up on football fields, large companies (Emmezeta) and private gardens. Therefore, when laying a grass carpet on a huge football field (approximately 10 000 m²), 10 men are needed to perform this job, but if we are talking about a smaller facility, three to four worker are more than enough. Of course, this is not set as a rule, because terms and deadlines are always present and, in fact, the investor determines how soon the work should be carried out. We can conclude that the number of employees performing a certain task depends on the job.

Currently, the company has three employees, there is not much work, but obligations must be paid. Therefore, the company has conducted winter maintenance services by signing a contract with a Municipality last year where she had carried them out. It is not promising, but at least the company gets to keep its liquidity because obligations exist and it is necessary to be solvent. Sometimes, diversification is needed.

It should be mentioned that the firm has won "The Gold Plaque", which puts it in top twenty best companies. Although the company is quite new and small, compared to HEP, for example, which has also received this award, we can conclude that the firm is truly operating properly. I am really glad that someone recognizes this kind of companies among giants such as Hrvatska Elektroprivreda. So, each month obligations towards the state, the administration and the local
government are paid, there are no chargebacks and the like. All of this is present now even more than before, because today's business is a vicious circle. The company conducts its affair or service within the deadline, where the products that it doesn't produce are purchased from other suppliers by paying for them in advance. However, it is not unusual for the investor not to be able to pay off the commissioned work, after the job has already been done, the invoice issued and all obligations at the end of the month paid, as well as taxes. That is when the problems start to come up, because if the investor cannot pay off the contractor, the contractor is not able to pay the obligations because the job has been financed in advance and the business must be carried on with the company's capital. When it comes to this, certain changes should be made, since it would be much easier if the contractor first pays off the products or services needed for the job, and then to implement the obligations towards the state and other institutions.

Management of the company Vrtni Centar Fontana d.o.o. is extremely flexible. Although it is situated in a small, rural area, work and financial aspect are demanding an expansion outside the Osijek-Baranja County, which enables them a wider business sphere and the growth of existence. The company is situated in a village called Beketinci, twenty kilometres away from its nearest town, Osijek. In spite of it, the company operates throughout the country, from Međimurje, Slavonia and Baranja, to Zagreb, Istria and Dalmatia, even Dalmatian Zagora, where it has made quite an impression, which is an extremely important factor in business.

Except for the previously mentioned, great importance lies within the business organization and relations with people, because, after all, entire Croatia is included in the company's business. Earlier, during the seminar, I pointed out that a certain amounts of grass carpet, flowers and the like are given to some buyers, since precisely because of this (it is not the only condition) better relations with customers are achieved and their trust is gained. A proverb says:" If you do not give anything, you will not get anything."

The economic crisis has affected many, that is, most companies, including this firm, because there is not as much work as it used to be. Therefore, except for the already mentioned production, the company began to sow all sorts of crops, such as oats, wheat and soybeans, which are based on organic production. It makes the yield automatically smaller, but the support system, financed by the state, is much better. Thus, in conventional production the support goes from 2.250 kn/ha, while in organic 5.200, 00 kn/ha. Again, we are talking about diversification here. I should point out that in the grass carpet production, the support system does not exist, therefore, in case of natural disasters (floods, fires and the like), funds can not be gained. This is the reason why we had to focus on another type of production, but it is not the only one. Crop rotation is also important, where crops have to be moved on the same land.

The conclusion is that producing grass carpets is a complex process, since it takes two years to produce it according to UEFA standards. It must be trampling resistant, because it is laid on football stadiums, where players have trainings or
football matches almost daily. So, the mixture is made of eight different grass types. It is sown from the second half of August until the first half of September. The treatment of the same is frequent. Few times a year a mineral fertilizer KAN is added, but during winter period NPK mineral fertilizer is used, formulated 15:15:15. As for weeds, broad-leaved and some narrow-leaved weed herbicide is used, in order to keep the carpet completely protected from any gramineous impurities. The biggest cost is fuel, since the grass carpet must be constantly mown in order to get density, firmness and a defined structure, and it also needs to be watered and rolled. It is still a plant, a living being, so it needs foods and water. Since the company cannot gain any funds for the grass carpet production, it is not able to be taken into account for a Blue Diesel card. Therefore, Eurodiesel, which is extremely expensive, is poured in all of the machinery, and the company's demands for fuel are high. Crops will be very helpful in this situation, because, after applying for the incentive, the rights for using Blue Diesel will be realized in June 2012., making this kind of fuel available for some of the machinery, but not to a great extent, since mostly we are talking about petrol engines.

During the seminar I have mentioned that one of the company's promotional activities is participating in trade fairs, that is, creating a public spectacle. Those fairs were encouraged by the administration, more precisely the Development Agency for Osijek-Baranja County, situated in Radić street, Osijek.

These funds are poorly used, because the producers are either not aware of the aid or they do not know where to look for such information, therefore, they are not informed. The enterprise here stated often uses funds like this because it is a frequent participant in trade fairs, not only in Osijek, but throughout Croatia, where it presents its products. For example, last year the company participated in a flower show in Slavonski Brod, followed by Sv. Filip i Jakov in Damatia and else.

Such places and the way of presenting your own product are effective, since the potential customers like to feel the product, talk to the company's representatives and that way, get an impression. In circumstances like these, a large amount of a certain promotional material (business cards, brochures) is given away. If only two percent of those who took the promotional material call back, we can think of that as a success.

The local administration ensures incentives for the irrigation system, too. The funds mentioned here are not properly used, presumably for the same reasons I have pointed out before. The enterprise Vrtni Centar Fontana d.o.o. benefits these funds, because there is absolutely no reason not to if there is a good justification for such an investment. However, it is necessary to spend some extra time to make the previously mentioned investment happen, but still, this is about investing into the company, not creating additional cost. Photocopied invoices will be more than enough to show that the company had purchased material for the irrigation system. Then you pay a visit to the advisory service and explain them what you need, so they go outfield to determine whether the system has really been installed. This is
followed by more paperwork, which is submitted to the competent authority, in this case it is the local authority, that will take it into consideration.

I must admit, the investments are not huge and the funds are not that significant, since this product (grass carpet) is imported in large amounts, even 95% of the entire amount, which represents a great problem for our producers. The problem lies within the lack of adequately educated staff in horticulture and the small number of producers. Throughout Europe, and in the western countries, this activity is very popular and highly appreciated. People simply encourage landscape organization. This is why the company I am "showing through" my entire seminar tries to distribute its product outside the Croatian borders. For example, the distance between Osijek and Split, where the enterprise also offers its horticultural services, is the same as it is from Osijek to Munich. Therefore, there is no reason not to use the advantage of transportation to major European cities since the borders will be open anyway.

The competition in such European cities is tough, living standard a lot higher, so the company's business structure will probably need changing. It will be of great importance since the enterprise is the one that should adapt itself to potential buyers and market changes, and not the other way around.

Entrepreneurship need full support, since it ensures employment growth, rise of the living standard and, all in all, improvement on a national level. On the west and in other parts of the world, it is surprising as the enterprises are the one that are the initiators of the economic development and create, that is, open new job positions. The basis of the economy are small and medium-sized enterprises, which are the foundation for the realization of the entrepreneurial initiative.

The practise of European countries is to support the growth of small enterprises by incentives given by the state in the form of direct budget support or through various tax breaks.

Favorable funding are one of the important factors for starting businesses, as well as their further growth and development. Osijek_baranja County has participated in all business loans issued by the ministry and commercial banks. The number of entrepreneurs interested in business loans is growing, since it enables them to easily purchase modernized equipment and necessary machinery.

Osijek-Baranja County encourages these models because they make the entrepreneurs competitive. For instance, loans with subsidized interest rate help and support businessmen improve their enterprises, and possibly make it easier for them to deal with current financial liabilities.

Market competition is an "arena" where it is important to have a timely information, at the right time and on the right place. The one in the arena, familiar with the information, can make the right move for their company and keep up with the others.

Info Desk, a place intended specifically for entrepreneurs, was founded in the Development Agency, situated in Osijek. There, valid information can be obtained and businessmen can learn more about the programms and incentives.
Since today businessmen are always in a hurry and every minute counts, more modern ways are now used to inform them, specifically, we are talking about the Enterprise SMS Application. The application is carried out only in Osijek-Baranja County and nowhere else in entire Croatia. It is completely free, and the purpose is to notify the entrepreneurs about the information essential for business, such as information about credit lines, incentives, changes made in the legislation, bookkeeping and the like.

Each businessman, no matter if he is just starting his business or is already in the growth phase, wants to consult, because he needs the right information and data to help him make a business decision. Here, an important role have business centers and incubators, as well as other institutions, to provide the entrepreneurs the service of everyday free consultation.

To accomplish the further rise of knowledge of businessmen and other participants in the process of supporting business and to create conditions for faster economic and social development of Osijek-Baranja County, the Development Agency, business centers and incubators, together with other institutions that provide entrepreneurial support, carry out a full-time education through various seminars, discussions, classes and forums.

The Development Agency, along with other institutions that provide entrepreneurial support, carries out seminars intended for the target group of attendants, where they talk about various topics, help solving problems businessmen have to face and raise the level of company's efficiency. Seminar topics are the choice of the entrepreneur. By financing it, Osijek-Baranja County enables new businessmen free attendance, while it co-finance other seminars, so the attendants pay only part of the cost. The seminars are divided into several groups, that is, a training program for new businessmen, the entrepreneurs in the growth phase, followed by the program for the employees in the institutions that provide entrepreneurial support and the last one, PUMA - training program for the managers of the Croatian Employers' Association.

Due to the lack of time and valid information sources, entrepreneurs are often not aware of the latest developments and accomplishments in their business or activity. Organizing business forums helps entrepreneurs improve their companies. Unlike seminars, discussions are organized in the form of short lectures where the topic, that is briefly and succinctly elaborated, is adapted to the activity and the size of the enterprise. These business discussions are free.

By organizing classes and forums, better cooperation between the entrepreneurs is set up, as they exchange knowledge and experiences and have an opportunity to connect with entrepreneurial institutions. These informal forms of education are a place to make new contacts, classes and forums provide businessmen with interesting and useful insights and, at the same time, broaden market horizons. Extra attention is dedicated to the possibility of connecting large and small businesses.
Lectures organized for the representatives of the local government units are intended to connect and convey the information in the best possible way between Osijek-Baranja County, municipalities and cities. The increase of the rate of awareness of technical support programmes, various funds, projects of constructing enterprise zones, credit lines and entrepreneurial support programmes, help municipalities and cities improve the construction of entrepreneurial infrastructure.

