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S poštovanjem,
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ECONOMY "SMART BUILDINGS" HOUSING

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Original Scientific Paper

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Abstract: In terms of ensuring national security and the security of energy supply and energy sources, such as liquid fuels and gas, as well as energy independence from energy imports and energy, the focus of our strategy to shift towards renewable energy sources. In fact, whether a state of more or less energy-independent, to a large extent can be determined by the percentage participation renewable energy in meeting the total energy requirements. So, the consumption of renewable energy source (solar energy, wind energy, geothermal energy, hydropower and small watercourses, biomass and biogas) is put in relation with the amount of power and energy which are imported from foreign countries (liquid fuels and gas). Based on data published by the European statistics agency, in developed European countries is the fact that renewable energy sources accounted for 10-12% of the total energy balance of individual countries. Here, the situation is very worrying, given that renewable energy resources still account for only 1% in the energy balance, which is negligible and intolerable little. On the other hand, environmental awareness that is constantly improving and developing required to behave and act in accordance with the capabilities and resources of nature and the natural environment. As the largest building and construction consume energy and also the biggest polluters of the environment, point to the request to change the method of construction and thus to change the way of life on the planet. Poor and inadequate access to the building and construction industry certainly is recognized as the most important factor in global warming. The progress of civilization, especially in terms of technical and technological innovation brings the design and construction of facilities that will be compatible with the environment. For designers and investors is to develop, design and build "green".

Keywords: *smart buildings, housing, economy, green economy and green architecture*

Introduction

The attribute "smart" office building gets its parameters by adjusting the external environment and the entire organization with employees and customers who spend time in it.

The need for automating business-residential facilities primarily is resulting from efforts to save energy, given that about 45% of our world's energy is consumed by administration in commercial and residential buildings. The necessary investment is about 2% of the total investment, and the first results saving and cost reductions are visible after a few months.

Investors who first recognized the potential and possibilities, now very widespread required in a modern building, but reap the benefits of their investments. The system through savings pays for itself.

Knowledge management is an important business concept, incorporated in operations and organizational culture is a serious participant in the global market.¹

Some of the technologies applied in these algorithms are fuzzy logic, neural networks, genetic algorithms and the like.

¹ Stošić Mihajlović, Lj. Components of knowledge management: competitive management and human resource management“, International Journal KNOWLEDGE, IKM, Scientific&Applicative Papers, Vol.10.1, str. 87

All of them are the result of many years of research and simulations conducted at the Department of Automatic Control and Systems, which produced a number of graduate and scientific works that are today successfully applied in practice. Some of the many examples of practical application of the algorithms, and the savings are as follows:

- Fuzzy logic control recuperative units Emergency Center Novi Sad has increased the efficiency of the recovery of more than 20%
- A combination of genetic algorithms and neural networks in the management of the chiller "Telenor Data Center" has reduced electricity consumption by 10%
- The optimization of air handling in buildings "Airport City" by controlling the concentration of CO₂ saved 10% of energy
- The combination of fuzzy logic and neural networks, and to manage the level of lighting in several buildings has led to energy savings of 15%.

Integrated BMS includes the following common sub-object:

Subsystem air conditioning, heating / cooling (air handling units, chiller, heat pump, heat substations, etc.). Brightness control outside the building and lighting in common areas (hallways, bathrooms, etc.); Control access to the common areas of the facility; Anti-theft system in the common areas of the facility; Measurement of electricity consumption, domestic hot water and the consumption subsystem responsible for heating / cooling the building; Fire protection system; Video surveillance; The unit system UPS.

In the event that the building has separate independent units such as offices, apartments or rooms-integrated BMS includes the following subsystems: Air conditioning, heating / cooling independently of each continent; The lighting control of each continent at the ON-OFF, with the possibility of defining the degree of brightness; Control of the curtain (curtains, blinds, etc.). Access

control at the level of a whole; Anti-theft system at the level of a whole; Leak detection, etc.

1. Concept of "green architecture" and green economy

"Green architecture" is widely adopted name for the architecture that is designed to live in harmony with the natural environment and human needs. This architecture must respect the environmental principles that do not distort, to use energy from renewable sources and that it fits into the natural flow environment as a living organism, without disturbing the ecological balance. Green architecture requires that the design and construction of buildings done with full knowledge of the nature and capacity of the environment and use of natural ecosystems and in urban planning. This policy concept of green building means that the planned construction of facilities in accordance with the healthy way of housing (in the proper orientation of buildings, abundant sunshine room in which to live and work, the density of the human population in the blocks and neighborhoods, plenty of greenery, water ...)

The principles of green architecture means maximum use renewable and environmentally clean sources of energy, with a constant tendency towards conservation and recycling of water and energy, as maximum use of natural and recycled materials in construction, as well as in the construction materials used for energy savings (insulation systems heating), the use of sustainable technologies (economically and environmentally) design in harmony with nature and open interior environment.

Therefore, it is necessary to establish a dialogue between in cooperation facilities and architectural environment with natural and environmental.

As a result of "green design", there was a "smart house". From the aspect of sustainable energy it uses most accessible and renewable energy. For us, it would be geothermal water, wind energy and solar energy, accumulates and conserves energy, integrates and combines energy systems, program control rationalize consumption, saves water, rainwater accumulates, recalculated water, control air quality in the home and the level of harmful emissions from home.

2. History of the development of eco-eco awareness in architecture

When we talk about the concept of eco-consciousness eco then they mean that in the modern economy housing has to be a strong link between economic and ecological requirements on the one hand but also with architecture, and the need to live and work in a highly regulated and architecturally designed buildings.

From contemporary architects, the design principle "of dialogue with nature," Steiner began, Wright, Alto, Le Corbusier. The awareness of stopping global warming damaging the planet building, was built in the second half of the twentieth century, which has issued several declarations (the conference of the United Nations World Commission on Environment and the 1986 Rio de Janeiro in 1992, the World Exhibition Expo92 in Seville). Today architects designed custom-made men, but with the awareness to protect the planet from further pollution. UNESCO, the world's various ecological movements and Architectural Association awarded the annual prize for the 'greenest' projects. The richest countries most economical builds buildings and settlements. "Capital represents all securities with a maturity of over one year. There are primary and secondary capital markets. The capital market incorporates in itself the following three markets: credit and investment market, the mortgage market and the securities long-term character. Sources of

capital in the context of a national economy are financial savings, transformation into capital, ie, loan capital and equity.”²

3. Smart building or brutalism architectural and economy housing

The emergence of Brutality architecture in Serbia is mainly associated with the work of several authors, each of which is one of the most Branislav Jovin. Known by the project "Metro Beograd" and numerous embodiments, he stood out as a great creator of ground floor architecture. His projects planning pedestrian zone Knez Mihailova Street and the Republic Square of work, largely determined the cosmopolitan character of Belgrade. When 1970. realized building Planning Institute of the City of Belgrade, implementing Natur-concrete as the primary means for achieving expressive term, Jovin has laid the foundation for research brutalism aesthetics in Serbia. The aim of this paper is to draw attention to the circumstances that led to the emergence of brutalism tendencies in Serbian architecture, and serve to further research the aesthetics of brutalism. In historiography is generally present opinion that brutalism movement had significant influence on architecture in Serbia. First, be sure to note that the word "Brutalism" kind of instruction, because it means something that is raw, rough and coarse. However, it is more appropriate interpretation of the term when referring to the use of source material or when the building looks like it is still not dressed in anything subsequently applied.

² Ljiljana Stošić Mihajlović, Functioning of financial and capital markets in modern conditions, Journal of Process Management – New Technologies, International Vol. 4 No.4, 2016., pp.30

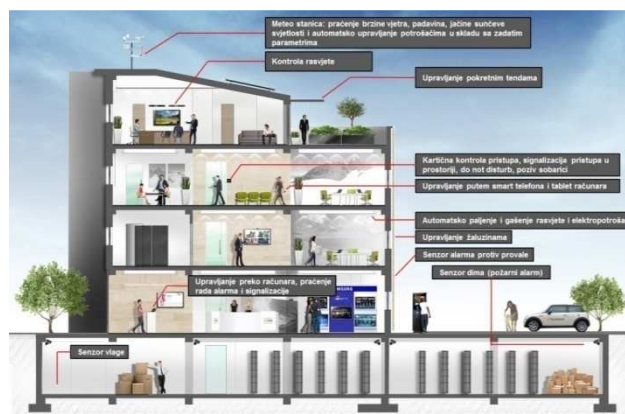
So it is the architecture that is consistent with the economic situation in the country. Asked whether such a position of significant influence on architecture in Serbia, frankly, it should be noted that the architecture has been influenced by (press) the economic power of the investor. So today is not surprising that more and more often mentioned the term "investiture architecture". This means that architects are increasingly subject to the influence of (economic power) the investors. For example, it was presumed that the house on the corner to be usually be accented dome, while the modern approach to the house should be like a tract, withdrawn in relation to regulation of streets, to form an antechamber in front of the object: to see when someone wears . When the object has no surplus, it is clear constructivism. So brutalism movement had significant influence on architecture in Serbia. "Leading experts of Macroeconomic Analysis and Trends (MAT) assessed that the decision to exit the UK from the European Union or Brexit, in fact, had a particularly high impact on the economy of Serbia. Although, at first seemed to be a major cause Brexit, instability and fracture on the global financial market and that it will be based on the principle of communicating vessels and spill over to Serbia. Fortunately, of which none were. What certainly ahead is that analysts in Serbia closely monitor what happens on. As noted above, to date there have been no major disturbances and even the National Bank of Serbia on three occasions bought foreign currency at the interbank foreign exchange market. For economic stability in Serbia is most important to you will Brexit stop the restoration of economic activity in the EU, but also indirectly, will in any way affect the already recorded economic growth in Serbia."³ Therefore, any action

to occur in our environment, this has implications on the natural and social environment in our country.

3.1. Smart buildings

Smart buildings are objects that are used in building materials and systems that will contribute to a lower consumption of energy and they simplify the operation of all facilities. Office buildings, hotels, hospitals, schools, or buildings for housing, all have the need for savings and greater comfort. Increasing energy prices justify the investment whose return is getting shorter, and to raise environmental awareness is best influenced through reducing energy bills and other energy products. Also, an increasing number of installations and weak current complicated system management and maintenance, and automated and integrated solution easier to use, content is easier to access and more easily managed systems. In the construction of the special care of well designed and built materials, insulation against cold object that is the basis of rational use of heating and cooling systems. Glass surfaces on the building are made of materials that transmit light and retain heat. Solar panels are used to simply heat water used in the facility.

Figure 1 „Smart buildings“ or green economy housing



Source: <http://www.telemont.me/wp-content/Pametne-Zgrade.jpg>

³ Ljiljana Stošić Mihajlović: Brexit impact on Serbian economic development, , Journal of Process Management – New Technologies, International Vol. 4 No.3, 2016., pp.27

In addition to the passive elements in the building, saving a crucial impact on the integration of all the systems that achieved BMS (Building Management System). Such systems make it possible to integrate: The lighting; Thermal Engineering (heating and cooling); Access control and presence on the premises; The safety systems: video surveillance, fire alarm systems; Awnings, blinds, shutters.

Electro consumers manual control, air conditioning, ventilation and lighting is enabled in several ways: The control buttons on the premises, where everything is simplified to the extent that all users can easily control the temperature, lighting, blinds, sound system; The computer over the Internet; With mobile-smart phone.

The system monitors the outer temperature, intensity of daylight and the presence of staff at the premises of these simple scenarios are created optimal and comfortable microclimate conditions, and avoids unnecessary wastage of electricity, while its total savings reach up to 60% compared to a classic built facilities. "The new economy or the economy of a new era or a new millennium, she found it in a state of economic science, it seems, the great disintegration on the one hand, and narrow economic specialization of scientific disciplines. Note that, in principle, such a situation is not specifically related only to the social sciences and in particular the economy."⁴

That those systems are not a luxury and expensive investment is the fact that Telemont which is otherwise engaged in designing and installing systems for intelligent building management set aside 2% of the total investment in the new facility for that system.

4. Conclusion

"Smart" buildings are called objects in whose construction the materials and systems that contribute to lower energy consumption and simplify the operation as all the amenities. Office buildings, hotels, hospitals, schools and housing facilities - they all have the need for savings and greater comfort. The brain and central nervous system, "smart" buildings make up the central computer servers and databases, which are pouring large amounts of information collected, that account is given and processed are sent to actuators carry out actions. Numerous and various sensors and cameras, are surrogates for the senses, which collect information and initiate action, where the blood circulation, neural networks or spinal cord may have imitated some of the protocols and buses for the transfer of data and control signals, while many zonal controllers represent a kind of peripheral the nervous system. Finally comes the internet and internet networks that connect individual organism with the entire community.

Such as, for example, a living organism regulates its internal temperature and reacts by sweating skin, adapting to external conditions, or current physical activity, as well as "smart" buildings and can automatically adjusts its internal temperature or the temperature of each specific spatial entities, or external conditions internal inactivity in certain geographical areas, automatic control of heating, cooling and ventilation. The same principles apply to other subsystems that integrated and centralized system management office building controls, such as lighting interior, exterior and facade lighting, access control, fire alarm system for air quality control, safety control system, control pumps, generators, elevators, fuse, windows and other equipment in the building.

