

Varazdin Development and Entrepreneurship Agency and University North
in cooperation with
ECEO – Universidade Lusofona
Faculty of Management University of Warsaw
Faculty of Law, Economics and Social Sciences Sale - Mohammed V University in Rabat
ENCGT - Ecole Nationale de Commerce et de Gestion de Tanger - Abdelmalek Essaadi University
Polytechnic of Medimurje in Cakovec



Economic and Social Development

102nd International Scientific Conference on Economic and Social Development

Book of Abstracts

Editors:

Ana Lorga da Silva, Branislav Sutic, Mirjana Hladika

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Lisbon, 20-21 October, 2023

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THE WAR IN SYRIA AS A TOPIC OF THREE SELECTED INTERNET PORTALS IN THE YEARS 2021 AND 2022

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ABSTRACT

The paper is a product of mentor-student cooperation. The conducted media research and analysis of internet portals confirms the decrease of media interest in the conflict in Syria. Geopolitical changes in the world, such as the war in Ukraine, in which world powers also play a major role, have redirected the interest of the media and the wider public. A significant percentage of analysed Internet portals mention the conflict in Syria exclusively in the context of the current war in Ukraine, and not as an independent topic worthy of journalistic coverage. The only exception is an internet portal based in a Middle Eastern country, Al-Jazeera, which, regardless of the duration of the conflict and geopolitical changes, continues to continuously publish texts related to Syria with the same intensity.

Keywords: war, Syria, internet portals, content analysis

NON-GOVERNMENTAL ORGANIZATIONS AS REGIONAL DEVELOPMENT CONTRIBUTORS: HOW DOES REGIONAL DISTRIBUTION OF THE EU FUNDS SUPPORT LOOK LIKE IN SLOVAKIA?

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ABSTRACT

Society pays attention to the question if to support non-governmental organisations or not. NGOs are involved in the EU and member state strategies as participants in public policy making and receiver of funding. There is a lack of analysis in regional and thematic distribution of the EU and national support of NGOs' projects because NGOs as providers of the public goods which cannot be covered by the state or firms. Therefore, this research papers aims to examine it in the case of Slovak Republic for period 2014-2020. The EU and national support is concentrated in the development axes which are defined in the Partnership Agreement of Slovakia. Based on the regional distribution, most of NGOs' projects are aimed to the lagging region according to the EU strategy. Considering thematic distribution of NGOs' projects, regional development projects are concentrated in the poorer districts and education-oriented projects are centralized in development axes of a region. On the other hand, there is space to improve regional concentration in districts from lagging regions which are not covered as needed. It may be caused by widespread impact of NGOs' projects which are not settled in the

district. This study analyses 1,278 projects of the NGOs in Slovakia by descriptive statistics and maps interpretations which provide better overview of the regional and thematic distribution of NGOs' projects among districts in Slovakia.

Keywords: *European Union support, non-governmental organizations, regional development, regional distribution, thematic distribution*

THE IMPACT OF COVID-19 PANDEMIC AND CHANGES IN CONSUMER HABITS ON BUSINESS RESULTS: AN EMPIRICAL STUDY OF THE GOPRO CORPORATION

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ABSTRACT

This paper's aim is to determine the financial aspects of the business process in the context of changes that have taken place in the corporate environment in the period 2016 to 2020. The research involves GoPro company's annual financial statements and other relevant sources for financial analysis. The research combines the analysis of selected financial indicators with indicators of changes in the sales structure. The findings revealed a significant decline in revenue and sales in the latter years, which are directly related to the changes of global consumers' habits. GoPro Corporation has noted a steady decrease in sales over the whole analysed period. Moreover, the corporation's net profit is negative and the direct operating expenses are consistently growing. The smartphone has become a fundamental competition with action cameras, i.e. a substitute that achieves continuous sales growth. The global changes taking place in the corporate environment undoubtedly indicate the need to restructure and transform the corporate strategic business models. Notwithstanding, the impact of the recent global COVID-19 pandemic has been considered and presented.