Lectures intended for new firms and entrepreneurs who are just starting their companies are carried out within Osijek-Baranja County. The purpose of this project is to create a surroundings due to the increased number of business entities and conditions for their success and survival in the market.

Entrepreneur's handbook and business incubators are meant for everyone who are thinking of starting their own firm, that is, for new businessmen.

When talking about encouraging enterprise zones, with their construction, Osijek-Baranja County wants to stimulate the economic development in that area, but also to solve the problem of space for the entrepreneurs, as well as to encourage future businessmen to invest. By building new enterprise zones or expanding the activities of the already existing ones, the problem of office space is trying to be solved long-term, followed by the use of common infrastructure and connecting enterprises located in the same area. Considering that this kind of venture demands lots of money, establishing and building new enterprise zones requires more time.

The competitiveness of national or local economy depends on the quality of available human resources, which is the main element of economic and social development. Investing into education enables new insights and skills needed for opening new workplaces.

Presentation on trade fairs is one of the most significant promotional activities, both for the entrepreneurs and various institutions, organizations, societies and the like. At such events, people make contacts, find new business partners and directly exchange information on products and services.

At the fairs, businessmen make new contacts, familiarize the potential customers with their products and services and easily penetrate into new markets, which is an extremely important factor. Osijek-Baranja County co-finances the costs of the entrepreneur's appearance at the fairs, also taking into account the need to co-finance the fairs and similar events that are not co-financed by other institutions, such as the Chamber of Trades and Crafts and the Chamber of Commerce.

In order to be distinguished at the trade fairs, enterprises must have an excellent, high-quality and attractive, or better yet, distinctive promotional material. Quality promotion primarily affects the perception of the products and services by making them look more appealing, followed by their distinction and, more important, memorability, which, at the end, results in better sale. Making this and similar materials enables the company to completely use the exhibition space, so the entrepreneurs and their products, where they either present or simulate the service, gain a recognizable identity. Osijek-Baranja County co-finances the
production of promotional materials for the companies, and thus helps promoting their products and services.

New and fresh investments, as well as the increase of the same, are the foundation of the economic growth and a factor in opening new jobs. By conducting the activities aimed at attracting potential investors, Osijek-Baranja County tries to be a quality partner to every new investor and to help them realize their business ventures as soon as possible, as well as to find the adequate property or office space and to hire the needed number of employees. Today, in the time of crisis and recession, new investments are necessary for a quicker uprise and recovery, but also to open new workplaces, therefore, these activities must be intense even more.

Export activities, except the inflow of new investments, have an important role in the priorities for a rapid economic and social growth and development. Osijek-Baranja County was up to three years ago one of a few counties in Croatia to realize a positive difference in trade in the favor of export.

It is necessary to start a process of connecting small and medium-sized enterprises, to make them more competitive and focused, just like world's technological companies. The purpose of creating business clusters is to establish a competitive economy, which includes a coordinated and mutual cooperation between small, medium and large enterprises, knowledge centers and local government in developing and launching new products. An intensive information exchange, knowledge flow and the specialization of roles and activities in the cluster can achieve comparative advantages, that enable competitiveness in both our and foreign market. Osijek-Baranja County, cooperating with the Croatian Employers' Association throughout the operational activities of The National Center for Clusters participates in the project, "Croatian Agricultural Equipment Cluster", which strives to increase the regional and industrial competitiveness and the regional entrepreneurship development.

Croatian Bank for Reconstruction and Development has an important role in ensuring the conditions for export, conducting quality projects of financing exporters, as well as the Croatian Chamber of Economy and Croatian Chamber of Trades and Crafts, which provide technical and advisory assistance to potential exporters.

To the interested foreign investors, Osijek-Baranja County, in cooperation with other institutions, provides information about the Croatian legislation, incentives and tax breaks for the investors, available human resources in the county, information about the conditions and possibilities of opening companies in Croatia, information about valid regional plans and opportunities for development, information on the procedure of obtaining necessary permits and the like.

In order to attract foreign businessmen, investments need to be made in Osijek-Baranja County, as well as the Investment Guide. The guide is intended mostly for potential and foreign investors, entrepreneurs, and for those who have any kind of contact with them. The guide contains basic information on Osijek-
Baranja County, but also information meant for businessmen that are supposed to ease the taking of the necessary preliminary actions before starting a company, and to help them by making the investment as simple as possible. Trying to create a competitive and attractive area and to develop their own qualifications, Osijek-Baranja County has joined the project "Development of Investment Climate". The project is conducted in collaboration with the Ministry of Economy, Labour and Entrepreneurship and the Delegation of the European Union to the Republic of Croatia. By fulfilling all requirements, the county has gained a certificate as a region attractive for investment.

Productive collaboration between the institutions that provide entrepreneurial support enables better information flow, project coordination, mutual complementarity and the like. The Development Agency is investing to improve this cooperation, which ultimately raises the quality of services provided to the entrepreneurs.

Counseling, informative, educational and all those information important to entrepreneurs can be obtained in business centers and incubators. Osijek-Baranja County has recognized the significance of those centers, so it co-fineses certain activities, that are free for businessmen. The Development Agency, along with those centers, conducts a form of collaboration through developing business publications.

By cooperating with the Ministry of Economy, Labour and Entrepreneurship, all efforts are put into bringing the projects, conducted by the ministry, closer to the entrepreneurs and allowing grants to stimulate their companies. The collaboration has also been established with the Ministry of Agriculture, Fisheries and Rural Development and the Ministry of Regional Development, Forestry and Water Management on the projects of encouraging entrepreneurship.

Osijek-Baranja County collaborates with Croatian Chamber of Economy, County Chamber Osijek, Croatian Chamber of Trades and Crafts, Osijek-Baranja County Chamber of Crafts, the Croatian Employment Service, then with the Regional Office Osijek, Craftsmen's association, Association of the unemployed, with the Faculty of Economics in Osijek, State Administration Office of Osijek-Baranja County, Croatian Employers' Association and a number of other institutions with the purpose of getting involved in various projects and activities that encourage entrepreneurship and want to create a positive business climate for the best possible management between small, medium and large enterprises.
CONCLUSION

Promotion, as such, is an extremely important factor in some companies. The enterprises I have taken as an example in the paper uses promotion in almost every form and invest a lot into it, since promotion, for this kind of business, makes 90% of its profit. While many competitors most of the year do not work, this company operates. Why? Presumably because the employees of the enterprise are people who live for their customers, but, basically, entrepreneur lives of customers. It is also necessary to perform related activities. Then, when the customer has your full attention and you talk to him on a personal level, a certain social and friendly environment will be created.

When giving your maximum, a profit can be expected, because if there is no activity in the company and if you are always waiting for "better days" to come, then nothing you have planned will ever come true. You cannot expect the customers to come looking for the company, since it is up to the enterprise to get close to them, find them and react.

For example, Vrtni Centar Fontana d.o.o., although geographically located in Osijek-Baranja County, operates both on the entire Dalmatian coast and in the inland. Sometimes it may seem as a major expense, but at the end, it pays off. Many times the company gave away a certain amount of grass carpet, plants or something similar which induces preference, so that those "lucky" customers become main actors as they carry forward the marketing. Why do I use the word marketing? Because they are doing the company a favor by passing on positive information. A proverb says: "Good word goes far, bad even further." Therefore, what matters the most is to keep your customers, because bad marketing does not help at all.

The enterprise Vrtni Centar Fontana d.o.o. tries to find a way to survive in the increasingly brutal surroundings, taking into account the direct, but also the indirect competitors.

In Croatia, the entrepreneurial climate has been significantly characterized by the lack of the appropriate educated personnel and by the low index of entrepreneurial activity. The lack of educated staff in small and medium enterprises is one of the most important factors that are adversely affecting the level of entrepreneurial activity in a country. Also, not enough informal forms of financing, such as startup methods, are used.

Companies that invest more than average into research and development, enable high employment growth, as well as penetration to foreign markets, where exquisite abilities to perform entrepreneurial skills are required. Foreign markets are a great arena in which only the resourceful survive.

Osijek-Baranja County conducts a program that includes an action plan with measures to be undertaken through realization of individual projects that encourage the development of small, medium and large enterprises.
Osijek-Baranja County, in collaboration with the local government units, business centers and incubators and other institutions that provide incentives for the entrepreneurs, is conducting a program of entrepreneurial support on its territory.

Trying to be active and contribute to creating the conditions and the environment that is stimulating for the development of the entrepreneurship, and striving to ease the negative impact of crisis on the business of small and medium enterprises, Osijek-Baranja County is undertaking the activities of encouraging entrepreneurship through loans, information on the programs that stimulate enterprises, business counseling, various educations, encouraging employment, different seminars and the like.

The county tries to provide help to new businessmen, as well as to those who are already in the growth phase. There are numerous publications, Info Desks, Enterprise SMS application and so on, where entrepreneurs can get valid information, which are ultimately the most important factor in the company's business. Also, the county finances or co-finances many entrepreneurial activities, or a certain part of them, but unfortunately, lots of businessmen still can not get the valid information or simply do not know where or to whom to turn to, but there are probably many other reasons, as well.