⁴ Stošić Mihajlović, Lj., Modern economy: features and developments, , Journal of Process Management – New Technologies, International Vol. 4 No.2, 2016 pp.17

Finally, its full meaning concept receives creating a safe, comfortable, economical and secure environment, while also saving energy, reducing maintenance costs, longer life cycle of the equipment and significantly reduce pollution emitted in the building environment, thus obtained and the general concept of the general social value and importance.

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BEDESTENS FROM OTTOMAN PERIOD: FACTORS OF INFLUENCE IMPLEMENTED IN CONTEMPORARY CITY CONCEPT

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Abstract: Bedesten or covered marked, are usually located in the bazaar area of the Balkan city type. Bedesten was served as a place for the transactions of valuable goods, quality fabrics and the shops with luxury items in the past. The analysis of factors are presented at three characteristic preserved bedestens in Bitola, Skopje and Shtip, dating from XV-XVI century. Through presented factors were investigated the impacts of re-building and conservation interventions on the activity of objects in modern urban context, the role of the local community, which affects at the development of cultural tourism, at the ambient values of the environment, raising awareness, identifying and attitude of the population to the monuments. The identification of factors which affecting the modern treatment of historic buildings is important because of their adequate treatment adapted to modern needs, raising of awareness of population and development of cultural tourism.

Key words: *bedesten, bazaar, conservation, ambient, urbanism, ottoman, tradition*

Introduction

Bedestens building is part of Ottoman architecture in the period XV-XIX th century. Ottoman concept of grouping of public buildings practiced building: a mosque, a hammam, a han and an bedesten in a spatial concept, in their urban (Cipan, 1955). This concept is practiced throughout the Ottoman Empire, and the Balkan cities. Bedesten or covered marked, are usually located in the bazaar area of the Balkan city type. Bedesten was served as a place for the transactions of valuable goods, quality fabrics and the shops with luxury items in the past. The old Bezistan in Skopje was a series of connected streets that housed shops of various craftsmen (Celebija, 1957)

Bedestens in Bitola, Skopje and Stip is one of the most important preserved Ottoman buildings of the present day in Republic of Macedonia, as part of the former Ottoman Empire (Pavlov, 2008). These buildings had modest architectural values with functional values adjusted, usually rectangular or irregularly shaped basically, where are highlighted several entrances to the complex of small commercial spaces. Bedesten space conception can be basilica (Bitola) or multi-domed (Shtip), (Waltenberger, 2014).

Depending on the needs and size of the city and its population they had different sizes, tailored to the needs of the population. At the beginning of their existence they were meant for selling textiles, and later other valuable products, which gradually formed separate rooms for different craft stores.

As complex buildings they were built of solid material, with vaulted domes and arches, covered with lead or copper, closed with iron gates at the entrance (Bogoevic 2014). The interior space has been fitted the square fields, covered with domes or arches (Bitola) (Kocankovska, 2008). From the outside they were clinging stores that were within the city bazaar (Skopje).

The interior space as a single, covered, could if necessary make a by partitions at different times (Stip) (Tomovski, 2006).

Mostly after more conservation interventions at different times they were functionally integrated in the downtown core, or part of the historic city.

The main direction of research is the analysis of form and treatment of bedestens in the modern urban development of cities. Having regard in particular to analyze their historical development of architectural form through changes occurring in the structure and space, their inclusion in active function of the needs of the city and participation in cultural and tourist development of the settlements.

1. Purpose of bedestens

The main function of bezestens since their initial construction is wrapping craftsmen, where they offered their products to a single space or in a complex, as secure building with doors that could be locked by night. (Celebija,1957).

Bedestens in Bitola and Skopje had set aside spaces for specialized trade services of certain kind of products, while Stip Bedesten had single rectangular open space at the beginning for textile products(Fig.1).

Changing the space, with constant interventions of the construction and use of different materials, in different periods they are changing their purpose. These facilities include ambient, have historical, urban, cultural and economic importance. Indigenous values of these buildings are recognizable by the impact with the immediate environment, structural and spatial conception, and with stylistic features that form the outer appearance. Bedestens contain stylistic features of Ottoman Turkish School, through influences from the Byzantine and Oriental architecture, but also elements from the local tradition of building (Waltenberger, 2014).

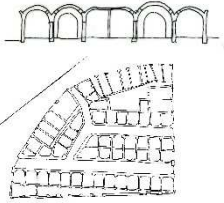
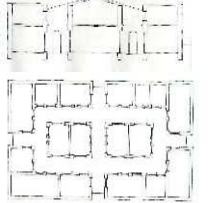
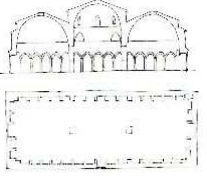
Bedesten			 Bedesten, Shtip
Total space	1750 m ²	517 m ²	477.99m ²
Used space	637.34 m ²	159,36 m ²	386.19m ²
%	36,5%	30.7 %	80,7%
Corridors	587.66m ²	195m ²	/
%	33.5 %	37%	/
Walls/ construction	525 m ²	162.24 m ²	91.8 m ²
%	30%	32,3 %	19.03
Number of shops in bedesten	41	17	One space
m ² /shop	22-28m ²	7,92 -24 m ²	/
Inside high	5,7 – 6,2 m	2,7 – 5,3 m	13,25 m
Citizens XVI-XIX c	30-50.000	30-32.000	3.800-10.000
City bazaar – number of shops	2.000	2.150	450

Fig.1. Comparative analysis of architectural space of the bedestens

The design characteristics of bedestens from their initial forms, constantly have certain changes, regarding interventions of construction and aesthetic

external shape. Still is the basic concept was preserved of application materials (stone, brick and lime mortar), which held the authentic form of construction (Fig.2.).



Bedesten, Bitola		
	Bedesten, Skopje	Bedesten, Shtip
Brick	Brick, stone	Stone
Lime mortar	Lime mortar	Lime mortar
Arch	Arch	Dome
lead/sheet	lead/ceramide	lead XVII c. stone plates XX c.
Decorative facade	/	Minimal decorative facade
Brick/stone	Brick/stone	Stone
Basilica	/	Multi-domed
Moisture	Moisture	Moisture

Fig.2.Comparative analysis of construction of the bedestens

2. System of applied protection

The measures that were taken to protect bedestens realized in the second half of the 20th century and applied basic measures for their conservation. Today, despite their steady state after 30 to 50 years, requires extra care for their continual rehabilitation. Despite this it is necessary to apply measures of preventive care in the process before construction resulted in critical shape.

Depending on the complexity of the structure requires a multivalent approach to determine the protective measures which will largely correspond to the facts.

The original function and condition of the monument changed in continuity till today. Its necessary to undertake complex analyzes and procedures that would satisfy a certain contemporary needs. The direction of interventions should meet the elements as visual recognition, preservation of the vital elements of the building, the comfort of space, integration of the space, improve

availability and promotion of the monument in the environment and so on. Existing legislation allows incorporating all aspects and modern scientific methods to improve the condition and treatment of the monument. It is needed to complement the law on protection of monuments that are protected and which are extremely important for the preservation of cultural heritage (Marasovic, 1985).

3. Factors of influence

In particular analysis of the factors influencing the success of the integration of bezestens, active in the urban context, we find a group of influential factors:

1. Through a comparative method of analysis of the dimensions and volumes of the bedestens, we can conclude that they do not affect the functional properties of space. New modified concepts are adapted to the needs and within the permissible interventions they respect the basic architectural concept of the Bedesten (Fig.1.).



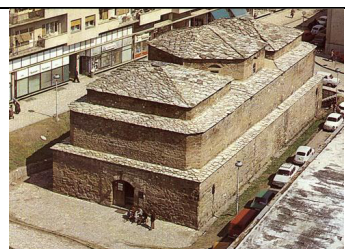
		
Bedesten, Bitola	Bedesten, Skopje	Bedesten, Shtip
XV-XVI c.	XV-XVI c.	XVI-XVII c.
XVII-XIX c. - rebuild Late XIX c.-reconstruction XIX c.- 84 shops inside	XVII c.- earthquake XVII c. – destroyed by fire 1689- rebuild -2150 shops in the city 1892/93 was restored 1899 -renovation Mid XIX c.- destroyed 1908- damaged in fire End of XIX c.- rebuilding Mid XX -1169 shops in the city	XVIII-XIX c. - prison Set on fire
Mid XX c. rebuild- south facade	1964 –rebuilding	XX c.-warehouse
1977-80- adaptation -pediments in neo-baroque style conservation 1983-1985	Today- public space	1959-63 adaptation 1964-today-art gallery 1983-lead cover
Today- shopping center	Administration/trade space	Art gallery
4 streets	2 streets	One street
4 enters	4 enters	2 enters (3 enters)

Fig.3. Chronology and conservation of historic buildings - bedestens

2. Bedestens with more height represent attractive spaces, thanks to the applied design, which achieves a significant visual impact. It is important not to disturb the spatial concept of authentic and recognizable appearance(Fig.3.).

3. Due to the historical conditions of their construction periods (15-16 century) and to repeated reconstructions in the 18th, 19th century (Skopje), the building has been transformed in terms of dimensions, by increasing or decreasing the useful area, based on conditions applied and the means of their construction (Fig.1).

4. Incertain changes to the architectural concept in repeated interventions of the bedestens in 19th and 20th century (Bitola) were observed changes of stylistic features of external decoration. It does not reduce

the attractiveness of external decoration (Bitola).

5. Interventions of preservation over the second half of the 20th century has been influenced the authenticity of space and structure, their structural and aesthetic solidity.To pay special attention of structural stability, consistency of architectural form and complete visual image recognition of the historical style of the bedestens (Fig.3).

6. The attitude of bedestens spatial concept to other historic buildings or historic cores are fostered through respect and adjust to the ambient concept of environment. The relationship of bedestens with the ambient (environment) is very important for its integration into the modern needs of the city (Fig.4).

7. Beside values of spatial and structural elements is achieved the effect of a harmonious geometric stile, transparency of forms, emphasized the symbolism of certain decorative elements, where the

traditional form is expressed by minimalism in decoration, where it receives harmonious aesthetics, which leads to high ambient achieved values (Fig.4.).



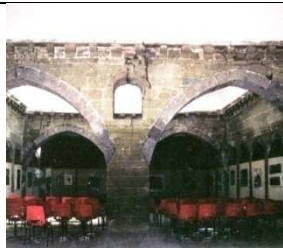
		
Bedesten, Bitola	Bedesten, Skopje	Bedesten, Shtip
Transformation with additional shops and corridors from outside	Transformation with additional shops in the middle of the building	No transformation of interior space
Flexible interior space	Flexible out space in the middle of complex	Open interior space
No interior decoration	No interior decoration	Minimal interior decoration
Simple geometric constructive forms- arch	Simple geometric constructive forms	Expressed constructive elements

Fig.4. The impact of the internal decoration on the values of the monument

4. Analysis of further measures

According to the analysis and methodology of research it is particularly important to determine the priority of factors that lead a certain course of action toward treating bedestens:

1. The essential characteristics of Ottoman buildings need to have authentic historical environment as a factor of guidelines for adaptation and use of their space. By choosing the location, the monument of its existence, gets some recognition of the location. The recognition of the place and its environment depends on the treatment of the monument in a new urban concept arise where relations monument surroundings are transformed and adapted to the contemporary needs. The success of the incorporation of historic buildings in the area is dependent on many factors of urban approach and attitude of the community towards the monument(Fig.5.).

2. Adjustments of space in order to meet the needs of the community while not compromising the protection of the authentic form of the building. Before any

work on the monument or the environment, it requires a study of the level of intervention envisaged (in terms of aesthetic form, decoration, interior design, etc.), which should not disrupt certain long-term policy (Fig.4).

3. Ambient environment has influence, but not mandatory, under the the successful of integration of facility-bedesten in the city core. Surrounding of the monument is a long process that depends on a number of factors in the urban development of the city (Fig.5).

4. The extent of conservation measures taken (an adaptation) affect at the successful of the integration of modern monument to the modern needs of the city. Despite realization of more renovations through the last period (15-19th centuries), recent conservation measures undertaken in the second half of the 20th century, the condition of the buildings is stable (Fig.3.).




		
Bedesten, Bitola	Bedesten, Skopje	Bedesten, Shtip
Near to the bazar	Core of the bazar	Surrounded with contemporary architecture
Center of the city	Center of bazar	Center of the city
Close to the old bazar	Into bazar	Into city center
Cultural monument	Cultural monument	Cultural monument
Urban position-independent	Incorporated in the old bazar structure	Historic monument in contemporary environment
Contemporary use	Contemporary use	Cultural use
successfully fitted into the environment	Incorporated in function of the bazar.	Individual building incorporated in cultural public life

Fig.5 The urban context of the bazaar as a factor of influence

Their need for constant monitoring and taking additional measures is always present and should be included in the annual and long-term municipal planning measures, in order to make their incorporation into modern cultural tourism (Fig.3.).

5. The care for the monument, its maintenance (construction, aesthetic look, adapting to the needs of the population and so on.) affect to enhance the development of cultural tourism at local and national level.

6. We need to develop a sufficient degree of identification of the population and tourists with historic buildings, so they differently affect in particular their affirmation. These facilities fall into the category of important historic buildings in the city, which should represent a solid base for the promotion of certain cultural value of the environment. It is necessary to assess and to take certain actions to implement the concepts of active cultural tourism (Fig.5.).

