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For the coming period, just as it did previously, *Horizons* will continue to respect the principles of scientific impartiality and editorial justness, and will be committed to stimulating the young researchers in particular, to select *Horizons* as a place to publish the results of their contemporary scientific and research work. This is also an opportunity for those, who through publishing their papers in international scientific journals such as *Horizons*, view their future career development in the realm of professorship and scientific-research profession.

The internationalization of our *Horizons* journal is not to be taken as the furthest accomplishment of our University publishing activity. Just as the scientific thought does not approve of limitations of exhaustive achievements, so is every newly registered success of the *Horizons* editions going to give rise to new “appetites” for further objectives to reach.

Last but not the least, we would like to express our sincere appreciation for the active part you all took in the process of designing, creating, final shaping and publishing the scientific journal. Finally, it is with your support that *Horizons* is on its way to attain its deserved, recognizable place where creative, innovative and intellectually autonomous scientific reflections and potentials will be granted affirmation, as well as an opportunity for a successful establishment in the global area of knowledge and science.

Sincerely,
Editorial Board
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FRENCH REVOLUTION, ARCHAEOLOGY AND THEIR IMPRINTS IN THE CONTEMPORARY FRENCH AND EUROPEAN IDENTITY\textsuperscript{1}

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ABSTRACT

The French revolution represents a historical chapter closely connected with some of the most important societal, economic and cultural tendencies which are perceived even today as milestones in-between the present and the past, and the divide between the traditional and the modern. This momentum in history is considered and reconsidered by scholars with different research interests as the cornerstone of the architecture of the modern world, with exceptional importance in development of the contemporary societal systems, the transformations of the modern identities and the professional history of many scientific disciplines.

Today, when the modern age has steadily given way to the era of post-modernity and the world is placing under scrutiny most of the accomplishments of the previous epochs, the French revolution is getting new prominence in the scientific and societal debates. Equally prominent with it is the dilemma if the revolution managed to cut off the strong bond between the present and the past or it has just recycled the ancient symbols and fables, adjusting them for the new needs of the modernity.

The quest for meaningful answers to these scientific and societal dilemmas represents the pathway of this essay. For this specific goal the authors have applied complex interdisciplinary approach that lead them through the findings, methods and the professional history of few social and humanitarian scientific disciplines.

Key words: French revolution, archaeology, symbols, identities, Europe

\textsuperscript{1} review scientific paper
INTRODUCTION

The determination of a concrete date, or even a historical period, for the beginning of a trend, process, social phenomenon or a point of foundation of a scientific discipline represents an inexhaustible topic for scientific, societal and intellectual debate. Part of the complexity of such discussions is the multitude of parallel and interconnected processes linked with the creation of any phenomenon in history. Yet, equally important aspect that creates the heat of the debate is the fact that any answer or decision of such nature creates connotations and arguments for the ideas, ideologies and cultures of the present times.

In the case of nationalism the science has long clashed internally along the split line between the primordial and modernist views, strongly influenced by different ideas and viewpoints on the related phenomena of society, state, social relations and identities. On the other hand, the debate on the starting point of the professional history of archaeology is focused on the key question: Which moment in the development and application of the scientific method in this field represented the key stone in the transformation of the century-lasting obsession of the elites with the archaeological artefacts and archaeological sites into a modern scientific discipline.

Common for both cases is the predominant answer of the contemporary scientific community, whose research and results are strongly leaning towards the first half of the nineteenth century. This important historical period is connected to some of the political, social and cultural transformations that created the phenomena, political constructs and scientific views and approaches that dominate the societies around the world, through their forms, concepts and relapses even today. One of the aspects that makes the beginnings of the nineteenth century so important for the forms taken and in many cases maintained by great number of contemporary identities, political entities, scientific disciplines and their main concepts is that it represents the closure of the of the previous epoch of great growth and transformation, especially in Europe, known as the "age of the monarchs".

The creation of the national identities and the transformation of archaeology into scientific discipline coincide with the momentum in the international relations in which the multilateral coalition will defeat...

2 Anthony D. Smith, Ethno-symbolism and Nationalism: A cultural approach, Routledge, London, (UK & New York, USA), crp.3-17
3 John Hutchinson, Nations as Zones of Conflict, (SAGE Publications, London,UK & Thousand Oaks, California, USA & New Delhi, India, 2005), crp.45-46
4 Gilbert Highet, Classical Tradition - Greek and Roman Influences on Western Literature, (Oxford University Press, NYC, New York, 1985), crp.255
Napoleon’s France. This key moment for the contemporary history of the world will foster two important processes. On one hand, Napoleon’s imperialistic political and military endeavours will spread widely the ideas and societal concepts the French revolution into different European and non-European societies and contexts. On the other hand, the victory of the allies against the reborn French imperialism will tear apart the very idea of the “unity of the civilization”, so dominant in the “age of the monarchs”, and install permanently the concepts of particularism of cultures, societies and political entities as predominant definition of the contemporary relations in the world.

However, while the “fall of Napoleon” remains the key moment for this conceptual, social and political development, any analysis on the fundamental ideas that inspired this global process have to consider the whole period between the French revolution and the European revolution(s) from 1848-1849 (known also as the “spring of the nations”).

Analysing this period and some particular processes as its’ consequences, this study aims to shed some light on few episodes, motives, ideas, symbols and narratives that are of critical importance for the creation of the contemporary European, and later on non-European, nations. At the same time, this extraordinary and interdisciplinary approach will point out again and reconsider the specific relation between the national identities and political tendencies on one hand, and the development of the archaeology and different archaeological, or closely connected to archaeology, scientific fields on the other. Thus, the research touches upon some frequently underestimated aspects of the professional history of classical archaeology, archaeology of Egypt, Egyptology, Orientalism, Assyriology, archaeology of the Middle East, prehistoric or culture-historical archaeology.

We are going to begin our quest for the modern connections among identities, international relations and archaeology in the historical period that introduced ideas which are still dominant, debated and scientifically prominent today, the momentum of the French revolution.

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6 Julie Reeves, Culture and International Relations: Narratives, natives and tourists, (Routledge, London & New York, 2004), crp.17
THE FRENCH IDENTITY, THE GAULS AND THE NEAR EAST
ARCHAEOLOGY

The rapid scientific and social development of France in the era of Enlightenment and the slowdown of the political and military successes of the empire are listed among the developments that caused the internal turmoil that resulted in the French revolution. Though, we remain fascinated for two centuries and continuously explore the processes and concepts that were introduced or inspired by this process, some transformations of the identities of that age remain underestimated or not treated with enough prudence even today. However, these aspects of the French revolution gain particular scientific prominence today, as they give meaningful insight and even actively influence the contemporary identities of France and Europe.

Thus, one of the aspects of the identity change in the revolution was the idea of wider unity and uniformity of the “nation”. Apart from the most frequent considerations connected with this idea, explored widely by scholars of nationalism, there is one more cultural and identity change – the fall of the last important non-Mediterranean stratum of the French identity. The strengthened middle class in this process of transformation of the social relations, fighting for its positions against the aristocracy and the imperial establishment, was highly motivated to question and transform the fundamental ideas that sustained the system of the empire.

This ideas and mythologized social stratification in the period of the “Old Regime” were structured in three basic layers. The emperor and his legitimacy was connected with the roman and eastern-Mediterranean traditions, the aristocracy had claims on the local traditions of the Franc ruler houses, while the peasants and the wider population was ascribed Gaul identity, as indigenous dwellers on land of Gaul, as it was known in the ancient sources, concerned at that time as undisputed and prime sources of information.

The “pre-revolutionary” myth maintained that the Gauls, as ancestors of the peoples of the land, have accepted the rule of the roman emperors, identified closely and legitimising the French emperors, and at the same time they have accepted the conquest of their lands by the Franks, a therefore accept the priviledged position of the “old Frankish aristocracy”.

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During the French revolution the Gauls, associate with the wider population of France, for the political needs of the new elites, and especially those without “aristocratic blood” became the new symbol of the nation. Thus, some of the “humanistic and patriotic” leaders of the revolution went as far to call on the ancestors of the Gauls, the people, to expel the conquerors, as a clear allegory for the aristocracy back to Germany, “in the forests of Franconia”.  

Many scholars focused on these transformations underline that the image of the great philosophers of antiquity from the revolution until the present days will become the new ideal of the French elites, replacing the authoritarian traditions of the medieval Frankish rulers. Yet, a closer look on the results of the revolution shows that the fall of the aristocratic “Franks” and the “aristocratic kings” was not a great blow for the authoritarianism, but it certainly triumphed against the limited remains of the local medieval traditions. After the revolution, the great European and global power, France, certainly did not give up on its imperialistic tendencies, but the new French dynasty of Napoleon would own much more to its Mediterranean origin and symbols of power, than to the traditions of the Franks and their aristocratic lineage. In this context, the reborn “universal” French empire, had strengthened even further its cultural and political links with Rome and the Eastern Mediterranean, thus creating a line of differentiation from its more conservative neighbours, where the remnants of the “German” pre-renaissance culture remained present and gained some appreciation.

During the nineteenth century the tendencies of the global empire and its ancient roots in France will receive certain balance in the new identity of the wider elites that were leading in the name of the nation. From the aspect of the professional history of archaeology this development would lead to greater interest from the local antiquaries, enthusiasts and early scientists in the field for the local archaeological sites, representing the “Culture of the Gauls.” In this period, apart from the carefully selected impressive artefacts from Rome and the Mediterranean, there is a noticeable increase of the

11 “The Abbe de Sieyes (1789) urged that those claiming to be a race of conquerors should be "sent back to the forests of Franconia" by the Third Estate in order to purge the nation, which would then be "constituted solely of the descendants of the Gauls and Romans." Michael Dietler, “Our Ancestors the Gauls” —Archaeology, Ethnic Nationalism and the Manipulation of Celtic Identity in Modern Europe, в рамките на American Anthropologist, New Series, Vol. 69, No. 3, (Blackwell Publishing & American Anthropological Association, USA, 1994), стр.587
14 Alexander Grab, Napoleon and the Transformation of Europe, (Palgrave Macmillan, London, UK & New York,USA, 2003), 41-43
interest for collecting, analyzing and commemorating of local artefacts, mainly from the period of Roman rule. Though some of them were aesthetically inferior to the ones coming from the Mediterranean, in the terms of classically influenced tastes of the elites, now they have gained new appreciation and meaning, represented as specific forms of the authentic “gallo-roman culture”.  

Finally, in the period of the revived imperialism of Napoleon, the new “universal empire”, relieved of the “dark ages” heritage, with its social, political and cultural know-how and ideas, will envision the new unity of the continent and the world on the platform of providing “peace and prosperity”. Thus, the resurrected French empire for its political and other ambitions will reach out for the court ideologies of the antiquity, used vastly by the Macedonian dynasts and the later monarchs that were claiming that legacy. While this French imperial domination of the continent and the world will show to be a short-lived project, many of the ideas associated and utilized by it will triumph globally. The concept of the “ancient identity of the nation” managed to transform Europe and the world and played a crucial role on global level in the creation of different national identities.

Therefore, the transformation of the French society that lead towards the revolutionary ideas and the revolution itself represent the key for many identities and political transformations after the revolution that shake and shape the world even today. These early transformations under the “Old regime” and their inspirations from the antiquity are closely connected with both nationalism and the development of the scientific discipline of archaeology in the later centuries.

The conceptual, ideological and cultural transformation of the France in the seventeenth and the eighteenth century, under the leadership of the Bourbon kings, will be crucial for its political strength and the position in the international relations. Thus, professor Garrett Mattingly, analysing the situation in Europe in the fourteenth century concludes that at that point in time “France was too big and too amorphous to be governed” effectively, or

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15 Stephen L. Dyson, *In pursuit of ancient pasts: a history of classical archaeology in the nineteenth and twentieth centuries*, (Yale University & Sheridan Books, USA, 2006), cnp.56  
16 Professor Strootman, from the Utrecht University, extensively exposes the transfer of the court traditions, rituals, diplomacy, protocol and the festivals of the Macedonian dynasts in period the Macedonian imperialism, and how it is adopted in the royal and state protocols of early modern Europe. According the his analyzes, the Macedonian court traditions will be first adopted in “Rome and Byzantium”, and through Byzantium “were eventually transmitted to Medieval and Renaissance Europe, and the Ottoman Empire”. Rolf Strootman, PhD thesis, under mentorship of W.H. Gispen, *The Hellenistic Royal Courts*, (Department of History, University of Utrecht, Netherlands, 2006/2007), cnp.3  
the meaningfully threat its neighbours.\textsuperscript{18} This reflection was equally accurate until the sixteenth century, when Niccolo Machiavelli comparing the France of his time with the Macedonian empire, concludes that France lacks the compactness and the culture of the subjects of the empire of Alexander. He considers these “mentality of the elites” provided peace and stability for the Macedonian dynasts, while the decentralised structure of France makes it continuously unstable.\textsuperscript{19}

In contrast to this early stage of its development, in the period from the rule of Luis XIV to Napoleon Bonaparte France continuously and effectively centralised, and consolidated itself both administratively and ideologically. In this new French reality there was no place for the medieval European tribal traditions and the old privileges of the Germanic aristocrats. Exactly in this context were some of the visions for the revolution of one of the most prominent French and European political theorists and historians of the first half of the nineteenth century, Alexis de Tocqueville. In Tocqueville’s understanding one of the goals of the revolution was to further the modernization and centralization of the French state that began in the time of Luis XIV. Therefore, this continuous process will be strengthening the structure of France and its concept as an improved extension of the ancient “universal empire”.\textsuperscript{20}

As part of this wider ideology, the French language, as lingua franca of the “civilized” elites was modelled after the imperial languages, Latin and the Koine Greek, and purified from the old German (Frankish), Norman and other linguistic material, transforming them into negligible impurity.\textsuperscript{21} The new universal empire envisioned itself as successor of the great empires of Rome, Macedon, Persia and Egypt, and their accumulated wisdom, knowledge, culture and governing styles. At the same time, the “universal emperor” (the kings of France) just happens to govern from Gaul, with the “ancient” nation of Gauls, that luckily for them were embraced by the civilization for many centuries.

In this ideas and self-perceptions lays the reason behind the dominant role and extensive investment of France in the nineteenth century explorations of the culture of the east Mediterranean. The support for the research by France will aim to declare the continuity and legitimise its own imperialistic tendencies, through an extensive mimesis of the ancient imperial traditions.

\textsuperscript{18} Mattingly, Garrett, \textit{Renaissance diplomacy}, (Dover Publications, Mineola, NEW YORK, USA, 1988), стр.106
\textsuperscript{19} W. K. Marriott, Transl. \textit{The Prince by Nicolo Machiavelli - Written c. 1505 - published 1515}, (Constitution Society, Texas, USA, 2011), стр. 16-19, 92-100
\textsuperscript{20} Stephen L. Dyson, \textit{In pursuit of ancient pasts: a history of classical archaeology in the nineteenth and twentieth centuries}, (Yale University & Sheridan Books, USA, 2006), стр. xiv,21
\textsuperscript{21} Francisco Rodriguez Adrados, \textit{A history of the Greek language : from its origins to the present}, (Brill NV, Leiden, The Netherlands, 2005), стр.275-276
In the beginning of the nineteenth century, the taste of the post-revolutionary French society was entirely overtaken by the glamorous artefacts and traditions of the court culture of the Macedonian dynasts. In this period, the mimesis became omnipresent, from the architecture and “home(s) in the form of furniture, china, and jewellery”, the social living filled with “street charades organized in Paris and elsewhere”, to the unseen scientific expeditions with scientists from different disciplines, like that of Napoleon to Egypt, and the paintings of the emperor impersonating Alexander the Great and solar deity in a quadriga.

While these policies and state investment were following closely the political aims of the empire, their results were equally important for the development of the science. From the period of rule of Napoleon Bonaparte, through the entire nineteenth, as well as the twentieth, century, France has made a significant contribution to the development of Egyptology, Assyriology, the explorations for the other ancient cultures in the Fertile Crescent, as well as the important period of Macedonian imperialism. Thus, on first glance the “ideological” and impractical vision of Napoleon for French domination over the eastern Mediterranean or his mythologized depictions as Alexander the Great or the Sun deity might not give a strong scientific image to his Egyptian expedition. Yet, the organization of this 167 scientist expedition and the foundation of the Institute of Egypt (L’Institut de l’Egypt) represent the cornerstones for the development of Egyptology and the archaeology of Egypt. Napoleon’s expedition in Egypt and the later rivalries among the world powers over the division of the artefacts from the expedition raised the global scientific interest, but it equally provoked the wider interest of the elites for the artefacts and culture of Egypt and the eastern Mediterranean. At the same time, this very expedition provided the key artefact that moved the scientific knowledge of Egypt from the limited period of the Macedonian domination towards the deeper cultural layers on this geography. Then discovered, the Rosetta Stone, through the accomplishment of Jean-François Champollion just decades later, provided the means for the modern world to learn about the literature, culture and religion of ancient Egypt.

During the nineteenth and twentieth century France remained consistent in these policies towards the eastern Mediterranean. This is clearly reflected

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24 James F. Goode, *Negotiating for the Past – Archaeology, Nationalism, and Diplomacy in the Middle East, 1919-1941*, (University of Texas Press, Austin, TX, USA, 2007), crp 67
in numerous contexts, being it the negotiations with the British over Egypt, where France has insisted and succeeded to hold on its “administration” over the archaeology, the extensive archaeological work in the French mandate in Syria, the French influence over the archaeology in the Ottoman Empire (and later in Turkey), or the signing of the agreement from 1900 with Iranian Shah that provided the French with “exclusive and endless rights for archaeological excavations in all parts of the Empire (Persian)”. In these and other regions, the French archaeological administration in dominant number of cases managed to establish close cooperation with the local authorities, positioning itself as unbiased arbiter or protector of the local interests. Thus, it managed to politically and culturally rival the more aggressive approaches of some other European powers and the new initiatives of the American collectors, whose protagonists were in many cases still advocating the theses that the archaeological treasures should not be left in the hands of the local “oriental” “barbarians”.

These French archaeological policies and the investment in the development of the local archaeology, paved the road for the transfer of the European ideas of nationalism among the local elites in Asia and Africa, thus facilitating the development of the local ethnic, national and state identities. At the same time, the position of protector and unbiased authority on the “great civilizations of the past” built the French identity as well, and provided the French self-esteem as cultural centre of the civilized world.

In that context, the development of the archaeology of Egypt and the Near East is parallel and closely connected with the development of the contemporary identities in these regions, but it also has its own place in the contemporary identity of France and the French people.

**THE FRENCH REVOLUTION AND ITS ANTIQUE SYMBOLS AND ALLUSIONS**

In the context of the wider analysis of the transition and continuity of the concepts and ideas, which have built the contemporary identity of the French people, it is important to emphasize another specific characteristic of the transforming effects of the French Revolution. Despite the dramatic discontinuation with many social traditions of Pre-Renaissance Europe, taking the centuries-existing privileges and influence from the old “Germanic” nobility, limiting the influence of the Popes, and

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26 James F. Goode, *Negotiating for the Past – Archaeology, Nationalism, and Diplomacy in the Middle East, 1919-1941*, (University of Texas Press, Austin, TX, USA, 2007), cp. 60-61, 78-79, 90-91, 127-140
27 James F. Goode, *Negotiating for the Past – Archaeology, Nationalism, and Diplomacy in the Middle East, 1919-1941*, (University of Texas Press, Austin, TX, USA, 2007), cp. 27, 78-79, 89-93
28 Julie Reeves, *Culture and International Relations: Narratives, natives and tourists*, (Routledge, London & New York, 2004), cp. 15, 16
even the discontinuation of the medieval lineage the French monarchy, the post-revolutionary France have also shown signs of continuity. The narratives, symbols and doctrines from the antiquity adopted and utilized on the French royal courts, did not just survived the revolution, but also began to thrive in the post-revolutionary society.

Thus, the syncretic deities and cults, as well as philosophy, culture and scientific knowledge associated with them, which have been developed on the courts of the Macedonian dynasts and became their symbol and a system of governance, will be transformed into a rare continuity between the cultural symbols of the French monarchy and the French Republics. The interest in culture and achievements of Macedonian imperialism that will be developed in the period of Louis XIV, will include not only the identification of the Sun King with Alexander of Macedonia, but also serious interest and explorations of the rituals, knowledge, religion and culture that was developed on the Macedonian courts and during the period of the Macedonian imperialism. For example, as early as 1731, Jean Terrasson who was elected as a member of the French Academy under the personal guidance and patronage of Louis XIV, wrote the book "Life of Set," in which the action takes place in Egypt, and the author describes the initiation of the main hero in the cult of Isis. Such motifs, myths, rituals and mysteries flourished in Europe in the "age of the monarchs" and their

30 The French Academy was established and led for a long time by the Cardinal Richelieu. When Louis XVI comes to the throne, the French Academy comes under his auspices. The Academy worked with other institutions, including the ones in charge of the antiquities in the Louvre, who were conserved on the demand of the Monarch. The reign of the Sun King will mark the debate “between the ancient and the modern” in the intellectual circles of the Academia. It is interesting to note that Terrasson will take the side of the modernists in this debate, the ones propagating for the early ideas which would follow the proponents of the Enlightenment and the French Revolution. However, in “The Life of Set”, as well as the symbols and ideas of his followers among the Freemasons and other secret societies (for which this book will be of high importance), which would be highly influential in the beginning of the French Revolution, as well as the event that follow it, will show that the moderns were deeply inspired by the myths, symbols and some of the ideas of the Eastern Mediterranean. As an illustration, Professor Melton states: “In France, for example, in the fore math of the Revolution, Freemasons probably represented around five percent of the urban, adult male population.” James Van Horn Melton, The Rise of the Public in Enlightenment Europe, (Cambridge University Press, Cambridge, UK, 2004), p. 252
32 Melton states that this culture, although perhaps it had an influence on the French Revolution, it did not have its roots in the Revolutionary ideas, but on the contrary, the secret societies were part of the “zeitgeist” before and after the Revolution. While talking in wider terms about the public and social life in Europe, he would note that the grouping and mysticism, inspired by part of the traditions of the Eastern Mediterranean, had become an important component of socialization of elites. Melton notes: “If most of the French (Freemasonic) lodges were passionate republicans post 1789, others stayed committed royalists.” At the same, he gives examples from Great Britain where notable Freemasons could be found both within the enemies of the Crown and the loyalists, while Germany, where the most radical Illuminates could be found, most of the German princes at the same time were lodge members. James
protagonists were often very close and directly influenced the monarchs themselves.33
But, the leaders of the French Revolution will go one step further in the utilization of the ancient symbols of the eastern Mediterranean. While Louis XIV took the central symbol of the Macedonian imperialism, the sun, as his own representation, the new revolutionary time asked for much more. The revolution and its byproduct, the new emblem of post-revolutionary France, the worshiped "Marianne", will take revitalize many of the important symbols of the elites of Macedonian imperialism and, especially, their struggle against the Roman domination. The new symbols of Marianne, besides the radiant crown with eight rays, will be the Phrygian cap and the lighted torch34, part of the main iconographic elements of Mithraism. These ancient and new "symbols of freedom" under the influence of the French Revolution, and the idea of complete exemption from the old European aristocracy, become part of the national symbols of the United States and several newly independent South American countries.35
These dramatic moments of change, seen, with the ideas of the Enlightenment, as development of the society through science and culture, created some crucial definitions that will determine many contemporary ideas, visions and aspirations. This is the moment in which the mankind will coin the term civilization, for whose sources the elites of that epoch will look in the antiquity,36, and add the contemporary meaning of the Latin word for nation.37
In textbooks of this period we can find clear attempts to connect the antiquity of the new concepts of "nation" and "civilization." Thus, the annexation of Gaul and the "Gauls" under Roman rule in the post-revolutionary textbooks will be "scientifically" analyzed in the context that "The Gauls were intelligent enough to understand that civilization is better than barbarism".38 Thus efforts were made to merge the imperial traditions

37 Ibid.
and aspirations with the cultural side effects of imperialism and the social changes of the era.

The most illustrative example of integrative efforts of the political and intellectual elites, led by the archaeologists, for unification of the identity of the empire in the nineteenth century, are the archaeological excavations of Napoleon III. This founder of the Second "liberal" French Empire, with his policies will create the infrastructure of modern France. "Napoleon's key archaeological achievement were the excavations which took place between 1860 and 1865 in Alessia, the site of the decisive battle between Caesar and Versingetoriks in 51 BC. The site has integrated the Celtic and Roman-Gallic streams of early French mythological history, and the French archeology, because while Napoleon worshiped the legend of Caesar, he also had to respond to the growing French identification of Versingetoriks as the first French national hero".39

**RECURRENT ON CONTEMPORARY EUROPEAN IDENTITY TRANSFORMATIONS**

The excavations in Alessia have great importance for the development of archaeological research of the Gallic culture and the development of military archeology, and provided important early indicators for chronologisation of the Iron Age.40 However, the major results of this and such projects, have answered the political and identity commitments of their inspirers and protagonists.41 Gallic culture and heritage will be given a major role in creating the modern European identities in the era of nationalism. They remain a fundamental coat to the national identity of the French42, and their influence will be reflected on the identity of the politically close to France and anti-English elites in Scotland and Ireland.43 This identity and "tradition" overemphasized and excavated from ancient Mediterranean and Roman written sources, but interpreted "scientifically" for the needs of modern European nationalisms, will become a significant focus of archaeological excavations on the territory of Western Europe until today. At the same time, it represented a constantly current in the last two centuries and again re-

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40 Ibid.
actualized as the basis of national and ethnic identities and myths of the French, Swiss, Bretons, English, Irish, Scots and Welsh. Archaeological projects and assumptions, combined with the limited historical sources, and different ethnic and local "mystification" of the "Celtic" or "Gallric" culture, will become the basis for self-understanding of modern Irish, from the period of the struggle for national emancipation and independence to contemporary branding of the Irish products and tourism offers. While becoming the basic narrative of the Scottish independence movement, they will not bypass the other national contexts, like the promotional activities of the rich and fashionable Swiss in the XXIst century.44

Today, the term Celts, as an antecedent name of "the same" group of nations, is extensively used in the frameworks of the national ideas of several modern nations, especially the Scots and the Irish, but it also follows a wider European framework. In this context, it is interesting to highlight that this ethnonym, or perhaps just an exonym, used by eastern Mediterranean authors (found in the works of Hecataeus of Miletus) in the sixth century BC, referred to the tribe that lived next to Ligures in the background of the Mediterranean (Greek) trade colony Massalia (now Marseille), and that, until the eighteenth century, this term did not appear in any connotation within the northern regions of Europe. Theories of race and scientific hypotheses about cultural and historical archeology will, nevertheless, expand the geographical scope and significance of this ancient name to the northern borders of the modern "Celtic" speaking region, declaring archaeological findings in Western Europe from prehistoric and protohistoric era, a “Celtic” heritage whose successors could be identified even nowadays by their linguistic practices. In this regard, Professor Dietler (Michael Dietler) from the University of Chicago will emphasize the “irony” not just regarding the unhistorical interpretation of territory in regards to Celtic identity, but also that it is “quite possible that the original Celts may have spoken Ligurian rather than the language that their name has subsequently come to signify.”45

Such deconstructive analyzes of contemporary archeology, history and classical philology, clearly indicate that even in the twenty-first-century identities and international relations maintain close relations with these sciences. While modern archeology has made serious contributions towards the deconstruction of the myth of the "ancient European race of the Celts",

one of the most important international actors, the European Union, whose most prominent values uphold the fight against racism and the promotion of science, "is increasingly associated with the Celtic identity". In recent years, "several exhibitions of archaeological findings from across Europe have had “the Celts” as their central theme, at least partly to provide an apparent cultural precedent for the creation of this new socio-political entity," 46 the European Union. Thus, while the modern European supra-national structure is intensively struggling against national mystifications that create serious internal confrontations and divisions within its frames, the Union itself is not impervious to the standardized process of establishment of entities and identities substantiated by archaeological mythologizations. 47

CONCLUSION

Archeology and archaeological findings, hypotheses and material were enrooted in the base of modern national plots, and as such became important determinants of the identity and symbols of the modern nations. Nowadays, contemporary archeology has scientifically deconstructed many of the inconsistencies found in ancient and medieval historiography; it constantly revises its assumptions about cultures, social transformations, identities and entities of the past, and as such becomes a democratizing factor in international relations. Nevertheless, the greatest interest in archeology arises from the perpetual search of national, religious, social and personal identities. In the crisis of identity and social values in the global transforming world, nations and the archaeological science enter a new dynamic that continues to unambiguously and vigorously affect these two modern phenomena. 48

In the twenty-first-century, when European countries and Europe itself are no longer a dominant actor in global relations and, furthermore, are struggling to maintain its place among the great powers, Europeans frequently refer to their specific identity, values and contribution to the world.

48 Lynn Meskell, The Intersections of Identity and Politics in Archaeology in the scientific journal Annual Review of Anthropology No.31 (Annual Reviews, Palo Alto, CA, USA, 2002), str.279–301
Among the specific characteristics of Europe one can undoubtedly place this unusual development, which would impose identities, culture, symbols and traditions deriving from ancient times and distant territories, and could be considered as one of the basic identity elements of modern Europeans and modern European nations. It epitomizes an essential condition through which archaeology, as an intensive research and reconstruction of the distant past through artifacts from different areas, can be considered as almost an exclusively European phenomenon which Europe will export worldwide along with nationalism. 49

In the nineteenth, twentieth, and somewhat in the twenty-first-century century, Europeans maintain a universal interest in archaeology, as well as in the link between their "Western" culture and "the cradle of civilizations", the eastern Mediterranean. Therefore, archaeology is closely related to "the key of European identity" by providing significance to a large part of the values and identities considered important by contemporary Europeans, including national identities throughout Europe, as well as the origin and development of the European science and applied science, culture and art, education, societal models and religious traditions and values.

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IMPLEMENTATION OF MARKETING RESEARCH METHODS FOR PRODUCT SALES FORECAST ON THE SPECIFIC CASE STUDY

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Abstract

The main objective of this paper is to indicate the necessity of connecting the information from the general environment of the companies with that received from the present or potential consumers of particular specific products for forecasting of their sale. Given that, the basic hypothesis is that the information about the opinions, attitudes, preferences and intentions of the customers represent a strong basis in the process of forecasting the factors which determine future demand.

The paper, besides the short theoretical basis of the research problem, will present the results from the conducted empirical study through three separate researches and three different approaches connected to a specific product from the food industry in Republic of Macedonia.

The expected results from the research are directed towards confirmation of the basic hypothesis, which will give a possibility to forecast the sales of the products in circumstances of lower uncertainty, that is, with lower risk.

Key words: methods, marketing research, prediction, future sales

INTRODUCTION

The accelerated technical and technological development, strong competition on the market, the functioning of the companies in dynamic...
conditions of doing business, increasing of the organic structure of the
means, expressed independence, the risk and instability in the conditions of
the current and future work, intensifies more and more the need for
management planning in the companies.

The significance which planning has as a basic management function and
its application, allow the company to be capable to catalyze the possibilities
of the external environment, to improve its working performances regarding
other companies and become more successful and more competitive on
particular markets. Certainly, all planned activities of the management are
preceded by predicting the external and internal environment of the
company. Forecast allows the companies to get an image for the future
ambient where decision will be made, it represents support and directs the
decision-making, it increases the exactness and reduces uncertainty and risk,
which creates the basis for planning and other management functions.

Forecast represents significant critical input which is used as informative
content for creating business plans, annual plans, investment projects,
company budgets, various decisions which are made in different company
departments, and other activities, which means that forecasting is an upgrade
or continuity of the research which will enable acquiring certain amount of
anticipative information through which an evaluation will be made of the
current and future demand of the products, the future market development
and the future position of the company reliant to the desired dimension
within the time horizon.

Alongside the research of the external and internal environment, acquired
information from the marketing information system data base and
information from the marketing researchers, allows the marketing managers
to use various methods which will measure and evaluate current demand and
foresee future demand of the current and future products. Thereby, the basic
hypothesis is that the information about opinions, attitudes, preferences and
intentions of the consumers present a strong basis in the process of
forecasting of the factors which determine the future demand of the
products. For this purpose, a more complex empirical study has been
conducted through three separate researches and three different approaches
connected to a specific product from the food industry in Republic of
Macedonia.
THEORETICAL BACKGROUND

Kotler\(^{51}\) divided the sales forecasting methods based on: what people say, what people do and what they have done. For the purposes of this paper we have covered and applied the methods for forecast of the product demand of the first group:

a) **Survey of customers’ intentions**

b) **Composite of Sales Force Opinions**

c) **Experts’ opinions**

a) **Survey of customers’ intentions** represents a method for forecasting the demand for a particular product by which the customers are questioned to get precise data for their intentions for purchasing. The examinations which are being conveyed depend on the type of the product (industrial goods or customer goods), and they are focused on the factor for the opinions of the others and the unexpected, accidental factors which contain the current and future financial circumstances of the customer, the expected price and the expected benefits of the product, the expectations related to the economy and other factors which can change or turn the intention of the customer to other direction. This method can be used for researching the demand of industrial goods, enduring customer goods and new products. The weak side of this method is that the expressed intentions by the customers for buying certain products are not always realized accordingly.

b) **Composite of Sales Force Opinions** represents a method for estimating the demand and is carried out by the sales force which is directly related to the customers and can collect a lot of useful information about their behavior. This way we can get information about the future needs of the customers which will help in the future demand of products or services forecasting, which means that the sales force will have a better view on the developing trends and will know which products and services and to what extent will be demanded and purchased in the coming period. Predictions made by using this method provide separate projections according to the products, territory, clients and sellers, and then the separate projections are connected to get a complete estimation of the sales in the company. The summarizing of the company’s sales forecasts in the final step will enable acquiring data for the regional or national sales. In certain circumstances, if there is a need, it is possible to combine this method with other methods.

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for forecasting in order to check or supplement the obtained results by the marketing research service.

c) **Experts’ opinion** is a method which is conducted through questioning the distributors, suppliers, trade associations, and experts to gather information for the expected future demand of the company’s products. Future demand of a particular product can also be obtained by including an expert opinion and mutual projection of a group of experts of different expertise and hierarchical levels (method of group discussion).