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RECOGNIZING BUSINESS OPPORTUNITIES IN SPORTS TOURISM IN IRAN (TEHRAN PROVINCE)

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Abstract

The combination of tourism as the biggest industry in the world (Goeldner & Ritchie, 2006) and sports as the sixth profitable industry in developed countries (Pitts Brenda et.al.2002) is created one of the most amazing modern service industries entitled "sports tourism" (Biddiscombe & Rose, 2004). Sports tourism makes it possible optimal use of natural attractions for attracting tourists and increasing revenue from tourism (Firozjah et. al., 1988). On the other hand, the predictions made indicate that in 2020, we will see 5% growth in tourism and travel in the world and it is interesting to know that these predictions about sports tourism show 10% by 2020 (Weed, 2006). The purpose of this study is to recognize business opportunities for sports tourism business in Tehran province. In this research which is considered as an applied research, according to the four stage model of James L. Morrison, business opportunities in sports tourism industry in Tehran Province is scanned, monitored, forecasted and assessed. The four stages according to this research are made include: to recognize the current situation and emerging trends in sports tourism and the related environmental aspects (Scanning), to analyzes the economic trends recognized in sports tourism and the effective trends (Monitoring), to forecast future market of sports tourism (Forecasting) and finally to assess the amount and time of formation of need and demand and profitable potential in sports tourism (Assessing). In the study, mixed method research (quantitative– qualitative) is used for three stages i.e. Scanning, Forecasting and Assessing and only qualitative stage is used for Monitoring stage. Population universe includes the managers of Cultural Heritage Organization working in Tehran, Tehran Hotels' managers, administrators and managers of the Sport Tourism Committee affiliated to the National Olympic Committee, managers

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of sports industry (Physical Education Organization) in Tehran and consequently sports federations and academic experts in the areas fields of sport and tourism which are different in each stage according to the study. Furthermore, data collection method, sample size determination, sampling, data resources, data scale, data tools and manner of analyzing data are different in each stage. In scanning stage, after interviewing the relevant managers and gathering the required statistical data, a list of opportunities were recognized which each of them creates list of jobs. These opportunities include: 1 - Sports facilities (sports fields and lands, sports halls, swimming pools, pistes), 2 - Welfare facilities (hotels, motels, restaurants, air transportation systems, local transportation system), 3 - Recreational and Cultural facilities (recreational parks, museums, cultural centers), 4 - Security and Health facilities (police centers, medical institutions, health centers, pharmacies) and 5 – Side or lateral facilities (shopping malls, handicrafts shops, sports tourism training, advertisement). In the monitoring stage, it was concluded that sports facilities, recreational and cultural facilities, welfare facilities and security and health facilities have increased than before that concerning side facilities there is partial changes in the tourism training sectors and advertisement. The quality of side and welfare opportunities is low and quality of recreational and cultural facilities, health facilities and sports facilities is moderate. In Forecasting stage, it was concluded that there is need for about 93% welfare facilities, 82% health facilities, 69% recreational facilities, 70% side facilities and 100% sports facilities. After assessing the obtained results, the ranking of these business opportunities is as follows:

1 - sports facilities, 2 - welfare facilities, 3 - security and health facilities, 4 - side facilities and 5 - recreational facilities were ranked fifth.

**KEYWORDS:** tourism, sports tourism, scanning, monitoring, forecasting, assessing
Introduction

The history of sport is arguably richer than any other form of human activity. Sport has variously developed across the world as a ceremony, a celebration, a physical pursuit, a leisure activity and now, increasingly, a business (Chadwick; 2009). Although, tourism is not as old as sports but it is considered as a major and growing part in the economic activities (Esfahani, 2009). Tourism development provides an avenue for overall economic development and a boost for local entrepreneurship (Aleljevic & Page, 2009). Tourism is a major global economic force. International tourism has grown substantially in recent years. According to UNWTO (2009), international tourist arrivals reached 922 million in 2008 (up by 1.9% on 2007). International tourism receipts grew to US$ 944 billion (euro 642 billion) in 2008, corresponding to an increase in real terms of 1.8% on 2007. Nevertheless, the UNWTO believes the industry is robust and estimates there will be 1.6 billion visitor arrivals in 2020 (Mbaiwa; 2010).

With combination of these two industries i.e. tourism and sports, a new and modern industry is created which is called “Sports Tourism” (Esfahani; 2009). Sport tourism has been defined as “all forms of active and passive involvement in sport activity, participated in casually or in an organized way for noncommercial or business/commercial reasons, that necessitate travel away from home and work locality” (Standeven and DeKnop 1999:2). Sports tourism makes it possible optimal use of natural attractions for attracting tourists and increasing revenue from tourism (Firozjah et. al., 1988). Tourism and travelling is expected to grow by 5% each year up to 2020 and it is interesting to know that the forecast for sports tourism is 10 percent per year (Weed; 2006). Middle East, despite how it is defined has been identified as a suitable place for a changeable volume of tourism. Tourism in the Middle East within a competitive global economy and global culture is facing many challenges (Daher; 2007). And IRAN which is located at the Middle East, is a land with a wide geographical area, climate diversity, various ecological conditions, ethnic diversity and rich culture; this country with 30 provinces in urban and rural forms with many historical and cultural attractions likes a vast continent which has been appeared in the form of a country (Esfahani, 1988).

Tehran Province, the capital of Iran, with 18814 km² and a population of approximately 14 million (quoting Director General of Civil Registration of Tehran, 2009) is distinguished from the other provinces because it is the political center of the Islamic Republic of Iran. Historical attractions of Tehran are scattered in all its cities and towns and all of them have created a special attraction for this province and changed Tehran to one of the important areas of tourism (Zagros tourism network). Tehran province has numerous monuments around itself and since it is the capital of Iran for more than 200 years, it has the most historical monuments, recreational centers and tourism facilities. Other cities of the province including Shahr-e- Ray, and Shahriar have the oldest and the most famous
historical and religious attractions in their selves (comprehensive site of Iran Tourism). According to the Fourth Development Plan of the country, Iran will annually host at least five million tourists by the end of 2009, that this amount will reach 20 million persons per year by the end of 2024 and we can not easily ignore share and position of sports and sports tournaments easily (Moharram Zadeh, 2009).

Figure 1: Tehran Capital of IRAN

On the other hand, The term opportunity has been employed in different ways by different writers on entrepreneurship, and this has created some confusion. Kirzner (1973), for example, suggests that opportunities are like dollar bills blowing around on the side-walk, waiting for an alert individual to pick them up (Casson & Wadeson, 2007).

Recognizing opportunities is the first step in the entrepreneurship journey (Sardeshmukh & Smith; 2010) and entrepreneurship is concerned with the discovery and exploitation of profitable opportunities (Shane & Vandataraman, 2000).

Methodology

In this research which is considered as an applied research, according to the four stage model of James L. Morrison, business opportunities in sports tourism industry in Tehran Province is scanned, monitored, forecasted and assessed (figure 2). The four-stages according to that this research is made include: to recognize the current situation and emerging trends in sports tourism and the related
Recognizing business opportunities in sports tourism in Iran

environmental aspects (Scanning), to analyzes the economic trends recognized in sports tourism and the effective trends (Monitoring), to forecast future market of sports tourism (Forecasting) and finally to assess the amount and time of formation of need and demand and profitable potential in sports tourism (Assessing). In the study, mixed method research (quantitative– qualitative) is used for three stages i.e. Scanning, Forecasting and Assessing and only qualitative stage is used for Monitoring stage.

Figure 2: 4 stages model for recognizing the opportunities (Morrison; 1998)

Population universe includes the managers of Cultural Heritage Organization working in Tehran, Tehran Hotels' managers, administrators and managers of the Sport Tourism Committee affiliated to the National Olympic Committee, managers of sports industry (Physical Education Organization) in Tehran and consequently sports federations and academic experts in the areas fields of sport and tourism which are different in each stage according to the study. Furthermore, data collection method, sample size determination, sampling, data resources, data scale, data tools and manner of analyzing data are different in each stage.
Recognizing the Environment of Tourism

Most of the literature related to management and economic issues in tourism defines the organizational environment in an increasingly hostile, volatile, competitive and complex state (Chon & Olsen, 1990; Olsen, 1999). Dynamism in demand, competitors, technology and human resources immediately comes to mind when talking about the tourism environment (Oreja-vodriguez & Yanes-Estevez; 2007). In such circumstances, it has been said that the only way of facing up to the volatile environment is by analyzing it (Crawford-Welch, 1991). The impact of the business environment on organizational behavior is also clear from the definition of environmental scanning (Aguilar, 1967, p.1): It is the process of searching for and collecting information about events, trends and changes external to the firm that guide its future course of action. Olsen cites the difficulty in identifying and measuring the representative variables of the environment as a reason for the lack of contributions in the field (Oreja-vodriguez & Yanes-Estevez; 2007).

Environmental analysis is considered an important step in the strategic management process within the tourism area (Chon & Olsen, 1990; Costa & Teare, 1996; Costa, Teare, Vaughan, & Edwards, 1997; West & Olsen, 1989). The collection of information was studied by West and Olsen (1989), and they found that most companies practice an informal process. Some years later, Costa and Teare (1996) emphasized the need for a “straightforward and well-organized” process of environmental scanning. More recently, those same authors (Costa & Teare, 2000) assessed the relevance and structure of a formal process, its barriers and possible solutions. One of their conclusions is the need for a structured format in the scanning process in order to obtain more competitive advantages.

Environmental scanning should be more important in tourism than in other industries because of the greater complexity of service firms arising from their external environment (Sharma, 2002). Environmental issues in the strategic management literature on tourism are always among the most prominent. For example, Butler and Jones (2001) identify demography, the internet and climate as the major challenges that the industry will face in the 21st century. Olsen (1999) previously added globalization, economic changes and the growing consumer desire for improved well-being (Oreja-vodriguez & Yanes-Estevez; 2007).

Morrison's Four Stage Model

The tools of opportunity recognition i.e. scanning, monitoring, forecasting and assessing, used in the context of a model that uses these tools to expand vision, formulate strategic direction and strategic plans, implement these plans, and evaluate the implementation, enable us to shape the future of our organization and meet the challenges of global change (Morrison; 1996):
Environmental Scanning

Environmental scanning is an analytical process that allows investors and executives to anticipate future trends and allocate their human and economic resources accordingly (Formica & Kothari; 2008). Scanning identifies signals of change (Morrison; 1997). Environmental scanning is a tool used by strategic planners. When an organization scans the environment, it looks for external trends and events important to the institution, and then identifies threats and opportunities that those trends and events may present (Artz; 2002) scanning the general environment for trends that affect the organization's mission is essential to developing an effective strategic plan (Bourgeois, 1980). An example of the user of an environmental scanning system is a nuclear submarine captain. His periscope is not only equipped with optics to aid in viewing the immediate area out to the horizon, but it is also linked up to a satellite relay that allows him to see beyond the horizon. Each time he uses the periscope he is looking for possible targets (opportunities) and the enemy (threats). He scans the horizon for external environmental threats and opportunities (Morrison; 1989). The purpose of environmental scanning is to serve as an early warning system by alerting institutional leaders to potentially significant external developments in their early stages. The earlier the warning, the more lead time we have to plan for the implications of these changes. Consequently, the scope of environmental scanning is broad—a full circle sweep to pick up any signal of change in the external environment. Scanning provides us with critical trends and potential events. Brown and Weiner (1985) define environmental scanning as "a kind of radar to scan the world systematically and signal the new, the unexpected, the major and the minor (p. ix)." Aguilar (1967) has defined scanning as the systematic collection of external information in order to (1) lessen the randomness of information flowing into the organization and (2) provide early warnings for managers of changing external conditions. More specifically, Coates (1985) has identified the objectives of an environmental scanning system as including the following:

- detecting scientific, technical, economic, social, and political interactions and other elements important to the organization
- defining the potential threats, opportunities, or potential changes for the organization implied by those events
- promoting a future orientation in management and staff
- alerting management and staff to trends which are converging, diverging, speeding up, slowing down, or interacting (Morrison; 1992)
Monitoring

Monitoring follows scanning. Monitoring follows the signals which have been identified in the scanning process (Morrison; 1997). The purpose of monitoring is to ascertain the past and possible future directions of trends or to enable us to estimate the strength of indicators of potential events. Monitoring entails using trend descriptors or potential event indicators as key words in a systematic search to obtain information about them. Thus, when monitoring, we seek information containing forecasts and speculations about the implications of trends and events identified in scanning for colleges and universities (Morrison; 1997).