7. The level of change of the look and layout in different buildings with different extent does that affect the attractiveness. Major interventions are undertaken in a bedesten in Bitola in the 20th century, especially in the second half of the 20th

century, in Skopje bedesten with upgrading of the corridor in the middle. Does it affect the attractiveness of the building due to the large functional changes and application of modern materials, which are undermining broadly authenticity of the internal environment and the external appearance (Fig.3.).

Conclusion

Bedestens had a simple form, using poor construction technique, which to date have managed to maintain their role, based on a building and historic values within the bazaar. Although in certain historical periods, they were destroyed and re-built (Skopje) or stored in the original architectural form, the transformation did not affect their functional purpose, which as an area transformed from open space to space corridors with separately allocated spaces shops.

According to the analysis of factors influencing the urban context of the city, we can conclude that in addition to maintaining the historic buildings in terms of the architecture features, it requires constant adaptation to modern urban concept of the city and the changes that occur.

Within modern urbanism historic buildings in different ways tailored to contemporary standards of care and their treatment. Thus precautions should be taken into cultural history, economic, climatic, social, urban, tourism and other aspects of modern treatment of bedestens. It requires analysis of the real needs of local government or population to determine strategy towards implementation of methods for activation of historic buildings and space that allows them some useful function.

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MEANING OF THE TERMS AMNESTY AND PARDON IN THE MACEDONIAN CRIMINAL LAW

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Abstract: From ancient times and on, the amnesty and the pardon represent an act of grace, term of highest grace that provides the necessary safety valve of justice. It is expected from the amnesty and pardon to ensure that justice will become more humane despite the high inflexibility of the laws. It is expected to be taken into account the hesitation left after few verdicts, although all of the effective verdicts, in principle, are connected with the invincible legal assumption that they have been legitimate.

The purpose of this research is through some examples in the Macedonian law to achieve more detailed explanations i.e. analysis of the terms amnesty and pardon. At the beginning of this study are shown the definitions of amnesty and pardon, the review of the laws related to the amnesty and pardon in the Macedonian criminal law, and at the end with reference thereto to be presented the legal framework within our country, i.e. in the Macedonian criminal law and the ways which these terms can be realized in.

This study is an attempt to confirm that Macedonia will keep on fulfilling the international principles on human rights, and its obligations according to the international agreements, with the aim to protect and to promote the situation of its citizens.

Key words: *Amnesty, pardon, abolition, criminal law, president, claim.*

Introduction

The justification of the terms amnesty and pardon can be seen by many aspects. Namely, the justification can be found in some special national(political) interests, for e.g. one person to be caught „in flagranti“ in an espionage, and yet the state is not willing to compromise its good relations and collaboration with the country to which the spy belongs to by taking him

to court and serve the sentence. Furthermore, the justification of these legal terms can be found in the interest of the nation for e.g. when the character of the delinquent is associated with personal benefits from the past and is having great perspective in the future by his exceptional talent (music, sport activities, literature etc.) offering to the nation.

From the other side, the definition or the process of abolition, represents releasing of the perpetrator from legal prosecution by means of amnesty and pardon. The abolition means to disable the legal prosecution against the perpetrator of the criminal act or to disable its continuance if the process is already ongoing. The court takes decision for abolition to terminate the legal prosecution and if the defendant is in detention, he is to be released. The abolition can be granted in every stage of the criminal process as well as before this process up to the effectiveness of the court decision.

In some cases when due to changes in the social-economic or political circumstances in the country it becomes fully injustice, or even absurd, to insist on execution of certain effective verdicts (for e.g. here we can mention criminal acts being annulated in meantime).

Is there any sense to insist on execution of a decision referring to already annulated criminal acts for which the society itself has assessed that such acts do not endanger it.

Considering the changes in the society (economic and political), as well as in everyday life, we can conclude that the changes regarding the acceptance of amnesty and pardon are necessary.

2. Definition of amnesty and pardon

Amnesty and pardon consist of penalty cancelation for the perpetrator of the criminal act granted by the appropriate records brought into decision by the highest governmental bodies.¹ By an amnesty and pardon you can cancel the penalty being effective or release him from being prosecuted or punished. In the first case it means that there is amnesty, i.e. pardon in a narrower sense, while the later means amnesty or pardon in the wider sense of word or abolition.

Both the amnesty and the pardon are very old terms. They are known in the Roman law, as well as in the medieval law. For the justification of these two terms there were many opposite opinions. Especially they have been disputed by the representatives of the old-school. It has to be highlighted that these have been used throughout the history for a misuse, to disturb the justice execution based on the laws, to unreasonable favour any individual delinquents etc. These critics came from the medieval practice in using these facilities, i.e. terms, and this especially refers to pardon.

The fact that these terms have been misused in the past for political purposes, cannot deny their extraordinary useful part. There are numerous reasons to justify the social use of existing and application of these terms.²

First of all, there is a possibility in some cases that the court may take a bad decision based on a mistake presented in

some facts and circumstances or based on false statements, so the amnesty and pardon resulted as exceptionally corrective measures to remove these unjustly verdicts. Then, it is possible that due to economic and political changes, the criminal act may lose its social risk which makes it unjustly to punish the perpetrator for such act. In such cases the amnesty and the pardon are very good, i.e. appropriate measures to annulate the sentence and to stop from prosecution of the perpetrator of such acts.³

In some cases, it is necessary to grant pardon to certain people for the act they've taken because of the reasons such as humanity or due to social, national and political reasons. This is in case they have extraordinary credits for a certain social-political community. At the end, the amnesty and pardon present a special incentive for governance and for recovery of the convicts, as well as a special reward for their well behaviour.⁴

Apart from the pardon, the amnesty is an act that in form of a law is being brought by the Parliament, which grants to an undefined number of persons release from being prosecuted, full or partial release from execution of the penalty, replacing of the penalty with a more favourable one or annulation of the legal consequences from the verdict.

This definition sets the three basic elements of the amnesty:⁵ it is an act from the highest representative body; it refers to unlimited number of persons; and it consists of release from prosecution, partial or full execution of the penalty or annulation of the legal consequences from the verdict.

¹ Marjanovik Gorgi, Makedonsko krivichno pravo, opst del, Prosvetno delo, 1998, Skopje

² Kovalev M. i kolektiv avtorov, Ugolovnoe pravo, ossobenaja cast, NORMA, 2001, Moskva

³ Đurcevic, Z., Povijesni razvoj kaznenopravnog položaja pocinitelja s duševnimsmetnjama u Engleskoj, Zbornik PFZ, vol. 56, broj 2-3, 2006.

⁴ Bacic, F., Krivichno pravo, opci dio, Zagreb, 1980.

⁵ Ljubisa Jovanovik, Krivichno pravo, opst del, Naucna knjiga, Beograd, 1969

By the activation of the amnesty and pardon you annulate the penalty, but you don't suspend the safety measures nor the educative measures. This is because the safety measures and the educative measures have the purpose to a recovery and education of the convicted person who is granted amnesty or pardon. These can act on the prosecution sanctions only if they are given in a form of abolition, because then, due to the inability to press criminal charges, i.e. to terminate the criminal process, such measures cannot be sentenced.⁶ By an amnesty and by pardon you cannot annulate the verdict, nor you can annulate the criminal act, but you only do unconditional remission of the penalty with the effective verdict.

By granting pardon and amnesty, you don't affect the right of third parties to which the verdict is based on. Each injured person has the right to, respectfully of the amnesty i.e. pardon, ask for execution of additionally imposed damage. By an abolition there is no verdict for a criminal act, therefore, the question is, does this affect the third persons' rights, resulting from the executed criminal act. It is considered that neither in this case the third persons' rights can be affected, because these result from the criminal act which is a fact, so these can be achieved or realized without presence of any appropriate verdict.⁷

The amnesty and pardon can be used for criminal-political purposes, as well as for political purposes only. They present a political act of grace, and are brought by the high national bodies, by the Parliament and the Chief of State i.e. by the President. This means that the decision for amnesty and pardon of certain person or many persons is for a political nature (interest), and the benefit of its appliance is only to

those to whom this refers to. Also, after bigger war conflicts, such acts of amnesty and pardon are being brought as a pacification i.e. as an act of reconciliation between the two opponent parties.

That was the case with the amnesty of the former members of the Albanian National Army (ONA) after the conflict in 2001 in the Republic of Macedonia. It was adopted the Law on Amnesty which come into force on 8 March 2002. Therewith, it enables release from prosecution of, stop the criminal processes and fully release from being held in prison of persons for which there is a suspicion they've been involved in arranging or performing criminal acts related to the conflict in 2001. The Public prosecutor cannot file a claim against the decision by which the person is granted amnesty. By adoption of the interpretation of the cases „ONA's leadership“, „Neprosteni“, „Mavrovo's workers“ and „Lipkovodam“, which have been returned in Macedonia by the Court in Hague, stops the investigation and the court process.

This was a voluntary solution and an act of reconciliation in the time of ethnic and political confusion by showing a practice in which everyone in Republic of Macedonia saw a hope for a brighter future.

By the amnesty it was striven to solve or at least to mitigate certain social or political issues. So, politically motivated amnesty is commonly used after bigger incidents, riots and social conflicts aiming to set the social law and order. In such cases, the amnesty is an instrument of pacification.

⁶Đurčević, Z., *Povijesni razvoj kaznenopravnog položaja pocinitelja s duševnimsmetnjama u Engleskoj*, Zbornik PFZ, vol. 56, broj 2-3, 2006.

⁷Henigsberg, L., *Tumac zakonika o sudskom krivicnom postupku za Kraljevinu Srba, Hrvata i Slovenaca od 16. februara 1929*, Zagreb, 1930.

3. The term amnesty in Macedonian criminal law

The amnesty is brought in form of a Law, so it represents an universal act. Determination of people entitled to amnesty can be performed in several ways. So, in the act of amnesty it can consist of the criminal acts for which the perpetrators are being released from prosecution and punishment or serving the sentence fully or in part. Then, an amnesty can be granted by determination of the type and time of the sentence. For e.g. amnesty for all people serving a prison sentence of up to six months, or to all people serving a prison sentence up to ten years provided they have spent eight years in prison.⁸

Release from prosecution, in theory known under the term abolition, represents a special type of amnesty. The abolition disables commencement of the criminal process itself, or its continuance. In case of adoption of an act of abolition, the criminal process is being terminated, if such already started, the persons covered by the abolition are being released from detention or released free from jail. The abolition can be given in every stage of the process up to the effectiveness of the court decision. Its action is the highest, because there is no final verdict, so the perpetrator of the act doesn't suffer any legal consequences, nor the act for which abolition is granted can be taken as a ground to re-start the process.⁹

Therefore, the amnesty as such can mean fully or partially release from penalty:¹⁰ the full release from execution of the penalty covers every penalty, the main as well as the additional penalties. The partially release from execution of the penalty covers only some of the penalties or

can result with decrease of the penalty. By amnesty you can replace the sentence with a more favourable one. But the amnesty cannot change the unconditional sentence into probation, having in mind that the amnesty refers to an undefined number of cases, while the probation is given based on an assessment for each specific case. The amnesty can refer to annulation of the legal consequences from the verdict, so the persons obtain all the right which have been suspended by law.

3.1. Amnesty application in Republic of Macedonia

The Law on amnesty defines that the procedure, against the persons subject to a criminal process for which this law applies, shall be led under jurisdiction from the competent public prosecutor, i.e. the competent primary court or the persons to whom the amnesty refers to, i.e. person who can file a claim on behalf of the defendant.

According to the adopted interpretation, the article 1 of the Law on amnesty should be interpreted such as the amnesty shall apply to all perpetrators of criminal acts related to the conflict in 2001 including and up to 26 September 2001, except to persons committed criminal acts related to the conflict, against whom the International Tribunal commenced the process.¹¹ The cases „ONA's leadership“, „Neprosteni“, „Mavrovo's workers“ and „Lipkovo dam“ have been processed by the International Court of Justice in Hague, but these cases have been returned in 2008 under jurisdiction of the Macedonian courts. By adoption of the authentic interpretation of the Law on amnesty, the Parliament has decided in July 2011 to stop the criminal prosecution of the responsible persons, under suspicion for war crimes from 2001, for the four „Hague's cases“.

⁸Kambovski Vlado, Kazneno pravo, poseben del, Prosvetno delo 2003, Skopje, cit.delo 6

⁹Kurtovic, Š., Impeachment i politicka odgovornost, Studije i clanci iz opce povijesti prava i drzave 1962-2002, Zagreb, 2002.

¹⁰Kambovski Vlado, Problematikata na propustanjeto vo kaznenoto pravo, 1982, Skopje

¹¹<http://denesen.mk/web/?p=73095>

In Republic of Macedonia there is no trial for war crimes. The Law on amnesty, adopted in 2002, enabled the amnesty of all members of armed formations, which were under suspicion to commit criminal acts during the conflict including and up to 26 September 2001. According to this law, the amnesty doesn't refer to acts for which a process is being started in front of the MKSJ. On 19 July 2011, under initiative of the Albanian political parties (Democratic Party of Albanians – DPA and the Democratic Union for Integration – DUI) started the process of authentically interpretation of the Law on amnesty by the Parliament of the Republic of Macedonia. On the same day, this initiative was adopted by 63 votes “for” and 29 “against”, which practically terminated the prosecution justice for severe breach of the human rights during the armed conflict in Macedonia. The authentic interpretation of the Law on amnesty enabled the amnesty to apply to the suspects and to the defendants in the cases which MKSJ has previously returned to Republic of Macedonia for processing.