Predictions for the future demand can be achieved by formulating a questionnaire which is given to the experts who do not have mutual contact. Questioning of the experts can be done at one time or several times. The one-time questioning is done in a case when the information is required within a short period of time or when the sample of questioned people is large. The several-time questioning is done in cases when we need a small number of heterogenic information. Later on, the separate projections made by the experts are being collected into a united projection by the analysts.

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**EMPIRICAL STUDY FOR OPINIONS, ATTITUDES, PREFERENCES AND INTENTIONS OF THE CUSTOMERS FOR A SPECIFIC PRODUCT FROM THE FOOD INDUSTRY IN REPUBLIC OF MACEDONIA**

Starting from the established hypothesis in this paper, according to which the information about the opinions, attitudes, preferences and intentions of the customers represent a strong base for the process of predicting of the factors which determine the demand of the products, a more complex empirical study has been conducted, through applying the three methods from the group “what people say”, through three separate researches and three different approaches related to a specific product from the food industry in Republic of Macedonia.

Practically, three methods for prediction of the demand of the product ketchup, produced by the company “KIM” have been used:

1. **Survey of customers’ intentions for the product ketchup** - Considering the researching issue, the research was conducted through descriptive research - survey. The research was conducted through a judgment sample, and the frame of the sample ranged from students, aged below and over 17, employed and unemployed people to the age of 64, and retired people over 64. The sample involved 100 respondents distributed over the territory of Negotino.
The survey was conducted in April 2014. The marketing research for forecasting the demand for the product ketchup was conducted by simultaneous distribution of the previously prepared questionnaire to the respondents.

Taking into consideration the fact that the main objective of the research was examining the intentions of the customers for buying the product ketchup, a structured, unmasked questionnaire was used. The questionnaire was mainly constructed of structural questions with multiple choice answers which give the respondent the possibility to choose one or more answers according to his own belief.

As the most significant in defining the market segment were estimated the 60% of the total number of respondents aged 18-64, while younger and older population was represented by smaller number of respondents.

These categories of respondents were estimated as significant target groups for the product ketchup by the company “KIM”.

Approximately 90% of the respondents declared that their current family financial condition is good or relatively good and that they are optimistic about their future financial status.

From the range of products by the company “KIM”, the respondents are mostly familiar with the products ketchup and mayonnaise. The product “Chocolate glazing” comes third in place, and 44% of the respondents are familiar with this product, while the product “Caramel filling” was the least known.

95% of the total number of the questioned respondents has already used the ketchup from the “KIM” company palette of products, while 5% from the respondents have not used the ketchup by this company or do not use this kind of products.

Half of the respondents said that the promotional activities made by “KIM” allow them to become familiar with their products, 32% said that they remind them of the products, while 19% of the respondents said they encourage them to buy the products.

A significant indicator for the future intentions for buying is the fact that 43% said that they buy the product equally now as they did the previous year, and 40% said that they buy the product more often now than they did the previous year. But there is still a high percentage here of people who buy the product less this year compared to the previous year. Certainly, the reason for not buying the product could be the lower purchasing power of the respondents, since the reasons for buying the product less were not given.

One of the most important questions referred to the opinions of the customers related to future (repeated) purchasing. From the given choice
of answers, a high 62% said that they will definitely buy the product, and 18% said they will probably buy the product, which leads to a conclusion that the customers are satisfied with the product ketchup which gives them a high degree of satisfaction but there are still inconsistencies in the final product that should be improved, because around 18% of the respondents are neutral about the product.

This question about the repeated buying of products is very important in the survey for researching the customers’ intentions for buying the product ketchup. Since the customers do not always act the way they have said, a concept test was used for predictive purposes, in which the data is multiplied by the thumb rule. Thus, the position “will definitely buy the product” is multiplied by the thumb rule of 0.9 so we get 62% x 0.9 = 55.8%, while the position “will probably buy the product” is multiplied by the thumb rule of 0.5, so we get 18% x 0.5 = 9%. Thus the predictions which were made by using the thumb rule indicate an adjustment, in other words, reducing the value of 80% to 64.8% of respondents that will definitely buy the product again including the 9% of the respondents that will probably buy the product.

55% of the respondents said they were completely satisfied with their recent purchase of the product ketchup by the company “KIM”, 38% of the respondents said that they were relatively satisfied, while only 1% said that they were completely dissatisfied by their recent purchase of the product ketchup.

An additional motivation for future purchasing of the product ketchup by the company “KIM” was the improvement of the quality, which was stated by 58 respondents, further on, the lower price of the product was important, which was stated by 40 respondents and a better promotion of the products, which was stated by 33 respondents.

According to the degree of preferences of the customers for the product ketchup, the company “KIM” was rated as first, before the companies “Vitaminka” and “Polimark”.

Parallel to the previous research, the company “KIM” formulated a questionnaire and carried out its own research about the behaviour, attitudes, intentions of the respondents related to their products, among them, the ketchup. This research was carried out in cooperation with the marketing agency “NPG Solutions”. The sample included respondents distributed on the territory of Republic of Macedonia, divided into 5 regions.

The following section will include some of the conclusions drawn from the research conducted in the markets of the five regions in the country.
“KIM” company ketchup is mainly used by family people, whose number is the largest in the sample. They mostly shop in supermarkets and are the main target group for “KIM”. A considerable part of the customers who responded that the quality comes first, said that special offers did not have a significant influence on their choice of buying. The customers are not always sincere and they are looking for compromise between quality and price. According to the findings, it can be concluded that still, quality comes second while making the choice of purchase. Price comes first, as the main decision making factor for buying a product. This is a significant indicator for the future activities of the company and its direction towards the price as the most powerful means for gaining competitive advantage.

Considering the question related to the effect of the promotional activities on buying, a large number of respondents stated that they buy products on “promotion”, that is, when the product is sold at a lower price, or they buy some packages, which also confirms the previously made conclusion. Or, more precisely, answering the question about the influence of the special offers on the choice of purchase, 45% said special offers had a considerable influence, while 27% said that special offers have no influence.

The respondents, who have tried the products, stated that they were satisfied with the price, and on the scale from 1 to 5, a large percentage of them gave a grade 5 and a certain percentage of them graded it with a 4. The customers are satisfied with the price of the products, or presented by figures, out of the total number of respondents who have tried the ketchup, approximately 95% said that the price corresponds to the quality of the product.

Research has also shown that the slogan: “Nothing is tastier” is not very important to the customers, while it is very important if the label stated that the product does not contain GM ingredients, without gluten and no artificial colours.

1. **Composite of Sales Force Opinions** is a method which was used to forecast the demand for the product ketchup. The company “KIM” has its own sales force, which is distributed and responsible for the sales of the products in five regions of the country. As a parameter for predicting the sales of ketchup in 2014, we take the separate sales of ketchup in different regions for the year 2013, which amounts to the total of 687.1 tones. Each sales person made a projection about the demand of ketchup in their own region, and by summarizing the data of the projections from all regions; the managers predicted that the total demand and sales of ketchup in 2014 will be 753.19 tones. The increase in the demand in the
first quarters of the year is partly a result from the enhanced promotional activities of the company in all regions but also due to the seasonal character of the demand. The increasing trend of the demand of the ketchup in the beginning of the year gives a certain amount of optimism to the sellers in predicting the demand, therefore it is necessary to include other methods to check, revise and supplement the obtained results by the marketing research department.

2. **Experts’ opinions method** was implemented through separate cross-sectional questioning of a group of 10 experts of different positions and hierarchical levels and was carried out through a previously prepared questionnaire. The same host of experts was also included in the prediction of the future demand of the product ketchup, and they made a joint evaluation through the implementation of the method of group discussion.

Regarding the opinions and evaluation of the future demand for the product ketchup, obtained by separate cross-sectional questioning of a group of experts, the following conclusions were drawn:

As many as 8 experts out 10 believe that the current situation in the general surrounding, and particularly in this area of business, is not complicated in order to engage special institutions which deal with foresight which would help to obtain significant information for the future demand of ketchup. 90% of the experts believe that the implementation of fast and simple methods like the opinions of experts and the sales force combined with other methods will produce good results in forecasting the future demand.

Most of the experts responded that the future demand for ketchup will stay within its average frame compared with the previous years. Considering the information they were given, half of the experts responded that the range of expected level of sales of ketchup in 2014 will be between 700-750 tones which represents an increase in sales of 5%.

More of the experts (5) said that a new, reinforced sales promotion would increase the expected sales of ketchup, while 4 experts believe that a new sales promotion would not have a significant influence on the future sales of ketchup.

The obtained evaluations from all individuals for the future sales of ketchup for 2014 was combined by the general manager into one single projection and is estimated to 730 tones for the current year.

Apart from the previous technique, the opinion of the experts was also surveyed by another method, the method of group discussion, which involved the same group of experts in order to exchange opinions and
give a joint assessment related to the predictions for the demand and sales of ketchup in 2014. The group evaluation which was achieved by consensus indicates that the future projection of the demand, and by that, of the sales of ketchup for 2014 will range within 5% increase compared to the previous year, which confirmed the result given by the individual projections of the experts. Given the data that the sales of ketchup in the previous year amounted to 697.1 tons, a 5% increase in the sales of ketchup would estimate to 731.955 tones.

As a joint conclusion from the implementation of the three techniques, we come up with the result that all three give useful information for the future demand of the product, each in its own way. The first technique obtains the information directly from the current and potential customers; the second is based on the estimations made by the sales personnel, while the third one is the opinion of the experts who are familiar with the issue. Certainly, all three techniques combined, allow obtaining of more precise and accurate data, and what could be recommended to the company, if they have the possibilities (financial, human resources, time) to cross examine the data from all three techniques which were implemented in the above given example.

CONCLUSION

It is very important for the companies to evaluate their current demand, but to also make a prediction of their future demand for their products. When we talk about measuring and demand for the products of a company forecasting, that company needs to make macroeconomic predictions first, after that forecasting related to the area of industry, and finally forecasting of their own sales potential.

Estimations and forecasts of the products demand which are obtained by the researches allow better validation and credibility and are much more accurate than using intuition, quick guesses or using previous experiences of the managers for predicting the new circumstances. Furthermore, the determination of the current and future demand for the products of a company represents essential informative input for the company’s planning activities, accurate allocation of resources and safer performance on the market.

To measure the current demand, the company needs to determine the total market potential, the industry sales and their market share. On the other hand, to predict future demand for the products, the company needs to conduct research of the customers’ intentions, sales capacity, experts’
opinions, conduct market testing analyze the sales from the past and other methods.

By applying the previously stated methods, notably, through the implementation of the three methods from the group “what people say”, through three separate researches and three different approaches related to a particular product from the food industry in Republic of Macedonia, with a concrete empirical study, we confirm the hypothesis set in the paper, that the information about the opinions, attitudes, preferences and intentions of the customers represent a strong base for the process of forecasting the factors which determine future demand. Taking this information into consideration, together with the information from the general surrounding and the surrounding the area of industry, the management of the company will make decisions and prepare plans in conditions with lower uncertainty and decisions with lower risk.

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IMPROVEMENT OF BUSINESS COMPETITIVENESS THROUGH DEVELOPING G2B E-SERVICES IN SLOVENIA AND MACEDONIA

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Abstract

Governments around the world use modern information and communication technologies increasingly in their activities trying to make their services better and more easily accessible to their citizens and businesses. The aim of this paper is to analyze some e-Government services in Slovenia and Macedonia by focusing on government-to-business applications (G2B) with special emphasis on their contribution to creating better business environment in these two countries respectively. The data presented in this analysis come from both desk and field research made in

52 original scientific paper
Slovenia and Macedonia. The development of government-to-business services facilitates the interaction between governments and businesses via web-based applications; improves e-business environment and increases business benefits for the companies. By using government-to-business applications companies save time and money; have more efficient communication with government entities and contribute to achieving a higher level of transparency of government activities.

**Key words:** G2B application, e-Government, business climate, business benefits, e-services.

**INTRODUCTION**

Rapidly changing societies impose new rules with regard to the entire functioning of business and public administration. The Internet and information and communication technologies are increasingly becoming vital tools in people's everyday lives and business activities.

The Internet technology offers outstanding opportunities for Governments to react to the demands of citizens and businesses by offering new methods of service delivery to meet their expectation.53

Governments around the world are operating in an interlinked and fast changing environment where information and communication technologies have a dominant role. The number of citizens and companies that use different types of digital technology is increasing every day. Consequently, many governments try to respond and adapt to the changes in the new environment and, therefore, transform their activities by introducing information and communication technologies. This is a process of government being transformed into e-Government. This process provides benefits for governments, organizations and people, and contributes to the elimination of barriers in the realization of G2B e-services.

The process of transition of conventional governement services to e-government services is currently taking place in Macedonia and Slovenia as well. The e-Government activities include electronic documents, government web sites, electronic transactions, electronic registration, electronic procurement, electronic taxation etc. Only some of the government-to-business services are being elaborated in this paper.

There are many different definitions of e-Government, and many variations of the key benefits from its introduction. What is common for

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most of these definitions\textsuperscript{54} is that e-Government includes using information communication technologies in order to improve the delivery of government services and citizens’ access to information, businesses and government units. E-government involves delivering services and information via the Internet, telephone, community center, wireless devices and other communication tools.

Information technologies can serve a variety of different ends: better delivery of government services to citizens; improved interactions between business and industry; citizen empowerment through improved access to information, even more efficient government management. The expected outcome is less corruption, increased transparency, greater convenience, revenue growth, and/or cost reductions.\textsuperscript{55} According to Turban E. et al.\textsuperscript{56} e-Government offers a number of potential benefits. For instance, it improves the efficiency and effectiveness of government’s functioning, including the delivery of public services. Moreover, it enables governments to be more transparent to citizens and businesses; it offers greater opportunities to citizens to provide feedback to government agencies and to participate in democratic institutions and processes. E-Government activities add various values to the process of interacting with citizens and businesses, but the prime motivators and key factors for using an e-Government channel include: increased transparency of government activities\textsuperscript{57}; improved efficiency and effectiveness of government’s functions\textsuperscript{58}; reduced cost for


\textsuperscript{55} According to World Bank definition


citizens, businesses and government agencies; avoidance of waiting in line or dealing with paper documents; easier, cheaper and quicker transactions and strengthening of the legal system and law enforcement.

E-Governments applications can be divided into three basic categories: government-to-citizen (G2C), government-to-business (G2B), government-to-government (G2G). This paper, however, analyzes only some government-to-business services in both Slovenia and Macedonia.

There are many government-to-business services ready to be digitized and delivered to the end-users as e-Government services, but prior to that the following essentials have to be taken into consideration: Social Contribution for Employees, Corporate Tax, Value Added Tax, Registration of a New Company, Submission of Data to the Statistical Office, Custom Declaration, Environment-related Permits and Public Procurement.

Every European country has a project for electronic government in order to improve efficiency, effectiveness and transparency of the work of public sector and to increase the quality of governmental services through the introduction of information technologies. The quality of services is becoming one of the most important indicators for a successful government. The introduction of e-Government concepts should help inform citizens and organizations; improve accessibility and availability of e-Government services; improve communication; create better responsiveness; introduce faster administrative case handling etc.

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65 Caddy J., Vintar M. “Building Better Quality Administration for the Public: Case Studies from Central and Eastern Europe, (Kunstelj M., Leben A., Vintar M.,
DEVELOPING G2B APPLICATIONS IN SLOVENIA

Around 87% of enterprises in the EU-27 and 92% of the Slovenian enterprises use e-Government services. The development of the G2B services in Slovenia has had a positive impact on the business environment. Some of those government-to-business (G2B) applications encompass setting up enterprises and self-employment through e-VEM and compulsory delivery of monthly and annual reports (eTAXES etc.)

Due to de-bureaucratization of the processes regarding the setting up of enterprises and self-employment, in 2005, the e-VEM portal was established, which is also called one stop shop system. The establishment of self-employment is now possible through the website in one hour and the establishment of a simple enterprise with limited responsibility is much easier. Unlike in the past, in order to establish an enterprise, nowadays, there is no need to visit different offices and to obtain different permissions or to pay high notary fees. The establishment of an enterprise through the e-VEM portal has become fast and efficient with only one visit to the administration office.

In Slovenia enterprises are obliged to report to public institutions monthly (wage reports) and annually (balance sheets reports). In 2007, enterprises were forced to start practicing electronic submission of all crucial tax reports to the Tax Administration of the Republic of Slovenia – eDAVKI or eTAXES. At the same time an opportunity was created for an electronic submission to the Agency of the Republic of Slovenia for Public Legal Records and Related Services and the Office for Pension and Health Insurance of Slovenia. Due to DURS on-line reporting, all enterprises as well as self-employed individuals had to obtain digital certificates, which are

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*Influences of Information Technology on the Quality of Public Services*), NISPAcee, p. 199, 2002.
not free-of-charge. Individuals can also submit different reports on-line via eDavki portal, but this is not obligatory. The digital certificates for individuals are obtained free-of-charge.

Each of the e-Government service suppliers in Slovenia once a year conducts a survey on users’ satisfaction with the e-Government services available on its website. This is prescribed in the article 34 of the Law on Public Agencies, which foresees conducting anonymous surveys. Thus, users of e-Government public services are presented with an opportunity to express satisfaction with different public services. Among them are also the development and use of e-Government sides, which are a part of European e-Government services such as Technology for Electronic Identification Project (STORK 2.0), e-health project (epSOS) and e-justice project (e-CODEX), older pilot e-business project (SPOCS) and e-public procurement project (PEPPOL, or Open PEPPOL ASBL). Further development of new instruments for integration in Europe such as infrastructure for digital services (e-identification and e-public procurement) is expected as well. Slovenia is confronted with a few challenges in the fields of e-Government. This means that Slovenia should take action:

- to increase the number of selective services, which enterprises and individuals can do through e-Government.
- to educate individuals how to safely use digital certificates and protect them against misuse.
- to increase the use of digital signatures of documents.

On the one hand, the use of e-services can save time and money, and increase flexibility, but, on the other hand, some people still prefer personal contacts. One of the reasons for poor usage of e-Government services is the lack of trust in e-Government with generally long-lasting administration procedures in Slovenia. Therefore, the increase of the trust in e-Government services and in government services in general is one of the main factors which improve the use and acceptance of e-Government services. Education and promotion activities particularly among retired and elderly people who are less familiar with the use of the advanced information and communication services, including e-Government services are also among

the actions which ought to be taken to improve the use and acceptance of these e-Government services.

DEVELOPING G2B APPLICATIONS IN MACEDONIA

The Republic of Macedonia intensively invests in the development of e-Government services and other elements of the information society. The five most used government-to-business (G2B) applications in Macedonia include E-Tax, Online Employment Registration, Automated System for Management of International Cargo Transport Licenses (CEMT), Single Portal for Export/Import Licenses (EXIM) and e-Procurement. According to the survey\(^\text{72}\) on user satisfaction with these applications, the registered users of e-Procurement expressed the lowest level of satisfaction (3.5 on a 5 point scale - Figure no.1). However, even this lowest level of satisfaction is quite satisfactory on the scale from 1 to 5.

Figure no. 1
User satisfaction with certain e-Government services (Janevski Z., Stojanovski F., and B. Jashari, 2009)

![Chart showing user satisfaction with e-Government services](image)

The highest level of satisfaction (4.2) was with e-Tax. The level of satisfaction with e-Procurement application decreases with the size of enterprises, from 3.6 for Large Enterprises, down to 3.47 for Micro

Enterprises. Only 5% of respondents (2 out of 39 companies) attributed a maximum score 5/5 for overall satisfaction.

In the analysis of government-to-business (G2B) application in Macedonia e-Procurement takes a special place, because of its importance for the economic wealth of the public and business sector in the country based on its extensive use.

Today, the e-Procurement system in Macedonia has grown into a single computerized system, available on the Internet (https://e-nabavki.gov.mk). It is used to ensure greater efficiency and cost-effectiveness in the field of public procurements. The system is actually a publicly accessible website managed by the Public Procurement Bureau that offers the possibility of carrying out tendering electronically.

There are 4 types of users of the e-Procurement system - Contracting authorities (the procuring institutions), e-Economic operators (companies, suppliers), the Public Procurement Bureau (who administers the system) and the State Appeal Commission. Those respondents who state that they are not using e-Procurement provide the following three main reasons for that: a lack of awareness and knowledge, a lack of need to use this e-Government service and a lack of technical facilities (the Internet, computers).

‘Saving time’ (87.2%) and ‘saving money’ (71.8%) get the two highest scores when it comes to the perceived benefits of e-Procurement. Only one third of the users believe that the use of e-Procurement could contribute to the improvement of their financial results, and only 40% of all users claim that e-Procurement could reduce the corruption in the country, especially in the field of public procurement.

Better quality, improved transparency, efficient communication and improved competitiveness are the key benefits for the enterprises from the development of the G2B e-services.

Five different factors were evaluated as equally important for user satisfaction with e-Procurement services - improved communication, improved transparency, speeding up the service delivery process, limited corruption, and improved trust in electronic services as part of government operations.

Vast majority of users (economic operators) agreed that e-Procurement improved the situation in all five areas, except in limiting corruption. The strongest points of satisfaction are improvement of trust in electronic systems (with score of 4.1 and agreement of 69.2%) and speeding up the service delivery process (with score of 3.9 and agreement of 66.7%). The weakest points of satisfaction among the five areas were the improvement of

government institutions’ transparency (with score of 3.4 and agreement of 55.2%) and the possibility for e-Procurement Application to limit corruption (with score of only 2.9 and agreement of only 24.3% which is quite indicative). 75% of all of respondents considered that the automated e-mail notification from the e-Procurement system has reduced the number of human-hours needed to check new tenders, even though, only half of them (52.7%) have submitted one or several bids using this system. Some stated that this is due to some technical problems (9.2%), some claimed that the system is too complicated for them (14.7%). The biggest part of all registered enterprises (22.1%), which have not submitted any bids, is not familiar with or has faced certain problems with digital certificates. This indicates that for many enterprises in the country (especially for micro and small enterprises), information technologies are still a novelty which they are not fully comfortable with yet. Also, a big issue for better user satisfaction with the system is the fact that only less than a half of all registered users (45.4%) think that the system is very easy to use.

The responses in the survey instigate several ideas about how the existing system of e-Procurement could be improved. They include further simplification, more interactivity with the responsible institutions, more training in using the systems and increasing public awareness of the existence of this type of applications.

CONCLUSION

The process of developing G2B applications contributes to a major reform in the business environment. E-Government applications contribute to the creation of a better business climate in the countries by reducing corruption, increasing openness, saving time via electronic collaboration and communication with government units, decreasing costs of doing business due to electronic transactions and enhancing flexibility and access to information in the country. These benefits for the enterprises improve their competitiveness in the new e-business environment.

In Slovenia and Macedonia the process of introducing new e-services contributes to reducing many business barriers and improves communication between government institutions and the business sector.

In order for the business sector to gain additional benefits from the process of developing of e-Government services it is necessary to simplify the business (administrative) procedures, and to increase the level of interactivity and feedback by the public authorities responsible for delivering e-Government services and improving the stability and reliability of the e-Government services. At the same time a project for raising public
awareness for digital benefits from the utilization of e-Government services is needed. Last but not least, in order to achieve more efficient implementation of the new e-Government services in both countries it is necessary to improve the exchange of experiences among different government agencies in the process of implementation of specific new services within states and among them, as well as the exchange of practical and legal requirements which should also be taken into consideration when it comes to improving the e-environment in the society.

REFERENCES


ENTREPRENEURSHIP AND FINANCING: THE EVIDENCE OF MACEDONIA

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Abstract

There is an absence of general platform to define the entrepreneurship. Yet, it is a common sense that it presents a concept which is closely related to financial risks. In this line, the small and medium sized enterprises (SMEs) are still experiencing considerable difficulties in sustaining their importance for economic development. The paper describes the sources of financial support to the SMEs in Macedonia, and simultaneously identifies the most applied sources of financing. Moreover, it elaborates the importance of the Macedonian Bank for Development Promotion (MBDP) in providing financial support in terms of financing start-ups, providing medium and long-term loans to SMEs, financing exports, extending export credit insurance, and the management and implementation of international credit lines. The analyzed data set covers the period 1999-2013. The main findings reveal that the MBDP has a substantial role in development of entrepreneurship in general in Macedonia.

Key words: Entrepreneurship; Financing; SMEs; Macedonian Bank for Development Promotion; Macedonia.

INTRODUCTION

In a contemporary society, the economics defines the entrepreneurship as one of the most profound factor for growth and development. Generally, the
entrepreneurship is defined as usage of new possibilities, whose results are due to introduction of innovation in the economic activity – in the production, exchange and consumption of goods and services. In this line, an entrepreneur is a person who innovates and introduces innovations in the economic activity.

There is an inevitable relationship between the entrepreneurship and small and medium-sized enterprises (SMEs). They have dominance of approximately 98% of the total number of enterprises in a country, regardless the level of its economic development. Among the SMEs, it is noticeable the share of the micro-firms (up to 10 employees), as well as the share of the small firms (between 10-50 employees). On the other hand, the share of the medium-sized enterprises (between 50-150 employees) and the big companies (over 250 employees) is by far lower. In this respect, the SMEs participate even with 99.8% of total number of enterprises active in the non-financial sector in the EU-27 countries, while the micro-firms participate with 91.8% (Eurostat, 2008). Moreover, the SMEs contribute to the job-creation within the business, particularly in the non-financial sector by creating 67% of total employment in the EU-27 countries and with 58% in the creation of the value added.

In Macedonia, the SMEs as well as the entrepreneurship, started to develop significantly after the country’s independence. Out of 75,497 active business entities in Macedonia, 75,294 or 99.7% are SMEs (State Statistical Office, 2010). Consequently, the SMEs have predominant role in employment and value-added, as well as in the creation of the GDP in Macedonia.

Concerning other aspects of SMEs development, one may note their importance in supporting and introducing innovation, using entrepreneurial skills of employees, support to local and regional development etc. Consequently, the SMEs and the entrepreneurship are factors that enhance stable and sustainable development of modern economies. Therefore, it is not surprising the fact why the governments pay much attention to the policy of supporting SMEs. In this line are the institutional, educational as well as the consultancy measures for the SMEs support. Furthermore, there are established national agencies for SMEs, regional centers, business-incubators, technological parks, clusters, local economic development offices, and so forth. Yet, the financial support to the SMEs is still an important measure particularly in the case of establishment and development, due to numerous limitations and risks, mainly from financial aspect. The variety of risks derive from the fact that the SMEs have a lack of: economies of scale, diversified assortment, skilled and educated management, limited options for bank loans etc. resulting with limited
access to finance. Accordingly, the governments assess the possibilities to establish mechanisms at central and local level in order to provide financial support to the SMEs. In many countries worldwide there are governmental specialized financial institutions, like state development banks, guarantee funds etc.

In the early phase of the transition, the SMEs in Macedonia developed rapidly and evoked the issue for ensuring financial support under favorable conditions. Namely, the financial problems at the time being were namely present due to two reasons: (i) the nominal interest rates were extremely high and (ii) there were no alternative approaches and sources for SMEs financing. Therefore, the Government of Macedonia decided to establish the Macedonian Bank for Development Promotion (MBDP) with two sectors: (a) a sector for SMEs support and (b) a sector for export support. Up-to-day, the MBDP managed to ensure important credit lines from international and domestic sources for SMEs development, and to launch them in accordance with bank’s mission and strategic priorities.

1. LITERATURE REVIEW

There is a large body of literature referring to the financing sources of SMEs. Some authors pay attention to the importance of the informal financing sources, particularly in the early phases of their business development. According to Birch (1987), there were approximately 800,000 small businesses in the USA in the middle of the 80s, seeking for 25,000 US$ for an individual start-up, or approximately 20 billion US$ in total. In such a case out of those 800,000 newly established enterprises, 300,000 continues rapidly to develop, it provokes the need for 25,000 US$ each, so the total amount for financing the SMEs is estimated around 27-28 billion US$ per year. 80% of the total amount (around 22 billion US$) derives from the informal sources of financing (Birch, 1987, p. 79). In this line, one may note the findings from another interesting research in which on the sample of 500 the fastest growing businesses in the USA, almost 70% refers that the start-up financing comes from the founders’ savings, 20% is from relatives and friends, while only 8% is bank loans (Filipovski, 2007, p. 205).

The role of the informal sources of financing of the SMEs in the developing countries where the financial markets are still undeveloped is substantial. This addresses the transition countries as Macedonia as well. Moreover, in the early stage of the transition period in Macedonia, the informal sources of financing of the SMEs (3F money) were dominant over the formal sources i.e. bank loans. That was the time when due to high interest rates, the SMEs actually did not have any access to finance (Fiti et
Furthermore, one may note the importance of sources of equity and debt capital for SMEs. Baron and Shane (2007) as well as Filipovski (2007) point out the following sources of equity financing: Personal savings by the entrepreneur; Sources from family and friends; Sources from the business partners; and Risk capital.

In this line, the banks are the main source of debt capital, supplemented by leasing and factoring. The leasing of the SMEs brings two very important advantages: (i) By hiring equipment from a leasing-firm, they are protected from the out-of-date; and (ii) It enables the costs to be spread over longer period (Filipovski, 2007, 209; Ros et al, 2010, p. 620). Furthermore, the banks contribute even up to 70% in the financing of the SMEs; the second-ranked is the leasing with 24%, the public financial institutions with 11%, business-angels with 4%, official venture funds with 2% etc. (Jekkel, 2006, p. 5).

2. METHODOLOGY AND RESEARCH FRAME

The research encompasses the usual methods applied by the economics in the first line the methods of induction and deduction, which are particularly used to investigate the size of loans granted by the MBDP. Furthermore, the paper poses a comparative analysis based on stylized facts obtained from desk-research and available sources of secondary data (Yearly Reports and Financial Reports of the MBDP). The data set covers the period 1999-2013. Since the quantitative analyses do not always disentangle key facts necessary for pointing out concluding remarks regarding particular issues, analyses based on qualitative approach are additionally introduced. The idea is to evaluate the effects of the MBDP’s work in terms of financial support to the SMEs in Macedonia.

3. DEVELOPMENT OF SMEs IN MACEDONIA

Macedonia, as many other former socialist countries, started with the development of SMEs in the process of transition. Based on various changes in the economic and political system of the country, the process of spontaneous entrepreneurship was initiated. On the other hand, the establishment of a large number of new SMEs was an expected reaction of the citizens due to interrupted social and economic security caused by transition, privatization and growing unemployment (Fiti et al, 2007, p. 224). The dynamic of registering new SMEs was particularly intensive in the period from 1990 until the end of 1993, followed latter by smaller intensity (due to the embargo) and gaining in force once again in 1996. The Kosovo
crisis in 1999 did not have any meaningful influence on the establishment of new SMEs. The registration almost stopped in 2001 when the war conflict in Macedonia started, but continued in 2002 again. At the end of 2004, there were more than 172,000 SMEs in Macedonia (APPRM, 2005). However, soon after, it was detected that a large portion of the newly created SMEs are inactive entities, or only 49,123 (29%) were active. According to the sector structure, in the early transition period, the largest number of SMEs belonged to the trade sector (even 67% of the SMEs in 1993). Later on, the firms gradually shifted from trade to manufacturing, construction and other services out of trade. Until 2004, the share of SMEs in the trade sector was substantially reduced compared to 1993, getting to 54% (APPRM, 2005). Concerning the regional aspect, the largest part of the SMEs is concentrated in Skopje, Bitola, Kumanovo, Prilep, Ohrid, Strumica and Tetovo.

In 2004, based on the changes within the Company Law, Macedonia adopted the methodology for classification of the enterprises based on the size, proposed by the EU Commission. According to this methodology, the enterprises are classified upon three criteria. The first criterion (number of employees) is accepted in Macedonia and consequently there are micro, small, medium and big enterprises. The other two criteria (size of the turnover and total amount of the assets) are adjusted to fit Macedonia’s conditions. Hence, a small enterprise in EU is an entity with a yearly turnover of 10 million EUR, while in Macedonia it should have only 2 million EUR.

In 2013, there were 75,227 enterprises in Macedonia, out of which 99.9% or 75,139 are SMEs. In this line it should be noted that the SMEs are significant not only for having the dominant share of total entities in Macedonia, but for employing more than three-quarters of the workforce (221,323 or 81.2%). Furthermore, the SMEs generate more than two-thirds of the overall value added (1,530 mil EUR or 68.1%). Additional conclusion arises in the line of sectorial changes in the SMEs in Macedonia. Namely the trade has decreased its share for additional 17% compared to 2012. Moreover, the manufacturing, construction and transport have a common share of 26%, while the Information and communication, Financial and insurance activities, as well as Professional, scientific and technical activities contribute with 10%.

In the first years of the transition period, the SMEs sector was developing spontaneously, without any substantial governmental support or planned policy measures. Yet, as the number of the SMEs grew and their contribution to the country’s development became more meaningful, special institutions for support to the SMEs and the entrepreneurial process were established.
Despite the fact that Macedonia during the transition has an increased number of SMEs and meaningful institutional support, yet the conclusion is that there is a lack of SMEs. Namely, today there are approximately 35 active SMEs on 1,000 inhabitants, while the critical point is 50-60. This means, a large number of current SMEs in Macedonia has weak innovative approaches and has modest export results. Additionally, the institutions whose general aim is to provide support to the SMEs and the entrepreneurship in Macedonia are with limited capacity (UNDP, 2006).

4. LIMITATIONS OF SOURCES FOR FINANCING SMEs

In the early phase of the transition process, despite the rapid development of newly established SMEs, the sources for financing were very limited. Actually, up to 1996, only two sources for financing SMEs in Macedonia were present: (i) 3F money; and (ii) Bank loans. After 1996, the Government mobilized the foreign credit lines, while the debt capital was not present.