Forecasting

Events and trends affecting the tourism industry are becoming more complex and fast-paced. In response to these radical changes in the external environment, destination managers are striving for new approaches to predict future forces driving change (Formica & Kothari; 2008). Forecasting estimates the duration, direction, acceleration, and amplitude of the signals (Morrison; 1997). Forecasting entails ascertaining the future direction of trends or the probability that potential events will occur within a certain timeframe (e.g., 10 years). Trend forecasting may be accomplished mathematically (e.g., using regression techniques) or judgmentally. We anticipate the future by searching for signals of potential change in the environment, defining these signals in event statements, estimating their likelihood of occurrence, and judgmentally forecasting their impact on our organizations. This process provides us with as much lead time as possible to take action to shape our future (Morrison; 1996).

Assessing

After forecasting the events and trends, the interval and the profitability of them will be assessed and ranked.

Listen

Read phonetically
Findings

In the context of this article, a number of significant findings relating to the recognition of business opportunities in sports tourism in Tehran province are presented and discussed which is as follows:

**Tehran** is the capital of Iran (I.R.) and Tehran Province. With a population of 14,448,000 (statistic of 2009), the area of 18814 km², 15 cities, 37 sections, 56 towns and 83 villages (statistic of 2010) , it is also the largest urban area, one of the largest cities in Western Asia, and is the world. The number of expatriate tourists which visited Iran in 2009 was 2272575.

In order to recognize the business opportunities in sports tourism in Tehran province, firstly; the authors needed to scan the external environment in order to identify signals of new trends and development which could become emerging issues possible affecting this industry's future. Therefore, the relevant statistical data related to the years 2008 & 2009 were gathered from the statistical centers of Iran and after interview with the relevant managers (stated in "Methodology") , some important opportunities were recognized in Tehran province which can create different jobs and affect the economic growth. These opportunities include:

*Figure 3: List of Recognized Business Opportunities in Sports Tourism in Tehran Province*

The statistical data which was obtained from the Statistic Center of IRAN includes: in sports section, number of sports facilities such as number of sports lands and fields, number of stadiums, swimming pools, pistes, sports hauls; in welfare section, number of hotels, restaurants, air and local transportation systems; in the recreational and Cultural section, number of recreational parks, museums,
cultural centers; in health section, number of medical institutions, health centers, pharmacies and in side or lateral sections, number of shopping malls, handicrafts shops, sports tourism training, advertisement within these two years. After obtaining these statistic and the result of interview, in the second stage, the frequency distribution of each of them within the years 2008 & 2009 was determined, for instance concerning Health facilities:

Table 1: Frequency Distribution of Health Facilities of Sports Tourism Opportunities in Tehran Province

<table>
<thead>
<tr>
<th>Health facilities</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
</tr>
<tr>
<td>Medical Institutes</td>
<td>154</td>
</tr>
<tr>
<td>Health Centers</td>
<td>1358</td>
</tr>
<tr>
<td>Pharmacies</td>
<td>2054</td>
</tr>
<tr>
<td>Medical Laboratories</td>
<td>973</td>
</tr>
</tbody>
</table>

Diagram 1- Frequency Distribution of Health Facilities of Sports Tourism Opportunities in Tehran Province

In the third stage, the frequency distribution of quality evaluation of each one of business opportunities in sports tourism in Tehran province was determined, for example:

Since, mentioning the calculations made for each one of opportunities occupies a large space, the calculation related to one of opportunity (Health Facilities) is only mentioned.
Recognizing business opportunities in sports tourism in Iran

Table 2: Frequency Distribution of Quality Evaluation of health Facilities of Sports tourism opportunities in Tehran province

<table>
<thead>
<tr>
<th>Health Facilities</th>
<th>Number</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>23</td>
<td>38.3</td>
</tr>
<tr>
<td>Moderate</td>
<td>28</td>
<td>46.6</td>
</tr>
<tr>
<td>High</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>


In this stage, after evaluating the managers' comments and evaluating quality of each one of opportunities, it was concluded that the quality of side and welfare opportunities is low and quality of recreational and cultural facilities, health facilities and sports facilities is moderate.

In the fourth stage, distribution of forecasting the role of each one of business opportunities in sports tourism in Tehran was reviewed:

For example concerning the health facilities, it was determined that the average role of the health facilities in business opportunities in sports tourism was 16.38, with standard deviation of 3.29 and skewness of -1.28. Minimum and maximum health opportunity was 4 & 20, respectively. Actually, after forecasting which was made by using the relevant manages viewpoints, it was determined that the role of health facilities in increasing business opportunities in sports tourism has been 82%. In this way, the role of each facility in increasing the business opportunity was determined which are as follows:
Table 3: Percent of Role of Each facility in increasing the business opportunity

<table>
<thead>
<tr>
<th>List of Business Opportunities</th>
<th>Percent(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports Facilities</td>
<td>100</td>
</tr>
<tr>
<td>Health Facilities</td>
<td>82</td>
</tr>
<tr>
<td>Recreation &amp; Culture Facilities</td>
<td>69</td>
</tr>
<tr>
<td>Welfare Facilities</td>
<td>93</td>
</tr>
<tr>
<td>Side or Lateral Facilities</td>
<td>70</td>
</tr>
</tbody>
</table>

And finally at the last stage, after assessing the recognized opportunities, they were ranked:

Diagram 3: Ranking the recognized Opportunities Of sports tourism in Tehran Province

Conclusion

The purpose of this paper was to recognize the business opportunities in sports tourism in Tehran, capital of Iran. The authors have done their research according to the four stage model presented by Professor James L. Morrison. Our findings indicate that: in scanning stage, after interviewing the relevant managers and gathering the required statistical data, a list of opportunities were recognized which each of them creates list of jobs. These opportunities include: 1 - Sports facilities (sports fields and lands, sports halls, swimming pools, piste), 2-Welfare facilities
Recognizing business opportunities in sports tourism in Iran

(hotels, motels, restaurants, air transportation systems, local transport system), 3 - Recreational and Cultural facilities (recreational parks, museums, cultural centers), 4 - Health facilities (medical institutions, health centers, pharmacies) and 5 – Side or lateral facilities (shopping malls, handicrafts shops, sports tourism training, advertisement). In the monitoring stage, it was concluded that sports facilities, recreational and cultural facilities, welfare facilities and health facilities have increased than before that concerning side facilities there is partial changes in the tourism training sectors and advertisement. The quality of side and welfare opportunities is low and quality of recreational and cultural facilities, health facilities and sports facilities is moderate. In Forecasting stage, it was concluded that there is need for about 93% welfare facilities, 82% health facilities, 69% recreational facilities, 70% side facilities and 100% sports facilities. After assessing the obtained results, the ranking of these business opportunities is as follows:

1-Sports facilities, 2-welfare facilities, 3-Health facilities, 4-Side facilities and 5-Recreational facilities.

Recommendations

- Private sectors investment in sports tourism
- To launch different sports tourism sites for wide advertisement in national and international levels in order to introduce Iran, its ancient monuments and its sports facilities to the tourists
- To establish tourism training centers
- To extend sports tourism culture in Iran

Acknowledgement

The authors are grateful to Professor James L. Morrison for his helpful model. Any remaining errors and omissions are the responsibility of the authors alone.
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CORRUPTION IN SERBIA

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Zorana Petković¹⁵

Abstract

Corruption is one of the biggest problems of modern society. There is corruption, in a greater or lesser extent, in all countries - developed and undeveloped. In the most general sense, it is seen as an abuse of power in order to achieve personal gain.

Its beginning is connected to the formation of state and law. There are many causes of corruption. The most frequently referred to are economic, political and legal. In addition to these general conditions, there are also specific ones, in countries in transition.

There are many and varied, often very damaging, effects of corruption. They are usually grouped into political, economic, social and cultural. That is why all societies have taken some measures to fight it. This fight is very tough, because corruption is achieved through bribery, which is difficult to detect and prove.

There are various forms of corruption. The most serious corruption is so-called system or state corruption that takes place in the highest state institutions, i.e. participants are the highest state officials.

The fight against corruption must first start with prevention – with the development of an objective and timely information system, then with education - pointing to its harmful effects and, finally, with repressive measures - criminal policy.

The success of the fight against corruption largely depends on the political will of the people in the highest positions in society.

KEYWORDS: corruption, bribery, abuse, repression, public authorities, penal policy, system corruption, political will.

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Notion and the essence of corruption

Corruption is like a monster with hindered heads, which keeps on living even when one of the heads is cut off. It could also be compared with a leach. Corruption is very similar to the virus, nobody ever found the cure for, the virus which developed its ability to mutate perfectly. Many think of it as of the biggest vice of society, right after unemployment and inflation. Some even argue that corruption is the disease that nobody found the cure for. It is bigger vice even from the unemployment. Because if people had money, to give to influential people, they would not be unemployed, that is, they could secure a job through corruption.

In the dictionaries corruption is defined as: bribery, venality, disreputability (Vujaklija, 1980). It is defined as using the public function for accomplishing personal interests.

Corruption is the occasion of offering money to another person, who has a responsibility and authority, who is then supposed to act against the law and his duties.

Besides this, corruption can be defined as accomplishing personal interests at the account of damage to society. Corruption is illegal act, in which the person offers material and non material goods in order to influence a specific political or public decision. Corruption is illegal „trading“ in which the „seller“ is breaking one of the rules, which he should strictly obey and protect. He actually sells his authorities, given to him by others and by doing that he goes against the law and morals. On the other hand we have the „buyer“, who is trying to achieve something by breaking the law, something that he could not otherwise accomplish, because he does not have the right to do that.