4. The term pardon in Macedonian criminal law

The pardon represents an act brought by the President of the Republic, or of the Parliament, an act through which to individual persons are granted release from prosecution, fully or partially release from serving the sentence, replace the sentence with a more favourable one or of cancelation i.e. annulment of all legal consequences from the verdict. The pardon consists of the following elements:¹² it is granted from the highest national bodies of the national authorities determined by law; it refers to certain number of designated persons being convicted; the content of the pardon consists of release from prosecution

or from serving the sentence, change of the sentence, or cancelation or annulations of the legal consequences resulting from the verdict.

The pardon refers to designated persons being convicted, meaning that in the act of pardon you can indicate only one person or you can indicate more persons with their first and last name, as well as with other personal details of the convicted persons i.e. of persons for which the adopted act of pardon refers to.¹³ The content of the pardon is totally the same as the content of the amnesty i.e. by pardon it can be granted abolition, full (complete) or partially release from execution of the penalty from the verdict, replace the sentence with a more favourable one i.e. shorter sentence and to annul (cancel) the legal consequences from the verdict.

4.1. Pardon application in Macedonian criminal law

The reasons for adoption of the Law on amendment and modification of the Law on pardon¹⁴, first of all, come from the weaknesses and gaps in the applicable law, which arise from its application in practice, the need to specify in details the norms of the appropriate issues as regulated by law, as well as from the more appropriate legal regulation of this matter. Furthermore, due to the urgent necessity of the process the law itself envisages the deadlines for treatment by the participants in the previous process, and also a terminological adjustment of specific names and definitions has been made.

According to the applicable Law on pardon, the President of the Republic of Macedonia may grant a pardon to a designated person the perpetrator criminal act as defined under the laws of Republic of Macedonia according to the provisions of the Criminal Code and the provisions of the Law.

¹²Kurtovic, A.: Pomilovanje u kaznenom pravosuđu (u povodu novoga Zakona o pomilovanju), Hrvatski ljetopis za kazneno pravo i praksu (Zagreb), vol. 10, br. 2, 2003.

¹³Marjanovik Gorgi, Makedonsko krivično pravo, opst del, Prosvetno delo, 1998, Skopje

¹⁴“Sluzben vesnik na RM”,br. 20/93

It is defined by Law the process of pardon, the possibility of an authorized type of people to submit an application for pardon, and to re-apply for a pardon after the deadline from the decision according to the previous application expires. The Law also regulates the obligation and the authorization of the court and the penitentiary to immediately conduct the so called pre-process for pardon, to send to the Ministry of Justice the preparatory information and documents in order the decision to be brought. The Minister of justice gives his proposal together with the completed documents for the decision to the President of the Republic of Macedonia.

4.4. Meaning of the pardon

The pardon as a term is significant for the executive government to monitor the court decisions, as well as to mitigate (decrease) and to annul i.e. to cancel such. Actually, the act of pardon has a function of a special legal norm which derogates the general legal norm. If by the act of pardon “in concreto” is decided for the use of the direct (automatic) appliance of the law (in case of legal consequences from the verdict for which it is not necessary nor possible to adopt some special judicial or any other legal act), by the act of pardon as such... „derogates“ the law itself i.e. the possibility of its specific appliance is excluded in that part referring to the specific legal consequence from the verdict.¹⁵

Furthermore, some authors consider the pardon as significant, because it removes the legal consequences from the verdict, i.e. the pardon releases all or some of the court sentences for the convict, or the perpetrator of the criminal act, but this doesn't suspend the verdict and the penalty, because as the authors indicate, this can be made by the Court of Appeals only.¹⁶ The formal integrity of the court decision cannot

be derogated by the act of pardon, but the pardon constrains the lawfully punishment of the perpetrator of the criminal act i.e. the pardon does not plea the convict innocent. The conclusion resulting from this is that the pardon doesn't annulate the court decision for the guilt of the person convicted for the committed criminal act.

The meaning of the pardon is that the pardon does not convert the court decision in the part referring to the penalty decision. Although the pardon represents a judicial act, this doesn't deny its influence on the judiciary.¹⁷ The act of pardon provides release from execution of the penalty, but it doesn't release from the sentence as such which is still going to be sentenced, but its integrity shall not be affected. Furthermore, Geerds highlights the importance of the pardon, because it presents a legal obstacle in execution of the effective verdict.¹⁸ The opposite opinion has Frank, who claims that the pardon may fully annulate the penalty.¹⁹

The pardon is important as a legal term for penalization, because it has a powerful legal influence. The act of pardon is “de facto” stronger than the verdict and derogates such. Therefore, the act of pardon represents a powerful tool of the executive government, and in the English-saxon legislation this is a basic term to perform “cheks and balances” of the executive government in the system of interconnected control of the separated powers.

In general, the act of grace is based on the protection of the social interest. These are legal instruments which grant grace to convicts unable to obtain it in another way. The amnesty and the pardon are very important political tools for the benefit of the state for de-penalization which in certain political moments exceed the interest of the state for penalization.

¹⁵Pihler, S., Prilog o raspravi o pomilovanju, Pravni život, br. 6-7, 1987

¹⁶Rassat, Michèle-Laure, Droit pénal, Presses Universitaires de France, Paris, 1987

¹⁷Geerds, F., Gnade, Recht und Kriminal politik, J.C.B. Mohr & Paul Siebeck, Tübingen, 1960.

¹⁸Geerds, F., Gnade, Recht und Kriminal politik, J.C.B. Mohr & Paul Siebeck, Tübingen, 1960.

¹⁹Frank, S., Teorija kaznenog prava, Zagreb, 1955.

The pardon is significant, because it has more functions in the legislation of almost every state. The pardon may have the function to correct the judicial mistakes. In case of failure of the criminal law due to its system of generality, or universality, the pardon may have the function for righteous and to improve the imperfection and the rigidity of the criminal law.²⁰

Of course, in some individual cases of pardon, it serves as a powerful instrument for resocialization and rehabilitation of the convicts, which is one of the most important functions of the pardon, but here it is often confused with the probation. Finally, one of the most important functions of the act of pardon is its contribution to the national-political purposes. The pardon (as well as the amnesty) is often granted under certain political moments and conditions in order to pacify the state and the society. According to some authors, the pardon in some of the countries has the function to mitigate the penalization policy, and it is obvious that the mitigation i.e. decrease of the penalty depends directly from the time length of the sentence, or penalty.

5.1. Appliance of the term amnesty in Macedonian criminal law

Besides in Republic of Macedonia, the other post-Yugoslavian states also conduct war crime trials for the armed conflicts from January 1991 up to June 1999. It is characteristic for all trials that they last too long. Macedonia has adopted the Criminal Code in 1996, which regulates the war crimes. The Special judicial department for acts of organized crime and corruption within the Primary Court Skopje 1²¹ is in charge to process the war crimes. The Supreme Court and the Court of Appeal of the Republic of Macedonia are in charge for the secondary decision. The

Primary Court Skopje 1 is also in charge for the processes under jurisdiction of the International crime court for the former Yugoslavia (MKSJ).²² The Primary Court Skopje 1 has special equipment and access to a courtroom fulfilling the highest technical standards. 11 judges and 24 civil officers are in charge for the cases against war crime, organized crime and corruption.²³ There are no employees in the judiciary especially in charge for war crime.

The Special department for tracking and revealing of criminal activities within the Primary Public Prosecution Service, in charge of organized crime and corruption, has the ingerence to investigate and prosecute the war crime. The prosecution has its seat in Skopje, and has the jurisdiction all over Macedonia.²⁴ 11 prosecutors in total, who are also responsible for the cases against organized crime and corruption, have proceeded the cases upon charges against war crime.

Following the signing of the Ohrid Framework Agreement on 13 August 2001, which officially ended the armed conflict, four war crime processes have been imposed during 2002.²⁵ All of the processes from the prosecution were against the members of the Albanian National Army (ONA).

In September 2002, the prosecution of MKSJ took the jurisdiction to process the four cases. Three years later the MKSJ stopped the investigation for the four cases against the members of ONA, and returned these in February 2008 to be processed in front of the Macedonian judiciary.

²⁰Bacic, F., *Krivicno pravo, opci dio*, Informator, Zagreb, 1980

²¹ Zakon za izmeni i dopolnuvanja na zakonot za sudovi, clen 2. Sluzben vesnik na Republika Makedonija br. 35/2008.

²²Zakon za sorabotka na Republika Makedonija I Megunarodniot krivicen sud za poranesna Jugoslavija (MKSJ), clen 26. stav 2, Sluzben vesnik na Republika Makedonija, br. 73/2007

²³http://osskopje1.mk/cms/FCKEditor_Upload/File/WVr/osm.html.

²⁴Zakon za javno обвинitelstvo, Sluzben vesnik na R. Makedonija br. 150, 12.12.2007. clen 15, stav 2.

²⁵Fond za humanitarno pravo, BIRN I Dokumenta, Tranziciskata Pravda vo postjugoslovenskite zemji: Izvestaj za 2009. godina, str.17

The Head prosecutor of MKSJ then, Carla Del Ponte, declared that the Tribunal had no other choice, because the Safety Council of UN required all investigation processes to be finished until the end of 2007. The returned cases were first translated from English and Macedonian into Albanian language, and then the Ministry of justice has submitted these cases to the Prosecution Service (June/July 2008). The Primary Public Prosecution Service, following the procedure and recording of the cases, has forwarded the materials to the Department for investigation of the Primary Court Skopje 1. At the end, by adopting the authentic interpretation of the Law on amnesty in July 2011, the legal process stopped for all four cases.

5.1.1. Amnesty of war crime

On 19 July 2011, in the Parliament of the Republic of Macedonia, under initiative of the Albanian political parties (Democratic Party of Albanians – DPA and the Democratic Union for Integration – DUI) started the process for the majority support of the request for authentically interpretation of the Law on amnesty. On the same day, this initiative was adopted by 63 votes “for” and 29 “against”, which practically terminated all judicial actions and search for prosecution justice for severe breach of the human rights during the armed conflict in Macedonia.²⁶

The Law on amnesty was adopted in 2002, seven months after signing of the Ohrid Framework Agreement, which enabled the amnesty of members of armed formations, which were under suspicion that have committed criminal acts during the conflict including and up to 26 September 2001.²⁷ According to this law, the amnesty doesn't refer to defendants

against whom a process is being started in front of the MKSJ. In 2009 DPA submitted a request to the Government of the Republic of Macedonia for an authentic interpretation of the Law on amnesty, but the Government did not accept this proposal at that moment.²⁸ The same request was submitted by DUI in 2011 and received a positive answer, at first from the Government, and then in the Parliament.

The authentic interpretation of the Law on amnesty provided the amnesty to be applied also to the defendants for the cases, which the MKSJ have returned to Macedonia for processing. Amnesty International has criticized this interpretation and appliance of the Law on amnesty as a breach of the international humanitarian right. The right of the victim to know the truth and the right of justice to be satisfied cannot be subject to a political agreement, and the missing persons' relatives have the right to know the truth for their nearest and dearest.²⁹

5.2. Appliance of the term pardon in Macedonian criminal law

In this part, we can show some examples of appliance of the term pardon in the Macedonian criminal law. The President usually grants pardon i.e. decisions for pardon to the prisoners few times a year, for e.g. New Year, 2 August and the Independence day 8 September.

As one of the examples that shall be taken is the decision brought by the President of the Republic of Macedonia, Djordje Ivanov, when on the occasion of New Year 2013, granted pardon to 51 convicts in total.

²⁶Stenografski beleski od cetvrtata sednica na Sobranieto na R.Makedonija, 19.juli. 2011.godina, str. 53.

²⁷Zakon za amnestija, clen 1 Sluzben vesnik na R.Makedonija, br 18/2002.

²⁸Stenografski beleski od cetvrtata sednica na Sobranieto na R.Makedonija, 19.juli. 2011.godina, str. 3.

²⁹Amnesty International, “Macedonia Time to deliver justice to the victims of war crimes “ , PR 1 September 2011 <http://www.amnesty.org/en/for-media/press-releases/macedonija-time-deliver-justice-viktims-war-crimes-2011-09-01>

The President of the Republic of Macedonia, Djordje Ivanov, then, has granted pardon to 10 persons that were released from serving their prison sentence in full, and to 41 persons in part. It is an interesting statistical data that the President Djordje Ivanov has reached the record of persons to whom a pardon was granted before the national holiday on 2 August in 2011. By the decision of his cabinet the pardon was granted to 85 convicts, 19 of which in full, and 66 in part - by decreasing the prison sentence.³⁰ Upon proposal of the Committee on pardon, working within the Presidential cabinet, Ivanov has decided in 2010 on the occasion of 2 August to grant pardon to 59 convicts, and the year before 61. This means that within three years of governing, the Chief of State has granted pardon to 205 convicts in total for Ilinden. According to the data found in the archive of the „Official Gazette“, this is the highest number of convicts, released from prison sentence, by any President of the independent Macedonia.

The record of Ivanov's predecessor, Crvenkovski, is 68 persons to whom the pardon was granted for Ilinden in 2008 or 202 persons in total during his five-year mandate as a Chief of State. Boris Trajkovski, on the other hand, was more rigorous. During his four years of acting the function President, has granted pardon for Ilinden for 75 convicts in total, which is less than Ivanov has granted pardon within one year only. From the data available for the six-year mandate of Gligorov, it is obvious that in 1992 he was as close to the number that Ivanov has reached in 2011. Eleven years ago, the first President of Macedonia has granted pardon to 74 persons in full, or in part, on 2 August, but in the other years the number of pardon granted has exceeded twenty only once. Or for the two mandates, according to the informations available, he has granted pardon to 156 convicts in total.