Table 1. Financial limitations for the SMEs in Macedonia, Slovenia and Bosnia and Herzegovina (%)

<table>
<thead>
<tr>
<th>Types of financial limitations</th>
<th>Macedonia</th>
<th>Slovenia</th>
<th>Bosnia and Herzegovina</th>
</tr>
</thead>
<tbody>
<tr>
<td>High credit costs</td>
<td>63</td>
<td>44</td>
<td>62</td>
</tr>
<tr>
<td>High value of mortgages</td>
<td>54</td>
<td>41</td>
<td>54</td>
</tr>
<tr>
<td>Indifference of banks for SMEs</td>
<td>55</td>
<td>24</td>
<td>46</td>
</tr>
<tr>
<td>Long time to obtain a credit</td>
<td>55</td>
<td>22</td>
<td>45</td>
</tr>
<tr>
<td>Very high bank expenses for processing the credit requests</td>
<td>51</td>
<td>29</td>
<td>45</td>
</tr>
<tr>
<td>Bank administrative procedures</td>
<td>50</td>
<td>25</td>
<td>44</td>
</tr>
<tr>
<td>Reject of financial request</td>
<td>57</td>
<td>13</td>
<td>41</td>
</tr>
<tr>
<td>Average</td>
<td>55</td>
<td>28</td>
<td>48</td>
</tr>
</tbody>
</table>


Concerning Macedonian banking over the transition, it may be noted that it was in a process of rehabilitation and consolidation. After its independence, the banks were faced with huge problems particularly in servicing foreign exchange-denominated deposits and substantial share of bad loans in the banks’ portfolio. Consequently, the banks lost their credibility among citizens and business entities.

Table 1 presents the key findings from perception of the surveyed enterprises towards their general financial limitations (Bartlett and Bukvic, 2002, p. 25). It is noticeable that the financial obstacles for the Macedonian SMEs are by far larger compared to other two investigated countries. In the
same line is the conclusion that the financial limits for the growth of the SMEs have the highest rank compared to other potential obstacles (taxation, administrative regulations, legal aspects, lack of institutional support) (Bartlett and Bukvic, 2002, p. 34).

In order to overcome the detected limitations for further development of the SMEs and the entrepreneurship in Macedonia, the Macedonian Bank for Development Promotion was established in 1998.

5. MACEDONIAN BANK FOR DEVELOPMENT PROMOTION

The MBDP is the only state developmental bank in Macedonia, established in 1998, with a constitutional capital of 15 million EUR and structure upon the concept of the German Development Bank KfW. It is interesting to note that the first idea when establishing the MBDP was to support the export of the Macedonian firms, the one not supported by the International Monetary Fund (Trpeski, 2009, p. 473-477). In general, MBDP supports SMEs because in the frames of enterprises which produce to export, substantial part belongs to SMEs.

<table>
<thead>
<tr>
<th>Credit line</th>
<th>Amount in EUR</th>
<th>Repayment period</th>
<th>Interest rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing of small and medium sized enterprises</td>
<td>15,000-500,000</td>
<td>Up to 8 years, greys period of up to 1 year included</td>
<td>6.5%</td>
</tr>
<tr>
<td>Financing of export oriented production</td>
<td>15,000-2,000,000 through banks and up to 1,000,000 direct lending</td>
<td>Up to 2 years</td>
<td>6%</td>
</tr>
<tr>
<td>Permanent working capital financing</td>
<td>30,000-300,000 up to 3 years</td>
<td></td>
<td>6.5%</td>
</tr>
</tbody>
</table>

**Source:** Annual report 2013 (MBDP, 2014, p. 24)

Table 2 presents the credit lines from MBDP own funds. Namely, starting from 1999 until 2013, MBDP created several active credit lines for SMEs financing originating from own funds. In 2013, 25 projects of SMEs were supported by these credit lines mostly in the field of manufacturing, transport and export oriented companies, with a total amount of 1,906,088 EUR.

<table>
<thead>
<tr>
<th>Credit line</th>
<th>Amount in EUR</th>
<th>Investment Loans (226 applications)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single credit amount intended to final beneficiaries</td>
<td>15,000 – 3,500,000 EUR</td>
<td></td>
</tr>
</tbody>
</table>
Regarding the credit lines provided by foreign financial institutions, bilateral creditors and other sources, the following were active: EIB credit line, Commodity credit line from Italy (Revolving Fund), SME credit lines from KfW (KMB 1, KMB 2 and KMB 3), as well as the Sustainable energy projects. All programs have identified the financing priorities according to the priorities of the macroeconomic policy of Macedonia (MBDP, 2014, p. 24-26). The brief overview of the main EIB credit lines encompassing the investment loans from EIB, loans for permanent working capital from EIB, as well as the loans for priority projects from EIB, are presented in Table 3. Yet, in the course of 2013, MBDP continued to utilize credit lines from other foreign creditors and donors. Besides the funding from three phases of the loan arrangements with the European Investment Bank (EIB) where the I and II arrangements were fully used, and the III was 95% used, favorable conditions were created for carrying out the IV arrangement in the amount of 100,000 EUR (the realization of this arrangement was foreseen for 2015).

During 2010, from the own resources of the credit line for financing SMEs, 14 loans were launched with total amount of 2,337,000 EUR, out of which 44% was for manufacturing, 21% for services, 15% for furniture production, 9% for food production, 6% for construction and 5% for transport. Furthermore, two loans with a total amount of 60,000 EUR were...
launched for working capital. It is interesting to note that in 2010, in the frames of the Program for support of export production the interest rates were decreased from 8% to 7% (MBDP, 2010, p. 20). In 2011, four loans from this program were approved with total amount of 1,606,950 EUR, while from the program for working capital only two loans were approved with total amount of 60,000 EUR.

Consequently, concerning the role of the MBDP in the financing SMEs as well as the entrepreneurship, one may conclude that it was important and progressive. This is based on the facts that this institution was active in the period when the interest rates were extremely high (nominal and real) and when the SMEs sector had limited access to finances from the commercial banks. The MBDP enabled the increase in the bank loan supply in the Macedonian economy and the decrease of the interest rates.

CONCLUSIONS AND RECOMMENDATIONS

Financing SMEs is among the most important issues and problems they are faced with during different phases of their life cycle. In this line, the commercial banks are by far the dominant source of financing, by participating even with 70% in the EU countries. On the other hand, the countries with developed financial system have much more diversified resource structure, unlike the transition countries and countries in development. Namely, the developed countries have a large portion of financing by the risk capital (business-angels and official venture funds), while within the debt capital the leasing and factoring have increasing importance. Completely opposite is the situation within transition countries and countries in development where the noted financing sources have modest participation.

Due to specifics, the SMEs bear a bigger risk for financing which leads to limited access to finances. However, the governments are fully aware that the SMEs are significant business segment with substantial contribution to sustainable economic development. Therefore, they identify measures and activities for supporting the SMEs development and entrepreneurship in terms of institutions and instruments. Hence, there are many public institutions (developmental banks, funds, etc.) which generally present public financial funds for SMEs financing, special programs for subsidizing interest rates of loans for small businesses, various guarantee schemes etc.

Furthermore, it can be concluded that the public financial institutions support the SMEs which have innovative approaches towards their businesses, high developmental potential, and implement projects for
environmental protection, application of renewable sources of energy and improving energy efficiency.

In this line, the following may be recommended in terms of improving the access to finance for the SMEs:

- Introduction of a comprehensive and pro-active approach of lending by commercial banks;
- Improving transparency by SMEs;
- To decrease collateral requirements thus increasing the number of good businesses to be financed;
- Development of micro lending (guarantee schemes);
- More aggressive advertising of export credit insurance and putting tight rules to ensure the sustainability;
- To introduce appropriate fees and legislation in the line of developing export credit insurance;
- To foster development of cross-border leasing, factoring and business angels;
- To enhance the role of business incubators, their activities and possibilities, and so forth.

Generally, Macedonia needs to pay more attention to further development of SMEs in terms of access to finance, particularly by accomplishment of the rule of law. Hence, a more liquid market for financial instruments will be established resulting in new financial products and more diversified financial structure for SMEs.

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CONSUMERISM AND CONSUMER PROTECTION IN THE REPUBLIC OF MACEDONIA

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Abstract
During the fast industrialization in the 1960s, there was production of goods that did not meet the basic consuming standards. The shortage of quality products, products that do not meet the standards for safe living and protection of the environment are the main reasons for emergence of the consumerism as movement. The purpose of consumerism is to protect the rights of consumers that face these problems and products.

Republic of Macedonia makes efforts for protecting the consumers, by following the world trends in the field of protecting consumers. Consumerism and consumers’ rights should be vital part of every modern economy.

In this paper priority will be given to what is already done on this subject, and will be considered the possibilities for further upgrading and supplementing what should be done in the future in this field.

Key words: consumer, consumerism, protection.

CONSUMERISM AS MOVEMENT

The consumerism as movement emerged at the beginning of the twentieth century. Consumers faced many problems and many low-quality products due to the fast industrialization, the high inflation rates and increase of prices. The consumerism is a movement that acts against the manipulative actions upon the consumers, also deals with protection of consumers when participating in the process of exchange with the companies. The consumers have their own rights in the trade exchange and those rights are protected by law.
The economist Kotler lists the following main factors that led to the rise of consumerism in the 1960s:  

1. Beneficial structures
   - Advancing incomes and education
   - Advancing complexity of technology and marketing
   - Advancing exploitation of the environment

2. Structural Strains
   - Economic discontent due to lack of information
   - Social discontent due to poverty
   - Ecological discontent due to pollution concerns
   - Political discontent due to unresponsive politicians and institutions

3. Growth of a Generalized Belief
   - Social critics
   - Consumer orientated legislation
   - Presidential messages
   - Consumer organization

4. Precipitating Factors
   - Professional agitation
   - Spontaneous agitation or strikes

5. Mobilization for Action
   - Mass media
   - Pragmatic vote seeking politicians
   - New consumer organizations

6. Reaction of the decision-making centers
   - Business resistance and/or indifference
   - Legislative resistance and/or indifference

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76 Philip Kotler, Znacaj konzumerizma i kadrove marketinga, Marketing 5, br. 5/75, CDI Zagreb 1976, page 290
Consumer Bill of Rights was presented due to this difficult situation in the economy and the problems of consumers that were constantly growing, mostly in the US. Namely, President Kennedy presented his vision in a speech to Congress on March 15, 1962: "Consumers by definition, include us all;" Kennedy said in his Congressional Statement, "They are the largest economic group, affecting and affected by almost every public and private economic decision. Yet they are the only important group... whose views are often not heard." Over the years this vision was accepted by the consumer movement and became known as Consumer Bill of Rights that consists of eight rights: 77

1. The right to satisfaction of basic needs - To have access to basic, essential and services: adequate food, clothing, shelter, health care, education, public utilities, water and sanitation.

2. The right to safety - To be protected against products, production processes and services that are hazardous to health or life.

3. The right to be informed - To be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising and labelling.

4. The right to choose - To be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.

5. The right to be heard - To have consumer interests represented in the making and execution of government policy, and in the development of products and services.

6. The right to redress - To receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods or unsatisfactory services.

7. The right to consumer education - To acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.

8. The right to a healthy environment - To live and work in an environment that is non-threatening to the well-being of present and future generations.

77 http://www.consumersinternational.org/who-we-are/consumer-rights/
CONSUMERISM IN EU

The institutional support of consumerism in the European Union began in 1973 when Consumer Contact Centre (CCC) was founded. That was later transformed to Consumer Centre (CC), with 20 representatives as members from national organizations for consumer protection. This Centre deals with ecological issues, problems of the nuclear energy, as well as issues of consumer protection.

The legislative created in this Centre that is connected to the consumer protection is based on ten principles:

1. Buy what you want, where you want
2. If it doesn’t work, send it back
3. High safety standards for food and consumer goods
4. Know what you are eating
5. Contracts should be fair to consumers
6. Sometimes consumers can change their mind
7. Making it easier to compare prices
8. Consumers should not be misled
9. Protection while you are on holiday
10. Effective redress for cross-border disputes

In the period between 1996 and 2000 the following policies for consumer protection were formed:

- Advancement in Market transparency
- Advancement in Market transparency and consumer protection
- Encouraging Market competitiveness
- Consumer protection
- Consumer activism

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79 http://ec.europa.eu/consumers/enforcement/injunctions_en.htm
Providing help for countries that are not members of EU

The European Union accepted the Strategy for Food and Consumer Protection and the Proposal of the European Parliament creating a Program for Health and Consumer Protection for the period 2007-2013. Both Strategy and Program connect the activities for consumer protection to public health, providing synergy effect for safe products and education. The purpose of this Program is especially important in cases of conflict between consumers and manufactures that produce dangerous products that are endangering the health and safety, products that do not meet the proper standards for vitamin and mineral content, instead contain pesticides, additives, preservatives etc. The activities of this program are directed to the countries members of EU and to countries that are candidates for EU, including the Republic of Macedonia. It is vitally important to create legislative that would cover these problems, not just for the consumers that have safety issues and conflicting situations with manufactures and suppliers, but also because it is dangerous for the environment in which we live. Namely, the fast industry development produces side effects with negative consequences: non-economical exploiting of raw materials, destruction and pollution of environment etc. From these facts, arises the necessity for institutional justification of consumer protection and protection of the environment.

LEGAL FRAMEWORK AND CONSUMERISM IN THE REPUBLIC OF MACEDONIA

The legal basis for regulation of consumer protection is determined in article 97 of the Agreement for stabilization and association with the EU, according to which the Republic of Macedonia should match the standards of consumer protection to the standards of the European Union, so that an effective consumer protection and functioning of market economy will be provided. Second law of consumer protection in the Republic of Macedonia was passed in June 2004, with four intervention of the Law-maker still applies. The opinion is that this Law partially matches the directives of the European Union in the area of consumer protection. The current

amendments of the Law where made in order to harmonize the legal framework for the consumer protection in the Republic of Macedonia with the appropriate ones in EU, especially in the area of unfair market behavior in the subjects of internal market and collective protection that are of interest for the consumers; increasing the protection of the economic interest of the consumers from unfair market behavior of the salespersons; further notification of the consumers for proper election in buying products and services; consumer protection from unfair market behavior in sale of products and services as well as the possibility of protection of mutual interest of the consumers via initiating the procedures before the competent courts. Besides the Law on consumer protection in the Republic of Macedonia, consumer protection is defined with other laws like: Law of consumer protection in contracts for consumer loans, Law on product safety, Law on market surveillance, Trade law, Law on food safety, Law on tourism, Law on hospitality, Law on patient protection and other laws that regulate certain part of consumer protection. For the contractual relations that are not regulated with the Law on consumer protection, the provisions of the Law on obligations apply, where the protection of the consumer rights is one of the basic principles of the Law on obligations.

The Government of the Republic of Macedonia has founded Council for protection, whose job is to provide protection of the rights of consumers in terms of the protection of health, safety, economic interest and providing regular information when achieving their rights, analyzing the existent legislative and proposing appropriate changes in the legal consumer protection, market evaluation in terms of degree for consumer protection. The Council monitors the realization of the program for consumer protection and proposes measures for its realization to the Government of the Republic of Macedonia.

Consumer protection is further applied through the activities of Municipal Councils for consumer protection, i.e. in the City of Skopje. The Consumer protection councils propose two-year local programs for consumer protection, in accordance to the Consumer protection program of the Government.

The Law on consumer protection is a regulation for consumer protection in the Republic of Macedonia and the supervision is being performed by the

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82 Information about the principal of protection of the citizens as consumers and service beneficiaries, Gale Galev, Jadranka Dabova Anastasovska, Law on obligations, Law faculty, Justinian I Skopje, Skopje, 2008, page 93
Ministry of economy. The state retail and commerce inspection, the food and veterinary agency, the State sanitary and health inspection and the State environment inspection, via their inspectors take care of the fulfillment of the legislation.

Following the example of the world practices, and encouraged by the actual needs and conditions on the market, the Consumer Association of Macedonia (OPM) was created in 1996. It is a non-governmental, non-profit and non-political organization whose purpose is to provide effective consumer protection on the Macedonian market. This organization is connected to many local organizations and their networks that act as consulting bureaus. The consumers may receive advice on the phone or via e-mail.

In the report for the progress of the Republic of Macedonia for the year of 2013\textsuperscript{84}, in respect to the consumer protection, there is an evaluation that the framework and evidence for fulfillment are improved. The Consumer association (OP) continues raising awareness by educating and advising the consumers, training professionals in the retail and commerce inspections, consumer associations and competent Ministries. Nevertheless, the effective fulfillment of the policies of consumer protection is limited by a permanent shortage of administrative and financial resources. The appeals of the consumers may be directed not only to the consumer association, but also to the retail and commerce inspectors, the appropriate offices of the state administration and the Ombudsman. Amendments of the Law on safety of products were made to improve the accordance with acquis. The number of appeals on consumers regarding the public utility enterprises and telecommunication companies has been increased. The overall evaluation is that a moderate progress is achieved in consumer protection. The further progress in this area is conditioned by the accessible limited financial resources and poor functional structures, especially in the area of consumer protection.

In the area of insurance (insurers and beneficiaries of insurance services) the consumer protection is done by the Insurance Supervision Agency (ASO). In insurer protection, ASO acted in cases submitted by insurers and insurance beneficiaries that were unsatisfied by the insurance companies. During the year of 2013, 148 complaints were received, out of which 109 are resolved

(51 resolved positively for the submitters of complaints, 31 are unfounded and 8 are in process of resolving)\textsuperscript{85}.

Consumer protection is a priority of the State retail and commerce inspection. The Report for the work of the State retail and commerce inspection for the year of 2014\textsuperscript{86} shows that the State retail and commerce inspection received 1029 complaints of consumers that believed that their consumer rights have been violated, 184 educations were performed on the doers of violations regarding consumer rights, 2890 supervisions were made, 578 control supervisions and 1047 extra-ordinary supervisions were done or total of 4515 supervisions. In the year of 2013 the number of performed supervisions and received and resolved complaints for consumer protection has significantly decreased\textsuperscript{87}, that leads to the conclusion that the awareness of the consumers about their rights has increased, and the activities of the State retail and commerce inspection have been intensified.

At the moment on the webpage of the Unique national electronic registry of regulations of the Republic of Macedonia (ENER)\textsuperscript{88} there is a draft law for amendment and supplementation of the Law on consumer protection, where implementation of the Directive of the European Union for consumer rights (Directive 2011/83/EU of the European Parliament and the Council of EU dated 25.10.2011) envisages consumer protection in buying products or services from distance and outside of the business premises of the salesperson.

\textsuperscript{85} Annual report for the work of the insurance supervision agency in the year of 2013, insurance supervision agency, Skopje 2014
\textsuperscript{86} Report for the work of state retail and commerce inspection for the year of 2014, state retail and commerce inspection, Skopje 2014
\textsuperscript{87} During this period performed are 2734 regular, 337 control and 105 extra-ordinary inspection supervisions… in the year of 2013, in the DPI received are 944 complaints by consumers and they were processed as in the report for work of the state retail and commerce inspection for the year of 2013, state retail and commerce inspection, Skopje 2013.
\textsuperscript{88} https://ener.gov.mk/default.aspx
CONCLUSION

The performed analysis can lead to the conclusion that Republic of Macedonia is harmonizing the legislative on consumer protection via the constant supplementing and amending laws for implementation of the EU Directives in this area. The activities of the Consumer Associations, Council of consumers of Macedonia and councils in the units of the municipalities, as well as the competent state administration departments and inspections are constantly intensified, so that they would provide further protection of the consumers’ rights and will raise awareness and educate the whole society regarding their rights as consumers. Nevertheless, it is important to mention that the manufacturers and salespersons should respect these legal measures of consumer protection, because it is not only about the rights of the consumer, but also protection of the environment and development of the society as a unit.
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8. Извештај за работа на Државниот пазарен инспекторат за 2014 година, Државен пазарен инспекторат, Скопје 2014.
OBSTACLES TO SMALL AND MEDIUM ENTERPRISES

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Abstract

In the framework of economic development, significant importance has been given to SMEs in developed countries and those in transition. This paper aims to investigate the fundamental problems faced by SMEs in a developing country, such as Kosova scenario. The paper highlights the importance of entrepreneurship and SMEs to economic development. The main objective of this study is to explore the obstacles of SMEs on their current development in Kosova. The secondary data are used for purpose of this study mainly derive from Business Support Centre Kosova who developed a survey for 500 SMEs, for three consecutive years 2010, 2011, 2012 and Kosova SME Promotion Programme, who conducted an interview survey for 743 SMEs from seven regions of Kosova in 2014. By comparing the results from years 2010, 2011, 2012 and 2014 the main obstacles to the development of SMEs, as perceived by the entrepreneurs are ranked. The paper findings results that the main obstacles to business, faced by entrepreneurs are more related to the external environment such as Informal economy/black economy rather than with internal factors such as managerial or employee’s skills.

The findings of this paper might contribute to the policy makers, according to the obtained results they can observe barriers that mostly disfavour firm growth and consequently take action on reducing them.

Key words: SMEs, obstacles, economic development, business environment.
INTRODUCTION

The business environment has a significant role in economic development, employment and poverty alleviation. A favourable business environment can enhance the development of small and medium enterprises and can facilitate their sustainable growth. Meanwhile, turbulent and unfavourable business environment followed by numerous obstacles will disfavour and harm small and medium enterprise growth. The business environment mainly depends on and is inherited from political, social, economic, legal and institutional circumstances and conditions. It relays upon whether these circumstances are favourable or not, then the business environment will support or exacerbate the sustainable growth of small and medium enterprises. Many authors argue the business environment presents a multidimensional notion reifying the prevailing institutional framework, macroeconomic stability, the regulatory mechanism, price stability, technological opportunities, and industry growth, including the rising demand for new products (Tsai et al., 1991; Lumpkin and Dess, 1996; Hashi, 2001; Smallbone and Welter, 2001a, b; McMillan and Woodruff, 2002; Pissarides et al., 2003; Clement et al., 2004; Hashi & Krasniqi, 2011).

Considering these differences, exploring the growth of the firm in this kind of environment will highlight an important facet of the diversity among organizations that operate in different institutional environments (Carroll, 1993; Hannan & Freeman, 1989; Lammers & Hickson, 1979). The business environment has crucial importance on SMEs growth. Also, firm’s growth is influenced by many other complex external and internal factors. According to Peng and Heath (1996), the theory of the growth of the firm will be almost complete if more research was directed to firm growth in planned economies and transitional countries. Developing countries face different barriers and singularities of the business environment that mainly derive from the political situation, transitional phase and that affect economic development. According to Meyer & Peng (2005a) Central and Eastern European (CEE) countries provide an interesting laboratory for developing and testing theories because the transition processes provide a series of unique societal quasi-experiments. The social context inherited from the former socialist period appears to affect both the attitudes and behaviour of entrepreneurs and the attitudes of society at large towards entrepreneurship (Smallbone & Welter, 2001). Barriers such as tax burdens (Kontorovich, 1999) and high levels of bureaucracy (Bartlett & Bukvic, 2001) have been shown to be significant for firm growth in transitional countries. Corruption among some officials in the state administration in transition economies leads to further
costs and delays (Barlett et al., 2002). SMEs operating in transition economies in comparison to those in Western economies face different formal and informal barriers. The main objective of this study is to explore the obstacles of SMEs on their current development in Kosova.

**METHODOLOGY**

For the purpose of this study, we will use secondary data that mainly derive from Business Support Centre Kosova and Kosova SME Promotion Programme and other existing literature and evidence relevant to the purpose of the study. Business Support Centre Kosova developed a survey for 500 SMEs, for three consecutive years 2010, 2011, 2012. In the sample are included SMEs across all regions of Kosova and the sample is stratified by three main sectors: service, trade, and manufacturing. The sample is drawn randomly from the business register that was kept at the Ministry of Trade and Industry-Agency for Business Registration. BSCK team performed the procedure for selecting the sample size and companies to be interviewed in Excel and SPSS using the random command.

Kosova SME Promotion Programme conducted an interview survey for 743 SMEs from seven regions of Kosova aiming to obtain further information on the characteristics, strategies, obstacles and identify business’s needs. The sample for the survey has been designed in a way to take account of the heterogeneity of the SME sector and to provide reliable results for the main sectors, size categories and the different regions of Kosova (KOSME, 2014). The sample was randomly drawn from ATK’s register and is stratified by main sectors. Interviews were done face-to-face with owners/managers by UBO Consulting. By comparing the results from years 2010, 2011, 2012 and 2014 the main obstacles to the development of SMEs, as perceived by the entrepreneurs are ranked.

**SMALL AND MEDIUM ENTERPRISES IN KOSOVA**

Small and medium-sized enterprises (SMEs) are of high importance to Kosova’s private sector economy and account for approximately 80 percent of employment in the market economy. Regardless of SMEs importance, the country’s SME sector, as well as the wider business environment, shows some significant vulnerability that prevent this sector from developing its full potential in terms of employment, productivity, newness and value added. According to the TAK register, there were around 46,032 enterprises in the private sector in 2013. These enterprises employed approximately 190,000 people.
The difficult economic situation in Kosova limits the government’s ability to increase employment. Hence, one of the main preconditions for economic development in Kosova and many countries in the region remains the development of entrepreneurship and small and medium enterprises as the primary source of income, employment and, poverty alleviation.

According to KBRA, at the MTI, on December 31st, 2010, there were more than 100,000 registered SMEs. Those SMEs employed 216,799 employees, or 79.59 percent of total employees in the private sector, and 62.24 percent of the total number of employees in Kosova. From a total of 103,755 enterprises: 102,070 (or 98.37 percent) are micro enterprises; 1,406 (1.35 percent) are small; 221 (0.22 percent) are medium; and, only 58 (0.06 percent) are classified as large. As shown in the above figures, it can be concluded that entrepreneurship and SMEs development seems promising in Kosova economic development, employment and poverty reduction.

**SMALL AND MEDIUM ENTERPRISE OBSTACLES TO BUSINESS IN KOSOVA**

SMEs contribute to the creation of wealth, employment, poverty alleviation and income generation in both rural and urban areas all over the world. Because of their economic adjustment toward market economies SMEs, in particular, contribute in transition countries. According to previous studies of SMEs in transition countries business operations are affected by a large number of obstacles. The formal barriers such as the high level of taxes (Bohata and Mladek, 1999; Hashi, 2001; Bartlett and Bukvic, 2001) and the general regulatory environment (Brunetti et al., 1998; Hashi 2001) seem to be the main barrier in transition economies. Besides the formal obstacles, the informal constraints such as the implementation of regulations (Jancauskas, 2000; Bartlett and Bukvic, 2001), corruption (Bohata and Mladek, 1999) and unfair competition from the large informal economy (Muent et al., 2001) affect doing business in transition economies as well. External environment obstacles such as strong competition, environmental barriers such as lack of financing (Pissarides et al., 2000; Aidis, 2005; Hashi, 2001; Bartlett and Bukvic, 2001) and, low purchasing power (Jancauskas, 2000) further hinder the SME development. Lack of qualified staff (Bohata and Mladek, 1999), and delayed payments by clients (Bartlett and Bukvic, 2001) presents additional environmental barriers. Entrepreneurs in Kosova faced numerous barriers to doing business other than financial resources. Legislation and formal institutions were non-existence that resulted with significant illegal activities followed by the unfair competition, corruption, fiscal evasion (Riinvest, 2003; Hoxha, 2009).
Table 1: Obstacles to business

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<tr>
<th>Obstacles to business</th>
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<th>2011</th>
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<td>Strong competition</td>
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<td>Strong competition</td>
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<td>Corruption</td>
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<td>Taxes too high</td>
<td>3.5</td>
<td>Corruption</td>
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<td>Taxes too high</td>
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<td>Supply with electricity</td>
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<td>Taxes too high</td>
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<td>Lack of market</td>
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<td>Corruption</td>
<td>3.5</td>
<td>Fiscal evasion</td>
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<td>Crime robbery and</td>
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<td>Low enforcement</td>
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<td>Crime robbery and</td>
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<td>Fiscal evasion</td>
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<td>Administrative borders</td>
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<td>Supply with electricity</td>
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<td>Access to finance</td>
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<td>Insufficient capacities</td>
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As presented in Table 1, the market of Kosovo possesses several other obstacles to the development of SMEs. These are the compared results of 2010, 2011 and 2012 BSCK surveys concerning the obstacles to the development of SMEs as perceived by the entrepreneurs. The results are presented on average where 1- is not an obstacle and 5- is the major obstacle.

As can be seen from the Table 1, based on the survey’s results of 2010, 2011, and 2012, SMEs were more concerned with constraints related to the external environment rather than with internal factors such as managerial or employee’s skills. Other barriers ranked at the top of the obstacle’s list include taxes too high, lack of market demand, law enforcement, etc. These obstacles are external factors, and they illustrate the indigent institutional environment for doing business in Kosovo (BSCK, 2013).

According to KOSME (2014) it is of primary interest to understand what SMEs regarded as the major constraints to their business operations. As can be seen from the Chart in figure 1, the business constraints according to how often they were assessed as significant by the SMEs in the survey are ranked by KOSME (2014) as follows:

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On the top of the list are Poverty of people (low income) and corruption that were mentioned by more than 50 percent of enterprises, followed by the informal economy that constitutes another major concern for SMEs and in particular for those in the construction sector (KOSME SME Survey, 2014). Reduced availability of finance possibilities is in fifth position. Nevertheless, this was mainly mentioned by solo-entrepreneurs and to a lesser extent by small and medium-sized companies. Also, around one-quarter of the SMEs says that their financial resources were weak.

Almost at the end of the list stands ‘education and skills of people’. However, this is partly because the share of businesses with no employees is high in the economy and the survey. SMEs employing personnel are somewhat more critical of this aspect. Finally, administrative procedures for businesses such as registrations, etc. obviously do not constitute a barrier for SMEs in Kosova (KOSME SME Survey, 2014).

(Source: KOSME SME Survey 2014)

**Figure 1:** Major problems/constraints for doing business (% SMEs)
CONCLUSION AND POLICY IMPLICATIONS

Based on the obtained results from two surveys (BSCK and KOSME), for years: 2010, 2011, 2012 and 2014, SMEs were more concerned with the external environment obstacle rather than with internal factors such as managerial or employee’s skills and education. As can be seen in Figure 1 ‘Poverty of people presents the main’ barrier for 2014, whereas in BSCK survey this obstacle is not included but 'Insufficient capacities' is to some extent similar obstacle. Other obstacles that remain highly ranked are corruption, taxes too high, lack of market demand, law enforcement, informal economy, etc. All these obstacles are external factors, and they illustrate the very poor institutional environment for doing business in Kosova.

Furthermore, these obstacles lead to the increased cost of doing business for firms that operate officially compared to their counterparts that operate informally or partially informally (Krasniqi, 2007; BSCK, 2013). Corruption remains one of the major problems in Kosova, although based on (BSCK, 2013) report it has been declining. This decrease leads us to suggest that it could happen that SMEs have faced corruption for a long time and probably are adapted to it. According to the International Transparency Report for 2011, Kosova is qualified as the most corrupted country in the region being ranked in the place of 112th from 183 countries. Kosova is also ranked 75 among 189 countries on the ease of doing business rank (Doing Business report, 2014).

This study contributed to new evidence on the theory of SMEs in transition and emerging country. The findings of this paper might contribute to entrepreneurs and the policy makers.

This paper can help to entrepreneurs and, in particular, new entrants (start-ups), as it provides valuable evidence on the business environment, determinants of growth and barriers to doing business.

The policy makers, according to the obtained results they can observe obstacles that mostly disfavor firm growth and consequently take action on reducing them.

By bringing evidence regarding the importance of SMEs growth on economic development, employment and poverty reduction and by identifying their obstacles to business, this study might aware policy makers to support SMEs with appropriate policies.
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THE IMPACT OF NON-FORMAL EDUCATION ON EMPLOYEE PERFORMANCE IN SMEs IN KOSOVO

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Abstract

Human resources are now recognized as key assets for a successful enterprise development. Therefore, enterprises pursue various modalities for developing their human resources, with non-formal education as one of the alternatives.

Small and medium term enterprises (SMEs) in Kosovo are increasingly relying on non-formal education for improving the performance of their employees. The aim of this research is to validate the impact of non-formal education on the performance of employees of SMEs in Kosovo.

The methodology to be used is based on qualitative research methods, including interviews and surveys. In order to strengthen the credibility and validity of the findings, the research will include data source triangulation, cross verifying the information through an extensive desk research. The findings from the envisaged primary and secondary research will be analyzed to infer the impact of this type of education in the performance of employees as well as to identify the approach of enterprises towards this type of development.

The expected results of this research aim to show the approach of small and medium enterprises in Kosovo towards non-formal education as part of their human resource development strategy. Furthermore, it will provide an overview of the main challenges and potential of this type of education for human resource development in Kosovo enterprises as well as provide
preliminary results of the impact of non-formal education in improving the performance of employees in the enterprises.

**Key words:** HR, Non-formal Education, Employee Performance,

**INTRODUCTION**

“If you think Education is expensive, try estimating the cost of ignorance!”

Howard Gardner

Employee skills and their further education and development is a critical challenge for enterprises. Employees are increasingly recognized as key assets for enterprise development, however their development remains constrained. Enterprises shall have a clear vision and a well-planned strategy to address human resource development. Studies have shown that trained and motivated employees are more productive and consequently this has an impact on the productivity of the enterprise. The importance attached to human resource development is contingent on enterprises, while variations in this approach may be discerned generally also at national level. While in developed countries enterprises have integrated human resource development plans in their overall enterprise development strategies, in developing countries support to human resource development is not approached strategically. Thus, in Kosovo, human resource development is conducted in an uncoherent manner, possibly due to lack of awareness on its importance or also financial constraints.

Many studies have suggested that organisations benefit from training by being more productive, more competitive, and consequently more profitable in the future (Becker 1993). Furthermore, in many countries studies have also provided data on the impact of non-formal education in human resource development. Data on the impact of non-formal education in enterprise development in Kosovo are deficient. The studies available address the process of non-formal education, but fail to go beyond in measuring the proper impact of this type of education on employee and enterprise performance.

Nevertheless, there are some positive signs that Kosovo enterprises consider the quality of employees and their further development through non-formal education as critical factors for enterprises’ long-term profits
(KCC, 2010). The study shows that enterprises’ dissatisfaction with the formal education in Kosovo has led to 49% of enterprises carry out employee development through non-formal education (SECEEL, p 42).

Yet, other enterprises are reluctant to engage in employee development, fearing that well-qualified employees will abandon their enterprise for one of the competitors (Gospel and Lewis, 2010).