Keywords: *action camera, COVID-19, GoPro, net loss, operating cost*

ARTIFICIAL INTELLIGENCE AND PREVENTION OF SOLID WASTE GENERATION – RESEARCH REVIEW

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ABSTRACT

Technological advancements and accelerated practical application of Artificial Intelligence leave an impact on economy, society, and, therefore, on individuals. Moreover, technological development exercises a significant impact on climate change. On the one hand, by shortening the goods lifecycle and demand for new technological solutions, it generates large amounts of waste too quickly. On the other hand, technological development offers solutions that contribute to saving natural resources and reducing CO2 emissions. Encouraged by the aforementioned interdependence between the application of Artificial Intelligence and issues of waste management in general, the authors will provide a systematic review of Artificial Intelligence application in the field of solid waste management in the last twenty-three years with the intention to research the impact of Artificial Intelligence on prevention of waste generation.

Keywords: *Artificial Intelligence, solid waste management, waste prevention*

CORPORATE SUSTAINABILITY PERFORMANCE AND DIVIDEND PAYOUTS: THE CASE OF COMPANIES LISTED IN THE STOXX EUROPE 600 INDEX

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ABSTRACT

The previous research on the relationship between corporate sustainability performance (CSP) and corporate financial performance (CFP) mainly focuses on the effects of environmental, social and governance (ESG) performance on profitability or market value of a company, not sufficiently investigating its impact on dividend policy. Hence, the main objective of this paper is to fill the identified research gap by examining the relationship between ESG performance and the dividend payouts. In order to accomplish this goal, a research hypothesis has been formulated, positing that the impact of ESG scores of a company on the level of dividend payout ratios is positive. The empirical verification of this hypothesis has been conducted with the use of the panel regression model applied to European companies listed in the Stoxx Europe 600 Index for the years 2010-2022. The general model includes sustainability variables, such as environmental, social and governance pillar scores, along with the ESG controversies score, which measures the ability of a company to avoid environmental, social and governance risks reflected in global media. All required financial and sustainability data has been retrieved from the LSEG Eikon database. The estimation results revealed that the joint ESG score has a statistically significant and positive influence on the dividend payout ratio (DPR). When examining particular pillar scores, the impact of the social pillar is both significant and positive, whereas the effects of the other pillars are insignificant. The effect of ESG controversies score (CONT_Score) on the DPR is statistically significant and negative. The incorporation of the CONT_Score into model specifications does not alter the effects of joint ESG score and social pillar score. As not all sustainability variables exhibit statistical significance, the research hypothesis cannot be confirmed. Nevertheless, the findings imply that managers ought to direct their focus towards the social dimension of corporate sustainability, encompassing workforce, community, human rights and product responsibility, as well as its controversies in particular dimensions. The novelty of this paper lies in its exploration of the link between ESG performance and dividend payouts, a field that has not been investigated enough in the previous studies, especially in regard to controversial ESG actions of a company.

Keywords: Corporate sustainability, Dividend payouts, ESG controversies score, ESG scores, European companies, the Stoxx Europe 600 Index

STRESS AND CONFLICT IN AGRICULTURAL AND WINE COMPANIES IN THE INTERIOR OF THE COUNTRY

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ABSTRACT

With the work that follows, we intend to address the issue of stress and conflict in agricultural and wine organizations in the interior of the country. We will analyse if stress is present in the daily lives of companies, how it influences the productivity of employees, if stress is a positive or negative factor, if employees feel pressured, if the pressure felt in the work environment is reflected in a negative or positive way in personal life and we will also understand how employees of the chosen companies prefer to solve conflicts, if they prefer to solve them by sharing, by cooperating with other employees or by avoiding the problem. On the other hand, we will also analyse how the chosen companies are affected in comparison to other companies, specifically we will try to understand what impact multinationals have on small and medium-sized Portuguese companies, especially those that were the subject of this study. Finally, we will analyse if the employees like their profession and if from their point of view there is rivalry in companies in the interior of the country and how it can affect their performance.

Keywords: *stress, conflict, analysis, sharing, collaboration, avoidance, interior of the country*

EMOTIONAL AND TRANSPARENT COMMUNICATION IN TIMES OF CRISES

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ABSTRACT

As long as an organisation exists, there is information hierarchy and privileged access to information that may impact the wellbeing of workers, especially in a crisis context where employees may experience job insecurity. This work aims to understand the interaction between organisations and respective workers in a crisis context such as COVID-19, and how internal communication, transparency and trust resonates from top to bottom of the hierarchy. This study was built around both qualitative and quantitative methods. The first allowing to attain analysis on a broader perspective while the latter follows a questionnaire. The findings suggest it's necessary for companies to draw a contingency plan for crisis situations and avoid negative repercussions.