How to reach the grace of the President?

There are two ways for a convicted person to reach the grace of the President, who can decrease his sentence. The first one is by a claim written to the Special committee on pardon within the Presidential cabinet. The appeal for pardon in full or in part is submitted by the prisoner himself, or by his closest relatives. The appeal for pardon can be asked by the Ministry of justice as well. The members of the Committee shall review the requests case by case and shall compose a list of convicts to whom they consider it is necessary a pardon to be granted and to what extent: in full or in part and what would the decrease of the sentence might be. The first opinion, which is not compulsory for the Presidential committee, for all requests sent to the Committee has to come from the competent Ministry. The Law on pardon lists all of the criteria that have to be considered when the Committee decides to which convict the pardon shall be granted.

The second way to grant a pardon is the so called granting pardon to a group, which is made by the President, on the occasion of determined national holidays or on special occasions. This type of pardon has the patriotic role, in general, and it represents a sign of forgiveness. It also has the educational role showing that the state has the grace even for the perpetrators of criminal acts, if the convicts prove to have changed their behaviour to a better one. This type of pardon is usually granted in Macedonia for 2 August, New Year and for 8 September.

In this case the pardon is not requested by a claim, but it comes upon proposal from the penitentiary in which the convict is serving the sentence, and which based on the behaviour of the prisoners assessed that the prisoner is ready for resocialization. In this case the prison, by granting pardon, sees an opportunity to stimulate this positive mission, but also to serve as an education to the rest of them committed a criminal act.

³⁰<http://www.novamakedonija.com.mk/NewsDetail.asp?vest=811187497&id=9&setIzdanie>

Controversial act of pardon

When it comes to on pardon, abolition (specific act of pardon to a specific person even during the process of investigation) and amnesty (fully release of criminal responsibility for specific criminal acts, or under specific circumstances), whose at the end result release from penalty for the criminal act committed in Macedonia, were followed by few controversial cases.

So, in the first act of grace of the President Ivanov when he granted a pardon to a group for Ilinden 2009, one of the persons who were granted a pardon was the former director of the Electro economies in Macedonia, to whom 10 months of the prison sentence, serving in „Idrizovo“, was decreased. Afterwards, the act of pardon was withdrawn. The President has apologized to the Macedonian citizens explaining that he had no intention to grant pardon to him and that he had made a technical mistake, after which a new decision for granting a pardon to a group was published in the „Official Gazette“. The lawyers had separate opinions whether an act of pardon can be withdrawn or not.

The controversial act of pardon is drawing the public's attention mostly when the President is granting pardon to members of his party. Therefore, with exemptions, in the legislature it has been suspended the possibility to the President of the State to bring alone the Oblivion Act, without performing the process for granting a pardon by law, referring to that this act is for the benefit of the republic i.e. there are special circumstances related to the person and to the criminal act, showing it is justified.

Also, due to the great number of convicts, being granted a pardon by the President, for elections' fraud and violence at the day of elections, the legislature has limited the possibility to the Chief of State to grant a pardon for such criminal acts.

It is hard to forgive to the convicts

If we compare Macedonia to the other Balkan's states in the practice of granting a pardon, it comes out that Macedonian presidents are more rigid, not just in view of the number of convicts being granted a pardon, but also in the extent of decrease of the sentence. On average, we release convicts who are having less than one year prison sentence or the sentence can be decreased from six to one year. In the other states, granting a pardon mean decrease of the sentence even for four-five years.

The most rigorous is the French president Nicolas Sarkozy who, few years ago, refuse to continue the tradition established by his predecessors Jacques Chirac and François Mitterrand who were granting pardon to a mass groups for the Bastille's day many years, and on the other hand, this was an attempt to decrease the number of prisoners in the overcrowded penitentiaries. In France there are ca. 60.000 prisoners, on average this presidential measure is affecting to ca. 3.500 prisoners per year.

Conclusion

According to the above in this study, it can be concluded that the amnesty and the act of pardon represent act of grace by the highest governmental bodies, which by applying it can release the convicts form the sentence or can replace it with a more favourable one. Besides, the amnesty and the act of pardon can cover a release from prosecution i.e. inability to start or impose criminal charges, which is actually an abolition. The amnesty and the act of pardon are almost similar legal terms, but still there are big differences between them. By granting a pardon and amnesty comes a conflict of the idea of the law with the other ideas, such as political, ethical or religious. Through the mercy in the world of law are being introduced the valuable areas in the law, the grace as a religious value and the patience as an ethical value.

The amnesty and the act of pardon are as old as the sources of civilized society, therefore, it is no wonder the both terms are well known in almost every legal system today. Many authors agree that both terms have a strong legal influence, because they are above the verdict, while the abolition is actually even above the law itself. By granting a pardon mercy enters the law, but it is raising high above the law.

The purpose of this study was to show the appliance of the term pardon in the Republic of Macedonia, as well as the appliance of the amnesty, and to note the specific issues refer to these terms. For the future, in order to avoid controversial cases of granting a pardon abolition and amnesty, which at the end result with release from penalty for criminal act committed, it is necessary to pay special attention when deciding whether abolition, pardon or amnesty shall be granted to a person or not. Before communicating the decision for granting a pardon or amnesty for certain person, or persons, it is necessary to review it several times in order to be in accordance to the applicable regulation.

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CONCEPT OF A JOINT STOCK COMPANY

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Abstract: Companies are classified in two separate groups. One is the so-called personal type of companies, the other is the capital type.

Companies of capital are those whose essence is joining of capital.

Unlike companies of capital, where for the work of the company it is important to raise capital from various sources, regardless of the fact who the persons giving it are, the personal type of companies *are based on persons who* make up that company.

Out of the companies provided by the laws on companies only two are pure types of companies of capital, i.e. companies of persons without any qualities that are attributed to the other type of companies. **A joint stock company has**, solely, the characteristics of a company of capital. The prototype of a personal company type is the **public trade company**.

A company is, in fact, a union of those persons. *In the company of persons* each partner agrees to participate in the company, valuing the personality of the other stakeholders (*intuitively person*).

Key words: *persons, capital, stock, equity, principal, dividend*

Before going into explaining the concept of a joint-stock company, we must become familiar with the notions of shareholder, shares, stake in the company, capital assets and dividend.

1. **A shareholder** owns one or more shares and is not responsible for the obligations of the joint-stock company and of the limited partnership joint stock company. A shareholder is a person who invests in a joint-stock company, and the rights and obligations acquired by the shareholder

on the basis of the stake in the capital assets are his share in the company for which he gets shares;

2. **A share** is a security (which may be issued by a joint stock company or a limited partnership joint stock company) in which a part of the capital assets is presented and which embodies the rights of the shareholder who, as the owner of the share, is neither a creditor of the company nor the owner of a part of the company's property. A share is an ownership security which is a proof of ownership of an ideal part of the company's capital.
3. **Investment in a company** is money, property, rights which the partner or shareholder assigns and transfers to the company in the process of establishment or in the process of increasing the company's capital or labor and services where this law is allowed;
4. **Capital assets** is the total amount of all contributions of members or shareholders, where the amount of the capital assets is equal to the sum of the nominal value of all investments, i.e. to the nominal value of all shares of the joint stock company;
5. **Dividend** is the part of the company's profit which is distributed to the members or shareholders of the company in accordance with the rights set out in shares, or in every type and class of shares.

Joint stock companies were created in time of colonialism and the industrial revolution, first in practice and consequently they were governed by regulations. Modern joint-stock companies were created in the 19th century in the field of mining, railway and industry. Investing in these areas could not be imagined without such a manner of raising capital and limiting risk. Respective companies in the Netherlands and France that needed a lot of money for their overseas trade had a major role in the development of companies.

The advantage of this form of association is very clear for its members. The person who does not have enough money to establish a company (firm) or the one who finds it difficult to engage his whole property, would more easily decide to take a lower risk of loss in investing in a joint stock company. That form of association is good for those who have a considerable sum of money, because they are given the opportunity to buy a larger number of shares and have the main say in the company. According to a western author (Samuelson) *"corporation is the perfect way to get a large amount of capital that does not need to be returned, which does not threaten the entire property of the owner, which allows managing work and can result in higher income than that received from interest and which ultimately gives the opportunity to every individual, to regain his investment in nominal or increased value at any time. Only in the case when a shareholder invests in bad company he may suffer a loss, but this is solely a consequence of his poor judgment"*.

Determining the notion of a joint stock company, i.e. its definition is very difficult because this creation is quite complicated. It is difficult to formulate a definition that on one hand would contain nothing redundant, and on the other hand would be completely exhaustive, since it is not possible to cover all the characteristics of a

company with one definition. Such an attempt was made in the Company Law in the SFRY in 1988., in article 85, but rather unsuccessfully, according to which: *"A Joint Stock Company is a company is a company that gets funds for establishment and operation by issuing shares."*

Almost all laws on trade companies are more or less similar in determining the notion of a joint-stock company, or, more specifically, they are very close to the definition of such a company in the laws of Western countries. These, as a rule, start from the fact that it is a company which has capital assets divided into shares and the persons participating in it with one or more shares are not liable for the liabilities of the company, but the company is liable for its obligations with its property. Some definitions (as in the French Trade Companies Law) mention the risk in case of loss of the company, which risk is limited to losing only one what is invested in the company (up to the amount of their investments).

The basic defining elements of the concept joint stock company are as follows:

1. A Joint Stock Company, as a legal entity has certain capital assets which is expressed in money.
2. The capital assets are divided into equal parts (shares).
3. Any person - shareholder participates with one or more shares, so with the payment for these shares the basic capital is being created.
4. The obligations of the joint stock company are secured with all the assets of the company. The duty of the participants in the creation of the company boils down to paying for the taken share. Shareholders are not responsible for liabilities of the company to third parties.

Only the company is liable to these, with all its assets.¹

A joint stock company, as an association of owners (shareholders), is a separate legal entity. Given that the joint stock company is a legal entity separate from shareholders, it has its own property, creates profit, can borrow, can sue and be sued, etc.²

A characteristic of the management in a joint stock company is that it has the structure of authorities aimed at achieving ownership position in the company, because its management is based on the funds invested in the company.

The basic division of authorities in a joint stock company (hereinafter: company) is made based on ownership and functional basis. Ownership is the basis for inclusion in the company's management

¹ A corporation, which under US law equals with a joint stock company and which is a creation of the law and of a founding act, consists of shareholders as creditors (owners) of the corporation operations and its board of directors who are appointed by the shareholders for running the company. Board of Directors, in turn, employs agents (clerks and other employees at lower positions) to oversee the execution of daily operations of work - the activity of the company.

The corporation is in fact a capitalistic company that belongs to a larger number of owners (joint stock company).

The place and meaning of shareholding in the world is confirmed by the fact that only the ATT corporation (American Telephone and Telegraph Corporation) has over 3 million shareholders. The prevalence of shareholding relations can lead to the separation of ownership from management. Studies show that in one giant corporation people of all positions that manage it own only about 3% of the total shares. Is it not a new way of socialization of society and relationships in it, a socialization which was mentioned in the official socialist doctrine, in a different way. Is this not about some kind of a more social capital about which young theoreticians of Marxism speak?

² Of all types of trade companies, only a joint stock company, under the Company Law, must have a statute. The joint stock company has its own firm. The firm contains the line of business of the company, after which the words "joint stock company" or the abbreviation "AD" should stand.

and the function of the economic entity (a legal entity that was created by merging capital of several entities) is the criterion for establishing company authorities and delimitation of their competences.

The very nature of the company's capital means that the highest hierarchical authority is the one involving the owners of investment. But it cannot be said that they are the most important authority in terms of company's operation. The internal organization of a company rests on the body where the owners operate (assembly of the company) and all other bodies, whether directly or indirectly, are the product of the authority they are appointed by or they are appointed by a body appointed by the owners. A body in which the owners of the assets with which the company is created participate, often called company assembly, delegates the performance of all the vital functions of the company to appropriate authorities, in order to operate appropriately.

Bodies in a company are: **assembly, management and supervisory board**. Stereotypically, the division of functions between the three authorities is determined in this manner: the assembly is a body in which the will of the company is created and it involves the owners of the invested funds - shareholders or persons authorized by them; management is an executive body and represents the top management which manages the company; and supervision is entrusted to the supervisory authority.

Joint stock company assembly is the hierarchically highest organ of a company because it represents the will of all members. However, the relation of the assembly to the other organs of the company is not reduced to a general formula of superiority and subordination.

The management pyramid in a Joint Stock Company is in a manner similar to the division of powers in a political system of a country into three known segments:

legislative, executive and judicial powers, where each segment is independent and autonomous in decision-making within its scope authorizations. But that independence is only seeming because each segment is controlled by the other two segments, so that it is forced to take account of that fact in the performance of its powers. In terms of management (managing structure), managers, shareholders, and employees in the company, the pyramid of powers is observed as a pyramid of delegated powers. Implementation of these powers among the segments of the pyramid is frequently interwoven. Managing (corporate) powers mean statutory powers to manage the operations of the company. These powers can be generally divided into: explicit and implicit powers. Explicit powers are powers determined in the legal regulation and by the company's statute, as well as with other documents of the company. Implicit authorizations are those which are implied and are necessary for carrying out the explicit powers and objectives.