Therefore, this study is very important to measure the impact of non-formal education in small and middle enterprises in Kosovo. This study provides data on the impact of non-formal education on employee performance in Kosovo enterprises. Moreover, through this study we understand that Kosovo enterprises, despite huge constraints, do address importance to human resource development. It further provides recommendations to Kosovo enterprises on the necessity of addressing human resource development consistently with a clear strategy, avoiding ad hoc actions.

**BASIC THEORETICAL CONCEPTS IN THE AREA OF NON-FORMAL EDUCATION**

There are various notions related to non-formal education being utilized in various countries. Generally in Europe, non-formal education is understood as any educational activity organized outside the formal education system (INFED). In Germany, non-formal education is recognized as ‘all types of education organized outside the formal education system, including seminars, conferences, distance learning (FORUM). In order to avoid discrepancies and ambiguities in the use of terms in the following paper, namely avoid confusion, it is important to preliminarily clarify the terms being used and their respective connotations. In contrast with the use of the term in Western European countries, non-formal education in Kosovo is also organized under the framework of the formal education system. Upon the decision of the Ministry of Education, Science and Technology, some primary schools organize ‘Compensatory learning’, which aims to address a belated attainment of basic qualifications, which should have been attained during mandatory education. There are a significant number of individuals in Kosovo that due to circumstances have not been able to complete the basic level of education, which based on applicable legislation is mandatory.

In a similar spirit of contrast to Western European countries, according to the Law on Vocational Education and Training, non-formal education is organized by the same institutions providing formal education, such as
vocational schools as well as other institutions offering non-formal education in an independent way.

Non-formal education in Kosovo is currently driven by the offer of this type of education or the interest of the private sector rather than labor market demand. Presently, the labor market is poorly developed, fails to generate clear needs and employment is mostly driven by personal connections instead of professional ones.

THE NATIONAL AND SOCIAL CONTEXT

Kosovo is one of the youngest states in the world, having declared its independence on 17 February 2008. According to Kosovo’s Statistical Agency, the recent 2012 census showed a population of 2’100’000 people, over 90% of which are Kosovo Albanians, 7% Kosovo Serbs, 3% Kosovo Turks, and other ethnic minorities.

A specific demographic feature of the country is its very young population, with over 60% of the population below the age of 25 and related specific challenge—unemployment in the age group 15-24 is over 63% (UNICEF 2004). Moreover, Kosovo is also recognized as one of the poorest countries in Europe, with a high poverty ratio and huge unemployment, in average of 43% (MLSW 2008).

The Ministry of Labor and Social Welfare records report around 334 595 registered unemployed, 93% of which have been unemployed for a long time. About 47% of this group is female.

The educational level of the unemployed is quite concerning. About 72% of the registered unemployed have only a basic level of education, namely only the primary education. State-funded employment trainings usually address the age group 25-39 and cover about 44%. In a country with generally a low number of individuals with higher education, about 16% (Getting to Lisbon 2008), and a poorly developed private sector, the employment prospects are not that promising.

NON-FORMAL EDUCATION MODALITIES IN KOSOVO

Technological, demographic, social and economic developments have led to a situation where possessing a qualification is a must not only for the unemployed, who are struggling to enter the labor market, but also for the ones currently employed, if they are to progress within their institutions or advance in their careers (Cedefop2008).

Moreover, non-formal education has an important aspect contributing to human development, making people more skilled, willing to help themselves.
as well as contribute to developments in their society (UNESCO 2006). Non-formal education has two important dimensions: on one hand is the need of the individual for personal and professional development (Roadmap 2008).

The second important dimension is the capacity of the education system to keep up with technological developments and offer the required trainings that are in line with the needs of the emerging labor market (Krasniqi Islam 2006).

Non-formal education has developed in various ways and through various actors, such as public, private, non-governmental organizations, donor support programs, etc. Information on trainings and training providers is not centralized in any institution.

While many training providers get registered as businesses in the Ministry of Trade and Industry, their performance is no longer tracked by that Ministry. On the other hand, the Ministry of Education, Science and Technology (MEST) is responsible for overseeing the process of recognizing non-formal education activities (VET Law 2007).

From a legal perspective, all training providers are required to compile their training curricula, which should be preliminarily approved by MEST.

The law requires that training and education programs are in compliance with international standards. The Republic of Kosovo has already approved the Law on Adult Education and Training, Law No. 02/L, promulgated on 07.09.2005, which from a legal perspective considers non-formal education equally important (Law 2007).

Non-formal education in Kosovo is developing slowly. While in developed countries, non-formal education consists of about 2-3% of overall education activities, the figures for Kosovo are concerning, with only 0.2% non-formal education.

METHODOLOGY AND THEORETICAL FRAMEWORK

Design/methodology/approach – Data from 12 sector enterprises are used to examine determinants of training and the connection between non-formal education and profitability.

Objectives of the Study
The main objectives of this research are as follows.

- To know the impact of training on performance of employees in the SMEs
- To examine the role of Non-formal Education in enhancement of employee's performance
**Hypothesis Development**

The hypotheses are developed in this research as follows.

H1: Non-Formal Education increases the performance of employees.

H2: Kosovo SMEs have positive opinion about the impact of Non-formal education.

**SAMPLE**

Respondents for the questionnaire were randomly chosen from different Small and medium enterprises in Kosovo. A sample of 12 employees from the above mentioned organization is taken. The selection of enterprises for the research was done randomly. However, the sample resulted with 66.60% of enterprises in private ownership, 16.70% of enterprises are publicly owned and 16.70% of enterprises are with mixed ownership structures.

**RESEARCH FINDINGS**

The majority of enterprises in the sample are small, considering only 33.30% of enterprises employ over 50 employees.

In relation to their perspective/experience with trainings, the enterprises generally have a positive attitude on the impact of non-formal education in employee development. The research results show that 25% of company owners/managers are very satisfied with the impact of non-formal education, 58.40% are satisfied, whereas 8.30% are moderately satisfied and 8.30% are little satisfied.

The employee structure of the enterprises consists mostly of technical workers. Thus, 58.40% of interviewed enterprises employ over 20 employees in technical positions, while about 33.30% employ 1-10 employees in technical positions. Similarly, 41.70% of enterprises have 1-3 employees in managerial positions, 33.30% of enterprises have 4-6 employees in managerial positions, while only 25% of enterprises have more employees in managerial positions. Yet, all enterprises despite their employee structure consider NFE as highly important, with 91.70% of enterprises consider NFE/trainings as very important and only 8.30% as important.

A challenging practice observed is the fact that 59.30% of enterprises lack human resource development plans and engage in ad hoc HR
development activities. Despite the absence of HR development plans, the majority of enterprises, respectively 58.30% allocate specific budget for employee continuous development programmes. This naturally leads to the question why enterprises lack a human resource development strategy, while being financially committed to support such activities.

The company representatives consider the NFE/trainings very useful, with about 75% of company representatives consider that their employee competences have been improved, 8.30% consider that employee competences haven’t seen any difference and 16.70% of enterprises consider that the trainings haven’t resulted with any change on employee competence. The feedback on the impact of NFE/trainings in the financial performance of enterprises is quite mixed, with 50% of enterprises considering that it was improved after trainings and another 50% considering that it hasn’t translated into enhanced financial performance.

The attitude of enterprises for prospective human resource development is promising, considering 83.30% of enterprises intend to engage their employees in trainings and only 17.70% may not engage in such activities, though their opinions are not conclusive and may be reconsidered. A barrier in relation to human resource development is as well the cost of training. Thus, 41.70% of interviewed enterprises consider that trainings are very expensive, 50% of enterprises consider trainings expensive, and only 8.30% consider that trainings are offered with affordable costs.

Regarding the question on the expected return on investment related to trainings, Kosovarian enterprises are highly optimistic, given the fact that 50% of enterprises consider the return on their investment possible within a year, 16.70% of enterprises expect a return on their investment within two years, while 33.30% of enterprises consider a return on their trainings investment possible in a period of over two years.

The performance of employees is shaped not only by continuous trainings, but is also related to the work environment, communication with the management and general motivation strategies and practices within the company. The survey results show that 75% of enterprises have motivation policies, though the interviews show that there is no clear strategy of motivation measures undertaken and effects expected.
CONCLUSIONS

1. Small and medium enterprises in Kosovo have a positive attitude towards the role of non-formal education.
2. Specific attention is paid to human resource development, despite the various challenges faced.
3. Human resource development within SMEs is approached on an ad-hoc basis, without any specific strategy.
4. SMEs in Kosovo consider that skills gained through non-formal education have a direct and considerable effect in the economic performance of their companies.
5. SME's expectations are very optimistic in terms of return on investment.
6. SMEs have initiated employing incentives to motivate employees, though this needs to be more structured and intensified.

RECOMMENDATIONS

Considering the findings of the research, the following recommendations are provided to SMEs about their future approach towards non-formal education:

1. SMEs should have a human resource development strategy document or integrated in the business plan as that would help structure the approach towards human resource development.
2. SMEs should earmark some budget for human resource development. Even though in the beginning that might be low, it should be strived to increase it over time.
3. Human resource development is a costly endeavor for the companies in the long run. Therefore it is recommended that SMEs develop on the job training structures over time.
4. Return on human resource development investment is a long-term process, benefits take time to show and there should be more patience.
5. SMEs should promote and make very transparent employee motivation incentives.
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Entrepreneurial ecosystems have received considerable attention among governments, development agencies, and academics. Building on the assumption that the first step toward improvement of entrepreneurship is screening the existing entrepreneurial environment or ecosystem, this article aims to examine a basic ecosystem framework, therefore, analyzing the principal entrepreneurial domains. The article is based on the work of Babson Entrepreneurship Ecosystem Project, widely acknowledged for the composition of entrepreneurial ecosystem frameworks. This theory categorizes the complex ecosystem into six key domains: policy, finance, culture, supports, human capital and markets. Transferring these issues to a national level, a short survey has been conducted among Macedonian furniture-manufacturing SMEs, asked to critically evaluate their business environment referring to the domains of the elaborated ecosystem framework. The expected results of this research are to get clear insights on Macedonian’s furniture-manufacturing ecosystem, identify key obstacles in entrepreneurial development, and use it as a base for larger-scale examinations.

Key words: Entrepreneurship, entrepreneurial growth, entrepreneurial ecosystem, ecosystem framework, small and medium enterprises (SMEs)

INTRODUCTION

The process of developing an enabling ecosystem for entrepreneurship has received considerable attention from governments, development agencies, and academics (Aspen, 2013). Its importance has
been outlined by the fact that organizations like the Council on Competitiveness (CoC) in the United States, the Organization for Economic Co-operation and Development (OECD), the World Bank, and the World Economic Forum have developed comprehensive diagnostic tools for assessing and tracking the development of the ecosystem. In recent years there have been many papers describing different ecosystem’s frameworks. There is now much evidence to support the hypothesis that although the entrepreneurial ecosystems are increasingly important for any national economy and business climate, still, every economy possess a unique ecosystem that corresponds to the unique national economic network. Finances, culture, business supports, government policies and human capital are believed to play an important role in the creation of every holistic entrepreneurial ecosystem paradigm. As exemplified by the work of Isenberg (2010), Koltai (2013) and other authors in this field, an entrepreneurial ecosystem consists of multiple society dimensions which need to be grouped into several main domains. At this point, authors give different domain sets which lead to similar but still diverse ecosystem frameworks. The entrepreneurial ecosystem and related frameworks are critical concerns to both practitioners and academics alike and, while many countries have received a full treatment by authors analyzing their ecosystems, none have specifically focused on the Macedonian entrepreneurial climate, therefore, analyzing Macedonian’s entrepreneurial ecosystem, the specific framework and business participants’ position. The question remains, what is Macedonian entrepreneurs’ view of the ecosystem, what are their main obstacles to growth, and accordingly, their practical recommendations? We hope to provide some guidance on entrepreneurial ecosystem definition and frameworks, and to address the Macedonian furniture-manufacturing sector’s position and their view on their entrepreneurial environment. This article begins by addressing the significance of existence of sound entrepreneurial ecosystem and outlining ecosystem definitions in related publications. Next, frameworks for evaluating ecosystems will be presented and elaborated on. As a focus point for ecosystem evaluation we relied on the Macedonian furniture-manufacturing sector and companies’ views on the entrepreneurial environment. The article concludes by highlighting main research results and recommendation for further empirical and conceptual development.
ENTREPRENEURIAL ECOSYSTEM'S SIGNIFICANCE

In general, new firms do not only emerge and grow because heroic, talented and visionary individuals (entrepreneurs) created and develop them but because they are located in an environment or "ecosystem" made of private and public players, which support and sustain them, making the operations of entrepreneurs easier (Claire C., 2014). Having an appropriate and supporting business surrounding has shown to be of a vital importance for the business and entrepreneurship’s sustainability and growth. According to the statistics of the European Commission (2011), nearly 50% of new businesses fail during the first five years of their existence. The countries that recognize the importance of entrepreneurship in regards to job creation, GDP contribution and economic stability, must devote greater resources to help them get through the critical lifecycle phases. The European Commission (2013), in its Entrepreneurship 2020 Action Plan, revealed that businesses often lack an appropriate ecosystem that will enable them to grow. In this sense, the Commission proposes a series of measures that should improve the business environment and build a sound base for entrepreneurial growth.

Nevertheless, the existence of prior ventures that may serve as role models, financing opportunities, a patent system and a culture tolerating failure all assist in the creation of a start up’s favorable environment. Dynamic support can be provided by support services that know their markets and thus significantly increase the success rate of new enterprises. Effective support consists of holistic programs that integrate the essential elements like management training, R&D coaching, and networking with peers, potential suppliers and clients. Entrepreneurs increasingly need advice and support through strategic investment and product development in dealing with resource constraints and supply insecurity.

According to Kanter (2012), entrepreneurial ecosystems are mainly necessary for establishing four central links:

- generating ideas and deploying them in market-ready enterprises;
- connecting small and new enterprises to large companies;
- aligning education with industry needs
- uniting leaders across sectors to develop ecosystem strategies (Kanter, 2012).

While entrepreneurial ecosystems are recognized for their support of business startups, often they are mentioned as a support factor after a business fails (European Commission, 2013). Namely, they state that
business failure, like business creation, is part of a dynamic, healthy market. Therefore, especially young entrepreneurs should not be discouraged if their first business idea has not reached success, but that should be seen as an opportunity for learning and improving and as motivation to get a second chance in the market. Environment may contribute at this point by providing bankruptcy laws for swift, efficient ways of lodging and recovering claims for creditor enterprises and faster and more affordable procedures for winding up businesses and for discharge from bankruptcy.

ENTREPRENEURIAL ECOSYSTEMS DEFINITIONS

Although the term entrepreneurial ecosystem has gained great popularity in literature in recent years, there is no common definition by authors that would clearly identify its meaning. Still, we will try to get the core insights into the concept by presenting several authors’ elaborations on this matter.

Nevertheless, the leader among entrepreneurial ecosystem authors, Daniel Isenberg, stated that the entrepreneurship ecosystem consists of a set of individual elements—such as leadership, culture, capital markets, and open-minded customers—that combine in complex ways to create a specific ecosystem (Isenberg, 2010). Moreover, he adds that in isolation, each element is conducive to entrepreneurship, however it is insufficient to sustain it. Seuradge (2014) also recognizes the need of the existence of an entrepreneurial ecosystem, and tried to contribute to its closest definition. In fact, she points out that there is compelling evidence that an ecosystem of ‘enabling policies, leadership, financing, human capital, and culture’92 ought to exist for entrepreneurs and start-ups to prosper. Even though these elements are intrinsic to every entrepreneurial ecosystem, the individual interactions of available talent, financing and government policies make every area unique.

In addition, Nadgrodkiewicz (2013) explains that any ecosystem involves a number of interconnected elements that constantly interact and mutually reinforce each other. An entrepreneurship ecosystem is no different. It encompasses a number of moving parts—components that have to come together to facilitate innovation and growth. This author also suggests that there is no unique definition of the entrepreneurial ecosystem since it brings together numerous differences by itself, regarding different levels of each elements’ importance as well as multiple interconnections and

92 Seuradge, W. The evolution of the Quartier de l’innovation’s entrepreneurial ecosystem, 2014
matching networks. On the other hand, Wood (2012), while analyzing and creating the ecosystem in Florida, recognized a quite broader logic of the entrepreneurial essence. He explains that an ecosystem is a map of four dependable elements: integration, showcase success, inclusion and resources. He further explains that to have a valuable entrepreneurial ecosystem, entrepreneurship needs to be integrated into traditional, core economic practices, while sharing the successful stories among participants as a source of entrepreneurial courage.

ENTREPRENEURIAL ECOSYSTEMS FRAMEWORKS

Relying on the fact that there is no single definition of the term entrepreneurial ecosystem, it is not surprising that there is not one single framework that describes the expansive implication of the concept. Therefore, in this paper, we analyze three ecosystem’s frameworks, present in recently published entrepreneurial literature.

Namely, Koltai and Company strongly recognizes that no particular factor can boost entrepreneurial society forward, (Koltai et al, 2013). Instead, they present the Six+Six model, that consists of 6 actions that support the entrepreneurial ecosystem and consequently 6 participants in the system that actually conduct and perform these activities, pointing to ‘Identify, Train, Connect & Sustain, Fund, Enable, and Celebrate entrepreneurs and NGOs, Corporations, Foundations, Government, Academic Institutions, and Investors’. Therefore, they believe that multiple sectors must work closely together in order to create a supportive entrepreneurial environment that will give adequate feedback to participants and society.

In addition, more comprehensive framework has been presented by the Global Entrepreneurship and Development Index, at the George Mason University. This entrepreneurial ecosystem framework focuses primary on the importance of various institutions in nurturing entrepreneurship. While GEDI (2013) believes that the institutional framework is critical, it also examines individual and firm level data to better evaluate the quality of actors operating in this framework, therefore, better assess the entrepreneurial ecosystem. At some point of their analysis, they compare the national entrepreneurs to a football team, referring to the fact that high-end entrepreneurial society needs more than a specified number of players, it

needs a team that will cooperate, work together and achieve success. The 15 pillars subject to their analysis are: opportunity perception, startup skills, non-fear of failure, networking, cultural support, opportunity startup, technology sector, quality of human resources, competition, product innovation, process innovation, high growth, internationalization, and risk capital. These pillars are later aggregated into three sub-indexes that measure: entrepreneurial ability, entrepreneurial attitudes and entrepreneurial aspirations.

The third presented framework in this paper is the entrepreneurial ecosystem framework by Daniel Isenberg, part of the Babson Entrepreneurship Ecosystem Project. Isenberg (2010) explained that since entrepreneurial ecosystems consist of and depend on multiple dimensions of society, they need to be elaborated on in a fully holistic manner in order to give positive outcomes. At this framework, hundreds of specific elements are grouped into six main domains. Policy looks at both government regulations and support of entrepreneurship along with leadership. Finance looks at the full spectrum of financial services available to entrepreneurs. Culture accounts for both societal norms along with the presence of success stories to inspire the next generation of entrepreneurs. Supports examine physical infrastructure, non-governmental institutions and the presence of supporting professions such as lawyers, accountants and investment bankers. Human Capital examines both the quality of the higher education system and the skill level of the work force. Finally, Markets look at both entrepreneurial networks and the presence of early customers (ANDE, 2013).

In fact, the three presented frameworks mainly share common elements for the business and the business environment. The opposing points are mostly related to the authors’ personal points of view on business connection to specific ecosystem elements, largely relying on empirical research and elaboration of real-life practical situations.

**KEY ENTREPRENEURIAL ECOSYSTEM'S DOMAINS INSIGHTS**

**Markets**

Most often, the reason of entrepreneurial failure has been the difficulty of new market-entrants to identify their place within the value chain, often leading to poor market adoption. Reasons for this poor market assessment may include the following: designing contextually misaligned products, inability to collect truthful customer feedback, consumers’
inability to pay for products, and striving to offer products that address a problem to which the consumers are unaware of (Pan, 2014).

Most SME’s are penetrating the market by pursuing two market strategies: pull strategy or push strategy. As indicated in Pan’s report (2014), pull strategy originate by a clearly articulated market demand for a certain product that is not present on the market, therefore, the product is created to meet that specific need. Conversely, push products are often pursued when trying to meet perceived upcoming needs. In both cases, new market entrants do not have a built-in market. Even though the pull approach arises to meet an articulated demand of the market, this does not mean they do not face difficulties in gaining market adaptation. Lots of these difficulties exist because of the fundamental misapprehension of the market, and the difficulties in collecting timely and reliable consumer data.

Policies

The primary objective of an ecosystem’s policies is to support the entrepreneurship and ultimately increase the number of the successful entrepreneurial firms by improving the surrounding environment. At this point, public policies face challenges since it is not apparent how government intervention may promote the emergence of entrepreneurial ecosystems. In fact, there is an absence of a clear sample where an entrepreneurial ecosystem has arisen through direct government mediation (Isenberg, 2011). Here, we will present the general principles that underline the development of policies to promote entrepreneurial ecosystems. There are few general principles that we took into consideration regarding entrepreneurial growth.

First and most fundamental principle is building a sound base for development of an entrepreneurial ecosystem. National economies should provide a platform to produce dynamic, flexible and highly knowledge-based ecosystems. Although assisting in the creation of ecosystem preconditions, there is not much evidence to support the hypothesis that government policies directly build the entrepreneurial ecosystem, (Mason and Brown, 2014).

Second, policies need to be eclectic in nature. Most often, entrepreneurial ecosystems consist of startup firms, developing companies, and hopefully, highly developed corporations. These ecosystems need to have policies that would support every stage of a company’s lifecycle.

Third, we cannot present a unifying entrepreneurial ecosystem paradigm that would fit every national economy. In fact, each entrepreneurial ecosystem is different, therefore elements of each ecosystem
interact in a completely diverse and unique manner. Local cultural attitudes, the structure of local banking systems and educational policies will all affect the nature of these local ecosystems. Consequently, any attempt to simply duplicate a selected well-standing ecosystem will lead to inevitable failure.

Finance

Finance is a very important determinant for the organizations within ecosystems, intended to provide resources to entrepreneurs. It has been placed on the spectrum as one of the most important factors of the ecosystem with a direct influence to the entrepreneurial activities. Without adequate financing and supports to business liquidity, no entity can perform and grow on the market, (EU Commission, 2013).

While varied in nature, part of the most important finance elements include: access to debt financing, access to equity financing and access to grants. Moreover, the group of participants or providers of these activities include banks, venture capital, angel investors, private equity, private stock market and philanthropic organizations (ASPEN, 2013).

As policies should change as firms evolve, so the financing activities should be altered and accommodated to the firm’s lifecycle stage. In the work of Isenberg (2010), financing priority should be given to ambitious, growth-oriented entrepreneurs who address large potential markets. His attitude supports the view that 'whereas 500 microfinanced sole proprietorships and one rapidly globalizing 500- person operation create the same number of jobs, many experts argue that the wealth creation, power to inspire start-ups, labor force enrichment and reputational value are much greater with the latter'.

Better access to finance should be an ecosystem priority in any national economy, since financing new market entrants, as well as high growth potential companies, actually present the fuel that keeps the entrepreneurial ecosystem driving forward.

Culture

The culture signifies a strong determinant of entrepreneurial growth, and is identified as one of the major elements in Babson Entrepreneurship Ecosystem Project, but is also identified in most of the studies in the field. In

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Innovation Rainforest Blueprint by Hwang, the entrepreneurial culture is considered as one of the major points of focus.

In its Asset Mapping Roadmap, the Council on Competitiveness considers culture as a critical element that can either foster collaboration and innovation or prevent effective knowledge sharing. George Mason University in its Global Entrepreneurship and Development Index identifies cultural support as one of the 15 “pillars” formed by different individual level indicators. Furthermore, OECD in its Entrepreneurship Measurement Framework classifies culture as one of the six key determinants of entrepreneurial growth. Moreover, The World Economic Forum in its Entrepreneurship Ecosystem, defines four types of “Enablers” for successful entrepreneurship, and categorizes culture as part of the “environmental enablers”, (ASPen, 2013).

In order to assess the culture in a certain environment, Babson Entrepreneurship Ecosystem Project proposes several questions regarding the characteristics of the certain culture, like its tolerability towards honest mistakes, honorable failure, risk taking and contrarian thinking. Also it considers the appearance and respectability of entrepreneurship as a worthy occupation as an important factor of the culture.

Supports/networks

Business Supports represent a major factor for successful entrepreneurial performance with a direct influence on the entrepreneurial growth. Presented in various forms (from incubators and accelerators, to the different expert services), this domain also includes services like legal counseling, accounting services and technical support activities. The effects of these support services may be realized only if considered together with the networks represented by the different industry associations.

The Babson Entrepreneurship Ecosystem Project considers supports as one of their six domains and identifies physical infrastructure, non-governmental institutions and the presence of supporting professions such as lawyers, accountants and investment bankers as main indicators of this domain.

On the other hand, in the Asset Mapping Roadmap, the Council on Competitiveness, besides focusing on the assets, considers the regional networks represented in the formal and informal linkages between the assets, as a major factor for development of economic partnerships.
Human capital

Most frequently, businesses severely rely on their teams to produce goods and services to offer to their customers. Critical success factors for employee performance include productivity, employee satisfaction and employee turnover. Employees are critical to any business, but especially for new market entrants that need to compete with large established companies that can offer better pay and benefits, Dimeska (2012). Nowadays, it is not rare for businesses to face real problems when building strong and healthy working teams that will be able to deliver success on the market. Nonetheless, when elaborating on the human capital as part of the entrepreneurial ecosystem mosaic, Aspen (2013) elaborations focus primarily on three core management challenges: ‘Availability of top managers with the qualifications that meet or exceed the business requirements, availability of scientists and engineers with qualifications tailored to the business needs, absence of adequately educated/trained general workforce’.95

The prior listed issues present a completely holistic approach to working force recruitment, accessing all the levels of business management hierarchy. In this context, when concerning human capital, businesses need highly qualified scientific and engineering talent as well as highly skilled business professionals and executors, Aspen (2014). Therefore, every ecosystem needs well educated, talented employees, managers, and scientists. In addition, the ecosystem also needs to support the quality of general and entrepreneurial education, as well as maintaining standards of business schools and training institutions.

METHODOLOGY

The central objective of this study was to establish the Macedonian entrepreneurs’ view of the ecosystem, to outline their main obstacles to growth, and accordingly, to summarize practical recommendations. In response to these aims, and compliant with research limitations, a focused approach has been provided concentrating on the furniture-manufacturing sector in Macedonia.

Data was obtained from 36 furniture-manufacturing companies from the Skopje region. Stratified random sampling has been generated by classifying firms into three categories (size, geographic location, and sector). Companies have been randomly chosen, incorporating the following inclusion criteria: to have less than 250 employees (SMEs focused), to operate in the Skopje region and to be part of furniture-manufacturing sector. The survey has been designed to provide a relatively quick, but holistic assessment of the entrepreneurial ecosystem in the sector, from the perspective of the firms. Relying on the research aims, the survey focused on entrepreneurial perceptions of the business environment. Surveys were conducted by direct interviews with company owners or managers, during the popular “Skopje Furniture Fair”, in March 2015.

Interviews were supported by the carefully structured questionnaires. The questions in this survey have been specifically selected to provide actionable guidance for practitioners that aim to address key obstacles in entrepreneurial development in the sector. The questions used in the survey were drawn from the following sources:
1. World Bank Enterprise Surveys
2. Global Impact of Entrepreneurship Database
3. Aspen Network of Development Entrepreneurs

In particular, there are significant number of questions from the World Bank’s Enterprise Surveys, which is globally the most comprehensive and validated survey of entrepreneurs. The main survey questions were related to the six ecosystem domains, presented in the ecosystem framework of Isenberg (2010). Thus, questions incorporated evaluation of: financial elements, business supports, policies, markets, human capital and business culture and its surrounding. Survey participants responded to several aspects of each of the listed domains by evaluating their influence like: severe obstacle, major obstacle, minor obstacle, no obstacle, non-applicable or don’t know.

Data obtained from the survey were analyzed using different descriptive statistics and frequency analysis. The data was computed using the Statistical Package for Social Science (SPSS) in order to assure results accuracy.

RESULTS

Accordingly, main outcomes from the conducted research will be presented. Due to limitations of research regarding time constrains and
sector-focus (rather than holistic entrepreneurial orientation), only the key findings will be delivered and no generalizations will be made.

As outlined by demographical analysis of the data, furniture manufacturing sector is relatively mature, with majority of the companies operating on the market for more than ten years, and great portion of the participant firms have more than 20 years market existence. Additionally, as shown by research inclusion criteria, all firms participants in the survey are SMEs, the majority, a fairly 50% of the firms employ between 10 and 20 people. More detailed demographical analysis of the involved companies are presented in Figure 1 and Figure 2 respectfully.

![Figure 1. Participants' performance on the market](image1)

![Figure 2. Participants' division by number of employees](image2)

In addition, results from the on-site research showed that there is moderately negative view on the entrepreneurial ecosystem from a firm’s perspective, frequently related to tax rates, custom regulation, access to
grants and business accelerators, informal competition activities, collaboration with universities and political instability unfavorable influences.

More precisely, participating firm owners and managers expressed their attitudes regarding company access to finance, business support, business policy, accessible markets, infrastructure, human resources and overall business climate. Results have been presented by appropriate form of bar graphs, due to the fact that only the dependent variables are numeric.

In relation to access to appropriate corporate financing, greatest concern has been devoted to access to grants, with majority of the participant firms pointing it out as a severe obstacle to growth. Nearly 33 percent of the participating companies responded that “Access to grants” presents a severe obstacle in their operations. In relation, 22 percent of the companies expressed their concern that they are not familiar with the grant options offered on the market. The lack of awareness for availability of grant financing may present an additional problem for the unfavorable response to this issue. The figures representing “Financial elements” opinions are presented in Graph 1.

As presented in the graph, equity financing is the least practiced among participants in the furniture-manufacturing sector, with an only 8 percent response that access to equity financing is no obstacle for these companies, consequently, 80 percent (in total) of the participants pointed to “Access to Equity Financing” as non-applicable for their business or reported low awareness of its existence as a financing option. Finally, as concluded from the research data, the core corporate financing principles are related to “Debt Financing”, relying on 47 percent of the participating firms expressing the opinion that they face no obstacles in financing their business through credits, mainly supported by Macedonian banks. Additionally, 33.33
percent reported that they face minor obstacles when accessing the debt financing, whereas only 2.7 percent (1 company) responded that access to bank loans presents a severe obstacle to business performance.

As far as “Business Support Services” are concerned, managers’ opinions are relatively varied. These figures are presented in Graph 2.

![Graph 2. Participants’ response to business support elements of the entrepreneurial ecosystem](image)

As may be seen from the Graph, when concerning the “Access to Legal Services” and “Access to Tax Services” the majority of the participants (nearly 66 percent) expressed their opinion that they face no obstacle or rarely minor obstacles when they have a need of different kind of legal or tax consultations. On the other hand, 33 percent of the companies pointed out that they face difficulties when they have a need of “Access to Incubators”, whereas 25 percent of the participants showed no interest in “Access to Advisors and Consultants”. As the number of business incubators and business accelerators constantly increase in the society, these results may show a real need of greater incubator affirmation among businesses and communities.

Moreover, in the domain of “Business policy” elements, the greatest level of satisfaction for companies has been given to “Business Licensing and Permits”, where 14 companies pointed out they face no obstacles during the procedures, and 10 companies pointed to only minor obstacles while undertaking these operations. Due to the limited export activities of part of the applicants, 25 percent reported no applicability of “Custom and Trade Regulation” issues, while 25 percent of the companies involved in international business shared the opinion that they have experienced severe problems with international goods transactions. The “Labor Regulations”
showed relatively encouraging results among businesses participating in the survey, with 50 percent support to the fact that these regulations cause no complications for involved SMEs. Nevertheless, at this domain problems occur when observing tax policies. While companies have little complains about “Tax Administration”, on the other hand, “Tax Rates” are exposed to present a serious problem in these SMEs activities. In total, 56 percent of the participating companies reported tax rates as a major or even severe pressure to their business. Graph 3 shows the supporting results.

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<td>Very Severe Obstacle</td>
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<tr>
<td>Don't Know</td>
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<tr>
<td>Non Applicable</td>
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<td>Minor Obstacle</td>
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Graph 3. Participants’ response to business policy domain of the entrepreneurial ecosystem

Our analysis continues by delivering companies’ opinion on the market information and market accessibility. At this point, besides the 8 percent of the companies that have only domestic operations, the majority (or 72 percent) of the participating companies reported no problem with reaching international markets, and only 8 percent of the companies pointed out that access to international markets presents a serious constraint to their operations. Consequently, these positive responses to access to markets are followed by even more positive reports for availability of timely and correct market information with merits fully prescribed to market globalization and internet consistency. The research data is presented in Graph 4.
Research showed interesting results during the “Human Capital” domain analysis. Moreover, companies reported minor problem when hiring first line employees (general workforce), supporting it with 61 percent in the survey. Problems occur while recruiting top managers with adequate qualifications for the business. 41 percent of the participants support the thesis that they have experienced difficulties when employing higher level employees, while 11 percent of companies stressed top managers hiring as a serious concern in long-term operations. Similarly and even more serious problems occur when considering availability of scientist and engineers adequate for furniture-manufacturing industry. Results showed...
that 19.5 percent of the companies consider it as a serious obstacle for the business, 47 percent (in total) pointed out it as a moderate to major obstacle for their operations, whereas only 2.8 percent expressed no complain about this issue. Results’ figures are presented in Graph 5.

At the end of the survey, participants were asked to evaluate several elements concerning overall business climate in the region. The data gathered are presented in Graph 6. In general, companies evaluated the overall business environment as relatively moderate. For instance, 8 of the participant companies (or 16 percent) valued this issue as serious obstacle to growth, whereas, on the other hand, 16 percent of the companies evaluated the overall business environment as highly favorable with no obstacles at all. However, the greatest concerns about business environment in general were made about “political instability” and “informal competition activities”. In fact, only 2 or 7 percent of the participating companies expressed no concerns about political influences over business transactions, while 27.8 percent shared the opinion that political situation in the country seriously affects their continuous business operations. Furthermore, nearly 64 percent of the companies pointed out to the existence of informal competition as major and severe problem in everyday operations and the creation of growth potential.