The simplest and the most accepted definition of corruption are given by an international nongovernmental organization Transparency International - TI which says: corruption is the abuse of the public service because of personal gain. This definition is accepted by the World Bank IMF and many others global institutions (www.transparency.org)

From the theoretical point of view defining corruption is not an easy task, because its meaning and content are changed in different time, political and social context. All of this causes a large number of definitions of the „phenomenon“ of corruption in the modern science. They differ in structure and concept but they also have different methodological approach and goals. However, for this analysis, we will try to define it from legal and economic aspect, having in mind its content, function and consequences.

In legal context corruption is the relation which is based on abuse of authorities in public or private sector, with the goal of personal gain or gain of a third party. In economic context, corruption is the process of maximizing personal gain by certain activity (public or private), which has the consequence of disorder.
Corruption in Serbia

in the conditions of market game and overall rationality of economic behavior (Milanović, 2009).

Thus, the anatomic being of corruption, that is, the known forms through which it is manifested, comprises the following activities: bribery, extortion, illegal taxes and backward gain; rigging of elections, manipulating voting, adapting election units according to personal needs, abuse of internal and secret information, forgery, unauthorized selling of state properties and regulations; manipulation during passing the regulations, public procurement, signing the contracts and taking loans, avoidance of paying the taxes and gain of excess profit; trading the influence, mediation in gaining benefits and conflict of interests, unplanned spending, forgery and embezzlement, false assets on accounts and abuse of the resources, abuse of authorities, intimidation, torture, getting an undeserved position or benefits, deceit and trickery, false identification, cheating and blackmailing, playing with justice, criminal behavior, false evidence, illegal detention and planting the guilt; accepting inappropriate gifts, wages, offers for quick gaining of profit and free fun; connections with organized crime and operations in black market; illegal monitoring, abuse of telecommunications and letters etc.

Corruption emerges when there are two components of private wealth and public power joint. An individual or a company pays to a public official and expects benefit in return. Illegal payments sometimes go in reverse, the ones who have a public function or are trying to get to one, can pay to individuals or companies and other officials in order to get benefits. In both cases the pathology of relation agent-principal is in the focus of corruptive transaction. In that sense there is the difference between the opportunistic payments on a low level and a systematic corruption. Corruption on a low level appears within the frame of basic laws and regulations, and the officials involved use the possibilities for gaining personal benefits. Systematic corruption can be deeply destructive for the functioning of the state, ruining the state and economy (Ackerman R.S., 2008).

Corruption is present mostly in the public sphere, state and public institutions, but it is also present in the private sphere. It is present in the private activities, especially trade, media, sport, show business, art, and even civil society, in actions of nongovernmental organizations (Petković, 2011).

When we speak of public corruption, it is necessary for a public officer or chosen representative, (minister, MP, mayor, President of the Municipality etc.) to abuse his authorities or means that are not his but public, state or municipal means. „Illegal“ means; not in general, public but personal interest, not according to law and regulations, but for bribe and „envelopes“. This is where the connection of these two notions comes from when we talk about the bribery and corruption. Every corruptive action involves at least two people: dishonorable official and negligent citizen.
Causes of corruption

Key causes of corruption in Serbia can be found in the following reasons:

Economic: structure and transformation of property, disrespect of market laws, poverty;

Political: the way of functioning of political parties, absence of consensus about strategic goals of development of a country;

Legal: lack of application or selective application of regulations, presence of legal omissions, unadjusted regulations;

Institutional: absence of malfunctioning of institutions, insufficient coordination, uneducated human resources, and material insufficiency, incompetent institutions:

Historical: quick change of the system of social values, lack of professionalism, customs; (http://www.mpravde.sr.gov.yu/articles/borba-protiv-korupcije/nacionalna-strategija-za-borbu-protiv-korupcije)

When we speak of outside causes of corruption in Serbia we find the following:

Disappearance of SFRY – disappearance of state organization and disturbance of existing economic flows:

War in the region – which caused various ways of crime, smuggling and lawlessness;

Sanctions – which terminated the legal transactions:

Crises of Kosovo - encouraging and enforcing the crises from the powerful western countries, which disables consolidation of the state, and encourages the disagreements in society;

NATO aggression – with all human, economic and political consequences, which caused the entire society to get poorer;

Various and constant pressures and conditions of international community – meddling in the internal activities in Serbia and attempts to put Serbia under their direct control (Vuković, 2007).

When we speak of corruption in the Republic of Serbia, unfortunately, we have to state that it has become a systematic action and a form of everyday life. The state has not done enough to reduce it and enable normal functioning of society.

One of the sources of corruption in Serbia is constitutional and legal system as a whole (lack of solutions in the Constitution, disagreement and underdevelopment of certain laws and their inconsistency from the point of view of fighting corruption, slow harmonization with international obliging acts about fighting the corruption, inefficient and blocked work of parliament, unauthorized trade with votes or MPs etc. which does not lead to strengthening of law in the country and
fighting corruption, or the authority of parliament itself). In this part one of the big issues is also the financing of political parties, because the regulations allow intransparent flow of private money into election campaigns and political parties. This allows to certain people with economic power to buy political influence and privileges. Almost the same situation is in the field of Justice. The example of this is inefficiency of Constitutional Court, which by the end of January 2009 received over 2100 „constitutional complaints“, and solved only 10 of them. Many of the solved ones are concerned with the corruption from the part of government on all levels. Furthermore, Prosecution is today dependent on the government more than ever (State Prosecutor is on that position for many years), and it is similar to State Attorneys. In the government system the thing that encourages corruption is inconsistency of conducting regulations about free access to information of public interest, wide discretional authorities of the state officials, lack of rules about the transition of employees from the state to the private sector and ban of using the former official position etc. The same situation is with the system of public finances which are especially exposed to the great risk of corruption. There are many reasons to be suspicious (State auditor company exists for many years, but only on paper until recently, lack of unique system of accounting for the users of budget, inconsistency in the field of public procurement). Economic system is a special system when it comes to corruption. A good example is privatization of state companies which was conducted according to legally inconsistent regulations, which enabled sale of public sector under very suspicious conditions (buying a company at the price of 2 euros, public lobbying of interested parties which goes from 3 to 5 percent of the value of company etc.) (Milanovic and et., 2009).

Public companies, on the other hand, complete the picture of corruption in Serbia. Privatization is avoided on purpose and they stay state owned with the purpose of financing the political parties. Besides this, this causes the inconsistent process of public procurement for these subjects, partocratic system of allocating managerial structures, high salaries and bonuses to managers etc. All of this points that for suppression of corruption in Serbia we need radical changes, because we are talking about the systematic thing which became the part of everyday life. A complete reform is needed when it comes to anti corruption politics, and it entails certain changes in the area of politics, economy and law. In order for this process to be effective it is necessary to adopt an efficient justice and institutional frame, and to accept the existing international standards used in fighting the corruption.

Consequences of corruption

Corruption creates many, different consequences which can be classified into four basic groups: political, economic, social and cultural( Pokrajac, 2008).

Political consequences are seen in the fact that corruption damages the basic trust relation between the citizens and politicians, who should be representing them
legally and equally, to provide their liberties, equality of chances and solidarity. This shows that the most important thing is to build and keep authority over institutions of legal state and the idea of equality of all citizens according to the law, and also the independence of court authority.

Economic consequences are numerous, corruption stops secure and rational investments, foreign and domestic, it also slows or disables the development and limits economy; leads to unreasonable and wasteful usage of public budget; corruption encourages gray economy, it also reduces tax sources and incomes. Economic consequences can be analyzed on two levels: macroeconomic and microeconomic.

On so called macroeconomic level the corruption leads to the loss of state, budget money, through heavy spending (expensive concessions, expensive equipment, unreasonable and excessive import) and through easy borrowing on the account of future generations. One of significant consequences of corrupt state officials is seen in the inability or refusal of citizens to pay taxes. Absence or weak monitoring over usage of public money contributes to weakening of banking system, especially in losing the trust of depositors, and the general macroeconomic consequence is the unstable prices and inflation, which hits the poor hardest.

On the microeconomic level (companies, firms) corruption leads businessmen into financial crime. They avoid paying taxes and tariffs and they get to economic „underground“. Since the state budget does not get the tax money or other fiscal money, the state cannot meet public needs and needs of public services. In these conditions the economy, goes from transparent and lawful to grey economy, which all together leads to „criminal economy“ and organized mafia formed based on different notions(interest, family, political, regional etc.). These manifestations on macro and micro economic level are called system corruption.

It is understandable that the investors and bankers will run from system corrupted countries where corruption has become the way of life and doing business. They know that in the corrupt countries every investment will be more expensive by 20% or more. This is the reason why corrupt countries can only attract speculative, often dirty money or dirty technology. Natural richness is usually, in the countries that have systematic corruption, the victim of the masters of corruption, who do not care about the generation solidarity or protecting the natural resources, economic sovereignty of a country or the perspective of free economy based on ethical principles.

In the social sense, corruption increases poverty; it hits the weakest and unprotected hardest, because corruption is expensive for them and some public services makes even completely unavailable because they cannot pay the corruptive fees. Corruption creates and increases inequality among citizens in everyday life: in the issues of schooling, health treatment, permissions, procurements etc. Corruption opens the door for organized crime and various mafia members. It also stops the progress, because it keeps the privileges of individuals,
which damages general prosperity, because it legalizes individual taking of public goods and richness.

Cultural consequences of corruption are, perhaps the hardest, because they have a long term effect on forming the new, twisted and amoral style of behavior which sets a bad example for everyone, especially future generations. Corruption discourages the creativity and entrepreneurship of those who are willing to work fairly and justly. This usually encourages the young who are the most talented, to leave the country. Media which daily informs about various forms of „successful corruptive activities“can inspire new corrupt individuals among the young people, especially children is schools. Corruptive activities should be talked about, and it is important to draw the conclusion that it is not worth being corruptive. Schools can help that, but unfortunately media has greater influence on the public.

Corruption damages the essence of every state, no matter at which level of development it is present, so its suppression is the condition. Without it a state cannot be considered as the „legal state“. Corruption entered the international law, but it is fought against by internal legal system. In some countries the degree of suppression of corruption is at the high level, which gives them moral and political legitimacy in international community and they get civilized physiognomy. In others, the fight against corruption is only „a letter on a piece of paper“, which has the consequence of degradation of a country and in some more serious cases its isolation and economic and political sanctions etc.

Realizing of bribery and corruption

Corruption is always about the power and monopoly and the inability of citizens which are forced to ask for their rights, which without the corruption could not be realized. Breaking the moral and law norms has its form in bribery and corruption, and today it is, unfortunately, a normal activity.