The system of managing a company (management) under the Company Law can be: 1. **One-leveled** (board of directors) or 2. **Two-leveled system** (management board and supervisory board), depending on which model is chosen by the owners of the capital - shareholders. The company itself, i.e. the shareholders in the company, chooses the system of management. During its operation a joint stock company can, if it finds it necessary, change the system of management of the company, i.e. if a one-level system was used it can replace it with a two-level system and vice versa. The changing of the system of managing can become effective with changes in the statute of the company.

CONCLUSION

The division of companies into personal companies – companies of persons and companies of capital is not always possible in an ideal and pure form, even when we talk about a joint stock company as a pure type of company of capital or a public company as a prototype of a company of persons.

The only indisputable and undeniable element that provides a solid basis for the division of trade companies into the elaborated types is the difference in the company's liability to third parties (creditors).

When we talk about a joint stock company, the starting point is the fact that it is a company having capital assets divided into shares and that persons participating in it with one or more shares, are not liable for the company's obligations, but the company is liable for the obligations with its own property.

It was emphasized that the system of managing a company can be a: 1. **One-leveled** (board of directors) or 2. **Two-leveled system** (managing board and supervisory board), depending on which model is chosen by the capital owners - shareholders. In Scandinavian countries there is a three-leveled management system, which means a combination of both systems.

The change of the management system can be effected by changes to company statute.

The main function of the managing board members and executive members of the board of directors, i.e. top management is the **managing function** and **representation** of the company.

Or, they have a managerial function (in the broadest sense), which means;

1. Running company's affairs, which includes regulation of relations within the company (management).
2. Execution of the decisions made in the company concerning third parties, or the establishment of relationships with third parties (representation).

Managing refers to internal relations in the company, while representation refers to relationships of the company with third parties.

Managing or management actually represents a diverse, versatile and multifaceted activity, requiring expertise at the points of connection, expression and *integration* of interests in the decision-making.

The wider meaning of the phrase *company management* incorporates advocacy. Representation means an activity with which the authorized person of the company in the name and on behalf of the company establishes relationships with third parties. A company as a legal entity may acquire rights, but it cannot personally exercise such rights; in the name of the company such rights may be exercised by the organs of the company, which, understandably, can only be natural persons.

Such meaning of the phrase management of a company is characteristic for all the legislations of the so called Roman legal circle.

Although there is a distinction between managing and representation of the company, they are not considered separate functions with separate carriers, but two layers in the notion management of company.

The narrower meaning of the phrase management of a company covers only managing, i.e. only the regulation of internal relations and the conduct of affairs of the company. This meaning is inherent

in the legislation of the so called German legal circle. According to this understanding, managing and representation are treated as respective and separate and features.

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LOGISTICS SUPPORT AS EFFICIENT BUSINESS AND TRANSPORT

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Abstract: Overcoming physical barriers between buyers and sellers, when the delivery of the goods in question or of passengers when it comes to passenger traffic, is the main task of logistics, practices and skills. When it concerned modern trends clearly we can say that the future has already begun. In this paper, we will point to a growing, you might say revolutionary developments in the field of passenger traffic - crossing the 1000 km in 10 minutes is no longer a figment of the imagination of talented and imaginative writers of science fiction. This is already a reality that should be expected as a mass phenomenon in the coming short-term period. When Serbia is concerned, progress is evident in logistics - as confirmed by and large, do not now recorded infrastructure projects to be implemented no later than the end of 2020.

Keywords: *logistics, transport, development*

INTRODUCTION

Here come the better logistics in Serbia - in anticipation of major infrastructure projects, intelligent transport systems and stronger capacity of private operators. For great progress in logistics in Serbia indicates the latest report of the European Commission.

The European Commission's annual progress report for 2016,¹ Serbia best assessed in the harmonization of regulations in the field of transport, in all its forms, ranging from road, aviation, rail and water. Especially a great progress has been made

in the field of railway reform and the reform of the railway undertakings - in terms of opening the railway market, harmonization of legislation in all areas of transport, as well as the progress made in the field of investigation of accidents.

The European Commission notes that the legal framework in the field of road transport is largely adapted to the European. In the application of the harmonized regulations for the transport of dangerous goods, harmonized legislation for road freight and passenger transport, all of which allows access to the market by national and international actors. The EC considers that the further adjustment needed in the field of licensing for transport.

When it comes to water transport, Serbia has also achieved a high level of harmonization of legislation with European laws. Information system on the rivers is operational, complies with the system in EU countries.

The air traffic has been progress in the implementation of the first transitional phase of the Multilateral Agreement on European Common Aviation Area (ECAA).

Of course, the European Commission recommended that in the forthcoming period Serbia should work more on the introduction of intelligent transport systems.

¹ <http://www.seio.gov.rs/dokumenta/eu-dokumenta.211.html> (pristup 12.12.2016)

1. THE NEW "SILK ROAD"

If Serbia is found in the new "Silk Road", our country has a great chance to become a serious regional trade and transport hub.

In addition to the construction of railroads, another group of preconditions does not require too large investments, and it is mainly related to the efficient organization of rail transport, the quality of transport services, track shipments and the car in real time, a market aspect of the business, developing and nurturing relationships with customers, greater speed, flexibility and elasticity on the market. The introduction route and line trains on major transport routes, particularly to the leading seaports in the region, can the largely to increase the participation of railway transport. If these conditions are not met, our infrastructure, if built, will mainly serve transit flows on the "New Silk Road", and our economy once again will have the necessary support in rail transport. You need to be in Serbia develop logistics centers, freight terminals and intermodal transport systems through which it will be our economy and our market is linked to the European transport network and maritime ports in the Adriatic, Aegean and Black Sea.

National Association of Transport and Logistics emphasizes the lack of adequate staff, lack of favorable loans for investment, increasing competition, an under-developed distribution network, legal restrictions, and limitations in the interpretation and application of regulations.

Domestic logistics companies are facing tough competition imposed by the world and European leading logistics providers.

Both in terms of demands, technology, labor, so and with the commercial aspect of business conditions. After the major crisis that is felt in our country starting from 2008, all business

factors have dedicated a large part of its activities, reduce logistics costs. This trend is still present with the prospect of further price cuts. In order to sustain in the market, domestic companies remains to be additional investment and process optimization choices for increasing market share.

The solution of these problems can be seen in two ways:

One is introduction line of the joint operation of professional, vocational and Comorian associations with the requirements of simplification of procedures and processes with regulatory authorities.

The second direction is very fast operation of economic entities to streamline the rationalization of work, uniting in joint projects, joint performance of banks and other financial institutions, enabling the development of its staff and the development of new IT technologies, as well as the specialization for certain tasks and procedures.

Among other things, the problem is visible in the fierce competition in the logistics companies are still weak economic activity. Great offer logistics and transport companies and relatively small volume flows of imports and exports with us, unfair competition and lobbying access to the market, often forcing companies to provide services and do business on the border economy. This results in a lower level of quality of service and inadequate development of logistics solutions and services.

In order to respond to requests for such lower prices of services and to fight for their own profit, logistics companies need to rationalize their own business, to introduce modern IT solutions and to prepare for changes in the economy that are already coming with us.

For example, earlier they were dominant mass loads and larger amounts of supplies of goods in international flows, while importers and exporters now require smaller and more frequent deliveries of the lot.

They tend to avoid large stocks and reduce the cost of storage of goods, but also the possible negative consequences that may arise due to uncertain demand and unreliable.

It is necessary to point out the growing need for logistics in the online store. The rapid development of online sales, logistics poses new challenges. Looking futuristic, online product sales will change the role and structure of the traditional trade. The time is when producers and consumers can be found in the electronic market and do a sales transaction, without the city traders as intermediaries.

It can be heard that the classic trade disappear over time, it will be sufficient producer, consumer and Logistics, which will implement the distribution of products - from the production site to the place of consumption.

2. THE DISCREPANCY BETWEEN IMPORTS AND EXPORTS PROBLEM FOR LOGISTICIAN

Serbia from January to October 2016, exported goods worth EUR 11.07 billion, which is 10.1% more than in the same period last year, and imported goods worth EUR 14.24 billion, or 5.1% more on an annual basis. As stated Republic Statistical Office, the total foreign trade of Serbia reached in 10 months of this year, 25.31 billion EUR, which is 7.2% more than in the same period of 2015.²

The coverage of imports by exports increased from last year's 74.3% to 77.8% in the observed ten-month period. Increase the volume of trade with the world is growing and demand for transport services, which generally can be influenced to reduce their price.

It is known that the prices of transport and logistics services mainly formed on the basis of supply and demand in the market. However, they do not depend only on the volume of import and export flows, but also on the size and structure of the individual delivery of the goods, relations and distances of transportation and a number of other factors. So, for example, had previously been charged with the dominant mass and larger amounts of supplies of goods in international flows, while importers and exporters now require smaller and more frequent deliveries of the lot. He said that companies in this way they want to avoid large supplies and to reduce the cost of storage of goods, but also the possible negative consequences that may arise due to uncertain demand and unreliable.

With this approach, transport and logistics companies have the problem of optimal utilization of cargo and transport capacity, which certainly affects the economy of operations and the price of services. Logistics and freight forwarding companies do consolidation of cargo flows on major transport routes and logistics networks in order to meet the requirements and expectations on the one hand, and organize efficient and economic trends on the other.

Another issue is the asymmetry of import and export cargo flows on certain transport routes, making it difficult to introduce regular liner transport in all modes of transport, which are generally lower prices. In fact, there are routes with a very large volume of export flows and with very low import flows, and are stated problem use reverse trip, economy and price of transport services.

² Republika Srbija Republički zavod za statistiku
ISSN 0353-9555 SAOPŠTENJE PS10 broj 326 –
god. LXVI, 05.12.2016. Statistika poslovanja
preduzeća
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2.1. Many share of transport costs in the price of the product

In October 2016, Serbia exported goods worth EUR 1.14 billion, an increase of 9.2% compared to the same month of 2015. Imports amounted to EUR 1.49 billion, an increase of 0.7% than in October last year.³

The total export value of the 15 largest domestic exporters was in the period from January to October of 3.2 billion EUR, a Chrysler company Fiat Automobiles Serbia (FCA) still holds the first place, the Ministry of Finance. FCA has made exports worth EUR 929.8 million. In second place is a company with export Hesteel "severe" EUR 280.2 million, and the third is Pirot Tigar whose exports 267.5 million. In fourth place, the tobacco industry Philip Morris (EUR 188.5 million), while the fifth is the Oil Industry of Serbia (NIS), which is placed on the foreign market products worth 187.7 million euros.⁴

The increase in foreign trade turnover in both directions certainly means increased workload for all companies engaged in logistics services. It also means to increase competition, and thus continue to lower prices of services. Currently prices are somewhat higher, because the end is near, when, as a rule, the increased demand.

With regard to the asymmetry of imports and exports, this inequality also produces asymmetric demand and increase in prices of services in imports.

Statistically, in the inland transport sector, the increased demand for services exports in overseas transport in imports. The situation is similar in air transport, because it is necessary to do before the Christmas holidays the delivery of the contracted goods. Increased imports of goods, primarily commercial or consumer goods, leading to an increase in demand,

both for storage services, as well as for domestic distribution. "Our goal is to achieve ideal distribution and services and the provision of logistics services - 100% of the recommended portfolio (goods and services) 100% quality, 100% of the buildings during the 100% of the time. Focus on quality of service, organization, knowledge of the local market, as well as good regional integration of the Western Balkans and better knowledge of the market ... are the attributes that set us apart in the competition."⁵

The lower limit of the price of logistics services companies determine the costs that must be covered, and the upper limit on the market or supply and demand. Where will the price is found between these two figures depends on the business policy of each company. Costs, or the price of logistics and transport, have a lot of participation in the product price.

It ranges up to 20% for certain types of goods, which in principle is an important space for streamlining and cost savings. However, companies often do not understand all the complexities of logistics operations and expect unrealistically low prices of services. They want compensation for material logistics all other irrationalities in the import and export business, which is not always possible.

2.2. Free trade agreements encourage trade exchange

The main trade partners of Serbia in the first ten months of 2016 were Italy (1.8 billion USD), Germany (1.6 billion USD), Bosnia and Herzegovina (USD 1 billion), Romania (677 million USD) and the Russian Federation (650 million EUR).

The main partners in imports were Germany (USD 2 billion), Italy (1.7 billion

³ Ibidem

⁴ Ibidem

⁵ Journal "LOGISTIKA I TRANSPORT", april 2015 – godina X- BROJ 56, ISSN 2334-8399, str. 27

USD), China (1.3 billion USD), Russian Federation (USD 1.2 billion) and Hungary (724 million USD).

Foreign trade was the largest with countries with which Serbia has signed free trade agreements, a member of the European Union make up 64.7% of total trade of Serbia.

In the exchange with CEFTA countries Serbia has a surplus of about 1.6 billion USD, which is mainly the result of export of agricultural products, metal products, as well as exports of various finished products.

The existing duty free trade agreements have increased market impact of global production and trade companies in the amount of goods that are sold on the Serbian market. At the same time, the domestic logistics companies are facing tough competition imposed by the world and European leading logistics providers, both in terms of technology requires work, and from the perspective of commercial operating conditions.

After a major crisis, which is felt in our country starting from 2008, all business factors devote a large part of its activities, reduce logistics costs. This trend is even more topical with the prospect of further reduce the cost of logistics. In order to maintain the market to domestic companies remains to be additional investment and process optimization choices to increase market share to the traffic - but not just traffic - infrastructure basic precondition for competitiveness.