Keywords: *Communication, Crisis, Emotional, Empathy, Transparency*

STRESS AND ORGANIZATIONAL CONFLICT - THE INFLUENCE OF THE ORGANIZATIONAL ENVIRONMENT ON THE EMPLOYEE'S LIFE: A STUDY IN THE LUSÓFONA UNIVERSITY (LISBON)

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ABSTRACT

Nowadays, stress and conflict are very prevalent, whether they are individual or organizational. Stress can have negative effects on health, sometimes leading to burnout. On the other hand, it can also have positive effects on lives, as it represents a "fight" that makes us react, consequently used to achieve work goals, making us more productive. While conflict is not counterproductive, as it promotes individual development, often involving collaboration with many other people, and leading to effective management of existing conflicts. The elaboration of this theme is fundamentally within the scope of "Organizational Stress and Conflict," focusing on the question of "What is the influence of the Organizational environment on the employee's life?". For this purpose, the organization studied was the Lusófona University (Lisbon) which was answered by 56 employees. In this theme, four hypotheses were articulated, namely how organizational stress harms individuals' social life, how conflict can affect their productivity, as a third hypothesis, how the conflict can help build critical thinking, and finally, the question of what are the good conflict management methods that companies have acquired. This work will conclude that the majority of employees agree that often the organizational environment in which they are situated will directly affect their mental and physical well-being.

Keywords: *Stress, conflict, burnout, organization, psychosociology of organizations, productivity, organizational environment, conflict management*

EDUCATION AS AN EMPOWERMENT TOOL: COMBATING SCHOOL FAILURE IN CHILDHOOD

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ABSTRACT

Education is fundamental for the formation of citizens and the transformation of society, being responsible for the multiplication of knowledge and the development of skills necessary for the individual's performance in the community. Using the Pordata Database of Contemporary Portugal database, organized and developed by the Francisco Manuel dos Santos Foundation, data were collected for the period from 2012 to 2021. The data was organized and treated as panel data referring to 7 regions (NUTS II) of Portugal: North, Center, Metropolitan Area of Lisbon, Alentejo, Algarve, Autonomous Region of the Azores and Autonomous Region of Madeira. The results of this study suggest that the main risk factors that affect academic success in the different mandatory study cycles in Portugal are the population's unemployment rate, crime, the population's education level and access to knowledge, here assessed by access to internet by households. The results obtained also highlight the importance of combating early school failure given that school failure in the 1st cycle of studies leads to higher retention and dropout rates in the 2nd and 3rd cycle of studies. In turn, school failure in the 2nd and 3rd cycle leads to higher levels of failure in secondary education, whether in the technological/professional field or in the general field.

Keywords: *Panel data, Risk factors, School failure, School success, NUTS II, Portugal*

HOW THE SYNERGY COULD WORK IN NEW ECONOMY: EXAMPLE OF SPORT AND TEXTILE INDUSTRY

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ABSTRACT

This paper deals with the synergies between the Textile economy and the Sports sector. The textile segment in Sports is large and highly profitable, based on production of sports textile and equipment within technical textile subsegment. Requirements for sports textile and equipment are demanding and are pushing producers to pursue the direction of innovating in the advanced materials area via highly intense R&D. The advanced materials with superior properties are already in use, namely composites and the next generation textiles - smart textiles, irrevocably changing the face of the Textile economy. EU27 is ahead of competitors in the advanced textile production, investing heavily in R&D, innovation and new products. With the ongoing fast technological advancement, new opportunities appear for European entrepreneurs, in particular with the possibility of integrating digital components and electronics into smart textiles, a rather important feature in sports and human health sectors.

Keywords: *new economy, research and development, sport sector, synergy, textile industry*