Corruption is bilateral activity, when an informal agreement is adopted by the person giving and the person taking bribe. This agreement states all the terms of the transaction. Which favors and which partiality somebody should provide and in which time frame, but also what is expected from the person taking bribe, that is, in which way he will provide and pay for a specific favor in the form of partial application of regulations. The costs of monitoring are taken by the both parties, since the agreement is illegal. Corruption is a transaction which has two directions. On one hand, there is the flow of service from the corrupt individual to the one offering bribe, and that flow is called real flow. These services include everything that enables and leads to breaking of the regulations and creating the privileged position of the individual giving bribe. On the other hand, there is the counter favor flow (material benefits, usually, but not necessarily money) from the individual giving bribe to the one taking it (e.g. certain official) and this is called financial flow.
Corruption is universal and omnipresent: governments use it, middle classes use it for improving their position, and lower classes use it in order to survive. Bribery is present in all segments of society: somewhere it is a serious disease and somewhere just flu. This is determined according to the level of presence, in which classes and how much it costs. Corruption also involves illegal financial transactions, gaining economic and political positions and strengthening of individual’s influence in political area. Corruption points that the state does not manage efficiently the trusted goods. It is harmful for the state, because it reduces its income and damages its reputation, for the citizens as well, because it increases the price of material goods and services, even though they have the right to use them (Duric, 2003).

The service of corruption is always offered by an individual, with a name and surname. At the beginning of the career, every individual (e.g. customs worker, police officer, inspector or some other official) has certain moral norms. At least at the beginning of his career, it is rare for an individual to offer the services of corruption. The question is under which circumstances will this individual keep his integrity and not become corrupt.

Answers to these questions, depend on factors connected to the organization the individual is a part of. For corruption the factor of being a part of the team is very important. Because if the team is corrupt, the new still not corrupted individual has small chances to resist a challenge, that is, the threat. Uncorrupt individual, is a threat to the others, corrupt members, since he possesses the information which can be harmful to them. This is why the uncorrupt individual will be under great pressure at least not to inform others about the corruption that is happening in his team. The team will solve the problem by attracting individual to become the part of a corrupted team, since he them becomes his own hostage – if he reports on the colleagues he will also have to answer questions about the corruption. This shows us that there is a great incentive for the corrupted to attract large number of colleagues to the chain of corruption.

In order to convert uncorrupted individual into a corrupt one, the first time syndrome is very important. After the first time he received bribe or any other kind of services, the thoughts and activities of an individual are completely different. The individual becomes unable to refuse the one who already bribed him, since he has key information, which he can tell other people and by doing so ruin the professional career of the corrupt individual.

From the legal point of view receiving bribe is any statement, action or realized action which points out that the doer demands some kind of gift or some other benefit in order to realize some official action. When we speak about giving bribe, that is done by a promise or giving presents or some other benefit connected with receiving bribe. Its political authority comes from economic power, and the one who deals with corruption becomes fearless (Ackerman R.S., 2007).
Corruption in the world

Corruption is like a contagious disease, it is spreading, and it is present in all the countries in the world. No county is immune to the corruption and this is proven by many worldwide examples. Corruption destroyed many governments, changed many ministers and people even lost heads. However the corruption has not disappeared. In the detailed research of a global anti corruption organization Transparency International (TI)\(^{16}\) about the scales of bribery in getting the export jobs, that is, getting jobs in foreign markets, the conclusion is that these methods are used by the most developed countries.

From the most developed countries in the world biggest tendency towards securing jobs abroad by giving bribe, are shown by multinational companies from Italy, Japan, the USA and France.\(^{17}\) Some companies from America have increased the scale of bribery in operating in foreign markets.

On the other hand, bribery is least used by companies from Australia, Sweden and Switzerland. On the other hand, countries where bribery is most used are Russia, China, Taiwan; South Korea ... The conclusion of analytics from Transparency International (TI) is that those are the countries in which corruption is present and developed in domestic environment.

When we speak about business the most common areas in which corruption is present are:

- public construction;
- buying weapons;
- oil and gas;
- real-estate;
- telecommunications;
- electric power industry.

None of these branches of economy is immune to the corruption, in none of the countries in development, with significant foreign investments. Bribery is not the only means that multinational companies use in order to get good jobs abroad. One of the important means is the pressure of the governments of counties which the multinational companies come from. The following methods are the most important form of such help (Petkovic, 2011):

- financial pressure on the country in which the company exports and invests,
- blackmailing using foreign help and threatening to reduce it,
- conditioning by agreements about defense and armament,
- gifts and services to high state officials,
- scholarships and education etc.

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\(^{16}\) Transparency International – TI is an international organization for fighting corruption. It was founded in 1994. This organization, based on the analysis, estimates the level of perception of corruption every year, it uses indexes from 10 (no corruption) to zero (total corruption). The countries that realized the index higher than 5, are the ones with the lower level of corruption.

\(^{17}\) Research conducted in March 2002.
Research findings of TI show that in this kind of promotion of companies the following countries lead: United States of America, France, Great Britain and Japan. However, the situation is a little bit different when we consider countries as a whole from the overall number of countries on the TI list from 2002. The least corrupt countries are Finland, Denmark, New Zealand, Sweden, Canada, Island, Norway, Singapore, Holland and Great Britain. The USA is in the 14th place on the list. The most corrupt countries were: Nigeria, Yugoslavia, Ukraine, Azerbaijan, Indonesia, Angola, Cameroon, Russia, Kenya, and Uganda.

For 2010 we can look at the graph (picture no. 1) and the list of countries according to the level of corruption in the world (picture no. 2). These are also the results of TI research.
This shows us that the situation has not changed significantly at the top of the list, where the least corrupt countries are, and slight changes are visible at the end of the list, where there are countries with the highest level of corruption.

However, there are not any qualitative changes. It looks like there is no universal cure for corruption. Most often because the people who are trying to fight it are the very people who are prone to corruption. Police, which should be government’s mechanism for curing corruption, is corrupt in most countries and there is a lot of police staff who is ready to turn a blind eye, if they are offered the right kind of reward. Similar situation is with the prosecution and judiciary.

**Corruption in Serbia**

When it comes to Serbia, corruption is not only present in all spheres of social life, but it is also widespread. Because of this our country is among those with high level of corruption. The events that took place in our country in the last two decades (breakdown of Yugoslavia, wars, economic sanctions, transition, the crisis of Kosovo...) have created the fertile ground for development of corruption. In such
conditions, there were no means for suppression of corruption, so it became usual activity. After changes in October 2000, serious means for fighting corruption were announced (The Office for the suppression of corruption was formed), and the more intensive approach to fighting corruption came after Serbia entered European Council in 2003. Decision to join European Union, for Serbia meant determined fight to suppress corruption. This is why the National Assembly of Republic of Serbia voted for National strategy for fighting corruption in 2005, and Serbian government adopted the action plan for its realization. By entering the European Council our country became the member of GRECO (Group of countries against corruption of European Council) so it was subjected to the process of evaluation. In 2005 the evaluation team visited Serbia in order to inspect the situation, after which Evaluation report about the Republic of Serbia was made, which was adopted at the plenary meeting of GRECO in 2006" (www.ius.bg.ac.yu). During 2008 the National Assembly adopted more anti corruption laws, among which there was the one about the Anti-corruption Agency, about the Law about responsibility of legal entities for crimes, Law about taking away the property gained through crime, Law about the changes and additions of the Law about the financing of political parties.

No matter what the result is, Serbia is still the country which has a big problem with corruption. In the research conducted by Transparency international, in 2009. Serbia was at 85th place from the original 180 countries, with the index of corruption being 3, 4. Montenegro and Albania had the same index, and from all the countries in the region only Bosnia and Herzegovina had higher index than Serbia. Experts point out that nothing has been done in order to suppress corruption in the recent years. Our country was at the very bottom of all the countries in the region. The results are very concerning because after slow but steady progress in surprising the corruption Serbia came to a halt in surpassing corruption and improving its image. The corruption index of 3,4 has not changed since 2007. So Serbia fell from 79th place to the 85th, which it shares with Montenegro, Albania, India, Madagascar, Panama and Senegal. According to the newest data index of Montenegro and Macedonia was lowered and the advantage that Croatia and Slovenia had is enlarged.

Special prosecution for organized crime said that in the end of 2006 Serbia was in the second place in Europe, right after Turkey, according to the number of processed people who are suspected of organized crime. Total material damage, that was created by those offenses that prosecution dealt with, was 65 million euros. From 2006, this prosecution processed various criminal groups that are known to the public as „mafias“ under different names: “bankruptcy”, “road”, “traffic”, “customs”, “educational”, “football”, “construction and urbanization”, but there are also “tender”, “drug”, “tobacco”, “health”, “pharmaceutical”, „police“, „military“, „judiciary“, and many others such as for example recently discovered „banking mafia“. Criminal proceedings against large number of members of these criminal groups are in progress and are in different stages (Skakavica, 2009).
The so-called “bankruptcy mafia” was arrested 12th April 2006, after several months long tracking by the police. Bringing 36 members, including the organizers, to court was announced. According to the indictment, this group used its economic and business contacts and influences, since the beginning of 2003 until 2006, as well as the influence on court authorities, in order to intentionally lead some companies to bankruptcy. They bought giant economic companies for unrealistically low prices. Evidence material against them has more than thousand pages, while the Special prosecution planed to bring to the stand more than 200 witnesses. The trial to this bankruptcy mafia, which according to the data of prosecution cost the country 50 million euros, is in progress in special court and has the longest indictment in the history of Serbian judiciary, 181 pages long. This group planned and executed actions internationally, and it used economic and business structures and the influence on judiciary authority, in order to gain illegal profit.

"Road mafia" was indicted on 30. November 2006. There were 53 people on the list, among which the Chief Executives of companies like „Roads of Serbia“, who had their people on the toll gates "Bubanj potok" near Belgrade and "Nais" near Niš. By issuing false cards this group damaged the budget of the Republic by 6,5 million euros. They created a special software programme for making the cards. This enabled making double cards which allowed them to avoid official payment. They usually gave those cards to large trucks with foreign plates since they pay the highest rate.

"Traffic mafia" was broken thanks to the member of the traffic police who was inserted into this criminal group. After this 29 people were indicted. According to the indictment from 11. December 2006 two of the leaders of the group staged false accidents and took the money from insurance companies. They got around half million euros. The records of false accidents were supported by police officers, assessors, court experts... In the Special court, in the beginning of March 2009, 24 people were convicted of 51 years and ten months of prison total, while 5 people were released. The court Council decided that the accused have to pay back 16 million dinars to the insurance companies.