3. INTERNET TRADE LOGISTICS SECTOR CHANGES

1993, a group of Chinese students to solve 11 November marks the day of singles, when he celebrated solitude and buy gifts for themselves, probably did not even imagine that it sowed the germ of what has in recent years become the biggest "holiday" online shopping on the planet.

The resourceful owner of, Jack Ma, took advantage of Dan singles as a reason for big discounts that retailers through its web site during this 24 time offered to customers, and its business provided a good profit from the commission on these transactions. To say that he succeeded.

This year, in fact, only in the first seven minutes of 11 November turnover of a whopping one billion dollars a whole day has passed 17.7 billion USD turnover. Even 40,000 retailers offered more than 6 million unique products to customers who are making millions every minute orders, so no wonder it is sold, for example, more than 3 million handsets, a million watches, about 650,000 television sets, as well as 6,500 cars and 270 tons Teddy bear. And that all this stuff will take care of customers reached 1.7 million suppliers, 400,000 delivery vehicles and 200 aircraft orders to take over the world.

Some of these orders, probably minor, and will end in Serbia. Online shopping, in fact, is slowly gaining momentum and in our country and more and more consumers opt for "click shopping."

This sales channel brings new opportunities but also challenges, as sellers and those whose job it is to ensure that orders arrive as soon as possible where they are intended.⁶

The online store product in a virtual environment, can very quickly find, purchase and pay no matter where the manufacturer, seller and consumer. Only it can not be delivered virtually to the end consumer. It needs to be packaged, transshipped, stored, transported and physically delivered to the final destination.

⁶ <http://www.vecernji.hr/svijet/tijekom-petka-pripremili-su-velike-popuste-kinezi-su-dan-samaca-pretvorili-u-najvecu-rasprodaju-na-svijetu-1127499>, pristup 12.12.2016.

Logistics, therefore, is a key factor of successful online sales and the efficiency of logistics operations depends largely on consumer satisfaction with this form of trade.

Companies must create a delivery system for a very different structure of products to a growing number of locations and in a quick and rational way, because customers expect the delivery as soon as possible and at the best price.

Now the logical question arises: What is the success or failure of delivery? When a customer buys online on this only works with so-called one-click. "1-click shopping". Expectations of such a customer as far as supplies are the same - delivery in one click (one-click delivery). Some logistics companies are specialized on the channel of distribution and that they will be successful in the future.

Large retail chains largely recognize the benefits of internet commerce and are willing and necessary investments in logistics. Thus, the Croatian giant Agrokor, through its online store Konzum click only in 2016 carried out more than 100,000 orders and recorded sales growth of more than 40%.

Although the percentage of participation of online trade in Serbia in relation to the entire sale is not high, in recent years there has been tremendous growth but not surprised no plans of our major retailers to invest in online activities. So the company Ahold-Delhaize says that they intend to be the leader of the development of online sales of food in Serbia. - We believe that the Serbian market is developing in this segment and will get a real growth at a time when customers are fully aware of the benefits of buying over the Internet, and when they find out the safety of their food - stated in the company. The plans are based on international experience. In fact, their company is a leader Peapod online grocery sales in the United States, while in the Netherlands this chain Albert Heijns. Also, the online store

Bol.com which, they say, is the biggest reason why Amazon has never penetrated the Dutch market.

Because most online customers comprise individuals, the costs are higher and more effort is needed to consignments were delivered in the shortest possible time. Private individuals can more easily decide to purchase over the Internet which primarily means they have more confidence in this form of sales, and hence the delivery. They're sure that everything purchased by a couple of days can be with them and the advantage is that you can make a payment when you download the product itself - referred to in the company.

Online sales of products changes and the role and structure of the traditional trade. At a time when producers and consumers can be found in the electronic market and do a sales transaction, the question that the city as a broker dealer. It can be heard that the classic trade eventually disappear and that with the producers and consumers need only a logistician will realize the physical distribution of products from the production site to the place of consumption.

In this setting, things logistics become an extended arm of the seller and the buyers often see them as employees of the dealers. Failures in delivery can significantly affect the sales and marketing internet sellers, on the other hand fast and reliable delivery can influence that the customer decides to easily purchased on the website of the seller. Therefore, advise logisticians, one should be careful in choosing partners.

INSTEAD OF CONCLUSION

Moving goods from the factory to the point of sale is a series of complex steps. Modernization and standardization of the movement of products leads to lower costs and losses of goods, improving speed-to-market, which is essential to your products reach the customer at the right time and in proper condition.

The revolutionary system of transport of people and goods "Hyperloop One", which was designed by the Danish company BIG, will connect the two cities in the United Arab Emirates in just 12 minutes. "Hyperloop" linking Dubai with key cities around the UAE. In Abu Dhabi, which is located more than 150 kilometers, can be reached in just 12 minutes in Riyadh for 48, 23 Doha, and Muscat for 27 minutes.

Passengers and cargo will be placed in capsules that reach speeds of up to 1,100 kilometers per hour.

Jakob Lange, a partner of BIG, said last month that "Hyperloop" plans to change the lives of people by providing them with the opportunity to choose where they live and work. "Hyperloop" the idea of Elon Musk, founder of the "Tesla Motors", "PayPal" s and company "SpaceX" engaged in the exploration of the universe.

Musk is the concept of "Hyperloop" introduced in 2013, but is not directly involved in its development. "Hyperloop One" has tested its drive technology in Las Vegas earlier this year, where it reached speeds of 187 kilometers in 1.1 seconds.

The main competitor "Hyperloop One" company "Hyperloop Transport Technologies", which is currently building a track in California and negotiating the

construction of "Hyperloop's between Budapest, Vienna and Bratislava.

Although state involvement in the construction of transport capacity is evident, however, remained much to be done to the economy received a more complete and better logistic services and the necessary support for a faster and more efficient integration into the European and global commodity flows.

In Serbia, the construction of highways on Corridors 10 and 11 has not yet been completed, shippers expect the construction of new ports and the modernization of existing rail infrastructure works have just started, and the intermodal center in Belgrade waiting for next year.

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SPECIFIC ASPECTS OF STRATEGIC ENTREPRENEURSHIP IN FAMILY COMPANIES AND NON-FAMILY COMPANIES

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Abstract: The paper presents a theoretical analysis of the strategic innovation attributes that are represented in family companies, and the paper cross examines a significant number of references dealing with this topic. In the reviewed literature, one aspect is usually imposed as a basis for comparison and evaluation of innovation in family companies, and it is "strategic entrepreneurship" (functional link of strategy and idea generation from an individual or a team of people). The above-mentioned aspect is not analyzed in detail in the case of intrapreneurship in non-family companies. The aim of this paper is in realization of high-quality supplements or conclusions from the literature dealing with strategic entrepreneurship. The originality of this work lies in the analysis and comparison of family and non-family companies, by amending the variables that define strategic entrepreneurship. Thus, it allows the applicability of the same variables in the case of analysing family and non-family companies, and also identifies variables unique to a family company.

Keywords: *strategy, entrepreneurship, innovation, innovation project*

INTRODUCTION

Previous studies of strategic entrepreneurship are mainly comprised of family companies, but in the case of non-family companies, the term is mentioned as "intrapreneurship" or individualism within large corporations.

The emphasis in the observation of individualistic entrepreneurship in non-family companies is the freedom of the individual to implement the ideas and initiatives, than of the opposition group's attitudes and beliefs (for the purpose of realization of ideas) (Morris et al, 1993).

Meanwhile, studies of family companies viewed entrepreneurship

through strategic attributes (aspects) such as innovation, proactiveness and risk taking.

Although a number of studies in reputable journals deal with comparative analysis of the peculiarities and specific aspects of family-owned companies compared to non-family companies, very few studies have treated variables that are related to specificities of strategic entrepreneurship in family companies, and which variables can be used in a complementary analysis of family and non-family companies.

Discussion of the results of research are trying to "reconcile" different views of foreign authors on this subject, but also to provide a vision of the future research of the author.

SPECIFIC ASPECTS OF STRATEGIC ENTREPRENEURSHIP

For easier following of the specificity and uniqueness of the variables that are related to family / non-family environment, further theoretical research is divided into aspects of family and non-family aspects of the company.

Aspects dealing with family businesses

Often the owners of family companies engage external advisors to counsel with the goal of increasing the level of creativity in the company. The result of engagement of external collaborators can lead to resistance of family members in the company, leading to a lower level of innovation (Lorenzo Cacho & Nunez, 2015).

Studies have generally found that there is causality between family ties in the company with the outcomes of innovation (Classen et al, 2014).

In a survey conducted by Matzler and associates (2015), there is an established causality between innovation performance, in a way that innovation in family businesses are more effective than in non family businesses. The problem is that the decision to implement an innovation brings weight (unwillingness to risk and hesitancy to change).

The research of and Cassia De Massis (2012) on a sample of ten Italian SMEs (family and non-family), identified nine variables specific only to family companies, which directly affect the strategic innovation and development of new products within the company's business:

- Long-term orientation in strategic planning;
- Conservative in strategic planning and minimization of risk;
- Oversized number of employees, causing in some cases increased availability to generate ideas and develop products / services;
- Advocating innovation leaders (usually the owner) provides high motivation, cohesiveness of family members within the company;
- The low level of openness to outside ideas and external capital for innovation;
- Low readiness for innovation, creativity and change in general. This entails difficulties in the adoption of system solutions for the generation of new ideas;
- High level of communication between team members as part of the innovation activity, and therefore the higher the frequency of conflicts;
- Focused control and efficiency in spending,
- Visibility and reputation of the family in the wider community.

The main causes of the lack of efficiency in the implementation of an innovation, are the result of a lower share of

human resources in the current generation of innovative features, and a lower proportion of employees who are eligible for the implementation of innovation (Liach & Nordqvist, 2010).

However, within the same survey it is stated that family companies have a greater possibility of "networking", ie cooperation with other companies (human capital for innovation). Cooperation according to the same research takes place in most areas of production, procurement and sales. In addition to human capital, which is more pronounced in family companies, studies show that family culture in some cases is transferred into organizational culture, and thus stimulates innovation in the company (capacity to generate ideas and develop new products / services / processes) and has a direct impact on business performance (Craig et al, 2014).

Also, there is a correlation between the share of the family wealth invested in the family business and the intensity of innovation. The conclusion is that the greater the share of the family wealth is invested in the capital of the company, there is less willingness to take risks and there is a lower level of investment in innovation (Sciascia et al, 2015).

Aspects dealing with non-family companies

Complementarity of strategic entrepreneurship variables related to family and non-family companies is essential due to the fact that 80% of innovation in developed countries originates from non-family, large companies (Hitt et al, 2001). If we take into account that individual creativity is prerequisite for generating ideas, ie the divergent processes within the organization, then it must be concluded that the precondition for the successful execution of innovation (commercialization of ideas) is exactly the existence of convergent processes that deal with the sterile juxtapositions using standard tools, techniques and models of doing business.

Only through formal established and generally accepted elements can be implemented an innovation, reaching the commercialization phase (Palmer&Kaplan, 2015).

It can be concluded that "entrepreneurship" is possible and realistically sustainable only through the formal support of management structures, but also with the strive of a team effort, which provides real effects of innovation.

In one study on proactivity, innovation and risk taking, on a sample of Finnish SMEs (family and non-family), the main conclusion is that there is a more pronounced positive correlation between the ability to take risks and results of innovation activities, with the non-family companies in relation to the family companies (Craig et al, 2014b).

Rod (2016) conducted a very comprehensive study that cross examined albeit 78 studies dealing with the innovation of family companies. It can be concluded that the dominant themes in these studies are:

- Output (impact) of innovation activity;
- Innovation activity and
- Impacts on the implementation phase of innovation.

Positive impact on the output of innovative activities are the long-term orientation and motivation, preservation of ownership and control, as well as the dynamics of the family company (cooperation between older and younger generations).

Positive impact on innovation activity also is the willingness of owners to parsimony (or keeping the acquired wealth for future generations), and also control of the lower layers of management, collective orientation, family connections (closeness) and solid leadership of the owners.

As the largest negative impacts among the analyzed sources stand out nepotism, conflict of interest, conservatism and risk avoidance, closedness to external partners (Rod, 2016).

Regarding the systemic approach in facilitating strategic entrepreneurship, one of the ways that non-family companies (medium and large) have the resources and capacity, is by establishing innovation centers and places where the development of existing products / services / processes will be a cyclic process, not just an event.

On the other hand, according to Afuah (2009), strategic thinking should be applied to identify opportunities for innovation, citing several "new" sources of ideas for innovation:

- creation of new resources or the adaptation of existing resources to a new purpose,
- better anticipation of competitors' action(taking leadership roles)
- exploitation of opportunities from the macro environment, within the same industry or even other markets
- fuller utilization of key competencies of human resources within the different departments of the company (inter-compatibility).

In the study, Wolf et al (2011) on a sample of SMEs in Switzerland, there were identified four profiles of innovation and entrepreneurship: holistic, network-based, "do it yourself" and resistance to innovation. In the holistic profile of SMEs, innovation is at the heart of organizational culture and represent the core of the strategic activities of the company. Network-based entrepreneurship relies on the intersection of various external sources of creativity (universities, business associates, consultants). In "do it yourself" profile, personal competences ("intrapreneurship") are the key to generating ideas and represent a major capacity for innovation.