IS THE FUTURE SMART? THE SMART CITY CHALLENGE FOR LISBON

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ABSTRACT

A smart city is described as an innovative city that uses communications and information technologies, among other innovative resources, to increase the efficiency of operation and improve urban services and competitiveness, ultimately improving people's quality of life. In this way, it seeks to simultaneously meet the needs of present generations, without sacrificing future generations, with regard to economic, social, environmental and cultural aspects. Literature suggests that smart cities favour economic development, while positively affecting the living conditions of residents and enhancing visitors experience. Following this thread of thought, the main objective of this research is to examine this topic, using the case of the city of Lisbon, as a way of illustrating such views, by the means of the analysis of diverse strategies, which are currently being implemented in the Portuguese capital, while aiming to making the city an intelligent tourist destination, inferring not only the strengths, but also the weaknesses. To achieve this objective, an exploratory-descriptive investigation was carried out based on the analysis of smart city indicators, namely: City in Motion Index Report (CIMI) and the IMD-SUTD Smart City Index Report, for the last 5 years. From the analysis made, it is concluded that for the city of Lisbon to become one of the top smart cities worldwide, as it aims, it has to improve its main weaknesses, which are essentially characterized by the lack of innovation in the field of economic policies (action planning in the areas of affordable housing for its citizens and lower unemployment), as well as the lack of transparency in governance (fighting corruption), and urban planning and technology (improving road congestion and public transport).

Keywords: *Smart Cities, Smart Tourist Destinations, City of Lisbon, Cities in Motion Index (CIMI), IMD-SUTD Smart City Index*

THE COVID 19 PANDEMIC AND SOCIO-EMOTIONAL COMPETENCES IN CONSUMERS OF PSYCHOACTIVE SUBSTANCES

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ABSTRACT

Nowadays people increasingly deal with stress in their day-to-day and the way they adapt involves intrapersonal (emotional relationship), interpersonal and environmental factors, when this adaptation develops in a negative way it can lead to the consumption of psychoactive substances, hence the relevance of the study's theme. The objective of this investigation is to know the profile of emotional competence in consumers of psychoactive substances, making use of an anonymous and confidential questionnaire applied to consumers of psychoactive substances, divided into two parts: the first part, considering variables of sociodemographic and professional character and one second part consisting of the "Veiga Scale of Emotional Competence" (EVCE) (Veiga-Branco, 2005, 2011, 2015, 2016, 2017, 2018). The sample is made up of 78 consumers of psychotic substances, of whom 48 were female, most of the respondents are over 30 years old, are single, have no children, have higher education, live with the family and have a social life. The results obtained reveal that there is no influence of sociodemographic variables nor on the characteristics of substance use on the profile of emotional competence or on the dimensions of the same of consumers of psychoactive substances.

Keywords: *Emotional competence, consumers, psychoactive substances, dependencies, emotions*

SOCIO-EMOTIONAL SKILLS IN THE CONTEXT OF THE COVID-19 PANDEMIC

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ABSTRACT

Emotional competence in teaching is a topic that reveals a lot of interest nowadays, since in addition to being extremely important that teachers feel good about the tasks, they are tasked with in terms of work it is also very important that for them to accomplish efficiently and feel good on an emotional level. Due to the context of Pandemic by COVID-19 that we are all experiencing, there were several changes that teachers had to adjust to provide a good learning experience for students, which is the reason for this study, so the objective of this investigation is to know the profile of emotional competence of the teachers of the School Groups of the district capital of Bragança in the context of Pandemic by COVID-19, using an anonymous and confidential questionnaire applied to the teachers of the Group of the district capital of Bragança, divided into two parts: a first part, contemplating socio-demographic and professional variables and a second part consisting of the "Veiga Emotional Competence Scale" (EVCE) (Veiga-Branco, 2005, 2011, 2015, 2016, 2017, 2018). The results obtained reveal that there is no influence of sociodemographic or professional variables on the teachers' emotional competence profile or dimensions.

Keywords: *Emotional Competence, Teachers, COVID-19, educational organizations, welfare*

EXPLORING THE IMPACT OF COMPANY SIZE AND LONGEVITY ON THE PROFITABILITY RESILIENCE OF HOSPITALITY COMPANIES DURING THE COVID-19 PANDEMIC

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ABSTRACT

Tourism and the closely-linked hospitality industry were a couple of the industries most exposed to the impact of the COVID-19 pandemic, having suffered some of the most severe negative effects. The aim of this paper is to examine whether the size and longevity of select hotel companies in Central and Eastern countries did have any influence on their profitability resilience in response to the COVID-19 pandemic. OLS analysis was conducted in this paper in order to explore and understand specific firm factors that influenced the profitably resilience of hotel industry profitability of select central and eastern European countries. The data was obtained from the EMIS data base and included more than 600 companies, with the observed time period being 2014-2022. The research findings provide essential insights for academia, management in the industry as well as the government, stimulating the formulation of adaptive approaches in risk situations and as possible strategies for overcoming any future crises of the kind.