"Customs mafia" was also attacked by Serbian police. The investigation was lead against two groups with more than 20 people. Starting from November 2006 8 workers from Republic customs administration from Belgrade were arrested. They were from Belgrade, Niš, Kraljevo, Novi Pazar, Tutin and Raška. Police started working on the case of „customs mafia“ in March 2006, and the arrested group is suspected to have damaged the state budget for more than five million euros. On

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18 The organizers of this group are coordinator for surpression of smuggling in Customs administration and a businessman from Novi Pazar who is one of the largest drug dealers in Serbia. They were arrested by the police when they discovered the first group of „customs mafia“. It is concluded that the value of the smuggled goods was around 2.3 million euros, 76,800 American dollars and 201.8 million dinars based on the customs documents.
December 22 2006, in various places in Serbia, 15 more workers of Customs administration were arrested under suspicion to have forged the documentation and shown false entering and exiting of trucks from Serbia to Bosnia and Herzegovina on the border crossing points Sremska Rača, Badovinci and Mali Zvornik. The police suspects that the arrested customs workers belonged to the organized criminal group and to have damaged the Serbia’s budget by more than five million euros. Arrested customs workers verified the false documents about going out of goods from Serbia that was for the alleged buyers in Bosnia and Herzegovina and Serbian Republic. This is how they were able not to pay tariffs and taxes, and the goods ended up on the black market of Serbia. Three officers of customs administration were arrested in Zrenjanin, and one owner and two workers of private agencies selling vehicles. During 2006, they were suspected to have legalized stolen vehicles by forging documentation and enabling the import of vehicles. By doing so they reduced the amount of money to which they should have paid taxes during import, and by doing so they damaged the state budget for more than one million euro. The investigation against 38 customs workers and businessmen was started. They were accused of showing fictitious goods which were imported exited Serbia, only to get it into Serbian black market. By avoiding tariffs and taxes they damaged the state by more than ten million euros. Meanwhile, they earned almost four million euros by receiving bribe.

"Education mafia" had its highlight in March 2007. This is when large number of professors, other faculty staff and other intermediaries were arrested, under the suspicion to have received bribe from the students in order for the students to pass exams. This was the synchronized action of the police in Kragujevac, Kraljevo and Belgrade. The trial to the members of “education mafia” began in the District court in Smederevo in December 2008. The first indictment in the affair “student book” was raised in August 2007 against 41 people, accused of receiving bribe, abuse of official position and forgery of documents. This indictment was raised against a number of professors of the Faculty of Law from Kragujevac, Belgrade

19 In customs documentation the fictional exiting of goods from the state was approved for more than 142 lorries with goods. Checking this at State customs services of Bosnia and Herzegovina only four of these entered the state, which means that 138 full lorries stayed in Serbia. As it was confirmed, the customs officers took 15,000 euros per lorry, which means that the fifteen of these corrupted officers got total gain of two million euros.

20 The Dean of Faculty of Law in Kragujevac was arrested, dean of finance, former assistent of minister of education, two heads of departments, multiple professors, multiple clerks in students’ service and several other people. In further investigation the following were arrested, the Dean of Faculty of Law in Nis, officer at students’ information service at Faculty of Law in Belgrade, and a number of professors from the Faculty of Law in Kragujevac, members of the police and others, mainly the people in the chain of corruption. The Principal of High School of Business from Belgrade was also arrested, under the suspicion of damaging the state budget for around 19 million dinars. Further information: Obradović Ž.: (2009.), Korupcija i prosveta, U zborniku radova: Korupcija i ljudske slobode, Intermex, Tara, page 251 – 265.
and Nis. They are accused to have sold the marks at the price of 500 to 750 euros, while they were selling the degrees at 12,000 to 16,000 euros. Public district attorney in Smederevo, in April 2008, raised another indictment, as a part of the one before, against 48 new people who were suspected to have participated in the affair “student book”. Indictment that was raised against 33 students of faculty of Law from Kragujevac and 14 people that helped them in alleged passing of the exams, are accused of giving bribe or encouraging the abuse of official position, because the accused professors received money by students, in order to give marks to students who did not even take the exams.

"Football mafia" became real in Serbia in 1990, after one of the football clubs was taken over by the establishment from the criminal world. This situation was usual especially in Belgrade, where some of the first league were put under complete control of new Serbian businessmen, war profiteers and known local criminals. Controversial businessmen earned millions of euros by selling football players. The fact that no one from these businessmen is still alive and that tells us that they were controversial people. All of them got murdered in criminal fights. All the murders, except Arkan’s, are left unsolved. The worrying fact is that football players together with other sportmen became “goods” traded with on the foreign and domestic markets. If an athlete is sold, for the price that is unknown to him, that makes him goods. Lately, among those managers selling players, controversial businessmen „tycoons“ can be found and sometimes criminals as well, who partly finance their client, promising sportsman they will find the buyer quickly for. Many of them get paid enormous sums of money, most often higher than the earnings of the sportsman. In Serbian football, selling players is something that even some members of Football association and football clubs participate in. This is why Ministry of Internal Affairs of Serbia started the investigation against more people. Connected to this, the trials to former directors of Football Association and football club Red Star and Vojvodina are in progress.

"Construction and urbanization mafia" became popular in recent years. We can freely say that the field of construction and urbanization in Serbia is in a mess. This is encouraged by the weak and insufficient regulations, complete negligence and inactivity of municipal and state organs, developed corruption in all levels and standards of inferiority of legal system etc. This situation is used by organized crime, which invest large sums of money in real-estate, especially in big cities. This also enables them to do heavy money laundering. In this way the organized crime gains enormous wealth, which is easily multiplied by investing into new real-estate, especially in the process of privatization. Certain tycoons who own significant real-estate like companies, hotels, hospitality objects etc. become local

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21 It is known that more than 10 million euros was earned on the transfers of players by Željko Ražnatović Arkan. Other owners of football clubs were other members of the Belgrade underground - Zoran Uskoković - Skole, Radoslav Trlajić - Bata Trlaja, Dušan Spasojević - Šiptar, Branimir Trojanović - Trojk, Goran Mijatović - Mita, Jusuf Bulić - Jusa, Miodrag Nikšić - Nikša...
powerful people. They own significant financial power and that is why they start creating political life, and they usually enter the government structures. In the last ten years in Serbia there has been many people like these, and the negative consequences of their criminal actions are felt. The profit they gain through criminal activities, criminal organizations often do „money laundering“. Construction is one of the fields, where one invests in building residential and business objects, through so-called purchase of construction materials by payments in cash, and the object is constructed and then sold on the market through legal agencies and tax payments, where one earns legal money, that is the „dirty“ money gets its origin.

„Banking mafia“ is officially discovered on 8th August 2012. That is one of the largest affairs in the history of Serbian banking. It is stated that serious scams were conducted in „Agrobank“ Belgrade, through giving enormous unplayable loans worth 5.5 billion dinars. In the beginning 19 people was suspected. The director of a bank was arrested, his son, and the management of the bank, some business partners as well. The Governor of National Bank of Serbia was also mentioned, who resigned, as soon as the affair was exposed. The investigation about this affair is currently in the process and is getting wider and wider.

**Systemic corruption**

There is no doubt that the greatest problem that Serbia is facing today is systemic corruption or „political“ or „state“. It is called that way because more people are involved who are at the highest state positions, which have the most important functions in society. They have huge monopoly power.

The systemic corruption ties together financial lobbies, organized crime and politicians. Those people completely break the socio-economic system by their actions. They are everywhere from judiciary, police, prosecution, ministeries, agencies etc. Their activities are realized through entire socio-economic system. The greatest consequences of systemic corruption, which can be compared with national robbery, are realized in the process of privatization of the state and social property (Petkovic, 2011).

This process realized privatization and nationalization of economy.

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22 According to the investigation of Europol in 2002 the sum of government money that gets laundered per year in the world is between two hundred and four hundered billion dollars. The data about the money laundering in Serbia have been recorded in three cases, that was the money got from smuggling drugs.

23 By this transaction, only the " Pazova Group" „launded“ more that 100.000.000 euros (Criminalistic evidence of Secretariat in Belgrade, criminal charges filed against known doers, 2003.).
The first step towards that was partialization of partocratic interests. Every ruling party gets its possessions, in the form of public monopoly companies. It is precisely known what a certain interest group, political party owns. In that situation there is no place for growth and development, not even bare survival.

The level of corruption in Serbia can be defined and by the document that was sent to Serbia by European Parliament, connected to the process of Euro integrations. The letter was delivered in June 2011. It demands from Serbia to investigate urgently the processes of selling and privatization of 24 biggest companies: Sartid, Jugoremedija, ATP Vojvodina, Mobtel, C market, Port Belgrade, Novosti, Veterinary Institute Belgrade, Keramika iz Kanjiže, Šinvoz, Zastava elektro, Trudbenik gradnja, Prosveta, Tehnohemija, Srbolek, Azotara Pančevo, National savings, Export of sugar to EU, Selling the offices of former Institute for Settlement and Payment, Concession for highway Horgoš-Požega, Setting of optical cable through Serbia that was conducted by the company Nuba invest.

As soon as the content of the letter was published, the Anti-corruption Council said that that is no news for them and that they have informed all the governments about those scams from the beginning of process of privatization, but that no government did anything to stop it.

This was very strange because a large number of complaints was sent to various national and foreign courts concerning the privatizations. A large number of foreign companies asked for protection of their interests in Serbia from European Commission in Brussels.

Even though it was demanded for all those privatizations to be examined, Serbian government said nothing for a year after. Just after the elections, in the middle of 2012, when the corrupted government was changed, radical changes and enlightening of the big changes in privatizations of social companies were announced.

The basic mechanism of systemic and political corruption is the following. In order for a political party to take over the government, it has to have substantial financial resources so that it could make and keep a network of its representatives in the field, influence the voters over the media or bribe them directly.24

In Serbia it is not easy to vote a law about the financing of political parties. But these manifestations during elections should be stopped. Because the elections stop being the competition of programmes and ideas and the one with more financial power will be the winner. This stops the will of the citizens to be heard.

24 Buying the votes is present in Serbia as well. Media said that during the last elections, besides money some voters were offered seeds of fruit, bags of fertilizers, cattle food, detergent. They were offered „to have their children employed if that party wind the elections“ Still the most interesting promise was to pave some forgotten road or to build a bridge in exchange for the votes.
It is obvious that no political party in Serbia can provide necessary financial resources it needs for political fight and political marketing from legal sources. They are very limited: that is officially only the money parties get from the Assembly from the budget and donations of the members. The latter can be omitted since those donations are insignificantly small.