The last profile that was studied, refers to resistance to innovation, this model is recorded in a single observed family business and there is present resistance to any change and innovation is not being invested in at all (Wolf et al, 2011).

One of these profiles of innovation-network based profile is analyzed in another study, representing a possible solution to overcome the gap in the continuity of innovation cycles. The conclusion is that the cooperation and mutual work on innovation with other SMEs, is a bigger goal to acquire more wealth (the product of cooperation in the form of ideas, innovation, business performance) than to produce failure and loss as a result of sharing information with potential competitors (Ketchen et al, 2007).

Matsuno et al (2014) in their study treated tendency towards entrepreneurship in large Japanese corporations (non-family companies). The main conclusions are as follows:

- there is a direct positive correlation between the propensity for entrepreneurship and integration of marketing and R & D functions and
- there is a direct positive correlation between the propensity for entrepreneurship and business development, and favorable financial effects.

Discussion of research results

Based on the theoretical review of a significant number of references that have analyzed the family and non-family companies, one of the conclusions to be reached is that networking, responsiveness to customer requirements, proactiveness, risk-taking and optimization of financial resources, and also innovation are factors that are common to family and non-family companies.

If each of these factors is present in an increased extent, it is a radical

innovation, and such companies are among aggressive innovators (Eggers et al, 2016).

There are different views from those presented in the main part of this paper. For example, Beck (2009) states that employees of family businesses are often excluded from the process of generating ideas, decision making processes, or choosing between a multitude of opportunities for innovation. As a means to overcome this problem, teamwork and effective communication between management levels are introduced, which can be and are a characteristic of both non-family and family-owned companies.

The study which dealt with the objectives of profitability, control and results of research and development activities in the context of family and non-family companies, examined on a sample of Spanish companies, presents the following conclusions:

- in family companies, non-economic objectives are predominant, such as control objectives,
- In non-family companies the power of bargain is "integrated" into the objectives of achieving profit, while in family companies it is a mechanism of control and power over individuals, and
- in family companies in terms of the inability to achieve the objectives of profit-making, decision is often to increase strategic investments in research and development (innovation), which will bring greater long-term profit, while non-family companies decide to avoid the risk (Kotlar et al, 2014).

Tidd i Bessant (2014) claim that it is common for companies (whether small, medium or large, regardless of the ownership structure) for innovation process to be successful, it is necessary to have clear strategic leadership, and a business climate that allows creativity and birth of ideas, proactive networking internally and externally.

The strategic objective and vision should be to enable the process of organizational learning starting from the phase of entrepreneurial ideas to the moment of creation of new, additional value, which was not previously possible.

CONCLUSION

This paper investigated the specifics of family-owned companies compared to those that are not, in terms of strategic entrepreneurship. A gap was identified in the existing literature, which is due to the fact that there is not a single unified analysis of the variables that define strategic entrepreneurship, depending on the family / nonfamily business environment, in which entrepreneurship is implemented. Also, very little work has examined variables that are compatible in comparing the performance of family and non-family companies.

The presents presents a good introduction to the further quantitative research that would examine the parameter defined variables that are specific to the family / non-family companies. In this way it may be possible to create a model for understanding the performance of strategic entrepreneurship in family and non-family companies.

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MODEL OF CORPORATE GOVERNANCE OF A MODERN ENTERPRISE IN THE 21ST CENTURY

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Abstract: Efficient and quality system of corporate governance built on high set international standards and principles allows setting goals that are consistent with the interests of all stakeholders.

The definition of corporate governance made by the OECD, which today is one of the most widely accepted and comprehensive definition confirms the importance of all constituents and care for their interests when setting objectives. Quality corporate governance is reflected in the mechanisms that establish a balance between the different interests of stakeholders.

Each constituency is part of the mosaic should not be marginalized and ignored.

Keywords: *company, corporate governance, international standards stakeholders.*

Introduction

Berle – Means model of corporate governance

Berle – Means model of corporate governance dates back to 1932. It was created by prominent experts Adolf Berle¹ and Gardiner Means², in which bears his name, was first published in their book

The Modern Corporation and Private Property³. Second revised edition of the book of the same name is published in 1967.⁴ This model resembles many features of today's model of corporate governance of companies and rightly findings of many analysts that Berle – Means model is a reality after 75 years of its creation. It is well known in the commercial approach, focused on shareholder interests and economic efficiency of the company, separation of ownership and control and domination of the board in terms of management. According to Nobel laureate Milton Freedman⁵ "first and only duty of the managers (who are legal representatives of the financial interests of the owners) is to act in a manner that will allow maximizing the financial return on equity." The company must be addressed as the best interests of shareholders, because they bear the residual risk (invested capital and bear the risk of losing it).

¹ Adolf Berle, was born in Boston, 1895-1971, lawyer, educator, author and American diplomat. He was a prominent member of the team of US President Franklin Roosevelt, with his ideas and work Modern privately owned company and had a huge contribution to the development and improvement of corporate governance.

² Gardiner Means, 1896-1988, American economist who worked at Harvard University. Co-author of the work and Modern privately owned company, was a major contribution to the development of corporate governance with its revolutionary ideas in 1962 published work Corporate revolution in America.

³ Adolf Berle and Gardiner Means, The Modern Corporation and Private Property, 1932.

⁴ Adolf Berle and Gardiner Means, The Modern Corporation and Private Property, second revised edition, 1967.

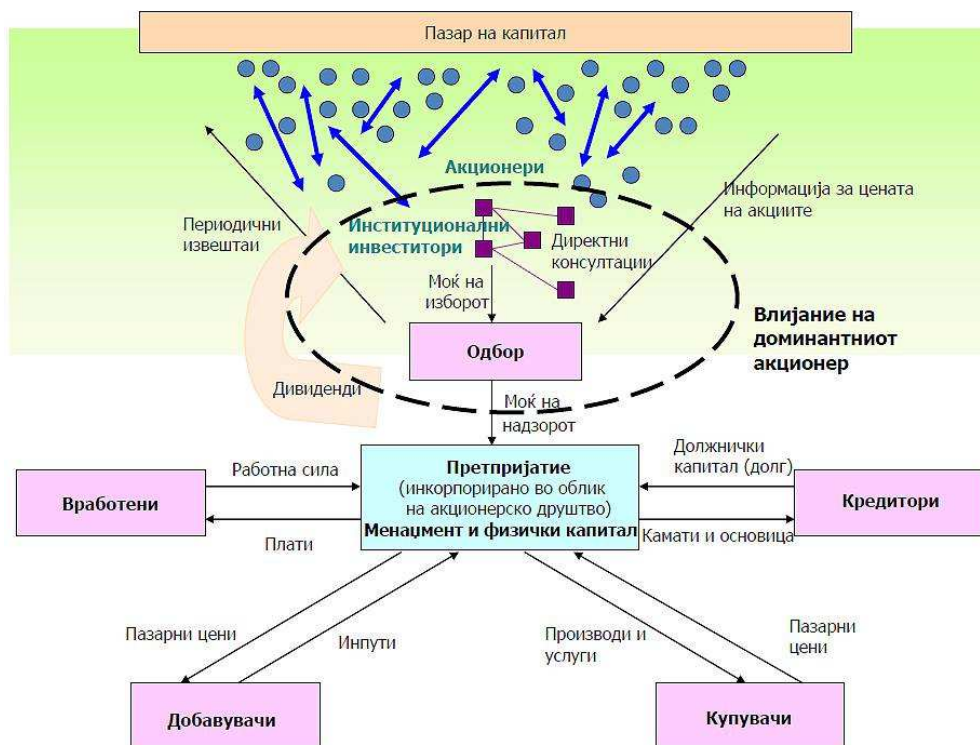
⁵ Milton Freedman 1912-2006, American economist, Nobel Prize in Economics in 1976, ranked as the second best economist of the 20th century after John Maynard Keynes.

The interests of shareholders predominantly affect the strategy of the company (managers agents that meet the requirements of shareholders).

Managers are responsible and should ensure economic efficiency of the company, but are responsible for bad

instructions caused damage or destruction of capital to shareholders. Responsibility towards the other stakeholders and protecting their interests derived variable, subordinated to the main objective. It is the postulates that the model is built.

Picture No.1 Revised Berle – Means model



Source: Professor Darko Tipurić, Corporate governance, Faculty of Economics, 2013.

Stakeholder model

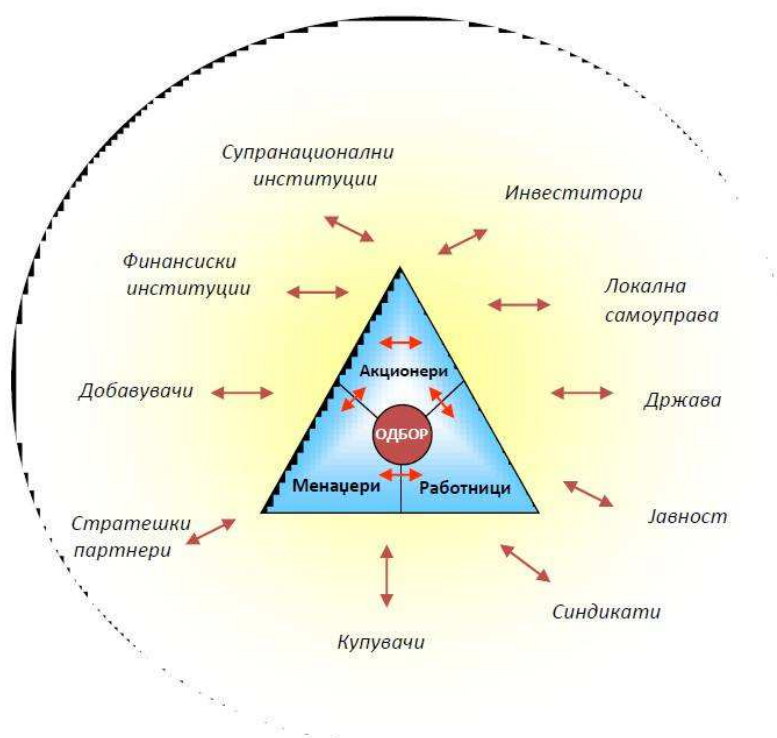
"Profit and its maximization values are irrelevant. Profit is not the explanation, cause or ratio between business and business decisions, it is primarily a test of their validity. "Peter Drucker

The company is an economic entity as much as it is a social entity. It creates its value by taking several different social roles and tasks. The company is not solely an instrument of shareholders, but to all those with some resources, in a way

contributing to its normal functioning and because shareholders are not entitled to their interests to put before the interests of other stakeholders. Supporters of this model say that the commercial model is unrealistic and legally unacceptable.

The modern company of the 21st century need to build and develop a model of corporate governance that recognizes and respects the importance of the interests of all constituents and that would establish targets that satisfy all the key interest groups.

Picture No. 2 Stakeholder model



Source: Professor Darko Tipurić, Corporate governance, Faculty of Economics, 2013.

Setted international standards that provide the framework for good corporate governance, a blend of these two models of corporate governance. Development, promotion and strengthening of corporate governance led to the creation of a model with elements of Berle – Means and *Stakeholder* model, which assumes that a model of a modern company in the 21st century that meets the needs of the process of globalization. Companies that are characterized by good corporate governance look after the interests of all stakeholders, focus and develop corporate social responsibility which embodies the company as a social entity, but on the other hand we can not say that the interests of shareholders are equal to the other

stakeholders. Their role, rights, obligations and responsibilities are clearly defined and determine what place they have in the company.

The company creates value if: produce goods or services that users are worth more than the price paid; if it provides an opportunity for managers and employees to be more productive at work here than elsewhere; if it ensures greater or long-term profit to its shareholders; if it creates greater benefit to the environment in terms of the costs of its action.

The modern company of the 21st century tends to satisfy the demands of all stakeholders while maximizing the ability to create wealth.

Picture 3 Determination of the company's goals in a system with good corporate governance



Every modern company that wants to be competitive in the global market, which tends to long-term economic growth and development is faced with the challenge of creating wealth in a responsible way for all key stakeholders. To be ethical, responsible and profitable it is imperative for every company. As social antibodies were with pluralistic interests and goals the company must harmonize different interests in terms of easier realization of the economic order.

Conclusion

The introduction of corporate governance is the standardization of processes, procedures and behavior in companies, which are based on transparency, accountability, responsibility and control daily operations and reporting on the state of the company. The aim is to

increase confidence, reduce risk and create certainty for investors. It helps to improve the performance of the company and increase its value, making it more competitive and attractive market for investment. Companies with good corporate governance systems that build upon the postulates of the modern company of the 21st century not only make decisions in order to achieve economic interest, but decisions will not harm the interests of other stakeholders.

An effective system of corporate governance requires a high degree of transparency and disclosure, as demonstrated through continuous reporting on the situation of the company. The world economic crisis and the stability of the financial system are introducing quite reforms in this segment. Today I have set international standards of transparency,

which specifically take into account the financial institutions and companies listed on the exchange.

It greatly increased the safety of investors, they have insight, where investing, what is the degree of risk and what they can expect.

The process of globalization trends and to build infrastructure in a fair, ethical and transparent market relations, imposed process of convergence of legal regulations in the area of corporate governance. The aim is to introduce corporate language to understand all market participants. Each country has its own freedom regulation should be adopted in accordance with the corporate setting, but it should also be based on international standards and principles. This leads to the acceptance of a common framework of good corporate governance globally.

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