Keywords: *COVID-19, Hospitality industry, Profitability resilience, Size, Longevity*

BIOCOSMETICS – THE ROLE OF MORAL, ENVIRONMENTAL AND HEALTH CONCERNS

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ABSTRACT

The bioproducts market has been growing, and the biocosmetics sector has followed this trend. The motivations that lead consumers to seek out this type of product have yet to be explored, as well as the difficulties experienced in terms of affordability, accessibility and variety. Using a questionnaire with 114 valid responses, a model based on TAM was tested. It was concluded that the main driver of the intention to buy biocosmetics is environmental issues, followed by health issues. The perceived difficulty resulting from higher prices, fewer locations or less variety does not seem to have a significant deterrent effect.

Keywords: *Biocosmetics, TAM, Health concerns, Environmental concerns, SEM*

ANALYSIS OF THE DEMOGRAPHIC EVENTS IN BUSINESSES IN SLOVAKIA FOR 2008 TO 2020

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ABSTRACT

This paper focuses on the analysis of the entrepreneurial sphere in Slovakia, with an emphasis on changes caused by "demographic" events, specifically the birth and death of enterprises from 2008 to 2020, especially concerning employment in newly born and dead enterprises. Anonymous data from the Entrepreneurial Demography survey is used for this purpose. The introduction delves into an exploratory analysis of selected derived indicators of business demography and the interpretation of their descriptive characteristics. Subsequently, the focus shifts to modeling the relationship between the proportion of employment in newly born/dead enterprises and the rate of enterprises birth and death. Modeling the dependence of selected demographic events confirmed that the birth and death of enterprises have a significant impact on the proportion of employment. The results of the analysis include point and interval estimates of relevant derived demographic characteristics, with the statistical tool Statgraphics Centurion used in the analysis itself.

Keywords: *Birth rate, Business demography, Death rate, Proportion employment in born/dead enterprises, Regression model*

DO CSR REPORTS, GRI STANDARDS AND STAKEHOLDERS ENGAGEMENT INFLUENCE ESG PERFORMANCE? A EUROPEAN ANALYSIS

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ABSTRACT

This study empirically investigates whether Environmental, Social and Governance (ESG) performance is higher in companies that disclose ESG information via sustainability reports, demonstrate a high of application of GRI standards and greater stakeholder engagement. Using fixed effects regression, we analysed a panel data set of 2264 listed European companies over the period 2017-2021. The results show that European listed companies with highest ESG

performance are those that publish sustainability reports separate from the annual report, demonstrating a higher disclosure level on the GRI indicators and a higher stakeholder's engagement in their sustainability strategies. These results are useful for organisations that are developing sustainability standards and policy makers, as they show that the companies with the best sustainability performance are those that tend to be involved in the sustainability information disclosure.

Keywords: *ESG, Corporate social responsibility, GRI, sustainability Reporting*

AN ANALYSIS OF THE SUSTAINABLE TOURISM HOTEL CONCEPT: THE INFLUENCE OF ENVIRONMENTAL PRACTICES ON CONSUMER VISIT INTENTIONS

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ABSTRACT

The adoption of sustainable practices has proved to be one of the most expressive trends in the tourism sector, putting pressure on hotels to implement new environmental policies to attend with the demands of this new tourism segment. Sustainability has also been recognized as an

important factor for the competitive advantage of any business. This study will contribute to the literature by exploring the sustainable hotel policies and assessing their influence in attracting new customers. To conduct this research, the following research question was formulated: Does the adoption of sustainable practices in hotel organizations influence the consumer's purchase intention? A questionnaire was created to measure this phenomenon, a total of 45 completed questionnaires were collected. The results show that there is a significant environmental awareness, indicating an influence on purchase decision of consumers in favour of hotels more sustainable. However, price sensitivity still directly affects consumers' decision-making, even the ones with a more environmental conscience.