Since political parties need a lot of resources, they do not have, they are forced to ask for them from someone who has them and wants to give them, in exchange for some favors they will provide when they get to the government. People who have financial resources and want to give them to political parties are called tycoons.

Since political parties have no money they will return the favor when they get to the government. They will do so by allowing them some benefits and creating the politics that will protect tycoon’s interests. So the tycoons will get their financial resources in a greater scale than the amount they gave to the parties. So economic decisions that are supposed to be for the „public good“, actually become „private good“ that can be bought and sold.

After these statements the natural question that arises is – how to solve the problem of corruption in the future, especially the most serious ones – „political“, „systemic“, „state“?

There are several different ways in theory.

The first possibility is to accept corruption as certain reality, to live with it and to accept it as the inevitable costs of democratic system. But this solution will not be accepted by any normal individual or institution.

The second possibility is to raise the awareness of citizens and forming the public opinion in order for them to understand that corruption is present at the highest political levels and that it can be controlled only if the parties are financed only from the state budget. That solution would entail higher taxes. It is unrealistic the poor citizens will not want or be able to pay new high taxes.

The results show that corruption reduces with frequent changes of political party in the government so citizens should support such changes. That would be the third solution to the problem. But this cannot be the permanent solution. Financiers of political party nowadays finance both parties the ruling one and the one in opposition, which will get the power in the next elections. That is why the connection between political parties and tycoons cannot be broken, no matter what the results in the elections are like and eventual changes in the government. And this is done by the largest companies and individuals, in all the countries in the world, and of course Serbian tycoons as well. This is their way of protecting themselves from any political surprises.

All of this shows why the corruption is the hardest vice, the problem of the modern society that is practically impossible to solve.
**Fight against corruption**

It has already been said that the corruption is created, socially produced rather than inborn evil which exists in individuals and groups. This is why the corruption is incurable, so we should remove the causes. Positive examples of such approaches are present worldwide, and all of them state that we should be patient, consistent and persistent, in order to achieve the desired result. It seems that, in this respect, the countries in transition are the ones with this big problem and some of them today represent the symbol of corruption (Petkovic, 2011).

A short insight in the practice anti-corruption strategies and policies of the countries which, in large scale, defeated corruption show that we have to start with cleaning the public administration. They hired highly qualified officials that were paid well enough and allocated important positions to them where they can make big decisions. This means that it is not enough only to reveal and punish corruption. This would mean removing the consequences. The fight against corruption should be preventive. Maximum efforts should be invested in stopping the corruption, and after that take measures to eradicate what survived from the corruption.

A successful fight against corruption has to cover five basic areas:

- **political responsibility**, with the help of public and transparent political decisions, and fair competition of parties;
- **strengthening of public institutions**: parliament - through public responsibility and public processes of audit of using the budget means; judiciary – through strengthening the independence of judiciary system and judges; through independent public prosecution and through severe realization of punishments; governments and public administration - through monitoring the public tenders, budget money and public property;
- **participation of civil society in public life and the role of media in public affairs**: associations of citizens and other forms of civil society should spread information about corruption, suggest actions to be taken, organize public testifying, discussions and explanations and in that way become allies of the state in fighting corruption; independence of the media and their research role are important in anti-corruption fight;
- **creating the successful private sector of economy**: where the simplification and rationalization of the conditions for founding and action of the companies belongs, as well as transparency of ownership and their conduct of business;
- **finally in order for the fight with the corruption to be successful the reform has to be made**: it has to be based on separating the functions of earning and bringing regulations, firm accounting and audit monitoring of usage of public means: on the principle of merits, that is, highly qualified, motivated and decently paid public officers.
Having all of this in mind, it is clear that every country should choose its own strategy and areas of priority when it comes to fighting the corruption. Actually, the means of fight should be adapted to the prevailing form of corruption and the specific circumstances of progress, or going backwards, in transition. In the cases of so-called „purchase of the state“ (from the mafia, big capital, foreign business lobbies etc.) political responsibility of all subjects should be enforced, especially judiciary. It is also necessary to educate the public constantly and have media campaigns with the goal of strengthening the sensitivity of the public to every action of corruption, in economy and in all the public institutions (education, health, administration, police, legal system etc.)

The first step in fighting the corruption is changing the existing and bringing new laws and, which have to be adapted to international anti-corruption law practice. This is the prerequisite for creating new institutions that will be able to apply the regulations efficiently and to successfully suppress corruption in many areas of social life.

Great problem in fighting the corruption is of institutional character – absence or inefficiency of institutions, inadequate intrapersonal coordination, and unprofessionalism of the staff and material shortages together with incompetency of institutions. Even the best of laws will be just a „letter on a piece of paper“if the work if the existing organs is not encouraged and if new organs are not formed, which should be authorized for various aspects of fight against corruption (preventive and repressive or the combination of the two). A significant progress in that respect represents the forming of Anti-corruption agency, which represents the central and the highest organ in anti-corruption politics of our country. This state institution has greater authorities from the others, and some of the most significant should be pointed out: settlement of the issue of conflicting interests, keeping registers on officials and their possessions, control of financing the political parties, international collaboration in fighting the corruption etc. However, one should be careful here because great authorities which are given to the Agency by the law create the possibility of the Agency to become a source of corruption, instead of dealing with it.25

Besides the significant and vast activities of the legal activity, and creation of the institutional frame of good quality, one of the important tasks for our country is to accept the range of international standards in fighting the corruption, created by various conventions, resolutions, initiatives and organizations. That would be the form of Serbian international cooperation with various international organizations and institutions which would help suppress corruption nationally and internationally. This would improve our reputation in the world.

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25 This happened in practice as well. This organ which was formed based on the Law about the Anti-corruption Agency ("Official Gazette", no. 97/08), which was supposed to be the most significant organ for fighting the corruption, was corrupted. Because of this the members of Agency jednoglasnom odlukom to depose the president of the agency, after four years of its work and many abuses.
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REVIEW OF THE CONFERENCE
First international conference under the name of „Employment, education and entrepreneurship“, was held in Belgrade, in Best Western Sumadija hotel, in the period from 12th to 14th December 2012. The conference was organized by the Faculty of Business Economics and Entrepreneurship from Belgrade in cooperation with International Research Institute for Social Entrepreneurship & Economic Development (IRISEED), Birmingham, Great Britain, College of Economics and Management, Northwest A&F University, China Yangling, Shaanxi, Faculty of Entrepreneurship, University of Tehran, Iran.

Organizers have put their efforts in order to bring large number of participants who held their presentations during the plenary and themed sessions. Thus, the conference gathered over 250 experts from the field of economy, management, entrepreneurship, marketing, informational technologies and law who used their presentations to point out the most significant issues related to the areas of employment, education and entrepreneurship. Besides the papers from the Serbian participants, papers from participants from Iran, Bulgaria, Turkey, Zimbabwe, Nigeria, Romania, the USA, Peru, Hungary, Austria, Serbian Republic, Bosnia and Herzegovina, Macedonia, Croatia and Montenegro were received. The conference was attended by three academicians: Dr. Mirjana Radović-Marković, Dr. Radmila Grozdanić and Dr. Slavko Karavidić. Besides the representatives of large number of universities and schools, the conference was attended by the representatives of National Bank of Serbia and other business banks, Ministry of Defense of Republic of Serbia, Institute of economic sciences and other institutions.

The main objective of the conference was to reach the conclusion about the ways in which we can encourage employment, improve education and develop entrepreneurship in Serbia, by presentations connected to theory and practice involved with these issues.

Theme areas of the conference were the following: The 3 ‘Es’ for fostering jobs for youth and women: Education, Employment, Entrepreneurship; Enterprise start up among the youth; Meeting the needs of diverse students to promote equity and engagement; Skills development to empower female entrepreneurship; Entrepreneurship education; Creating engaging 21st-century learning environments; How can education enhance employability; Trends and practices in learning and global education; How education stimulates the first steps into entrepreneurship; New technologies in education; E-learning and methodologies applied to education; Innovation in education: Mobile-Learning Technology; Measuring the success of learning; Creativity in learning and teaching; Virtual faculties synergy with virtual firms: Online learning technology in an SME work-based setting; The finance and investment SMEs support by national and international programs.
All the papers that were sent in for the conference have undergone professional review, after which 74 papers were approved to be presented. All of them will be published in thematic anthologies.

The conference was opened by the representatives of the Faculty of Business Economics and Entrepreneurship: Dr. Mirjana Radović-Marković (president of the Scientific Board), Dušan Cogoljević MS.c, owner and the founder, Dr. Goran Kvrgić, director, as well as the representative of Ministry of labour and social policy of Republic of Serbia, Ms Jelena Kotević. After the opening ceremony, the working part of the conference was continued by very interesting presentations held by: Dr. David Smallbone, from Kingston University (Great Britain), Dr. Žarko Pavić, rector of the University of Business Engineering and Management from Banja Luka, Dr. Almir Pestek, from the Faculty of Economy from Sarajevo, Dr. Reza Mohammad Kazemi and Aidin Salamzadeh from the Faculty of Entrepreneurship from Iran, Dr. Jose M.Sin Cabrero from the Faculty of Entrepreneurship from Peru, and Dr. Plama Hristova from the University St. Kliment Ohridski from Bulgaria.

Moreover, the conference was a great opportunity for the Faculty of Business Economics and Entrepreneurship and The Faculty of Entrepreneurship from Iran to sign an agreement about business and technical collaboration, which will contribute to the exchange of knowledge and experience in working together in the future.

During the thematic sessions which were dedicated to education, employment and entrepreneurship, the participants had the chance to hear some useful suggestions for solving the issues of unemployment, protection of the moral integrity of employees, encouraging development of female entrepreneurship, development of small and medium enterprises, solving the issue of corruption in educational system, the significance of education for survival and development of society, connection between education and regional development, including the role of institutions, actually of the state in these processes.

Conference was closed by a discussion and the concluding thoughts that were spoken by academician Dr. Slavko Karavidić and academician Dr. Radmila Grozdanić. The prizes for the best work and acknowledgements for the great contribution to the conference were given.

General impression is that the participants of the conference, after three days of work, were very satisfied with the outcome of the conference, which provided them with new knowledge and ideas, which will be applied in their further work. On the other hand, the organizers of the conference were exquisite hosts and the participants were left in expectation of the next well organized event like this one.

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