Graph 6. Participants’ opinion on business environment in the region
CONCLUSION AND RECOMMENDATIONS

Deriving from the existing frameworks, it can be concluded that the road to a successful entrepreneurship ecosystem is paved with many different aspects and influences that contribute into making the climate into a nurturing or neglecting one towards the entrepreneurship. The framework may help the societies willing to develop entrepreneurship climate to identify and work on the factors that need further development in order to enable an opportunity driven entrepreneurship ecosystem. The results from the survey clearly showed several entrepreneurial complications and advantages, although, insufficient to make a full ecosystem generalization. However, in our research, furniture-manufacturing industry has identified debt financing, through Macedonian banking system, as highly accessible. Another positive trend has been presented through favorable labor regulations and timely market information. Procedures for starting business, as well as obtaining licensing and permits have also been evaluated as highly helpful aspects of their surrounding ecosystem.

On the other hand, the recommendation for future improvements would have to be related to greater information about access to grants and business incubators’ services and support. For more encouraging ecosystem for furniture-manufacturing companies basic recommendation would be more flexible tax rates and tax regulations and ensuring certain measures and mechanisms that would try to overcome political instability and its influences. In this improved ecosystem, companies should be able to hire top managers and scientists with the exact qualifications their business require and authorities should provide regulations and policies that would significantly reduce the negative effects of informal competition activities.

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THE ROLE OF ADVERTISING ON THE POLITICAL CAMPAIGNS IN THE REPUBLIC OF MACEDONIA

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ABSTRACT

The political platforms that are prepared before every political campaign generally are focused on information for the electorate, programs and plans that could lead to winning the hearts and minds of the voters. But sometimes with the quantity of advertising that is used in pre-election purposes, the political parties can cause negative effects towards the voters.

The aim of this paper is to detect, highlight and define the role of advertising on political campaigns especially television advertising thorough empirical research. It tends to get an answer of the scientific thesis on the satisfaction of TV audience from the offered program, its preferences and the needs and desires for a new approach, if it is proven that the role of marketing in the pre-election period have caused a negative effect.

For the purpose of this research, an empirical study will be conducted using survey as a research method. The paper will try to reach the conclusion using the conventional online questionnaire. The questionnaire was designed for respondents that have a right to vote, by law, which is from 18 years old.

At the end, the conclusion is connected with the perception of the audience, the voters, and guidelines and recommendations for future political campaigns and the use of marketing in the pre-election period.

Keywords: Macedonia, elections, advertising, voting, advertising impact

96 professional paper
INTRODUCTION

Today the role of advertising during political campaigns equated with psychological approach of political platforms on the electorate. The main focus of this paper will be on clearly defining political marketing as a tool to use when presenting political parties platforms in every political campaign, not only in Macedonia, but as inevitable practice in the world. The question that arises in any production of media plan for advertising to be part of the political platform is whether too much advertising has negative effect on the voting mood and choosing who the voter gives its vote, with special focusing on voters in the Republic of Macedonia.

Bernard Ingham, former Secretary for the media in the Cabinet of the former Prime Minister of Great Britain, Margaret Thatcher, in this context placed the dependency between politicians and the media in cannibalistic relationship and found that "they feed each other so that you never know who is next on the menu."

Tannenbaum and Kostrich in their book "Turned-On TV / Turned-Off Voters: Policy Options for Election Projections (People & communication)"97, for election advertising, says it is "assurance for the voters to vote for a particular candidate."

The political marketing and advertisement stands before any determination of what would be used as a good tool for the successful promotion of a political party or candidate. "Political marketing is defined as the process of exchanges and establishing, maintaining and enhancing relations among objects in the political market (politicians, voters, interests groups, institutions, whose goal is to identify and satisfy their needs and develop political leadership. The political marketing process contains three key elements: politician/political party message development, disseminations and relationship building. The goals of message development are elaboration and establishing the campaign platform.

A campaign platform is defined in terms of candidate leadership, images, and issues and policies.98

Political marketing cannot exist and develop without establishing the foundations and define elements of political communication.

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97 P.H. Tannenbaum, L.J Kostrich Turned-On TV/Turned-Off Voters: Policy Options for Election Projections (People & communication), USA, 1983
98 Jennifer Lees-Marshalment, Political Marketing: Principles and Applications, USA, 2009
In that political communication, undoubtedly main actors are the citizens and the media and as secondary participants are the political parties which create and use that political marketing.

POLITICAL CAMPAIGN AS AN ADVERTISEMENT METHOD

What marks the beginning of every political campaign is certainly a public opinion poll. The questions that voters will be asked must be carefully formulated in order to avoid distortion of the real situation on the ground, and exaggeration of the answers that will be received at the end of the survey.

The poll is not just getting the technical answers that will serve to draw up a future program of a political party, but to predict to some extent the behavior of voters during the election day and to provide predictions for the end result. It also determines the causal factor in the behavior of electors. But in any research there are mistakes that often occur at the world political scene, and are caused by wrong advertising, advertising overdose, direct contact and daily "torture" of voters especially ten days before the election campaign.

Following a public opinion poll, the results that will be obtained serve political parties to create a political platform with which they will try to win the support of the citizens. The experience with the elections in the Republic of Macedonia shows that very little attention is focused in creating a real political platform for the needs of the citizens, and marketing and advertising mainly is just one of the techniques of clever PR of every political party. Regarding the political platform it is not important only what you get as written promotional material but also how it will be presented.

The analysis conducted by Rosenberg and McCafferty\(^9\) associated with the image of a political candidate, investigate "whether it is possible to manipulate the appearance of the individual in a way that will affect the opinion of Electors in favor of the candidate as well as the decision on who to vote on election day". In terms of the image, a group of American students were presented pictures of fictitious political candidates. Photos differed thus to present a negative or positive effect on the presence or absence of a smile on the face of the applicant. The end result of the survey is that "despite good education, wonderful platform and actual promises listed in it, still the photography is crucial in choosing who will get the electors votes on election day."

\(^9\) http://poq.oxfordjournals.org/content/51/1/31.abstract
The last political campaign in the United States for the election of the President of the country, the PR team of the candidate and current President Barack Obama, its first step in Political advertising started by carefully choosing the photograph of its candidate.

The photography by which the candidate announces its immediacy, competence, confidence, intelligence, must not be an improvisation in front of the camera objective, but should be the result of the work of large and serious team. Moreover, the slogan that will be presented in the political campaign plays a significant role in how the political platform of candidates will be remembered.100

In the short history of the Republic of Macedonia as an independent country, these are some of the slogans that marked the elections in these past 20 years:

- "Changes" - VMRO-DPMNE, parliamentary elections 1998
- "Heads up" - VMRO-DPMNE, parliamentary elections in 2002
- "Macedonia is one" – SDSM, parliamentary elections in 2002
- "Statesman" - Branko Crvenkovski for the presidential elections in 2004
- "Make a difference" - VMRO-NP, local elections in 2005
- "Together with you - to new victories" - DUI local elections in 2005
- "Sasko Kedev - the new face of Macedonia" - Presidential Election in 2004
- "Victory for Macedonia" - SDSM parliamentary elections in 1998
- "Verified" - Risto Penov, local elections in 2005
- "Strive to the west" – DPA parliamentary elections in 2002
- "The reforms will win", and the previous "Macedonia has power" and "The Rebirth continues"
- VMRO DPMNE, parliamentary elections, between 2006-2014

The political scene will probably always remember the political slogan "with clean hands" for Peter Goshev, and his former, Democratic Party. The slogan of the opposition from 1998, "Changes" is also remembered in the collective memory of the nation. In recent past it would be the slogan of the VMRO-DPMNE, “The Rebirth Continues”.

On the world political scene most effective election slogan of all times is "I like Ike", used by Eisenhower in his presidential campaign in 1952. Besides it rhymes, it is simple and short and it is easily written in the memory of every voter, which is the most important thing on the Election

100 David Horowitz, Barak Obama's Rules for Revolution, USA, 2009
The slogan used by President Obama, "Yes, we can", received many high marks by experts for political PR.101

TARGETING THE ELECTORATE

Most important in any political advertising is to carefully define the electors. Who will advertising address, what is the interest of the audience, and what will attract and keep their attention are several questions that anyone who creates advertising campaign is asking. As the first step is to carefully determine the behavior of voters on previous elections on the territory that the candidate belongs. Determining all previous election results from the individual voting rounds for all political players in that territory would be a serious start for targeting voters. The results that will be obtained from the previous turnout and the number of potential voters, compared, will lead to the definition of territory or disclosure of such utterly unpredictable choice behavior.

This achieves the effect of having a single geographical area, which although will differ in some features or vice versa, it will allow determination of areas in which the political party that is advertised will be strongest.

In the Republic of Macedonia as a country with more constituencies and small size, the votes that oscillate" are of great importance. This phenomenon is always on the rise and also the decline of trust in the political system of the country.

Consequently, the target audience implies openness, community, citizenship, discussion, debate. And the relationship between media and public or political advertising and public can be discussed on several levels. The first thing is to say that there is no such thing as "the public". It is an idea, a concept, about how people act together as a whole.102

RELATIONSHIP BUILDING

Political marketing in the modern world gets another dimension and many authors identify it as relationship where political marketing is used to


build a lasting relationship between voters and the political elites. In times of political crisis or a political failure, it is this relationship that will be crucial in keeping the politician on the political scene. Political marketing is concentrated with all aspects of political behavior by politicians, parties and political platforms. It is about design of the political product, its relationship to market demands and the relationship between political elites and the public.

Communication is a key part of political marketing but not the only one and marketing extends beyond elections to governments and groups.\textsuperscript{103}

Communicative behavior of political actors, such as political advertising and conference speeches, affect the attitude and behavior of the target audience-voters.

**POLITICAL ADVERTISING AND ITS USAGE**

For a political platform to be fully and successfully presented in the media, the approach on which media will be fully "used" for the purpose is important. Through the experiences of the studies that have been done in the past, the impact of political marketing can be full or limited. It is often difficult to define the effect of the media - the messengers - from the messages and their initial resources - candidates, parties, interests groups, etc. Derived from this is the great distinction between endorsements and advertising. Media message make evaluate statements to persuade and to influence behavior. Usually this is done in two ways well known in the media:
- Through endorsement
- Through political advertising

With endorsement, where the media calls the citizens with the right to vote, legally to support the candidate by giving their signature. Political advertising, on the other hand is where political candidate, political party or a third party encourages the course of conduct of the vote.

**TV ADVERTISING ON POLITICAL CAMPAIGN**

The distinction between election campaign and TV interview is particularly important in every political communication during the political

\textsuperscript{103} Jennifer Lees-Marshment, *Political Marketing: Principles and Applications*, USA, 2009
advertising of a political party. If the image and personality of the candidate is an important factor in shaping the behavior of voters, the political TV advertising can be said that it is also the feature of great importance. Diamond and Bates in their book "The Spot - Third Edition: The Rise of Political Advertising on Television by Edwin Diamond” say "advertising strengthens existing political attitudes and behavior, but it is almost impossible to be changed." Political TV advertising is found in many forms: a political TV spot, debate, paid political advertising, chat show, political interview, etc.

There is distinction between them and it is important to be made clear before the start of each campaign because of promoting the political platform of every political party.

Political video is a form of TV presentation, which usually takes up to 20 seconds, where the candidate and the slogan by which the political party is recognized is presented.

The debate is a form that the electronic media offers as a platform for exchange of political views of opponents. It is assumed that the journalists who will moderate it are impartial and fully committed to consistently answering questions from viewers by the candidates of political parties. Television and radio especially follow the agenda for display newscast or news, where activities of the candidates are attached during the day. In modern societies, during the political campaign in TV stations political columnists are engaged, who are fully responsible for monitoring and reviewing the activities of the candidates and get their time in the news where they present their opinion for the present day. In this context, special attention is focused on political advertising, which should be in proportion to the activities of the candidate.

In the Republic of Macedonia, things especially differ, both in the way of advertising on electronic media and in the way of presenting the platforms of candidates.

CASE OF MACEDONIAN POLITICAL ADVERTISING DURING POLITICAL CAMPAIGN IN 2011

The aim of the research analysis is to define the role of advertising on political campaigns especially television advertising. It tends to give some information about satisfaction of TV audience from the offered program, its preferences, the needs and desires for a new approach. Researching TV audience in Macedonia we were using online survey (CAWI method with e-mail invitations and invitations sent via social networks).

The first set of questions determine the basic characteristics of the respondents. The second set of questions consisted of questions about "occupying"
media space by the political parties during the campaign in 2011. While in the third set of questions it was given the opportunity to respondents who declare overrepresentation of political marketing in each content in the media space in the media in Macedonia and the third set of questions shows the intensity of political advertising during the political campaign.

To measure the dissatisfaction of TV audience of political advertising during the campaign numerical scale with 10 degrees was used, with 1 representing dissatisfied (disappointed), and 10 very satisfied (delighted). This made the arithmetic balance and ranking of individual features and areas was performed. The framework of the sample was a database of e-mail addresses of TV audience of local media (400 email addresses) to which the questionnaire was distributed. The total number of received answers was from 154 respondents, divided by areas in the Republic of Macedonia. The survey was conducted in the period from May 5 to June 5, 2011. Considering the fact that for some of the questions the respondents said they do not have enough information to express an opinion, the number of responses for each question separately is different. As one obstacle or non-sampling error I would like to mention the fact that from 450 sent questionnaires that were sent to viewers in Macedonian media on the entire territory of the Republic of Macedonia in this period only 154 questionnaires were answered.

RESULTS AND ANALYSIS

Regarding the first set of questions i.e. in terms of demographic characteristics of the respondents were obtained following results: from 154 respondents, 86 were female and 68 male. In the focus of age average 22 respondents are 18 to 35 years, from 36-50 years old are 101 respondents and over 50 years- 31 respondents. In terms of place of residence, 118 respondents are living in the urban environment and the remaining 37 from rural areas. At the category about education 22 respondents has high school finished, 125 faculty education, Master 4, PhD 3 respondents.

The second set of questions i.e. the questions about the level of viewership of the information content of television channels in the Republic of Macedonia and these are the results: Asked how much time per day watching Macedonian TV channels, 108 respondents answered that they watch from 1-3 hours. To 1 hour watch 26 respondents, and more than 3 hours are watching 20 respondents. The question of which device usually watch TV, 147 respondents said they watched on television and other 7 used their computer. In which part of the day watching the most informative programs on TV, the majority of respondents 132, said they watched NEWS, from 7pm -11 pm. From 8 am-12 pm, 12 respondents and from 12-6 pm 10 respondents.
Third group of the questions were about the degree of satisfaction with the content offered on national and local television media in Macedonia and the intensity of political advertising during the political campaign:

On the question about assess the political TV advertising during the political campaign 132 respondents answered that it is extensive, 21 that is balanced and one that is neutral. The answers on the question regarding the type of program they mostly "encounter" with political marketing were as follows: Informative program- 125 respondents, Morning program,-11 participants, TV series 10, other 8. On a question whether they are you fed up with political TV advertising”- 139 respondents answered positive. 11 respondents negative and only 4 was neutral.

CONCLUSION

In the Republic of Macedonia elections are always on Sundays, and Saturday the day before voting, every form of political advertising is completely forbidden by law, in order voters to allow "free space" to think about to whom the next day, will give their vote. But that does not mean that the candidates should be “closed” to their homes.

The very notion of image (which is imported to us from the United States) means attitudes generally socially accepted that a person has built towards objects, other people and widely accepted social attitudes. When we are talking about the image of a specific person, these attitudes are influenced and formed by the basis of the signals emitted specific personality to the outside world with its appearance and behavior.

Communication may be verbal or nonverbal. Since it is expected that appearance, which should fit the stereotype of a person who aspires to a public office, and communicating with words, on whose basis can be locked to the specified candidate is able to elaborate complex content and can verbally be expressed in terms that suit his current role, a role that he wants to take when you get the support of voters. Nonverbal communication most contributes to defining the image of a person, especially for a candidate for public office.

The research that was conducted for the purpose of this paper, shows that citizens of the Republic of Macedonia perceive the political campaign for the parliamentary elections in 2011 as over-intensive. Therefore they are over exposed with political campaign in almost every part of the TV program during the day and consequently they are fed up with it.

Recommendations are that TV marketing must be carefully balanced with carefully selected television content, but all of that must be packed not only in TV spots as is the case with this political campaign in Macedonia. Besides videos and TV speeches as a form of addressing and presentation of political
platforms and political candidates, active presence on workshops, panel discussions, seminars, sporting events, theaters and so on is highly recommended. All of this events, certainly must be registered by the TV cameras.

Certainly this is not crucial in getting the citizens vote, but it will contribute in strengthening the "national" character of the candidate, giving more leverage to other messages presented by the candidate during the election campaign.

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EVENT MANAGEMENT IN THE CONTEXT OF INTEGRATED MARKETING COMMUNICATIONS

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Abstract

An attempt to analyse some aspects and particularies of the special events and their management in the context of the contemporary PR-strategies is made in the following article.

Event management is reviewed as an important and essential element from the integrated marketing communications. Besides some characteristics and functions of the special events and their management, some other particular details and aspects of the event manager are analysed, by a given two-profile classification. These classifications are defined on the basis of the workstyle of the event manager.

Key words: special events, integrated marketing communications, event management, event managers

Special events and their management are extremely popular processes with many aspects and activities within the whole PR-strategies of every institution. Special events in themselves are a complex of communicational techniques, but at the same time, they have to be examined on a large scale as a part of a whole PR individual communicational policy. Applying creativity and innovation in order to achieve the intended goal does not always mean new product, service or activity creation. If we make a projection of the economic terms “innovation” and “entrepreneurship” on special events and event management in the area of PR, we could reckon only one meaningful correlation exists between them. Innovation is an entrepreneurial instrument just as special events are instruments of PR management. Creativity and innovation (special event) do not always

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necessarily mean originality and new PR-communicational product development/creation. Very often combining different activities, approaches and techniques already popular in the market, can lead to significant real dividends for the organization.

Different characteristics of special events are given in detail by O. Ivanova [1, Ivanova, O.:37] and an attempt to explain some of the characteristics fundamental for the most special events is made, having in mind their “boundless number”. Some of the features of special events’ impact are the following: attractiveness, spectacularity, emotionality, solemnity, festiveness, empathy, exclusiveness, sensationalism.

Special events must never be implemented as an end of itself. According to some authors, special events are PR instruments, and others claim it is an instrument of integrated marketing communications. The role and meaning of special events has increasingly grown as an instrument in the “communicational mix”. The widely used analogous term is “complex market mix”, while authors dealing with PR use the term IMC - integrated marketing communications. Despite the terminology differences, both actually represent the same concept.

According to the American Association of advertising agencies IMC is defined as:
“a concept of marketing-communication planning, which takes in account the value added of the proposed plan and evaluates the strategic role of different communicational disciplines such as advertising, direct feedback, sales promotion methods and public relationships, and the combination of it so that clarity, cooperation and optimal communicational effect are effectively reached”. [2, Schultz, D. E.:17]

Obviously IMC are multi-aspect processes, and descriptive definitions, which are sometimes subjective and even controversial, only give a notion of their essence, which makes their definition a matter of perspective. According to Philip Kotler, a marketing specialist, the multitude of advertising and product messages must be “skillfully orchestrated in a strategic accord with each other” in order to be effective. We would also add the need for a good direction and management. According to him “marketing communicational mix is a specific mix of advertisement, personal selling, methods of sales promotion, PR and direct marketing”. This mix has been widely used by organizations in the pursuit of their goals.

Every marketing, advertising and PR manager implements marketing communications with a priority in his sphere. The aspect which turns marketing communications in a strategic system of influence is actually the integration between separate elements. The goal is not simply and necessarily sale acquisition, but rather the targeted systematic
connection with the client, who is then attacked by informational messages on innovations not only in the product, but also in the brand, producer, etc. The development of electronic and telecommunication channels has shifted the traditional accent on “sales realization” in an obviously different direction; namely on communication and active interaction with the client.

According to the contemporary notions, “marketing communicational mix” is a combination of marketing and sales, aided by PR and advertisement. What is more, each of the separate elements is equally important. This integration does not only synchronize the elements of the mix, but also creates a synergy effect, when the elements are working together. Going further, synergy effect means the final result is greater than the sum of its constituents. Horizontally integrated informational messages to the user suggest and require a strong interaction between production, finance and marketing under a common strategy. A vertical integration must be also present so that marketing and communication provide an advantage regarding firm’s vision, mission, objectives and strategy. This double-sided integration guaranties two things:

Firstly, successful cooperation and information transfer between partners and suppliers are achieved-on upcoming advertising campaigns and partnerships, new products and services, initiatives, standards. Secondly, systematic, continuous, directed and massive influence is developed over the target groups. This influence affects sales, revenues and profit acquisition, also the corporative reputation, image and brand name. In this context, differences and borders between the concepts event management (event manager), marketing management (marketing manager), communications management (communications manager) get diluted over time.

The variety of formats and types of special events and the continuous increase in scope and specifics, affect not only the large number of possible classifications, but also the significance of events manager’s role.

Event management is defined as a “multi-aspect academic field, devoted on the formation of knowledge and theories of planned events”. [3, Getz, D.:10]. According to him, marketing and communication sciences, as well as event management are significant for event science. They are essential elements and directions of this science. Of course, event management is a single practical area of this science, connected to managers’ professional practice. Despite the applied nature of events management, it is based on knowledge and theories from the science of events. [3, Getz, D.:2].

Other authors view event management as:
• A multi-aspect area encompassing complex processes in the sphere of administration, event design, marketing and all kind of operations;
• Professional direction, profession;
• Independent event industry.

In the general case event management is based on unique competences, has standards and certification, as well as an ethical and behavioral codex. Events manager’s profession is polyvalent- it requires knowledge and skills in many spheres of expertise and sciences such as economics, psychology, mathematics, etc. Julia Silvers [4, Silvers J. Website] an American expert in the area of special events asserts “event management is expressed in a concrete form in the processes of research, planning, promotion, realization and evaluation of a specific event”. According to her, it represents a cycle of processes, which is constantly renewed and covers a multitude of manager functions. Julia Silvers exemplifies her claim by the following closed cycle, in which the last stage of each event is related to the first stage of the next event:

![Event Management Cycle](image)

Figure 1

Event management has many aspects and practice requires from event managers a good insight on these aspects: organizational, management, creative, communicational, marketing, integrating, and others. Factors affecting event management may be professional, psychological,
functional, educational, innovational, and others. All these make the position “Event Manager” a complicated one with high requirements. Adding to it, market globalization, dynamically changing technologies, risky situations, requirements for service complexity, standards, official and unofficial ethical, ecological and other rules and norms lead to the conclusion that a good event manager must:

• always improve and perfect their knowledge, skills and competencies;
• build an own professional profile which guarantees him options for change and flexibility in cases of structural or other qualitative changes in the business field.

Having been implemented by thousands of specialists in different fields of science and practice, event management is already an autonomous specific professional field. Event management increasingly shapes as а special industry, which creates a product, that is often called “a special event”. At the same time event management in its essence is a comparatively new scientific field, scientific discipline, which is a science for the special events.

According to Donald Getz [3, Getz, D.:10], event management is defined as “event studies”, in other words as a multi-sided interdisciplinary field, which studies the formation of knowledge and theories of planned events. In other words, if the event itself is a product of the industry, the science is this macro frame including all the questions, related to the planned events, their management and realization.

Event management as a science corresponds to and uses knowledge and resources of many other areas - psychology, marketing, administration and management, communication technologies, risk management, game theory, mathematical and economic modeling, optimization, political science, media expertise, scenic arts, show business, cinematography, journalism, logistics, etc.

Event management is a complicated multisided, multifactor, management function, which takes a significant portion of PR practice; it is accomplished by an event manager and its team. If we accept event management is a “profession”, which requires a public gathering with the purpose of celebration, education, marketing or meeting, it turns out that actually event management is composed of many industries, and is already an independent sphere of knowledge.

The event manager is the core of a communicational system through which special events are accomplished. Event management is a multidisciplinary profession requiring investment of serious efforts in
education and practical experience, yielding specific knowledge, skills and competencies. Event managers must sustain their education through a “lifelong education”, extending their learning experience throughout their whole career, enriching and improving the “profile” of their activity. Since event management includes knowledge and skills in a too large scope of fields- advertisement, governmental events, commerce, hospitality, electronic media or NGOs (non-governmental organizations) and movements, it is obvious that every event manager must have a certain profile and specialize in a sector of the aforementioned areas. As in many other sciences, encyclopedia scientists are now extinct because of the impossibility to be an expert in a couple of spheres under the conditions of dynamically developing community, science and communications.

In this line of thought we can outline two types of profiles typical for an event manager:

- **Irregular/non-standard** (aggressive) – Event managers of this type prefer to disrupt PR market equilibrium in most cases, trying to apply aggressive, new, unknown, odd, exotic, scandalous special events or elements of it. They follow the maxim “Change is the only constant in event management.” The risk of mistakes, negatives and failure for the organization is large with them, but very often works very well, especially in cases dealing with show business, entertainment business, music industry, fashion and other similar industries. For better or for worse, the irrational, scandalous, controversial in some commonly accepted norms of behavior “sells, popularizes and creates stage and behavioral image”. In this case the question “who is a good PR?” is not simple and clear. An intelligent event manager has to account for time, place, goals and tasks as factors, as well as the profile and specifics of the individual, to whom he serves this type of events/he works for.

  However, we shouldn’t get the impression and regard aggressive and dynamic manager only in the way described above. We are talking about exceptionally creative, original, innovative solutions, which are not necessarily scandalous as the given example. Managers of this type dislike balance, stalemate and small incremental evolutionary changes. In this case it is extremely important that the “PR innovation” is coordinated with the whole PR-concept and infiltrated in a way, multiplying events’ effect.

- **Standard** (routine) – Managers of this type prefer equilibrium, small incremental changes tested by practice; they avoid redundant risk. Their analysis and diagnosis
predetermines the lack of application of irregular, brave and innovative solutions, since existing practice already holds feedback at disposal. Their preferences are directed mainly towards the creation of new combinations of already existing organizational practices or such used in other field sectors. As with the types of temperament, this classification does not clearly and entirely define event management’s belonging to a concrete type or profile. Good managers use approaches typical for each of the two types depending on the context.

Irrespective of the type of manager in question, in both cases application of integrated communications and events in the whole PR frame is necessary. All messages from subject to object and back must be synchronized with each other. Only this way can a synergy effect be achieved so that the risk of controversial or confronting messages is brought to the minimum. A real effect can be expected only with integrated and strategically well-coordinated messages.

Of course, event managers must be mobile and adaptive due to the quickly changing reality. Therefore, they need to have serious knowledge in the area of education and marketing, administration and risk management. This would allow them to concentrate their efforts and specialize in another sphere in case of need (for example if a specific market segment shrinks).

Event managers must not only manage the process of communication within the “clean event”, but carefully study “the environment and surrounding space”. A dialectical link between space and time exists here, since timing of event realization is extremely important in addition to the physical space of event implementation. In the progress of the event, many objective and subjective reasons may arise, imposing changes and quick efficient decisions. In other words, due to the time-space relationship, a respective tempo must be provided, so that the event fits in the expected time frame. Schematically these connections are represented in Goldblatt’s book “Special Events”. [5, Goldblatt, D.:40]

In order for an event to be effectively fulfilled, event managers must plan the total volume of event elements, by analyzing and forecasting the possible changes imposed by disorganizations or compulsory exchanges, additions or replacement of event elements. Since the event is induced by other people or institutions, unexpected circumstances can always arise in the process of implementation. This compels event managers to provide for flexibility in planning, which could allow them to respond swiftly to the surprising circumstances. Finance must be taken into account when planning - funding availability and payment before, at the time or after the
event takes place. The plan must also include the probability event is unprofitable, which would prevent future payments. The amount of cash flows needed and the period between transactions and funds acquisition must be clarified. Another factor of importance is the human factor. Good team formation between the initiator (main participant) in the event, the manager and the rest of the participants from the “environment” is a necessary condition. A preliminary clarification of payments, compensations and duties of the main participants in the event is extremely useful. Proper financial relationships are a guarantee for achievement of good results.

Last but not least, ensuring a “political support” (ministries, municipalities, etc.) is of a great importance, because the bureaucratic system in organizing civil events can threaten with failure even otherwise the best organized event. Good managers must know why they initiate (or accept to organize) an event. They have to consider who could have a benefit of this event except for the organizing party; in other words- how to multiply the effect of the event so that this effect spreads in order to be consumed not only by the organizer and the audience, but also by the accompanying participants shaping the event environment. As we already mentioned, time and place of the event implementation and tempo with respect to space-time connection, are the other two essential factors, guaranteeing effectiveness.

The lack of universal methodology for research on special events and event management in all their aspects (creativity, innovation, synergy, etc.) requires and imposes an interdisciplinary approach that includes expert valuations, personal observations, insights from practical cases, quantitative and qualitative methods of research often used in statistics and sociology. Therefore, an integrated application of different methods is always necessary. This is also true because special events are a dynamically changing phenomenon, which explains why professionals regard them as a practical-communicational discipline. Practicing PR specialists in event management sphere often react faster and more adequately than the “theory” of changes in the social and economic sector; they initiate processes that enrich and add to the theory. It should not be forgotten that the event management is profession, practice, theory, industry, and science at the same time. Each of these consistent parts is equivalently important for the realization of good and efficient PR.
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Abstract

Observable growing trend of off-balance sheet activities of economic entities, especially in financial institutions leads to a corresponding rise of the risks associated with them. Although the risk of off-balance sheet activities is present in all financial institutions, it is primarily immanent to banks more precisely to the big banks, and less for smaller deposit-taking institutions and insurance companies. Having in mind the term character of the off-balance sheet activities, they initiate future structure of assets and sources of financial institution and cannot stay away from risks that they face.

Although the most of the financial innovations which are recorded off the balance sheet are created in purpose to restrict some of the risks (credit risk, interest rate risk, foreign exchange risk, etc.), however the speculative use of such instruments and the inadequate management of them could multiply the risks and losses of the financial institution.

**Key words:** off-balance sheet activities, balance line, risk, derivative instruments, financial institutions

INTRODUCTION

The analysis of the risk of off-balance sheet activities is necessary to calculate the total risk exposure of the economic entity. Although with this kind of risks may be faced all economic entities, however the risks of off-
balance sheet activities will be considered on the example of financial institutions, having in mind they are more exposed to them. On the other hand, despite the strong connection of the off-balance sheet activities risks with credit risk, interest rate risk, foreign exchange risk or other types of risks, the fact remains that they produce their own unique effects and threats that must be managed. This means that off-balance sheet activities at the same time can cause increase and decrease of the risk exposure, and it is up to the managers to choose the best combination of their use. The difficulty with the analysis of the off-balance sheet activities stems from the fact that for some of them there is an obligation for registration, but for some of them there is no obligation for their registration in the accounts of financial institutions. At the end, for those activities which are recorded, their records are under the finish line of the balance sheet, i.e. their presence also will be taken into account only in the calculation of future balance sheet categories and indicators. Thus, they exercise direct influence only over the future (possible, probable) profitability and solvency of the financial institution. The most significant off-balance sheet items in financial institutions include:

- standby agreements on loans, which guaranteed repayment of a loan received from a third party;
- replacement of interest rates, when promising replacement of interest payments;
- forward contracts, options, etc., when guaranteeing giving or receiving securities at a guaranteed price;
- financial obligation (credit line), when the financial institution guarantees that in a subsequent period, will lend a certain amount of money to the maturity of the financial liability;
- agreements on foreign exchange rates, when the financial institution agrees to deliver or accept delivery of foreign currency.

Special moment that must be emphasized about the relevance of these activities and the risks associated with them, is the scope of these and the like off-balance sheet activities. In fact, often off-balance sheet items of financial institutions can several times exceed their assets. Regarding the valuation of the institution, off-balance sheet assets and liabilities have the potential to cause positive or negative cash flows in the future. As a result, the real value of the capital or the net value of the financial institution is not simply a difference between the market value of assets and liabilities in its

current balance sheet, but also reflect the difference between the current market value of the off-balance sheet items i.e. of the potential or future assets and liabilities. The possibility of that some off-balance sheet items to migrate over the off-balance sheet line (in case of activation of some of the guarantees or items given in off-balance sheet), requires managers and legal framework to find ways to recognize and measure the risk of off-balance sheet activities and their impact on the value of financial institution.

EFFECTS OF THE OFF-BALANCE SHEET ACTIVITIES RISK ASSESSMENT ON THE SOLVENCY

The risk assessment of off-balance sheet activities is very complex, having in mind that off-balance sheet items are possible or probable future assets and liabilities and their shift in the balance sheet of the financial institution have a probability less than 1. In this sense, theoretical models for calculation of the probable future value of the off-balance sheet positions are developed. One relatively simple way to estimate the value of the off-balance sheet positions is by calculating the delta ratio of the option (δ), i.e. sensitivity of the option value in relation to the price change of the collateral which is a coverage for the mentioned option, and which is then multiplied with the nominal value of the position of the option. Delta coefficient may be in the range of 0 to 1. Assuming that the financial institution purchased call option for bonds (i.e. owns off-balance sheet asset) worth €40 million and delta coefficient of 0.25, then the possible value of the potential future asset i.e. of this option position would be €10 million.