Keywords: Hotel industry, Sustainability, Environmental practices, Consumer intentions

DEVELOPMENT AND CHANGES IN ESG RATINGS OF THE EUROPEAN UNION COMPANIES

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ABSTRACT

ESG ratings are becoming very important for companies in the European Union. These ratings evaluate a company's sustainability, ethics, and corporate responsibility performance. They have recently undergone significant development and changes as sustainability and responsible business practices have gained prominence. Over the past decade, there has been a significant increase in the awareness and adoption of ESG principles among EU companies. Regulatory pressures, stakeholder demands, and a growing recognition of the business benefits of sustainable practices have driven this shift. The EU has played a significant role in advancing ESG reporting and standards, with regulations such as the Non-Financial Reporting Directive and the Sustainable Finance Disclosure Regulation requiring companies to disclose ESG-related information. Standardisation of ESG reporting has improved comparability between companies, and there has been an increase in ESG rating agencies and data providers. ESG ratings are increasingly integrated into financial analysis and investment decision-making, leading to a greater emphasis on ESG performance by companies seeking to attract investment. Shareholders and stakeholders increasingly use ESG ratings as engagement and activism tools, with poor ratings potentially leading to shareholder resolutions, divestment campaigns, or calls for changes in corporate behaviour. Data quality and reporting have been a concern, with companies working to improve the accuracy and completeness of their ESG disclosures.

Climate-related factors have taken centre stage in ESG ratings, with the EU's commitment to becoming carbon-neutral by 2050 putting pressure on companies to disclose emissions and align their strategies with climate goals. This paper analyses ESG ratings from 2016 to 2020 of the European companies.

Keywords: *ESG ratings, sustainability, reporting, challenges*

SUSTAINABLE SUPPLY CHAIN THROUGH INNOVATIVE DIGITAL TECHNOLOGIES

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ABSTRACT

The research work discusses the first results of a study on green firm's strategies with reference to the most relevant strategic decisions on a wide range of evolutionary phenomena in the way of doing business in particular by reconfiguring it into a new green business model (GBM) by the of new digital technologies (DT) of the new sustainable supply chains. The focus of this contribution is mainly to highlight how new digital technologies, especially those implemented in production plants, in new material design and in the new digital governance of platforms within supply chains, represent the ideal prerequisite for allowing manufacturing companies and new innovative actors (farmers, research centres, start upper, etc.) to formulate the most appropriate innovative sustainable strategies to successfully compete in turbulent international contexts. The analysis necessarily moves from the micro level analysis (business level) in order to identify the most profitable ways to carry out R&D and Operations activities by supply chain actors, and also the type of involvement of these in the supply chain technological heritage redesign. About the methodology adopted in the research, still underway, we wish to clarify that the inductive method was used with empirical verification, to correctly interpret the management phenomena that emerged regarding supply relationship management. During the empirical survey, seven Italian firms belonging to various sub-sectors of Italian agrifood supply chain and located in Italy were taken into consideration. The paper presents modern and unusual innovative processes in the Italian agrifood supply chain, shedding new light on success factors in modern competitive contexts increasingly anchored to integrated relationships in sustainable supply chains. In this sector the innovative processes emphasize the role of the external knowledge sourcing and the inside-out path of the open innovation that resonates with the diffusion of the innovation placing the accent on the importance to diffuse the innovations in the supply chain.

Keywords: *Green supply chain, agrifood sustainability, technological innovation*

ECONOMIC GROWTH AND FINANCIAL INTERMEDIATION IN THE CENTRAL AND EASTERN EUROPEAN COUNTRIES: A COINTEGRATION ANALYSIS

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ABSTRACT

Financial intermediation is key to the development of a country's economy. On the one hand, the quick and easy conversion of savings into investments stimulates economic growth. On the other hand, high economic growth increases income and savings, which increases investments. The present study examines the relationship between economic growth and financial intermediation (the development of the financial sector) in the countries of Central and Eastern Europe (CEE). The monetary aggregate to the gross domestic product is used as an indicator of financial intermediation. The relationship between the variables is examined by cointegration analysis with the econometric software Eviews. The main research hypothesis is that there is a long-term relationship between the economic growth of countries and the development of the financial sector. In addition to the main hypothesis, the direction of the relationship is considered - it should be positive, and CEE countries with higher average growth should have a more developed financial sector compared to CEE countries with lower average growth. At the same time, the fact that CEE countries are developing countries and compared to developed countries have a higher average economic growth, although they have a less developed financial sector, should also be taken into account. The CEE countries are also an interesting combination of five Euro area member countries and five EU member countries, which also affects the results of the study. Euro area member countries are likely to have a more developed financial sector given the fact that they are more integrated into the Euro area financial sector.

Keywords: *Cointegration Analysis, Economic Growth, Financial Intermediation*



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