The simplest calculation includes:

\[ \delta = \frac{\text{change in the option price}}{\text{change in the price of the coverage with that option}} \]

\[ \delta = \frac{\delta O}{\delta S} = 0.25 \]

\[ F = \text{option value} = €40 \text{ million} \times 0.25 = €10 \text{ million} \]

Basically, the delta ratio of an option varies with the price level of the cover that is provided with that option\textsuperscript{108}; where $0<\delta<1$. Generally, the correlation between the value of the option and the cover that is provided with that option is non-linear, and therefore the use of the delta method for estimating of the market value of the option is just a good guess. In direction of solving the problem of non-linearity, some analysts besides delta, calculate \textbf{gamma of the option} (\textit{where gamma reflects changes in delta in conditions of fluctuations in the price of provided cover}). In this regard, standardized BIS model calculates the market risk of the option by calculating the delta, gamma and vega (a measure of the risk of "volatility"). A number of financial derivatives, term contracts, futures, forward contracts, swap contracts etc., are recorded off-balance sheet and determine the future structure of the financial institutions financial statements. But, the risks arising from their presence complicates classical procedures for the calculation of basic economic categories and indicators of success of the institution. The indications and effects of the use of financial innovations are analyzed in the development of strategies for managing risks, while in the following of this paper there is just a simple construction of the effects of off-balance sheet categories on the net value and the solvency of the financial institution.

\begin{table}[h]
\centering
\begin{tabular}{|l|l|}
\hline
\textbf{Assets} & \textbf{Liabilities} \\
\hline
Market value of the assets (A) & 100 \hspace{1cm} Market value of the liabilities (L) \hspace{1cm} 80 \\
\hline
Net value (C) & 20 \\
\hline
Total: 100 & Total: 100 \\
\hline
\end{tabular}
\caption{Classical calculation of the financial institution net value}
\end{table}

\begin{table}[h]
\centering
\begin{tabular}{|l|l|}
\hline
\textbf{Assets} & \textbf{Liabilities} \\
\hline
Market value of the assets (A) & 100 \hspace{1cm} Market value of the liabilities (L) \hspace{1cm} 80 \\
\hline
Net value (C) & 10 \\
\hline
Market value of the & Market value of the potential \\
\hline
\end{tabular}
\caption{Calculation of the financial institution net value where off-balance sheet positions are included}
\end{table}

The first table illustrates the simple calculation of the net value (Capital - C) of the institution as the difference of the value of assets (A) and the value of liabilities (L) in the balance scheme. That is,

\[ C = \text{Assets} - \text{Liabilities} \]
\[ C = 100 - 80 = 20 \]

It simply means that the shareholders capital is amounted 20, and the ratio of capital in relation to the assets (capital-assets ratio) as one of the most important indicators of the solvency of the institution in this case is 20/100x100=20%. But, the real picture of the solvency of the financial institution can be get only by simultaneously considering the market value of the balance sheet and off-balance sheet positions. In the proposed example, the market value of prospective assets (potential assets-PA) is 50, while the current market value of prospective liabilities (potential liabilities-PL) is 60. Taking into consideration that potential future liabilities exceed the market value of the potential future asset of the institution for 10, such a difference is an additional potential liability that reduces the net value, i.e. the capital of the institution. Hence, the real net value (C) of shareholders is as follows:

\[ K = (A - L) + (PA - PL) \]
\[ K = (100 - 80) + (50 - 60) = 10 \]

This calculation significantly alters the position in regards to the situation (C = 20) where off-balance sheet items were ignored, leading to the conclusion that off-balance sheet activities significantly affect the economic position of the financial institution. Such logic essentially imposes the need for analyzing and assessing the risk of off-balance sheet activities, in conditions where their robust growth could lead to insolvency, or even bankruptcy of the institution, just as it may be caused by the credit risk, interest rate risk, currency risk or any other balance sheet items risk. It imposes an obligation for the managers to analyze all the knock-on effects of the risk exposures arising from certain off-balance sheet items and the modalities through which they impact on the profitability of the institution.

Versus the possibility of off-balance sheet activities to increase the risk exposure of financial institutions, the managers can also use the off-balance sheet instruments (especially forwards, futures, options and swaps) in
direction of reducing or managing the interest rate risk, currency risk, credit risk, the risk of insolvency and so on. In regards that hedging risk is one of the strategies for managing them, it remains only to mention that the fees that financial institutions charge for off-balance sheet activities commonly are used as a justification for the increased risk exposure arising from them. Trends in most developed market economies show a drastic increase in non-interest income (fees from off-balance sheet activities), that can even be used to reduce the probability of insolvency. As an illustration, non-interest income of all insured US banks in 1991, 1995 and 2000 in millions of dollars moved: 59,703, 82,440 and 152,751. Despite this prospect of seeing of off-balance sheet activities and the revenues derived from them, the probability they can increase risk exposure leads to a number of regulatory provisions in this area of operation of financial institutions.

MEASURING THE RISKS OF OFF-BALANCE SHEET ACTIVITIES

It is undisputed that off-balance sheet activities become an integral part of not only the banks, but also of non-banking financial institutions and other business entities. Besides their use in order to reduce some forms of risks, overcome some legal duties specified in the legislation, as well as the possibility of charging a commission through their use, the implementation of off-balance sheet activities causes also some forms of risk associated with them. In the previous section entitled as Effects of the off-balance sheet activities risk assessment on the solvency were mentioned some of the measures for the risks of off-balance sheet activities (delta, gamma, vega), and in this section we will pay attention to the most significant forms of off-balance sheet activities and their measurement. Emphasis is placed on credit lines (where the non-banking financial institutions can occur on the side of the debtor or on the side of a creditor). As one of the strategies to minimize the risks in the risk management procedures can be used forward contracts too.

Credit lines (Loan Commitment) as the other extreme of standard credit in modern conditions is increasingly used. One study of the Fed from 2000 estimated that 79% of all loans are in the form of credit lines. It is about

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110 According to Federal Deposit Insurance Corporation, [www.fdic.gov](http://www.fdic.gov)
an agreement for the withdrawal of a certain amount of money in the form of
debt, at a certain rate, for a certain period and others agreed in advance
conditions. In this, the institution approves the loan may charge a
commission in advance or afterwards (up-front fee, back-end fee). The first
commission is charged due to the placement of funds available during the
contract period, while the second commission may be payable on the portion
of the credit line which is not used. The following is an example of
calculating the expected return of the credit line.\textsuperscript{112}

The financial institution signs a contract for a credit line in the amount of
$10 million, at an interest rate of 12\%, with the possible time limit of funds
withdrawal of one year. In this, financial institution charges an initial fee
(up-front fee) by 1/8\% of the entire approved amount, i.e. $10 million \times
1/8\% = $12,500. During the year, the approved amount of $10 million must
be available to the customer at any time, and he will use any amount
between $0$ and $10$ million. In this, the financial institution may charge a
final commission (back-end fee) on the unused part of the approved amount.
For the example, on $8$ million used, $2$ million remain that may be charged
by fee. If this provision is determined to $\frac{1}{4}$\%, it means that will be
calculating $\frac{1}{4}$\% of the unused portion, i.e. on $2$ million. $2$ million \times \frac{1}{4}\% =
$5,000.

\textbf{Figure 1. Credit line structure}

The expected return of the loan ($1 + k$), should be developed in a form
suitable for measuring the expected return at partial withdrawal of parts of
the approved amount (credit line). In that conditions, the initial and final
commission (fee) should be taken into account and several categories that
determine the return of a used portion of the loan ($1 + k$) as follows:

- Interest for the loan ($BR$) = 12\%
- Risk premium ($m$) = 2\%

\textsuperscript{112} Adapted by Anthony Saunders, Marcia Millon Cornett, \textit{Financial
Institutions Management – A Risk Management Approach}, McGraw – Hill
International edition, 5\textsuperscript{th} ed., 2006, str. 365
- Up-front fee ($f_1$) = 1/8%
- Back-end fee ($f_2$) = 1/4%
- Compensatory balance ($b$) = 10%
- Prescribed reserve ($RR$) = 10%
- expected (average) rate of utilization of the credit line ($0<td<1$) = 75%

\[
1 + k = 1 + \frac{f_1 + f_2 (1 - t) d (B + R) t}{t - d [b (1 - R)] R} \quad 113
\]

The calculation of the expected return of the credit line (for the above example) would be as follows:

\[
1 + k = 1 + \frac{0.0 + 0.0 (0.2 \cdot 0.1 \cdot 0.5 \cdot 0.9)}{0.7 - [(0.1 \cdot 0.7 \cdot 0.9)] 5} = \frac{1}{8} = 0.125
\]

In this it must be borne in mind that the amounts of cash flows are not discounted, i.e. because of some simplification it is not taken into account the time value of the money. If the discounting is taken into account, it is necessary to discount $f_2$ and $BR + m$, having in mind that their cash flow comes at the end of the period. If discount factor of 10% is used, then $k$ would be 14.25%.

Risks of the credit line involve itself another several risks that also need to be identified and quantified. Namely, they are interest rate risk, the risk funds use (takedown risk), credit risk and aggregate risk (aggregate funding risk).

CONCLUSION

Off-balance sheet activities are closely related to financial innovation and derivative financial instruments. On the other side, in close correlation with them is also one of the most important aspects of managing risks in financial institutions, which refers to the concept of assets and liabilities management (ALM). The techniques and methods of managing the assets and liabilities relate to the control of any major losses caused by unexpected changes in

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interest rates on financial markets. The assets and liabilities management (above and below the balance line) is directed towards stabilizing the margin of the institution – as a difference between interest income and interest expenses - and towards protection of the net value of the financial institution. The use of financial derivatives actually is a key instrument for financial institutions protection from their exposure to the risk of changing interest rates. But, during developing these strategies for protection against the risks, must be borne in mind that many of the methods used for that purpose can be applied by financial institutions not only in order to cover their own interest rate risk, but they also sell them to customers which need protection from risks. In this way, the banks and other non-banking financial institutions realize significant income from commissions. This concept can be used also in the non-financial business entities. But, financial derivatives can be a powerful tool both for protection and for speculations. Therefore, important moment in the use of derivatives (derived securities) as a hedge is the fact that though they may have a protective function, they carry their own risk that risk managers should take into consideration.

The use of these instruments in Macedonia is limited and applies only to foreign exchange forward contracts and swap contracts by banks. Poorly developed securities markets in Macedonia do not creates conditions for trading with derivative instruments. In terms of limited operations with basic types of securities, cannot be expected any trading with theirs derivatives. However, theoretical (for now) the possibility of applying them requires analysis of the basic amenities that arise by the strategies for use of those tools in order to manage risks.

LITERATURE

CONTEMPORARY METHODS OF MEASURING THE CREDIT RISK IN BANKING OPERATIONS

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Abstract

Credit risk is the most important, primary risk that a commercial bank is exposed in its operations. Bank manages the credit risk so that establishes clear, comprehensive and effective system of internal procedures, ie procedures and internal controls that are appropriate to the size, nature and complexity of bank lending.

The process of credit risk management at the bank is quite complex and is composed of a set activities which are grouped into the following four segments or phases:

1. Identification of credit risk;
2. Measurement of credit risk;
3. Control of credit risk;
4. Monitoring of credit risk.

In the banking theory and practice there is no single system for managing credit risk, but each bank has to develop its own system for managing credit risk, to be appropriate to its needs and operating environment.

Key words: credit risk, bank management, risk measurement, methods for measuring the credit risk.

INTRODUCTION

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximise a bank’s risk-
adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Banks should also consider the relationships between credit risk and other risks. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any banking organisation.

The process of measurement or assessment of the risks is defined as establishment of quantitative and/or qualitative assessment for measurable and immeasurable risks that the bank has identified in the previous phase\textsuperscript{116}. By measuring credit risk is determined quality of each transaction, quality of the overall bank loan portfolio, probability and amount of losses that might occur because of delayed execution of credit obligations by the borrower.

The main purpose of banking institutions is to identify risk, to quantify and materialize through the risk premium (spread) in order to calculate interest in the price of its products or to sell that risk, i.e. to trade them in some of the segments of financial derivatives market. Basically, the banks selling the banking products (such as loans or deposits) actually trade (buys or sells) the risks that is in the structure of these products.

A condition for successful measurement of credit risk is to define the two factors that determine measuring credit risk, which are: a) which model\textsuperscript{117} for measuring credit risk will be used and b) what approach for measuring credit risk will be applied.

The assessment of credit risk can be done in two ways: a) qualitative (derived from empirical estimates of bank experts) and b) quantitative (refer to those risks, where factors affecting risk can be quantitatively express).

Measuring credit risk banks can be performed in two ways: a) measuring risk on each loan separately and b) measuring the risk exposure of the entire loan portfolio.

For successful measurement of credit risk, the bank is required to dispose with following information such as:

a) exposure to credit risk;

b) the probability for occurrence inability for collection of receivables or the probability of deterioration the credit rating;

c) potential payments after maturity (default).


\textsuperscript{117} The model for measuring credit risk is the sum of the modeled mathematical operations, that despite the given criteria as inputs (independent variables), return measure risk as a result (dependent variable).
In the banking theory and practice are known two types of models for measuring credit risk, including:

1. Traditional (classic) method;
2. Contemporary (VaR) method, applying credit scoring / rating.

Considering the previous remarks on the importance and needs of managing credit risk, the study in this paper is focused on modern quantitative methods to measure risks such as VaR (Value at Risk) models derived from the basic model.

**CONTEMPORARY (VaR) METHOD FOR MEASURING CREDIT RISK**

Banks that use the internal approaches to measuring credit risk (basic and advanced), for determining the cost of equity using VaR methodology, which is a measure of risk assessment or statistical assessment of value, dated a certain probability, that the bank could lose in a certain period of time due to changes in the financial markets. The period of time (horizon) for credit risk is usually longer, often it is one year. VaR method is introduced by JP Morgan and became widely used by the company's creditors and fund managers, as well as by financial institutions. Primarily, this method was applied in the calculation of risk-weighted value arising from market risks, and later the method began to be applied in the calculation of risk-weighted value arising from credit risk. As direct independent variables in the credit VaR method are detected: a) the rating of the borrower, b) transition matrix ratings of debtors, and c) the correlation of changes in credit ratings among all borrowers.

When the measure of risk value is used, we are oriented by the statement: "We are sure X percent that we will not lose more than V dollars for the time T". Variable category V is VaR of the portfolio and it is a function of two parameters: a) the time horizon $T$, and b) the level of self confidence $X$ percent.

Risk value - VaR may be calculated in two ways, namely:

1. From distribution of the probability of gain profit during the time $T$;

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118 Tomislav M. Todorovik, „Upravljanjem kreditnim rizikom u banci“, „Ekonomski horizonti“, broj 2, 2009 str. 94.
119 VaR – Value-at-Risk (value at risk, risk value) is an attempt to provide one number that summarizes the overall risk in the portfolio.
2. From distribution of the probability of losses during the time $T$.
   When the first method is used VaR - value risk equals less profit (100 - $X$) from the percentage of the distribution, and when the second method is used VaR – value at risk equals the losses from the $X$-th percentage of distribution.

Modern (VaR) method for measuring credit risk, thanks to the banking theory and practice is developed and appears in four models, including: 121
   1. Credit Matrics модель – J.P. Morgan;
   2. Credit Portfolio View модель – McKinsey;
   3. Credit Risk + модель – Credit Suisse;
   4. Credit Monitor модель – Moody’s.

The paper will be presented the first three models of modern (VaR) method to measure credit risk.

**CREDIT MATRICS – J.P. MORGAN**

Credit Matrics model on contemporary VaR method for measuring credit risk in 1997 was proposed by JP Morgan, while working in collaboration with "Bank of America", "BZW, Deutsche Morgan Grenfell", "Swiss Bank Corporation", "Union Bank of Switzerland" and "KMV Corporation", as VaR framework for assessment and measurement of risk on non-market placements (loans and private bonds). This model is based on analysis of credit migration, i.e. this is probability for the company to move from one rating category (from better to worse and from worse to better) within a specified period of time. This model or methodology differs significantly from RiskMatrics method used to measure, manage and control market risk.

The model gives a hypothetical market value and volatility122 as a result of changes in credit ratings that cannot be directly observed. "Credit Matrics" methodology accepts as input data any estimate of PD (Probability of Default), which results in the classification of the company in discrete groups (rating categories), each with a defined PD (Probability of Default). These estimates are only input data, but not definitive results.123 "Credit Matrics" methodology is a tool for assessment the risk of the portfolio, as a

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121 Tomislav M. Todorovik, „U pravljanjem kreditnim rizikom u banci“, „Ekonomski horizonti“, broj 2, 2009 str. 90.
122 Volatility of variable is defined as the standard deviation of the return result from the variable per unit time when the recovery is expressed by the use of continuous components.
result of the change in debt and caused changes in the credit quality of the borrower. Transition matrix is the simplest way to display the probability of change in the credit rating, as indicated in Table 1:

Table 1. Transition matrix - the probability of change in the credit rating from one to another rating category for one year

<table>
<thead>
<tr>
<th>Started rating</th>
<th>AAA</th>
<th>AA</th>
<th>A</th>
<th>BBB</th>
<th>BB</th>
<th>B</th>
<th>CCC</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>90,81</td>
<td>8,30</td>
<td>0,68</td>
<td>0,06</td>
<td>0,12</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>AA</td>
<td>0,70</td>
<td>90,65</td>
<td>7,79</td>
<td>0,64</td>
<td>0,06</td>
<td>0,14</td>
<td>0,02</td>
</tr>
<tr>
<td>A</td>
<td>0,09</td>
<td>2,27</td>
<td>91,05</td>
<td>5,52</td>
<td>0,74</td>
<td>0,26</td>
<td>0,01</td>
</tr>
<tr>
<td>BBB</td>
<td>0,02</td>
<td>0,33</td>
<td>5,95</td>
<td>86,93</td>
<td>5,30</td>
<td>1,17</td>
<td>1,12</td>
</tr>
<tr>
<td>BB</td>
<td>0,03</td>
<td>0,14</td>
<td>0,67</td>
<td>7,73</td>
<td>80,53</td>
<td>8,84</td>
<td>1,00</td>
</tr>
<tr>
<td>B</td>
<td>0,00</td>
<td>0,11</td>
<td>0,24</td>
<td>0,43</td>
<td>6,48</td>
<td>83,46</td>
<td>4,07</td>
</tr>
<tr>
<td>CCC</td>
<td>0,22</td>
<td>0,00</td>
<td>0,22</td>
<td>1,30</td>
<td>2,38</td>
<td>11,24</td>
<td>64,86</td>
</tr>
</tbody>
</table>

Sources: Standard & Poor’s, 2013, CreditWeek, 5 April.

The first row of the transition matrix indicates the credit rating of the borrower at the beginning of the year, while the other rows represent the credit rating of the borrower at the end of the year. The numbers in the matrix represent the probability of transition from one rating category for a period of one year. For example, if the initial rating of a debtor is BBB, its probability at the end of the year to move to AA is 0.33%, while the switch to B is likely to 1.17%.

Credit Portfolio View – Mckinsey (CPV)

Credit Portfolio View - Mckinsey (CPV) is a multifactorial model used for the stimulation of joint conditional distributions of non-performance of the obligations and the probability of migration for different rating classes in a variety of industries and for every country, determined by the values of macroeconomic factors.124

A basic concept of this model is the transition matrix for each country.

Credit Portfolio View - Mckinsey (CPV) is based on the understanding that the PD and the probability of credit migration are connected with economic conditions in each country. When the economic situation deteriorates, ratings decline and non-performance of the obligations increases, and vice versa when the economy strengthens, the rating of the country grows and non-performance of the obligations decreases. This method presents a methodology for linking macroeconomic factors (factors that affect a country's economy - the unemployment rate, the growth rate of gross domestic product, the level of long-term interest rates, exchange rates and interest rates on savings deposits) with dereliction of duties and migration probabilities.

Credit Risk+ – Credit Suisse

Credit risk plus, (Credit Risk +) model of contemporary VaR method for measuring credit risk, just as the Credit Matrics model, in 1997 was offered by Credit Suisse Financial Products.

Credit Risk + - Credit Suisse method or methodology modulates only the risk of nonperformance, while the risk of changing credit rating ignore or neglect. This model is based on the following two assumptions.

1. "For credit PD in a given period, is the same as at any other period;
2. For many borrowers, PD per one debtor is small, but the number of nonperformance liabilities that arise in some period is uncertain from the number of nonperformance’s that occur in any other period."

In this method, the exposure to each debtor, adjusted for projected collection rates (these adjustments are external) have the purpose to calculate LGD. In order to distribute the loss of a well diversified portfolio, the losses are divided into sections or groups which are considered as independent portfolio loans, for which the following rules shall apply:

- Ordinary exposure in group j in units of: L, Lj;
- Ordinary exposure in group j in units of: L, Lij;
- Expected number nonperformance of duties in Group j, nj

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125 Ibid, pp. 183.
126 Average number of dereliction of duties during the year for the group.
Credit Risk + - Credit Suisse method or methodology, has the following sequence of activities:

✓ Generating probability of non fulfillment of obligations for each group;
✓ Generating probability of non fulfillment of obligations on the overall portfolio;
✓ With a given function for generating the probability of non fulfillment of obligations, is very simply to extract distribution of losses.

CONCLUSION

Today, in contemporary economic conditions, with globalization of banking operations, financial institutions have faced with increased risks, which should be managed appropriately. Managing those risks plays a central role in the successful implementation of banking tasks and should be a part of the core business of banking. In terms of increased competition and growth risks it is necessary to introduce innovations in banks operations and risk management. The risks faced by banks are inevitable and must be assessed, managed and financially offset so as not to jeopardize the operation of banks in general.

For most banks, loans are the largest and most obvious source of credit risk; however, other sources of credit risk exist throughout the activities of a bank, including in the banking book and in the trading book, and both on and off the balance sheet. Banks are increasingly facing credit risk (or counterparty risk) in various financial instruments other than loans, including acceptances, interbank transactions, trade financing, foreign exchange transactions, financial futures, swaps, bonds, equities, options, and in the extension of commitments and guarantees, and the settlement of transactions.

Banks have to identify measure and assess the risks they are exposed to in its operations. Each bank is required to establish separate organizational unit that will manage risks. Acts of banks pertaining to the procedures of identification, measurement and assessment of risks and their management must cover all types of risk, particularly credit risk as the most significant risk to which the bank is exposed. Given the importance of the role of credit risk, credit risk management should have a dominant role in banking operations.
In terms of globalization of banking, it is necessary harmonization of banking rules and respect for the news of the approach of a number of important techniques that reduce credit risk. It requires compliance with the new Basel Capital Agreement (Bazel II and Bazel III) in order to raise the level of capitalization of banks and their liquidity, establish organization and approach that will enable risks to be under control, and to enhance transparency in the banks.

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THE IMPORTANCE OF THE SCIENTIFIC RESEARCH OF THE LANGUAGES FOR SPECIAL PURPOSES

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Abstract

The science of the language – the linguistic, is not only dedicated to the linguistic researches, but also to explaining the relation between the language and the society. This science requires particularly the sociology, the political science, psychology, economy and the history to discover what is happening with the language. The linguistics can give only a small contribution in the researches of the linguistic system and is increasing the lexis and every language system at all. On the other side, the communication, as seen from the pragmatic and technical aspect, has need of a rational and functional language.

The goal of this paper is to show the linguistic of the languages for special purposes as a complex discipline with serious tasks and to show the reasons of the meaning of its researches.

Keywords: applied linguistics, LSP, lexis, methodology.

INTRODUCTION

127 review scientific paper
Being a part of the applied linguistics, the linguistics of the languages for special purposes (LSP) portrays the contemporary tendencies of the LSP from both scientific and practical aspect. The differentiation of the working field of the human and the historical changes are altering thus increasing the range of the linguistics of the LSP. Nowadays we are facing a wide sphere of newer and current issues and problems such as the bilingual and multilingual terminology of the vocational languages, the tendency of using an international terminology, the world standards, the translation and the study of LSP.

This paper will be focused on the importance of the scientific research of the LSP since the lex is of one language is changeable and it is not given once and for all. Consistent and continuous researches are necessary in order to monitor every linguistic change. This issue is relevant on all scientific levels and concerns the scientist as the writer of a non-fiction article, as well as the teaching staff and the students.

**THE GOAL OF THE LINGUISTICS OF LSP**

The linguistics of LSP is a young branch of the linguistics dealing with research of the language for special purposes. Its main goal is to discover and explore the validity of the occurrence, the development and the significance of the LSP. This science is exploring the LSP in a diachronic perspective thus following their development and studying their current linguistic stock. A complete overview of the language system of particular vocations and areas is obtained as a result of such researches.

Nowadays, there is no doubt that the new benefits from the science and the economy affect the LSP. The common language\(^{128}\) follows the changes that appear in the scientific-technical languages especially in the area of the syntax and the lexis and changes itself. The influence of the LSP is realized not only in this kind of languages, but also in many other related disciplines and the whole common language.

The language change occurs in parallel with the economic changes and the changes in the leisure time of the individual and any other influences that affect the individual. The pragmatic function of the language is more important for the LSP in comparison to the language change. Recent researches of LSP showed a large number of linguistic, sociocultural and psychological factors which regulate the creation and the existence of the LSP and the communicational proficiency of the expert.

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The LSP are an important segment of the linguistic research, especially in the lexicology. The research is focused on certain areas used in the study of LSP, translation and publication of scientific and specialized literature. If someone would ask, in which area should the research of the LSP be placed? The answer would be: in the applied linguistics. The applied linguistics is by now the most productive and purely empiric method which records, analyses, evaluates categorizes and explains the elements of LSP on all levels. The interpretation of the overall characteristics of the LSP cannot be only analyzed. The methodology in the application of the analysis refers to the identification and registration of the differences which exist in the given dictionaries, their comparison to the norm in the LSP i.e. with the principles of the language system and explanation of some aspects in order to verify the results.

The LSP is explored using a method which combines continuity, change, normative, function and creativity. The methodology of the LSP analysis consists of four phases:

1. Creating a corpus
2. Discovering the specific specialized elements
3. Their analysis
4. Defining (establishment).

The corpus for LSP analysis starts with specification- whether the corpus will be from the spoken or the written language. The next step is collecting segments from the corpus - recording a large number of interviews if the corpus is from the spoken language or a lot of written materials if it is form the written language. Afterwards, the terms, as the main carriers of the meaning in the text, are analyzed and, at the same time, linguistic principles and techniques are used to define, explain, classify and systematically interpret the specific forms which appear in a specialized article.

The differentiation of the working field of the human and the historical changes are altering thus increasing the range of the linguistics of the LSP. Nowadays we are facing a wide sphere of new and current issues and problems. The LSP linguistics expands constantly and becomes more and more complex. It even exceeds the linguistic boundaries, expands the differentiation, the method and the way it works. At the beginning, it was a lexicological and terminological dominant linguistic. Nowadays, it has an increased number of new linguistic disciplines – of course without damaging the terminology, especially the multilingual which still has the most important role. These two aspects – the affluence of the subject and the way of work – are a reflection of the linguistic researches. They cover the problems of the bilingual and multilingual terminology in the LSP, the
tendency for international terminology aspiring for a faster approach to the world standards; the study of LSP etc.

The number of the intense LSP researches is increasing constantly. Some of the notable LSP educational centers should be mentioned: “The University of Economy” in Vienna and the “Department of Economy” in Copenhagen where a general development of the linguistic is achieved through the research of the terminology, lexicography, the LSP education for adults etc.

**REASONS FOR LSP RESEARCH**

There are a lot of reasons for a scientific research of the LSP phenomenon of which the most important is the influence the LSP has on the common language. On the other side, there is an increased international mix, not only in the area of the economy, which encourages the experts to communicate using a language for special purposes.

The large terminological expansion is an essential element of these occurrences which is usually difficult to control. The novelty in the system could bring not only new terms, but also differences in the wholes terminological systems.

This modern way of the linguistic research strives for the LSP to satisfy the needs in a particular economic or non-economic branch and to understand and apply them in practice. The LSP are also an important source for the ongoing scientific and specialized information.

As a result of the increased importance of the vocations in a given society, the LSP research has expanded its role and goals:

1. To record the vocational knowledge in the database, the specializes lexis and specialized book
2. To inform, introduce and direct the specialized internal organization
3. To educate the experts in the occupation and in the vocational schools
4. To transfer the specialized knowledge if it is necessary in order to communicate in specialized situations (for example: buying or selling a plane ticket, booking a room, making a brochure, explaining the way of cooking a certain meal etc.).
5. Translation for international exchange of specialized information
6. The LSP has a more expressive role in the standard language because the specialized literature is enlarging and invading the ordinary man’s life. This is the reason why there is a necessity of studying the language characteristics of the LSP both on the native language, as well as the LSP on a foreign language.
THE WAY OF DEVELOPMENT OF THE LSP RESEARCH

The LSP research has several ways of development:
1. Lexical and terminological
2. Functional and linguistic
3. Economic linguistics
4. Functional stylistics
5. Translation of scientific and specialized articles

At the beginning of the scientific research of the LSP, the linguist had to follow the development of the specialized terminology of a given occupation both on the native and the foreign language in order to create correct and precise specialized sentences for the large number of fields that nowadays are needed. The terminological sentences are required for both the wide and the narrow area of expertise. The linguist, that wants to explore the LSP and to be successful in that, should take a different activities such as: to follow the changes – the manifestation of new terms, to consult an expert from the given field, who can help him to study all this terms. The everyday monitoring of the occupation is necessary both in the home country and the country whose language is the subject of comparison.

In Europe, the LSP arose interest at the beginning of the 19th century. In Germany, the first debates for the LSP were intensified in the late 20th century. In general, the linguists share the same opinion regarding the LSP, that is, the LSP is an addition to the common language. However, they also have controversial opinions about many issues which nowadays are a subject of discussions and projects. From a diachronic viewpoint, the economical linguistics researches the language as a mirror of the economic history which, philologically speaking, directs the issues from the lexicology.

The LSP originates from the economy, the art and the science. The languages for special purposes evaluate the specialized fields and, by improving the specialty, they allow standardization on the terms, as well as their finalization and further transfer of knowledge. The reasons for the development of the LSP are: exactness, precision, but also the expert’s wish for exclusiveness in distinction from the ones that are not familiar with the specialized field.

Fundamentally, it is believed that the specialized linguistic structures and characteristics, which are registered in all the languages for special purposes and specialized articles, can be recognized. The language that is spoken by

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the expert is extremely different from the language that is spoken by the other people. The base of this differences are the characteristics of the LSP. This characteristics are very important in the process of making it divergent from the other languages and other cultures. The LSP can be a guarantee for development and specialization of the experts, but it can connect the experts from different nations.

Every professional has a vocabulary full of specialized terms and phrases, constantly using the appropriate distinctive features. The common characteristics of the LSP are:

1. Expert knowledge, objectivity, logic, correctness, exactness, simplicity und clearness, thoroughness, abstractness;
2. Logical, linguistic and architectonic analysis of the text, a solid plan for creation of the text, a speech with a character of a monolog;
3. Quotes, parallelism, antithesis, numeration, repeating, absence of expressivity, absence of emotiveness, clichés,
4. Declarative sentence, complex syntactic constructions, passive constructions, direct word order, participles, infinitive and gerundive constructions, complete sentence, objectivity, strong attribution,
5. Permanent changes parallel with the common language;
6. Proofs, clarification, argumentation
7. Nominalisation, terms, concepts (absence of illustration), objective and logical meaning, abstracts, neologisms, borrowed words, Latin and Greek root morphemes unproductive suffixes, verbal nouns,
8. Extensive usage of different stylistic devices, usage of singular, impersonal and passive verb forms,
9. Non-linguistic auxiliary means such as boards, diagrams and schemes,
10. Usage of necessary shortcuts, numbers, symbols and signs.

The most important characteristic, which makes the main difference from the other languages, is the specific specialized terminology. According to the abovementioned characteristics, we can come to the conclusion that every LSP insists on synonyms and denotation. Every language for special purposes has its own specific specialized lexis of which one has to have a good knowledge in order to understand the specialized literature. The specific lexis is the main reason that the language is incomprehensible to those who have no knowledge of the given field. Oftentimes, the role of the LSP is not reflected enough. The LSP is not just a mean of communication, but an instrument which helps getting the knowledge.

130 So for example, not everyone could understand the Einstein’s theory of relativity, if he doesn’t have knowledges of maths and astronomy.
THE IMPORTANCE OF THE SCIENTIFIC RESEARCH OF THE LSP

Contemporary linguistics, in accordance with the current scientific processes of the LSP, approaches the language as an entwined and conditional phenomenon connected to numerous external factors which influence the communication in different scientific and specialized fields.

The importance of the language for special purposes refers to the need that this language has to satisfy on the scientific, technological, business and trading organisations and praxis. The LSP embodies the subjects, the structures and the processes of a given specialized field or subject level and enables the usage of the specialised communication.

The language as a basic mean of communication is essential in the global competition of the tourist market. The language enables a successful business communication during the business negotiations and the conclusion of agreements, during a presentation of the touristic product and the direct contact with the guests.

As means of international communication, the importance of the LSP is expanding and the future of the international tourism can not be imagined without good communication. According to Gerbert\textsuperscript{131}, this communication is the precondition in the specialised knowledge. In tourism, the LSP considers the cultural, political, ethnographical, sociological, psycholinguistical, ethnical and other factors and includes the law, the traditions, the habits or, in few words, the whole culture of a nation.

At this point of the development of the world, the factors that determine the need of the thorough study of the LSP are the increasing dependency and collaboration on technological and economical level, the making of international scientific and technical projects, the changeable scientific information and cultural achievements, the wider and more diverse contacts for the individuals, organisations (tourist agencies and offices), the institutions in different countries, the political dependency and the diplomatic activity.

In the contemporary language of every nation, the languages for special purposes have an increasing significance in the scientific, technical and

social fields. The LSP researches are helpful in the making of dictionaries and terminological lists. Although this is one of the oldest linguistic activities, the interest increases both for the general lexicography and for the terminological theory, namely for pure scientific needs, as well as for the praxis.

The specialized vocabulary and all of the linguistic elements are of great help to the experts, the participants in the science and technique and the goods consumers during the communication about specific issues and the organization in the process of working.

The research shows that the LSP in other European countries have taken an important place in the language science for a while now. This is confirmed by a large number of lexicons\textsuperscript{132}, dictionaries, as well as the abundant so called thesauruses – treasuries of words which, nowadays, can be found in the electronic mediums\textsuperscript{133} and are available to every expert, teachers of LSP, translators and to anyone in need of information at any time.

The linguistic analysis of the LSP provides information about the methodology of the study of the language for special purposes and enables the writing of better handbooks, books for courses etc.; and extends the general linguistics at the same time. The results from the researches could also be applied in:

1. The classes in the native language, language cultivation, language enrichment, language standardization, (especially standardization of the terminology)

2. The classes in foreign language, above all in the selection of the linguistic mediums, where the preference is given to the shortest forms

3. Intermediation of the language, especially in the translation

4. Machine editing of information and translation as well as for the preparation of supplements in the databases

5. Language pragmatics

The linguistics for the LSP is not only meant for the linguists i.e. the philologists, but also for the teaching staff in the vocational education at the universities, faculties and vocational schools, for the students, the specialized translators, the authors of the language books for courses, terminology standard setters, computer scientists, as well as the people that represent the all scientific and technical disciplines who read their specialized literature in the original and the specialized language – in


\textsuperscript{133} www. thesarius.tour.de
publications, and where there are efforts for good and effective proficiency of the LSP.

The research of the language for special purposes has a synchronic character. Basically, the applied linguistic is interested in the way the language communication in the current phase of development functions. The research of the LSP includes monitoring the legitimate language development without getting deeper in the research of the language history.

The changes in the nature and in the society can be immediately recognized in the current state of the language and they represent the tendencies of the development. This does not apply only to the large impact of the LSP on the development of the entire language, but also applies to the language for special purposes.

What is the role that a certain LSP has? In which situations and what affects the choice of different language elements from the language system, from the role of borrowed words and the creation of new words, to borrowing a whole syntagmatic constructions or syntactic constructions? These are only part of several bigger question whose answers the linguistic researches look for in the pragmatic and situational state of the languages for special purposes. Who, when, where, why and for which purpose uses the specialized terms and foreign specialized lexemes?

The tight European culture is an important source and a creative potential for development of all European languages spoken on the old continent and that should be accepted positively in the future.

The comparative analysis of the languages for special purposes offers more efficient results in the lexicology, the translation and the classes in the LSP. In our country there is a big need of proper, precise dictionaries and lexicons. The dictionaries are necessary both for the wide and the narrow specialized field. Continuous and good collaboration between the experts and the linguists is needed for fundamental research of the languages for special purposes.

CONCLUSION

The practical human’s activity could give acceptable results with a good theoretical base. With the communication every person can transmit a knowledge from different areas. The language as the most complex and practical way of communication offers a lot of possibilities of transmitting the information. In this way, the theory is getting closer to the praxis. Every change in the modern trends is reflected in the same language. That’s why there is a need of development of new terms which are not explicable to the people. To understand better and to use this new terms on many different
ways and in the areas where are needed, the language for special purposes
gives extensive explications about their origin, goal, use and their meaning.
That’s why the development of the linguistic for special purposes also
means the development of a better society and extension of the researching
areas for the linguists.

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ACQUIRING LIFE SKILLS AMONG STUDENTS

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Abstract

The education for life skills promotes positive values and applies skills to meet the specific needs of children. In this paper we will focus on the method of dramatization, on the role in the acquisition of life skills among students and the benefits of its use in teaching. The presentation of the curricula through dramatization encourages students to be creative, to create, to express their characteristics, imagination and originality in solving a problem. Each teacher can use creative dramatization, as part of his work as one of the methods used. It is an art form that involves cooperation between students and teachers. The dramatization contributes to permanently adoption of the curriculum by students and increases the need for expansion of knowledge and outside the curriculum, i.e. free movement and research worldwide Science.

Keywords: dramatization, education, life skills, students, teacher

INTRODUCTION

The acquisition of life skills is a right of every child, regardless of age, background and abilities. The behavior of the child depends on various factors, arising both from the family, the school and the wider community, and individual factors which include knowledge, skills, attitudes and characteristics of the person. The role of life skills is to contribute to the personal, emotional and social development of children and to ensure their physical, mental and social well-being. The education for life skills promotes the positive values and applies skills to meet the specific needs of children.

According to the World Health Organization among the most important life are: self-awareness, communication skills, decision-making skills, creative thinking, dealing with emotions, empathy, interpersonal skills, problem solving, critical thinking and coping with stress. But as much as it is professional paper
important to identify the key life skills you need to master, just as important are the methods used to achieve this goal. This means that teaching should be based on the passive reception of information, but it should include participatory, cooperative, active and experimental methods, which will allow the children to learn through experience and practice, as active participants in the educational process.

The most commonly used methods in the classroom to acquire life skills are: discussion with the entire group, the analysis of stories, analysis of situations, demonstrations and simulations, drawing, gaming activities and dramatization. In this paper we will focus on the method of dramatization, on the role in the acquisition of life skills among students and the benefits of its use in teaching.

THE METHOD OF DRAMATIZATION IN TEACHING

By the use of dramatization in the teaching process, the students aren’t expected to make a perfect dramatic interpretation, but the goal is through a series of short dramatic improvisations to acquire specific knowledge and skills that will be applicable in real terms, development of critical thinking, gaining confidence and independent access to different problem situations. The presentation of the curricula through dramatization encourages students to be creative, to create, to express their characteristics, imagination and originality in solving a problem. In this way, through direct experience of different situations and the possibility of transformation of the characters, they fail to express their creative potential. The essence of drama is dramatization activities oriented towards the experience of the actors, and is done by using methods and theater techniques. This kind of work is different from drama lessons, in which the main objective is to prepare for a performance. This was really an improvisation and creation, rather than exhibition and performance.

Every child is born with creative potential, but this potential can go out, disappear, if his natural creativity isn’t educated and stimulated. Creativity is this magical feature, which shows the uniqueness of a person. It is the ability of the individual to perceive things in a new, unusual light, to recognize a problem when others are not aware of, to find a solution in a new, original and effective way. Each teacher can use creative dramatization, as part of his work as one of the methods used. It is an art form that involves cooperation and mutual cooperation between student-student, student-teacher and teacher-student. It suggests that students generally learn to think positively about themselves and to believe in their growing abilities.

The advantages of using dramatization in the teaching process include: expression of the feelings of students, gaining confidence and trust,
expressing through facial expressions and body movements, detecting certain abilities and skills, active participation in the teaching process and exploring unknown curricula, active and creative approach for solving specific problems, developing creative and artistic skills, responsibility and a sense of community...

Materials necessary for dramatization:

1. Scene - the space where you performed dramatization
2. Paraphernalia - best selection of what is done / made in collaboration with children, original and creative (real dolls, puppets from socks, painted paper bags)
3. A group of students - actors who are ready, willing and motivated.
4. Assistant director: educator

By using the method of dramatization students:
- Play life situations in a common way because dramatization requires cooperation
- Apply the experience gained in the emerging situations (the acquired should help in learning new experience)
- Are trained to be actors of two worlds that do not mix (dramatization includes fantasy, but educates children to be aware of the reality)
- Are adjusted to work together, no matter how thinking differently
- Discard the fear to express their feelings, thoughts, ideas and actions with each other (implies a precision in communication)
- Develop the imagination of the participants, forming a representation of something and symbolic thinking (cognitive development)
- Interpret the actions, behavior; thinking of others, mainly in unfamiliar situations (includes development of logical thinking).

The experts agree that the use of the method of dramatization and other dramatic techniques and learning strategies in the classroom is not the same as teaching drama. The purpose of dramatization is not learning drama skills, but learning through drama.

The skill is in the fact that every teacher should be adapted to the needs of students, their experience, age and interests. He needs to find adjusting productive methods and techniques in the teaching process, in order to get the attention of students to focus on achieving the goals and activities that will encourage and guide the development of the child and the adoption of necessary knowledge and skills. Drama techniques and other strategies and methods that have been clearly best suited and most successful in working with students / children and give the best results: drama games and activities, creative movement and dance, storytelling, action stories, play, directed fantasy, mime, pantomime narrative imagined journey, improvisation, hot chair, frozen images, forum theater, vocal thinks path of conscience,
character of the wall, dramatization, etc. doll. Tools used in the method of dramatization are: movement, voice, imagination, creativity, concentration, teamwork...

Dramatization has an emotional and intellectual impact on both the participants and audience members. Its influence is like a mirror for us to examine ourselves, deepening our understanding of human motivation and behavior and broadens our perspective through stories that portray life from different points of view, cultures, and time periods. (Network, 2012)

School should be fun, pleasant and inspiring. It should be than just transmission of information and knowledge, teaching process should spark a love of learning and develop skills for success in school and life. Dramatization, as method, can provide that spark and can be used in a number of subjects, scientific concepts, language concepts, mathematics, social relations, social sciences and everything that can truly and effectively be used as a useful material.

**DRAMATIZATION AND COMPREHENSIVE CHILD DEVELOPMENT**

The dramatization is processing or adaptation of a literary work with its display of the scene. Dramatization usually is done when we want to play through the show fragment of a novel, fairy tale or a text in which action can be shown only through the speech of the characters and their behavior.

As benefits for the comprehensive development of children from the use of the method of dramatization we can mention the following:

- **Self-confidence and positive self-concept** – the self-confidence that children will gain through the method of dramatization will positively affect their future development.
- **Imagination** - creative choice, new ideas, interpreting the already known content in a new original way are essential for dramatization. Albert Einstein said, "Imagination is more important than knowledge."
- **Empathy and tolerance** - Taking characters and different roles, the positioning in new and unfamiliar situations, time periods and cultures promotes compassion and tolerance towards others, feelings and views.
- **Cooperation** - creative dramatization combines creative ideas and abilities of all children who participate. This cooperative process involves discussion, negotiation skills, negotiation and teamwork. In this way, students learn to work together, to cooperate, to listen, to accept input from others and to respect other people's opinions. The dramatization is a very important tool for preparing students for team-oriented in the future.
- **Concentration** - through drama games, exercises, performed in front of classmates, and sometimes in public, students develop and maintain
attention, coordinate thought, movement and voice, which will be of great help in the future, in school and in life in general.

- **Language and communication skills** - In the center of each dramatization is communication. As in any other art, dramatization imposes the need for constant communication; it helps to understand the other in a new way. Children who participate in creative activities of this type in the future will have less trouble to talk to others, will be convincing in their speech and will have a positive self-concept. Creative dramatization develops and encourages verbal and non-verbal expression of ideas and feelings. The participation of students in these activities improves the projection of voice, articulation of words, liquid and persuasive speech. The skills of listening and observation are developed through planning dramatic games, exercise and improvisation.

- **Creativity in solving problems** - This is a challenge for the perception of the students to see the world around him and look at it. Drama research activities provide outlet for expressing emotions, thoughts, dreams, who otherwise could not express. Students may, at least for the moment, to be someone else, to explore a new role, to experiment and try different choices and solutions associated with very real problems in their own lives. Everything happens in a safe environment in which actions and their consequences explore, check and discuss risk would exist in the "real" world. The secure environment that enables research conflicts, finding solutions, proposing and testing different solutions is perhaps the most important reason for the existence of dramatization.

- **Humor** - the method of dramatization in teaching students carries a game, humor, laughter, fun. It motivates and reduces stress and aggression.

- **Expression of emotions** - Role playing allows students to express a range of emotions without fear of consequences. Aggression and tensions manifest themselves in a safe controlled environment. Thus promote social behavior.

- **Relaxation** - dramatic games aim relaxation and relaxation of students, which is very important for preoccupied students, which directly increases their physical and emotional tension.

- **Self and self-discipline** - The process of creative dramatization, moving from idea through action for the original idea to be realized involves exercises and endurance to stand up to the end of the intended task to achieve the agreed order. Also, some drama games and exercises and creative movements improve the self-control of the students.

- **Trust** - The constant social interaction between students and teacher and risk-taking in the dramatic games develops confidence in students in their own capacities, trust in others and in the process itself.
• **Physical development** – The movements in the creative dramatization upgrade the flexibility, coordination, balance and control among students.

• **Memory** - Remembering the appropriate text, song, practicing certain movements, facial expressions and character strengthens the ability to store as muscle.

• **Social conscious** - Through various legends, myths, folk tales, songs and dances, which are part of a role-play, students learn and focus their attention on social problems, conflicts and cultural diversity in the present and the past. Thus explore our differences and peculiarities.

• **Creating values and attitudes** - Consciously or unconsciously students explore how their beliefs and views or positions of the characters in the stories match or not match with the attitudes and beliefs of other students or the teacher.

• **Aesthetic values**- It is very likely that with the powerful theatrical and dramatic educational tools can be build valuable attitude towards art forms, their understanding, identification and valuation. We, as educators, are responsible for the upbringing and education of generations who will love the book, written word, beautiful music and theater.

The dramatization, as one of the educational methods, through an integrated approach of learning, contributes to permanently adoption of the curriculum by students and increases the need for expansion of knowledge and outside the curriculum, i.e. free movement and research worldwide Science.

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This paper deals with the concepts of language planning and language standardization which are in direct relation with the concept language policy. In line with the said, the stands of several linguists about the a/s phenomena are presented as the subject of their studies and beneficial in giving an account of this issue.

Language planning encompasses changes in the language, changes of the relations among languages as well as human acting upon the languages and their interrelations. Language standardization means design of or search for orthographic and grammar rules which are common for all the users of a language thus aiming at expansion of its use in as many areas of human life as possible. The standard language is a planned and designed unitary referential variant the purpose of which is to provide cultural, political, and social cohesion on the territory on which it is official.

By elaborating these concepts, man’s attempt to act upon the language and the effects are presented.

Key words: language planning, language standardization, standard language
The word planning (planification) enters the French language in the year 1935 as a term of economics used to signify organizing by a specific plan. The planning consists of determining precise objectives and utilization of means and methods for their realization by the set dead line. In this context, planning is related to the State, resting upon medium term and long term analyses, and encompassing design, realization, and evaluation of the plan. However, there is a potential problem with the use of the term language planning as it is placed within the framework of State Planning thus nearing the Economic Planning. Thereby, the expression language planning places language next to things apt to be planned, managed or navigated such as birth rate, development, economy, education, civil engineering, etc. Therefore, it is of key importance and quite natural to pose the question whether language could be planned at all and to what extent.

In 1964, Haugen defines the concept of planning as a human activity proceeding from the need for finding a solution to a problem. As such, it can be quite informal, ad hoc, but it can also be organized and conceptualized. If planning is well designed and realized, it may consist of several phases such as extensive research of data, putting into effect alternative action plans, reaching a decision on planning implementation, etc.136

The expression language planning was promoted in 1959 by Haugen137, and the expression language policy was first introduced by Fishman in 1970138. Though these two expressions have been frequently used in numerous research papers all over the world ever since, they are often vague and insufficiently defined. According to Haugen, language planning is a part of Applied Linguistics139, whereas Fishman specifies it as a part of Applied Sociolinguistics. In their writings, Ferguson and Das

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Gupta say language planning is a new activity and the activities in the field of the language make a part of the national planning.\footnote{J. Das Gupta & C. Ferguson, Problems of Language Planning, in Language Planning Processes, Mouton, La Haye, 1977, 4}

Calvet presents the structuring of a language / languages in the following way. S1 is a starting, unsatisfactory sociolinguistic situation, and S2 is the target situation. The defining of the differences between S1 and S2 is a part of the language policy, whereas the realization of the activities in arrange in between S1 and S2 is the language planning. If the State takes over the management of the language state, it will also manage the means necessary to reach the target. In this case, questions arise concerning the intervention in the form of the languages, the modes of modification the relations among languages, the process of transition from language policy to language planning, etc.

At a higher level, the language policy can determine the relations among languages, the choice of one or more languages for specific multi-language situations, the regional arrangement of multilingualism, the decision making on which of the languages will be used in specific areas of life (education, media, the military, etc.).

At the core of language planning there are three features; the first two are typical of the language itself, and the third one is typical of human action. The first feature is that language changes – a fact that cannot be disputed at all, and is easily proved with the diachronic processes and the history of language. The second feature is the fluctuation of the relations among languages, which can easily be confirmed by the numerous language research. The third feature is the potential in-vitro human action as humans are conscious beings who are able to influence the languages and the relations among them in the same way as they influence certain natural sciences.

With the opposition language norm versus language description taken as the point of departure, Modern Linguistics is a science with an objective to describe the language, and not to prescribe norms and rules or tips on correct language use. The evolution of a language or the development of relations among languages results from a number of factors, not from a directed course of intervention by humans.

Language policy can have a practical and a symbolic function.

\footnote{L.-J. Calvet, Les politiques linguistiques, PUF, 1996, 44.}
The practical function is exhibited when a newly-formed state determines which language or which of its dialects to expand as its national language. Language planning comes next; the chosen language is introduced and used into all areas of social life and the previous official language is squeezed out of use.

The symbolic function is employed when a decision of a state is not practiced from the moment it is put into effect or when it is never practiced at all. A good example of the a/s is the Decision of the Nationalist Party of Indonesia reached in 1928 to promote the Malayan language as the country’s official language at the time when it was under the colonial rule of Holland. Upon the fact that the party did not have any means nor possibilities to put this decision into a realization, the recognition of the Malayan as the official language of the country symbolically confirmed the existence of an Indonesian nation which needed the period of the following 20 years and the Independence Declaration for the Decision of 1928 to be implemented and thus give way to the practical function.

Calvet has described the a/s supporting it with the following chart\textsuperscript{142}. The full line arrows in the chart emphasize the logical connection between the practical function of language policy and language planning, whereas the dotted line arrows display the possibility for connecting alternative solutions.

\textsuperscript{142} Calvet, 1999, 157.
1. **Language policy**

Symbolic function               Practical function

2. **Language planning**

Intervention in the language: Intervention in the languages:

- Orthography       - Choosing a national language
- Lexicality        - Organizing multilingualism
- Dialectal forms   - Functional distribution, etc.

**LANGUAGE STANDARDIZATION**

Standardization is a socio-economic phenomenon dating from the first third the 20c. When industrialization takes place along with the realization of numerous technological achievements. The rate of this phenomenon slows down in the period of WW2, and starts to accelerate
in the beginning of the fifties of the 20c. In fact, the purpose of standardization is to mitigate and increase international trade exchange. Basically it rests upon the two principles that follow:

a) standardization of goods and production processes spurs trade and consequently the trade exchange. Thus, if a product X is in accordance with the international standards, its sale will be approved in all those countries which have adopted the said standards;

b) standardization of goods and production processes enables decrease of production expenses by promoting mass or serial production, thus eliminating hand-made products and services. Multinational companies quickly grasp the enormous economic benefits of standardization. This is exactly why they invest enormous financial resources shares in it.

Aside from the economic benefits, that a small number of users can experience, standardization enables socio-cultural benefits for the broader population. In fact, encompassing all of the areas of human activity (clothes, food, household gadgets and appliances, transport, information, etc.), standardization takes hold of the whole of the life style tending to unify it i.e. standardize it.

In linguistics, standardization of a language is design of or search for orthographic and grammar rule common for all the users of a language, tending to expand its use in as many areas of human life as possible.

The idea for interventions in language – i.e. its standardization, is more than old. Even Dante Alighieri – when defending the local Tuscan dialect in which he wrote his books, stood for its standardization on the basis of the Ancient Greek and Latin – both of which had a standardized grammar. Alighieri supports his demand for standardization with his argument that a language with no grammar is no language. The same principle is supported by the poet du Bellay who encouraged the competition of the French language with the Ancient Greek and the Latin language as well as for its enriching, improving and accurate defining on the grounds of the latter ones. Du Bellay wants to transform the “barbarian and vulgar” French language into an elegant and noble language. With his colleagues from the Pleiades, he plans to enrich the French language and make it referential for use in education and in the other areas of human life and activity.

143 Rondeau 1981: 4-8
Regarding the degree of standardization, Fergusson suggests the distinctive feature for standardization which enables differentiating H (high) degree meaning high level of standardization from L (low) state which means starting point or low level of standardization. His criterion for standardization entails design of descriptive grammar books and dictionaries, and establishing the phonetic norms and orthographic ones.

Standardization a specific language may be realized by acting upon several different fields of the language. Firstly, the writing system or the script can be acted upon by creating a new writing system or by changing the existing orthography and the alphabet, etc. Next, standardization can be implemented in the field of lexicality, by introducing new words borrowed from the dialects of the language or from other languages, by borrowing or conveying lexical content from one or more fields of human activities, constructing and coining new words, etc. Standardization can be implemented in the dialectal forms as well by choosing one of the number of regional forms and creating a new standard form with many elements borrowed from different regional dialectal variants.

The process of standardization depends on the chosen language policy. It entails reaching a consensus when negotiating over the features of the standard language, determining the fields of its use, choosing the referential corpus upon which new dictionaries will be made to cover the whole vocabulary. Also, within the frames of standardization, the design of orthography is included as well as grammar which will study the constituents, and give descriptions of the grammar rules of the standard language.

During the standardization process of a certain language, academy and associations for language promotion are to be founded and work under formal or informal authority as well as literature resource centers which would support the standard language and the translation of religious scripts and the Bible into the standardized language for its use at church services and religious ceremonies.

Standardization also entails the use of the standard language in the educational system so that it could be studied as a second native or as a foreign language. Standardization regulates the use of the standard language in all spheres of public life, in the judicial system, and in the legislative one. It encompasses design of legislative and legal corpus of laws and

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amendments to the constitutional ones which would provide it with legal status and official use.

When a language community appears to need a language variant which would surpass the local frameworks, the selection of a *standard language* begins and the basis upon which this selection is made are mostly the dialects of the economic and urban centers. In certain cases such as with the German, the Arabian or the Italian language, a prestigious variant derived from literary or religious texts is used. The use of certain lingua franca in the process of standardization may present a mediatory - i.e. transition stage in order to have the necessary time for design of all the elements of the language being standardized.

*Standard language* is a planned and designed unitary referential variant which derives from its dialects or from one and the same dialectal system. This variant is used in all segments of social life; it has its official alphabet and is officially used. Its purpose is to provide cultural, political, and social cohesion on the territory on which it is officially standard – i.e. it becomes a national language.

The standard variant has its implicit and explicit norms codified by an certain national board assigned to regulate this specific field. The phrase *literary language* is also used to refer to the standard language largely because it is mostly used in written form. The *standard language* is also used in oral communication – both by those native speakers who have some degree of education and the ones who have acquired it as a second native language or as a foreign one.

**CONCLUSION**

The word *planning* enters the French language in the second half of the 20th century as a term of economics used to signify organizing by a specific plan. Later, Haugen defines it as a human activity deriving from the need for finding a solution to a problem. According to him, language *planning* is a part of Applied Linguistics, while Fishman sees it as a part of Applied Sociolinguistics. Ferguson and Das Gupta point out that language planning is a new activity and that these activities in the field of the language make a part of the national planning.

Language *planning* entails changes in the language, changes of the relations among languages and potential acting of humans upon the languages and their interrelations.
According to Calvet, language policy defines the differences between the initial-unsatisfactory and the target-satisfactory language state. The realization of activities in between these two is part of language planning.

*Language standardization* is grounded upon standardization which is a socio-economic phenomenon dating from the first half of the 20th century. Its purpose is to mitigate and to increase trade exchange at an international level, and tends to unify – i.e., to standardize the whole life-style. *Language standardization* means design of or search for orthographic and grammar rules which are common for all the users of a language thus aiming at expansion of its use in as many areas of human life as possible.

The process of standardization depends on the selected language policy. Standardization of a certain language means acting upon the writing system or the alphabet, the lexicality and the dialectal forms. It includes making dictionaries, elaborating orthography and grammar, establishing a standardized orthoepy, founding institutions and associations for promotion of the language, spurring literary writing and translation, boosting its use in all spheres of public life, making both its status and usage official, etc.

The standard language is a planned and designed unitary referential variant which derives from its dialects or one and the same dialectal system. Its purpose is to provide cultural, political, and social cohesion on the territory on which it is officially standard – i.e. national language. When referring to the standard language the phrase literary language is also used although educated speakers use it both in written and in oral communication.

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THE EPISTOLARITY AS A GENRE IN THE MODERN MACEDONIAN LITERATURE FOR CHILDREN (“SHARENI PISMA” COLOURED LETTERS BY VIOLETA TANCHEVA-ZLATEVA)145

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Abstract

This paper examines the issue of the epistolary genre in children’s literature. First, an attempt is made to define the genre, then to point its characteristics that separate/differentiate it from other types of non-fictional prose (autobiographies, memoirs, diaries, etc.), which highlights the most important feature of the letter as a literary genre, which is its dialogical nature. This paper also presents the different classifications of this genre and it is applied on specific literary material, the novel "The colorful letters" by Violeta Tancheva-Zlateva.

Key words: letters, literary genre, sender, recipient.

INTRODUCTION

From all types of non-fictional prose, none is less subjected to critical definition and categorization as it is the case with the letter. What distinguishes the epistolary genre from other realistic-autobiographical fiction, such as diaries, is the desire/demand for exchange. Thus, in the epistolary exchange the reader of the letter "is asked for" a response and thus contributes as a writer in this type of narration, which suggests the existence of some kind of "epistolary pact" between the sender and the recipient of the

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According to the definition, the letter is a form of communication that expresses thoughts, feelings, describes a series of events or philosophical discussions.\footnote{J. Gurkin Altman, Epistolarity, Approaches to a Form, Ohio State University Press: Columbus, 1982, p.89.} The most important characteristic of the letter as a literary or a semi-literary genre is its dialogical nature.\footnote{According to various on-line sources the epistolary form is the form of letters written/indicated to someone else, and “an epistolary novel” is a novel written in the form of a letter or series of letters written by one or more characters. Such form allows the author to omniscient viewpoint, but still to change the viewpoints among several characters throughout the narration.} By studying the epistolary genre, Milorad Pavic notices literary and non-literary form and concludes that epistemology will gradually get its rightful place in literature as a real literary kind and will lose the status of unintentional/accidental literary activity, which is usually found in the Baroque era.\footnote{Milorad Pavić, Istorija srpske književnosti i baroknog doba (XVII i XVIII vek), Nolit, Beograd, 1970.} According to Elizabeth Campbell, the epistolary novel is a novel written in the form of letters, exchange of letters between two or more correspondents, one or more letters sent by a correspondent to one or more recipients.\footnote{Elizabeth Campbell, Re-visions, Re-flections, Re-creations: Epistolarity in Novels by Contemporary Women, Twentieth Century Literature 41, 1995, p.332-348.} Ruth Perry, however, expands this definition, indicating that the epistolary form requires the deeper truth that people keep locked deep down, in their subconscious.\footnote{Ruth Perry, Women, Letters, and the Novel, New York, AMS, 1980.} Accordingly, the epistolary novel relies on the subjective viewpoint, in other words, it is a literary genre in which prevails intimate provenance.\footnote{This means that it presents the intimate point of view of the character, his/her thoughts and feelings without the interference of the author and the course of events takes place with dramatic immediacy. Also, the presentation of events from several points of view, gives the story a dimension and capacity. Although the method is
The letter as a literary genre is found in the middle between the private and public discourse\textsuperscript{154}, a high degree of individualization in the discourse is typical for it, the attention is directed towards the narration and description of personal feelings and psychological states.

CLASSIFICATIONS AND CHARACTERISTICS OF THE GENRE

There are three types of epistolary novels: monological (letters of only one character), dialogical (letters of two characters) and polylogical (three or more characters who write letters).\textsuperscript{155} According to other sources we distinguish: private letters (which talk about intimate situations and primary existence), open letters (the recipient is the audience in general, oriented towards the social, political or cultural space, and the subject expresses its viewpoints and theses) and appeals (with emotional origin, but addressed towards the public through the media and suggest feedback from the receiver).

Ruth Perry points out several characteristics of this genre. One is that the use of the procedure of exchange of letters as a framework (cadre) contributes for a dose of credibility of the work. Another feature that she suggests is that the moving power of correspondence is an obstruction which typically occurs between two enamored (lovers), i.e. the epistolary narration often used in sentimental novels, it is not limited to them. Shortcomings of this form were detected from the very beginning. Depending on the need of the author of the letter, whether he/she expresses his/her virtues through it, vice or weakness, these acknowledgements were subject to suspicion or derision. (Magdalena Koh, Does it exist a ‘generic pact’?: About intimistic genres in prose works of Serbian female writers at the beginning of 20th century. \textit{Zbornik Matice srpske za književnost i jezik}, 51(3), 695-708, 2003.)

\textsuperscript{154}The epistolary communication situation consists of a sender and a recipient (except in the private communication). In the case of official letters, they are with stereotyped content and consist of dating, naming the recipient at the beginning of the letter, explaining the reason and occasion for writing the letter, and finally, the signature of the sender which explicitly expresses the degree of honesty, because it is written to trustworthy people who can recognize the potential frustrations and intimate dilemmas of the author. (The Letter as Literature, \url{http://gallatin.nyu.edu/academics/courses/detail.FA2011.WRTNG-UG1326.001.html}, accessed on 01.03.2014)

\textsuperscript{155}Crucial element in polylogical epistolary novels is the dramatic procedure known as ”contrary to reason”: the simultaneous but separate correspondence of the characters - villains that create dramatic tension. Types of epistolary novels, \url{http://en.wikipedia.org/wiki/Epistolary_novel}, accessed on 01.03.2014
almost always functions according to one kind of formula: two or more people, separated by an obstruction of various kinds are forced to keep their relationship through letters. Furthermore, Perry emphasizes that the protagonists are prevented from acting directly and the only way to overcome the difficulties is by writing about them and hoping for a solution that will bring the separated together again.\footnote{Ruth Perry, Women, Letters, and the Novel, New York, AMS, 1980.}

Janet Gurkin Altman\footnote{Janet Gurkin Altman, Epistolarity, Approaches to a Form, Ohio State University Press: Columbus, 1982.} in the book "Epistolarity" indicates six important aspects of the epistolary genre and along with analysis of specific texts, dedicates a whole chapter on each of them. The first aspect is the \textit{intermedial nature} of the epistolary genre. The second aspect of the epistolary genre, according to Altman, is the degree of trust between the sender and the recipient and here it indicates more variants: confidential love letters, friendly letters etc. The third aspect is the reader, whose appearance is sufficient to differentiate the epistolary form of addressing from other forms of narration in the first person.\footnote{Thus, it suggests the existence of external and internal reader. The term "internal reader" implies a specific character represented throughout the course of the narration, whose reading of the letters can affect their writing, and under "external reader" we mean, the overall audience that reads the work as a final product and has no impact on the writing of individual letters.} The fourth aspect is the discourse in the epistolary genre.\footnote{These type of discourse differs from other types of discourse in three things: 1. the uniqueness of the I-you relationship; this stems from the dialogical nature of the epistolary genre, as well as from the fact that the pronouns I-you are reversible here, or more precisely, in the epistolary genre, "you" in the text (receiver), in the next becomes "I" (sender); 2. Present tense; as well as the author of the diary, also the author of the letter is "anchored" in the present from where he directs his gaze towards the past or future events; and 3. time polyvalence; the time aspect of any given statement in the epistolary form is relative from several aspects: the time of the event, the time when the event is recorded, the time when the letter was sent, received, read, re-read, etc.} The fifth aspect is \textit{the dynamic in the ending of the letters}, and here Altman discusses the following relationship: inner writer - inner reader, as an important factor that affects the overall structure of the correspondence, which in turn becomes particularly evident in the dynamics in the ending of the letters. The ending of the letters can have two options: 1. Using conventional endings, and 2. The letter to end with an open form in
which the writer is always in dialogue with the possible interlocutor. The sixth aspect is what Altman calls "an epistolary mosaic". theorists.

THE EPISTOLARY NOVEL “SHARENI PISMA” (COLOURED LETTERS) BY VIOLETA TANCHEVA-ZLATEVA

The novel “Shareni pisma” by Violeta Tancheva-Zlateva is an authentic Macedonian literary work for children. The characteristic that makes this work exceptional, at first consists in the epistolary form, in which thirty four letters by the nephew Stephan addressed to his great-grandmother in the village Borievo are being written. In this novel, there is only a sender who sends the letters and not a receiver or anyone who would answer them. In fact, the sender doesn’t even wait for a response, therefore the communication is self-directed. Thus, it is an epistolary novel with monologue elements, having in mind that only the letters from one person are being represented. As a means for communication between the sender and the recipient, the letter partly fills the abyss between the presence and absence, in this case between great-grandson and grandmother. Secondarily, this work is explicit because of the fact that the “author” of the letters is just a child, a baby starting from its youngest years to direct its abstract letters to its great-grandmother. These abstract letters include the daily experiences in Stephan’s life, such as: the appearance of his first tooth, his crawling around the apartment, the steps with the play-pen, the first fall because of his unsecured tiny legs, the repulsiveness against the food, etc. The child is an interested observer of the world around him, the behavior of the grown-ups and the relationships between them. Though he is addressing the readers of the youngest ages, as Gorjan Petrevski suggests, it is just a camouflage.

160 Ultimately, all epistolary narratives end with silence, but in some works, the silence is more motivated unlike in other works. As a very frequent reason for discontinuation of writing letters is death (tragic ending), but also other reasons that prevent the writer to write, and in the case of comic endings of the letters, the most common is the case when epistolary communication ends because the writer has no one to wrote to, after the correspondence ended with a marriage. Thus, the tragic and comic unraveling, suggest two polarized sides: full attendance (reunion) - complete absence (death).


When one thinks better and analyzes deeper, it looks illusive, some illusion that wakes-up inside us, the readers, so that it speaks on an “unknown” language that not everyone can understand but everyone can feel. Through the entire letter a pleasant family harmony can be felt, where the center of the universe is the little Stephan accompanied with his parents and his grandmother. Hence, if guided by previously spoken of Altman, we can say that in this case, we are talking about monologic, friendly novel of open type. The principle aim of writing these letters is to visit his great-grandmother in Borievo or convince her to come and visit them. That is the reason why in many letters Stephan says: “It is very important for me that you and grandma and grandpa come from Borievo. I am starting to forget you. When I lie down in my tiny bed, I oppress my eyes and I call you. But, you are running away from me and…” (27); “Can’t wait to see you” (28); “Why don’t you come and visit us? And stay for a few days? You’ll come visit and we’ll spend some time together. One encounter means a lifetime. That’s what grandma Cena says. And when I only think since how long we haven’t seen each other! A lifetime must be a big deal.” (32); And maybe that’s why he feels so attached to her. “Dear grandmother, I know you

164 Therefore, we need to try to define the nature of the epistolary literary genre more closely in terms of literary theory. Like any other text, the letter can be defined as a written linguistic message. In order to realize the message a sender and a recipient are necessary. According to Jacobson’s terminology in order to complete the communication model context, code and contact (media) are also necessary. That linguistic scheme is not negligible, because it will be used in literary theory by structuralists, semioticians, advocates of the modern theory of discourse, speech act theory etc. Jacobson’s model could confirm that the nature of the definition of the letter is autoreferentiality. The uniqueness of this literary genre is that it can be a whole by itself!

The more systematic and detailed reading of the letters, will reconfirm that they are not necessarily looking for an answer and recipient, but although the code does not necessarily simulate a recipient, the communication code still exists. The writer/author of the letter has in front of him/herself a fictional interlocutor, recipient. The letter sometimes relies on an imaginary recipient – the reader. Accordingly, several common situations in letters are pointed out: the letter as a direct conversation, unburden by informative function, the letter as a conversation with someone absent (“how to talk to you”), the letter as a life-like presentation of the absent (“how I look at you”), the letter as an expression of friendship and the letter as a reflection of the social reality.
understand me. My father says to grandma Cena that old people are just like children. I think it is about time that we too find understanding in someone!” (52). He is a witness of his father’s longing for the village he was born at, of the constant lottery playing hoping they will get some money to buy a car and finally be able to visit Borievo: “He is just sitting and staring pointlessly. Just to keep his eyes open. I know he is travelling to Borievo.” (19). With reference to that, the author again reminds the readers of the well-known truth that the children understand more than the adults think. This is especially emphasized when they inform him that he will have a little sister and is told by his grandmothers different stories of who will bring the child: “Grandma Cena says we’ll have to catch her from the river Vardar. Dear God! As if it was a fish. I’ve walked with my father thousands times near the river and never seen babies swimming in it” (81). Another funny story he hears is that the stork will bring the baby: “The stork is just about to bring Jovana! As if I haven’t seen storks before!... But, I’ve never seen a stork caring a baby! Only once, in a cartoon. And my mother says that in cartoons anything is possible. Weird grandmothers! If they want me to believe them, they should decide what lie to tell me?”(81-82); or when the author speaks about the food and how the child is supposed to be fed: “She still thinks I’m a baby and helps me while eating” (73). In the seventeenth letter addressed to his great-grandmother, Stephan informs his grandmother that his mother is writing a book about him, which suggests that the outer factor of the letter is the mother/the author whose name appears on the cover of the book, which also connects this work to the autobiographical prose. 165 The title of this work seemingly directs that it is a metaphor, but in the letter number seven, there is the following explanation: “As you can see, grandma, I have used the whole paper. You must be wondering how I got it. I stole it from the pile of papers next to the phone… Next time I will try to steal a paper with different color. That way you can show off to your friends that you receive colored letters. Not all grandmothers receive variegated letters from their nephews, do they?” Furthermore, in the letter number nine, the desire for colored ball appears again, as present from the great-grandmother for the first birthday when there will be a colored cake too. This constant use of the adjective colored is completely normal because it matches the colorfulness

165 “These days mom is constantly writing something... She puts the pen in her mouth and tells me off because I put something in my mouth too... Some day when you grow up, you can read what you did and the way you were raised... Not all children have the luck to have a book written on them - added the father. I look at them oddly! How can you describe what growing up means? And how can one read about it? Does that mean that the boy in the book won’t grow up together with me? Too much tangled things! One cannot understand anything” (51-52).
of the children’s world. With coming to the world of his little sister Jovana, the writer of the letters, being the older brother, briefly tells the most important events of his sister’s growing older and announces their visit for her birthday: “Wait for us in your dreams tonight grandma! And prepare the big crystal vase for the biggest flowers in the world!” (98). In regards to the addressing in this work166, most of the time the letters begin with “Dear grandmother” which points to a feeling of mercifulness and closeness that Stephan feels, and only in few of them the old, classic closure is being used: “…Many hugs! Yours sincerely, Stephan!” (52); “Until then, many greetings and hugs from your grandson, Stefan” (74); “Lots of love! Your grandson, Stefan” (98). It usually occurs in the case of overwhelming and tumultuous emotions, sudden feelings and major mental disturbances, such as anger, victory, defeat ...167 What is interesting in this novel is the structure of the twelfth letter that begins with the classical opening “dear grandmother”. In this letter, the grandson informs his grandmother that he also wrote a letter to the Sun, where the letter illustrates the very sun: “Please tell me where does the sun live. Which town should I address this letter to?” (60).

CONCLUSION

According to the abovementioned, it can be concluded that the epistolary genre has its ancient historical basis. Based on the intention of the author for communication with either a real reader or with an imaginary reader, the dialogical nature prevails in it, as well as the subjective point of view, or more precisely, the intimate provenance. This paper confirmed that the definitions for this literary genre, its theoretical conceptions, characteristics and classifications, are numerous. The novels that were analyzed in this paper all showed different characteristics. The first novel, “Shareni pisma” by Violeta Tanceva-Zlateva, is in form of a monologue, written by a child at very young age, but conceived in form of letters written to his grandmother.

166 An important segment in the epistolary genre is the style of addressing, which has a purpose to express respect to the listener (the addressee) and to emphasize the mutual behavior of both sides, as well as the degree of closeness and levels of communication. The addressing consists of two elements: from whom and to whom. The introduction can be different: a simple and direct and to consist of only one sentence and it can be short and immediately goes to the point. (Nela Savković-Vukčević, Retorika i stilistika u pismima i poslanicama crnogorskih vladika Danila, Save, Vasilija i Petra I Petrovića Njegoša, Lingua Montenegrina, god. IV/2, br.8, Institut za crnogorski jezik i književnost, Podgorica, 2011, str.129)

But despite all that, the fact remains that the epistolary genre is a specific narrative form that offers many perspectives and opportunities for further research.

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14. The Letter as Literature,

THE IMPORTANCE OF LISTENING AND COMPREHENSION SKILLS IN LISTENING EXCERCISES IN GERMAN LANGUAGE CLASSES

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Abstract
This study explores the listening and comprehension skills in German language class exercises, in the Republic of Macedonia. The primary and secondary level curriculum, that the Bureau of Education Development in the Ministry of Education of Republic of Macedonia has put forward, describes the presence of listening skills in German language classes of all levels. The same curriculum forms a basis for the discussion regarding the presence of listening skills in German language classes.

The types of listening play a big part in the application of listening exercises. The tasks of great importance to the German teachers are: raising the students’ expectations and explaining the procedure of the listening exercise to the students. At the end of this text recommendations regarding raising the listening interest, improving the listening process and developing listening competency are given.

Keywords: listening, listening comprehension, listening interest, listening competencies
Introduction

The curriculum from the Bureau of Education Development in the Ministry of Education of Republic of Macedonia offers teachers a basis for preparation, creation and realization of the German classes for each grade. The basic goals of the German language classes (from sixth grade elementary to fourth year secondary school), in which students learn German as a second foreign language, having 2 classes weekly or 72 classes yearly, emphasize the qualification of students to be able to communicate in German and use it in everyday life.

This means communication with people from German-speaking countries whose native language is German or people from other countries that speak German. The communication can be done in written or spoken form. For the students to be able to communicate in a foreign language, they need to be educated in all of the four language skills: reading, listening, writing and speaking.

The similarity of German with English, which is the most spoken language, helps in understanding German easier and shortens the process of developing listening and speaking competencies.

The specific goals of German language classes, put forward by the Bureau of Education Development, state that the student needs to:

- form and develop the linguistic, communicational, and intercultural competencies needed for studying a second foreign language
- develop competencies for association of knowledge from the first foreign language, native language and other subjects - when learning a second foreign language
- form elementary competencies for listening, speaking, reading and writing through building a knowledge system that includes linguistic and sentential units, phonetic, spelling, lexical and grammatical terms
- develop competencies for individual learning and self-evaluation according to the Common European Framework of Reference (Portfolio)

If there is a lack or absence of any of the four skills, the foreign language is not fully mastered and the basic goal of the subject – German language, which is communication in German, is not fulfilled.

Listening and comprehension in listening exercises

This study attempts to confirm the value of listening or listening comprehension, which is very important or perhaps the most important issue when communicating in a foreign language, because an insufficient listening comprehension makes communication harder of in some cases impossible.

At the same time, the way of application of listening exercises is analyzed. Are the listening exercises left out, are they done without prior preparation of the students (introduction in the subject, prior explanation of the vocabulary in the exercise)?

For an analysis to be possible, some terms which are essential to this study need to be defined. The term listening describes the ability to register acoustic signals under various circumstances and differentiate them using certain parts of the brain.\textsuperscript{173}

\textbf{Listening comprehension} is the ability to understand the foreign language text in the foreign language class\textsuperscript{174}. Listening comprehension is an important part of direct communication, as well as an isolated activity in indirect communication.

\textbf{Listening types}

In the German classes, the term listening comprehension stands for the receptive ability to understand a spoken text in the target language.\textsuperscript{175}

In the didactic-methodical professional literature, the term listening is mistakenly synonymous with listening comprehension/understanding. In professional literature, the term is accompanied by the following listening types:

- discriminative listening: certain sounds need to be heard correctly and differentiated from others
- extensive listening (=global listening or cursory listening): a few central statements are sufficient for understanding the main statement of the text
- intensive listening (= total listening, detailed listening): all of the information in a text is important; all details need to be understood to grasp the whole meaning of the text
- selective listening (=lat. seligere, selectus= to choose): only certain information from the text that is important needs to be heard
- focused listening: being alert when listening to certain important information\textsuperscript{176}

\textsuperscript{173}\textsuperscript{173}Jung, L. (2001:90)
\textsuperscript{174}\textsuperscript{174}Dahlhaus B. (1997:186)
\textsuperscript{175}\textsuperscript{175}Jung, L. (2001:91)
\textsuperscript{176}\textsuperscript{176}Dahlhaus B. (1997:186)
Easing comprehension in a listening text

In German classes, apart from the types of listening which are important for correct completion of the listening exercises, the teacher needs to manage the listening process, i.e. to affect the listening process through task assignment/preparation. One example is task in which certain expectations are created in order to provoke certain listening interest. An important component of managing the listening process is clarification, which is a procedure that removes the obstacles in understanding the text. There are two types of clarification:

- linguistic clarification: the unknown vocabulary in a new text is clarified prior to the first listening/reading
- phonetic clarification: the probable difficulties in understanding sounds in a listening text (for ex. bad pronunciation) are discussed or practiced before the listening

When practicing the listening competencies both types of clarification need to be used so that the listening tasks and goals are completed easier. The listening and understanding are made easier in a situation when the speaker is from a TV show or a video. In this case the speaker’s mimicking, gesticulation and body language helps understanding the content. However, that is possible only when the speaker is visible and if the speaker is invisible (for ex. a phone call, airport, bus station or supermarket announcements) the understanding is difficult.

Whether or not a spoken text is heard on radio, television, in a dialogue situation or on a tape or CD in German class, it is useful to recognize structuring signals which help in understanding the text. Such signals are before, or, however, afterwards, since, after all, what’s more etc.

Prior knowledge activation

A further important component for successful mastering of the listening and listening comprehension skills is prior knowledge activation. Prior knowledge is information and skills that we bring forward to class, as something that we have gained in previous classes. Prior knowledge helps in task understanding and resolution. To activate the prior knowledge means to recall memories that are passive but still present.

In addition, raising the listening expectation is another important element of developing listening skills. Listening expectation means information that is

177 Dahlhaus B. (1997:186)
178 Dahlhaus B. (1997:188)
179 Rampillon U. (1999:128)
180 Rampillon U. (1999:124)
181 Dahlhaus B. (1997:186)
put forward to the students before the class, certain content, situation or speaking constellation that they would “expect”. For example, if in a listening exercise that contains announcements from a train station in Germany, we prepare the students to expect to hear the desired destination and the train’s platform number, then we have reached the goal and completed the task in that listening exercise. That means that we have prepared the students for selective listening for extraction of the needed information.

If the German language teacher respects and uses all of the aforementioned components in his/hers classes, then he/she is doing a good job in developing his/hers students’ listening competencies. Listening competency is the ability to react to different listening texts with different types of listening. The listening comprehension is a constellation of (neuro)-physiological, mental and cognitive factors. With the auditory perception of a spoken sound, many processes start simultaneously. Based on the spoken information, they initiate memorization of the semantical, syntactic, pragmatic structures and/or listening patterns and mental images. The listening comprehension is influenced by many factors such as the speaker, listener, content/text or situation.

That becomes even clearer if all factors that influence listening comprehension are differentiated, and by that the complexity of this skill will be reduced. A. Brown created the following scheme:

The scheme shows that external factors, such as the text, situation of speaker influence the heard content and the student needs to activate his/hers prior knowledge, experience, language knowledge and strategies.

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182 Dahlhaus B. (1997:186)
183 Dahlhaus B. (1997:186)
184 Jung, L. (2001:91)
185 Braun, A. (2008:103)
Survey and results
Taking into account that all four skills are important in German classes, the teachers and students have to be aware of the fact that those skills should be equally present in class. With doing that the students would be able to learn German on a level that is proposed with the curriculum. As support to the points made, we present the opinions from students – future German teachers and German learners of many years and their answers to the first question from our survey:

- Do you think that listening is an important skill which needs to be learned and practiced in German classes in R. of Macedonia?

The hundred percent positive answer indicates the awareness of the importance of listening, supported with an explanation for their opinion:
  - We can listen to the correct pronunciation as we learn German
  - We learn the language better with listening to the correct pronunciation, accent and vocabulary (reported by 11 students)
  - The communication and our understanding of the language improves
  - You can learn only by doing practice exercises
  - Young children learn by hearing first

- Did you do all of the listening exercises in German class in primary or
From the results, we can conclude that only 2 participants have done all of the listening exercises, the same number of participants have done almost all of the exercises/have not done any of the exercises. The largest number of participants – 9 or about 60% have done just some of the exercises in German class.
Some students do not like listening exercises. Are you one of them?

The hundred percent positive answers lead us to the conclusion that students have awareness of the importance of listening skills. It is also an evidence
for a possible attempt from their teachers to start applying the listening exercises in their class, taking into account the aforementioned steps such as introduction of the subject, clarification of the unknown vocabulary, correct explanation of the listening exercise, application of an appropriate type of listening etc.

Furthermore, we take a look at the analysis – what would be the reason not to like the listening exercises?

The students voiced their opinion from three possible answers:

- they are not explained in class;
- they are not practiced enough in class;
- I don’t know the reason.

Multiple choices were possible.

Roughly the same number of answers are for – they are not practiced enough in class, and I don’t know the reason. We believe that these answers will motivate students to think about what would they do if/when they become German teachers.

After the understanding of the factual situation in schools, the following hypothetical standpoint arose:
Some teachers claim that they do not do the listening exercises because they do not have the right equipment (stereo, CD player etc.) and they skip them
from the textbook. The high number of disagreements to the teachers’ claim shows us the students are aware of the importance of doing listening exercises in class, as it is absolutely wrong to leave them out.

When asked if the reason that listening exercises should be left out because they need a lot of preparing is justified, 5 students said yes and 9 said no.

The students who think that this should not be justified give reasons to their standpoints with the following:

- Every teacher that loves his profession and enjoys in what he/she does should always find time/a way to do his/her duties without looking for an excuse.
- The teacher should not just push the “play” button, without prior preparation for the listening exercise.
- The exercises need preparation, but they are very helpful.
- The procedure is described in detail.
- We only need a device that will reproduce the listening material.
- Listening exercises are vital for the students’ knowledge.
- With the listening we hear the foreign language frequently.
- This should be of equal importance as reading, writing, etc.
- The teachers have sufficient time for preparation.

The third part of the hypothetical standpoint is “The students will not understand anything, so why should we bother? I will give them the answers at the end either way.” 14 participants in the survey do not agree with this, and one is indifferent.
When asked how the participants will help in overcoming the obstacles in doing the listening exercises in German class, the students declared the following:

- Before the listening, I will explain in details the tasks for hearing.
- Although the listening skill is very difficult, I will try my students to understand much of that.
- I will make some interesting ways to encourage my students for the listening skill.

When asked for their opinion and previous experience, the students think that if the listening exercises are left out the students would:
- have no interest in learning the language.
- not be able to learn the proper pronunciation, accent and similarities.
- have monotony in the class.
- only study for a test or to get a good grade. If the listening exercises are present, the students would have bigger interest for the language, they would be motivated and they would want to be activated in all activities.
- have an excuse that it is the professors’ fault.
- have difficulties in understanding spoken German because reading and writing is different from listening.
- get passive, have insufficient concentration for extracting information.
- not be able to converse with a speaker and understand what the speaker says to them; they would be as a “silent film”, knowing all the vocabulary but not being able to use it in an oral situation.
- only be able to communicate in German textually. Eye-to-eye conversation is different from exchanging textual messages. A language does not exist only through writing, it exist through oral transferring of information.

You are future German teachers and think listening exercises are important. How would you overcome the obstacles?
not have an idea how the “native German” sounds like, as there are Germans from different parts of Germany. Listening skills gives confidence to the students to speak freely, more clearly, to improve their vocabulary and pronunciation.

- be less intellectually activated and lack the psychological perception for different real situations. These situations are quite present in the listening exercises, and the students evoke their personal experiences and interests.

- have problems with the vocabulary and not be able to speak the language if they haven’t heard the sound, pronunciation, accent etc.

The teachers need to stick to the previously arranged class plans, and more precisely the listening exercises. They should resist the demands of students to replay the listening exercise. This helps with the students’ concentration and is closer to everyday situations (for example radio/TV news, weather forecast etc.) in which the students don’t understand the text word-for-word. That is not the intention of the exercises. They should form suppositions for the content and focus on the central information.\(^\text{186}\)

The listening texts meant for German classes need to contain as less unknown words as possible, and if there are they should be clarified in class before the exercise. If the students have visual aid for the exercise, for example a photo, table, form etc. that would be very helpful for the students in their understanding. In addition, if the teacher uses kinesthetic support to the text, the students would understand the text even more. The exercise forms in which certain body movements are included help the students’ understanding and memorization of the text. For example listen and show the body parts etc.

**Conclusion**

This study serves as an encouragement to teachers to overcome the difficulties and obstacles that the students have in listening exercises. They can use the elements that are contained in this study, which are: visual and kinesthetic aid, clarification of the unknown words before the class, usage of different types of listening (according to the goal that the teacher had in mind for the exercise), removing the anxiety in students (“that they will not understand a thing in the text”)etc. Finally, they can use short and interesting listening exercises more, so that the students can master the listening skill more successfully and be competent to fully communicate in German.

\(^\text{186}\text{Weigmann, J. (1999:76)}\)
Bibliography
DISCOURSE CONNECTIVE AND AND ITS MACEDONIAN EQUIVALENTS A AND И

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Abstract

This paper attempts to analyze discourse connectives а and и in the Macedonian language which are equivalent to the English discourse connective and. The analysis is based on Deborah Schiffrin’s in depth analysis of discourse markers in the English language. The focus of attention of this study is to investigate the various positions of these discourse connectives in the discourse structure; as well as the pragmatic functions they perform.

Key words: discourse markers, connectives, Macedonian, English

INTRODUCTION

Discourse connectives, as a special sub-group of discourse markers, however unnoticeable and insignificant may seem, compared to the rest of the elements in the discourse structure, do contribute greatly to the meaning of the talk units (Schiffrin, 1987).

This paper deals with the English discourse connective and and its Macedonian counterparts а and и. The aim of the paper is to investigate whether the same syntactic and pragmatic principles guide their usage in spoken discourse. More precisely, the comparison, in fact, relies heavily on Schiffrin’s (1987) findings with regard to the discourse connective and in English.

187 original scientific paper
188 During the past ten years, the study of DMs has turned into a growth industry in linguistics, with dozens of articles appearing yearly. Unfortunately, the term has different meanings for different groups of researchers, and we find work on DMs done under a variety of labels including, but not limited to discourse connectives, discourse operators, discourse particles etc. (Frazer, 1999)
In the first section of the paper some theoretical background pertaining to discourse markers is provided. In other words, this section presents some of the most important definitions of discourse markers, as well as their importance from both syntactic and pragmatic perspective. After that, the research methodology is briefly discussed, and, consequently, the subsequent section offers a discussion of the results of the analysis, followed by the concluding remarks in the last section.

THEORETICAL BACKGROUND

Some words and phrases help to develop ideas and relate them to one another. These kinds of words and phrases are often called discourse markers. At first glance, the term discourse markers, seems quite ambiguous and fuzzy, but once a language analyst starts to deal with discourse analysis, it soon becomes obvious that this term is an indispensable part of it. Namely, as Schiffrin (1987: 49) herself states the analysis of discourse markers is part of the more general analysis of discourse - how speakers and hearers jointly integrate forms, meanings and actions to make overall sense out of what is said.

Redeker (1990: 34) presents another similar definition claiming that discourse markers are linguistic expressions used to signal the relation of an utterance to its immediate context, with the primary function of bringing to the listener’s attention a particular kind of linkage of the upcoming utterance with the immediate context.

These language devices play a significant role in language usage from both syntactic and pragmatic perspective. Thus, syntactically they belong to different grammatical categories (word classes) that have various functions such as: adverbials (e.g. then, now, actually, first, anyway), coordinating conjuncts (e.g. and, or, but), interjections (e.g. oh, well, hm, mm) etc. From pragmatic perspective they are all subsumed under the common term “discourse markers” that serve as cohesive devices or interpretative links between different parts of discourse structure. In other words, although they do not themselves create meaning, they are clues used by speakers and hearers to find the meaning of utterances. Thus, Schiffrin (1987), who have investigated the occurrences of discourse markers in spoken language, i.e. in argumentative discourse (monologues and dialogues) came to a conclusion that discourse markers neither have strict positions nor perform just one function in the discourse structure itself.

The starting point for this research is Shiffrin’s (1987: 128) claim that the English discourse connective and has two roles in talk: it coordinates idea units and it continues a speaker’s action. According to Schiffrin (1987: 128)
and is by far the most frequently used mode of connection in English. She backs this claim up by providing empirical evidence based on her own research in which “1002 clause-sized idea units were prefaced by and, compared to 440 by but, 206 by so and only 53 by or”.

In Macedonian, as it can be confirmed by English–Macedonian dictionaries and vice versa189, there are two discourse connectives, и and а which act as counterparts of the English and.

**METHODOLOGY**

As this paper focuses on analyzing the discourse connectives и and а in Macedonian, based on the scientific insights into their English counterpart and (Schiffrin, 1987) we opted for compiling a corpus which consists of one hour of recorded authentic monologues and dialogues of Macedonian native speakers.

The analyzed speech, in fact, came from two different sources: a) recorded authentic informal conversations between friends and colleagues of the author of this paper, and b) recorded formal conversations presented on television.

Initially, the analysis focused on locating the positions of these discourse connectives in the discourse structure; after which, their pragmatic functions were given some serious deliberation.

**ANALYSIS OF THE RESULTS**

Although discourse connectives at first glance may seem as the most insignificant elements compared to the rest of the linguistic elements used in discourse structures, the analysis below will provide sufficient evidence in favor of the claim that these elements play an important role in discourse. Actually they contribute greatly to the existence of diverse meanings in units of conversation and without them a great number of nuances of meaning would be lost.

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In this research, also, the number of occurrences of \textit{и} and \textit{a}, has significantly outnumbered the rest of the discourse connectives. However, it seems that in Macedonian \textit{и} is a far more commonly used discourse connective of these two because it prevails in all of the recorded and analyzed conversations. In addition, the analysis focused on determining: a) the positions of \textit{и} and \textit{a} in discourse structure, and b) their pragmatic functions in discourse structure as well.

With regard to their positions as discourse connectives we base our analysis on Schiffrin’s (1987: 131) claim that arguments, i.e. ‘discourse through which speakers support disputable positions’, generally, consist of \textit{position} and \textit{support}. Schiffrin purports that the discourse connective \textit{and}, in particular can work at different levels of discourse structure. First of all, it can work at the most local levels of discourse structure connecting events within the \textit{position} and the \textit{support}.

Investigating the ‘behavior’ of \textit{и} and \textit{a} in Macedonian with respect to their allocation within discourse structure of an argument, it is easily discernable that they can also be found within the two aforementioned basic structure units, namely the \textit{position} and the \textit{support}.

Example (1) illustrates the function of \textit{и} used to join events within the \textit{position}. This extract has been taken from a television debate on the moral decadence of young people in our society. In the example that follows, a Macedonian priest first sets his \textit{position} that young people who have certain misunderstandings with their parents or face other problems could always turn to the church for advice and help. Then, he continues with his \textit{support} (which is not presented here since at this point it is not relevant) by singling out some instances when the church was very helpful to young people in need.

\begin{quote}
(1) 
Priest: \textit{The church is available for the young people as much as it could be by means of the influence of its priests and what young people could not trust their parents with, they could always confess it to a priest because priests cannot betray the confessor’s trust even when they face capital punishment (position)}......
\end{quote}

(Свештенник: Црквата е достапна за младиот човек колку што може да биде ѕвек влијајна од ѕвештенници и она што младите не можа да го кажа на родителите слободно можа да го кажа на ѕвештенникот ѕвек исповед зашто ѕвештенникот не...)
цена на смртна казна не сме да ја ироневери довербайш на истоведникот...)  

In the next example (2), *u* is used in the *position* of the argument presented by a family friend. In fact, she is describing a robbery that has happened recently in the local grocery store and after a lengthy description of what actually happened which serves as a support for her initial position she finishes her description by re-establishing the *position* once again at the end of her talk (‘…and they took all the money from the counter’).

(2)  
Friend: … *and* they took all the money from the counter.  
(Пријателка: … *и* сите пари ги зеле од касата.)

Furthermore, *u* could be found in the support of the argument. In (3) the presence of *u* can be witnessed within the support joining two or more events together. A colleague at work first states her *position* (‘It depends... it depends on what one expects’) and then she provides support for her statement (‘For example I often hear people commenting...’) by joining the events within the *support* with *u*.

(3)  
Me: *Is nightlife successful in Bitola?*  
Friend: *It depends ... it depends on what one expects* (position). *For example, I often hear people commenting “We were here and there” and the other one asks “What’s up there?” and the first one replays “Nothing special”* (support)  
(Јас: *Дали е успешен ноќниот живот во Битола?*  
Пријателка: Зависи... зависи од това кој *што* очекува. На пример доста често слушам миубет од тионот ’Бевме таму и таму’ другиот вика “И што има?” овој вика „И ништо нема”)

*I* and *a*, just like *and* in English could also be found at a higher level of discourse structure of an argument, namely, they can connect two pieces of *support* (Schiffrin, 1987: 135). To be more specific, the second *support* is preceded by *and* and its sole function is to elaborate further on the first *support*. What follows is an extract from an interview with a former Prime Minister of R. Macedonian, broadcast by a local television station. The issue that he is discussing concerns foreign investments in Macedonia at the time when he was holding the office.
Prime Minister: I wanted to have American and English investors. But ... I also wanted to have Bulgarian investors, but the Greeks were the most interested ones (position). But from what I know 1000 to 1500 Greek firms were interested in investing in Macedonia. And when the Social Democratic Party came to power these firms diverted their interest towards Bulgaria (1st support). And now if you look at the situation in Bulgaria they have 1500 Greek investors in the Republic of Bulgaria (2nd support).

In sum, the Macedonian discourse connectives and, just like their English equivalent and, could be found in different positions in discourse structure. Namely, in local units joining events within the support and the position, as well as in the global units joining two pieces of support or position within one and the same discourse structure. These findings indicate that and, i.e. and and a do not have strict positions in the discourse structure and that they could freely move to different levels depending on the discourse goals.

Furthermore, the research was also intended to confirm that just like and, its Macedonian counterparts, and, also can perform a variety of pragmatic functions in discourse. Thus, for instance, and can be used in repeated attempts to continue an interaction which was threatened by an alternative talk. In other words, speakers use and to convey that they have more to say regardless of another alternatively proposed activity (Schiffrin, 1987: 143). To illustrate this pragmatic function of the discourse markers and and in Macedonian, here again we will refer to the priest’s interview since, at one point, the host of the debate wants to interrupt him and to divert the conversation into another direction, but the priest not being ready to relinquish the floor interrupts the host’s question and continues his previous topic by using u.

Host: I will interrupt you now. Let me ...
Priest: *And ... let me just mention the institutional undertakings of the church. In Strumica there is a center for protection and rehabilitation of drug addicts ...*

(Водителот: Јас Ке ве прекинам сега, дозволете да...
Свеќенникот: И ... само уште што институционално прави црквата... Во Струмица има центар за заштита и опоравување од дррога и норкоманија...)

*I and a are often used as fillers. Namely, when the speaker needs some more time to figure out what to say next or when he/she is uncertain how to shape his subsequent thought. But the interesting issue in such situations is that the hearer very often takes advantage of it in order to add his/her comments, which could be agreements or disagreements with the previous statement of the speaker (Schiffrin, 1987: 148). In Example (6) two Macedonian politicians are having a fierce debate about the recent changes introduced to the right to protest in Macedonia. The first politician at one point of his statement, namely, just after *и* shows some signs of reluctance how to finish his statement and at that point the second politician ‘attacks’ him swiftly, i.e. interrupts him with his comment which is basically a disagreement.

(6)
First politician: *No matter what, you should allow people to protest and ... (sometimes just try to listen to them ...)*
Second politician: *Who prevents them from protesting?*

(Политичар 1: Без разлика на се дозволете им на дозволете им на дозволете им да протестираат и (ponekogаШобидете се да ги слушнете)
Политичар 2: Кој им го брани тоа? Надјете ми го членот во кој тоа се забранува ...)

When speakers express their views about a certain topic they seldom stick only to the relevant pieces of information that are in favor of their argument. In other words, they very often expand their statements with additional comments that do not contribute much to the point they are trying to make. By choosing to enrich their claims, they express their willingness to ‘cooperate’, or, simply, they cannot avoid doing all those digressions in the complex and simultaneous process of thinking and talking. Thus, by putting *and* in front of certain utterances they unconsciously emphasize the fact that they are delimiting the relevant parts of their statement from the less significant ones (Schiffrin, 1987: 142).

In (7) a popular talk show hostess converses with a fellow journalist-investigator who has recently visited a tribe in the Himalayas. The reason for
this visit was the recent scientific theory that these people are ancient relatives to Macedonian people. In this part of their conversation she is commenting on the video recordings they have made on their way to these ‘distant relatives’.

(7)

Journalist: I think that they have been completely isolated until 1978, then their first road was built, that’s Karakorum Road built up the Karakorum Mountain, and then they made their first contacts with civilization and they cherished its benefits...

(Новинарка: Мислам Хунзите биле изолирани потполно до 1978 година, кога е направен првот пат до който е Каракорум Рад по Каракорум планината и тога Шират който е навлецена цивилизација и тие имаат попримено секоја е цивилизиска придобивка)

As we can see her initial comment refers to their utter seclusion up to 1978; then she proceeds with some additional information about their first road, actually their first link with the rest of the world providing some details about the construction of this road and she eventually returns to her initial point, i.e. their seclusion and first contacts with the civilized world. It is easily noticeable that she uses и right in front of the important bits and pieces of information.

Schiffrin (1987: 148) also discusses another pragmatic function of and, when the speaker uses it to end his statement and when he/she wants to ask his/her interlocutor to confirm the validity of his/her statement or when he simply invites him/her to state his/her opinion.

In the following example, a family member, is making ironic remarks about his efforts to give up smoking in the presence of a family friend. At the end of his talk he asks his friend to promise him that if he succeeds in quitting this bad habit he will buy him a treat. Since both of them are aware of the ironic tone of this comment, the friend’s response to this request is also ironic and at the end is reinforced by and to signal his disbelief. Actually, thus, the family member is invited to dispel his friend’s suspicion and to reveal his further intentions regarding his smoking cigarettes.

(8)

Friend: Big deal, and...?

(Пријател: Голема работа, и ... ?)

и and a in Macedonian could also be used at the beginning of a question for the same reason as when it is located at the end, namely, to encourage the interlocutor to go on talking and provide further information. A TV
presenter, in his talk show discusses the existence of non-identified flying objects with his guests. When one of his guests who witnessed such object describes his personal experience, the host is impatient to get some details and interrupts him with his question.

(9)

Host: And you saw it?
(Водител: И ти го виде тоа?)

The abovementioned position and function of a in questions is also illustrated by another local television hostess’ question, addressed to her guest who is a plastic surgeon.
(10)
Hostess: And whose silicone breasts, in your opinion, are the best ... Choose among Pamela, Pamela, Pamela, Ceca?
(Весна: А што мнениш кои се најдобро направени силиконски гради од примерите Памела, Памела, Памела, Цеца?)

И could be used in questions when an interviewer has already asked two or more interlocutors the same question and all of them are expected to respond. Then in order not to repeat the entire question he would simply use a short version of the question implying that the other person is also expected to answer the same question. Example (11) is part of a discussion on the advantages and disadvantages of field and office work between two programmers. When the first programmer finished expressing his opinion I expected that the second programmer would immediately continue expressing her point of view but after a brief silence I reminded her that she was also expected to give her point of view by simply saying:

(11)
Interviewer: And you?
(Intervjuer: A ti?)

Very frequently u is the only member of the question issued by the hearer and it refers to the speaker’s previous comment, requiring additional information. On the other hand, u being the sole member of the question can also indicate irony on the part of the speaker. For instance, while the first programmer mentioned in the previous example was expressing his point of view about computer programming, the second programmer, at one point, obviously making fun of his complete dedication to programming, invited him to finish his thought by posing an ironic and-question.
(12)
First programmer: *I see programming as solving problems and each problem is a challenge for me.*
Second programmer: *And?*

On the basis of all of the above presented excerpts from the analyzed corpus, we are pretty confident to state that just like the English discourse connective *and*, its Macedonian counterparts, *и* and *а*, can also perform several different pragmatic functions.

CONCLUSION

In conclusion, our small scale pilot research, based on Schiffrin’s study of the English discourse connective *and*, reveals that the same rules apply to the Macedonian counterparts, *и* and *а*, in terms of their position and pragmatic functions in discourse structure.

This research, in fact, confirms the claim that although the language elements of this type are not the main bearer of the semantic meaning of utterances, yet, they greatly contribute to the creation of various nuances of meaning, which is of a paramount importance in people’s interactions.

BIBLIOGRAPHY

SUBSTITUTION OF INTERNATIONAL WORDS WITH DOMESTIC WORDS IN THE MACEDONIAN STANDARD LANGUAGE

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Abstract

International words are a part of every developed lingual system and their usage in the world of today is inevitable. Koneski's viewpoint on the attitude towards internationalism is that international words should act in accordance with the objective needs of the language and that they should be substituted by domestic words. However, we are witnesses of the increasing usage of international words in every field of everyday life.

This paper is concerned with the increasing usage of international words in the Macedonian standard language, their analysis, regarding the meaning, as well as with the rate at which they can be substituted by domestic words. Some international words cannot be substituted on account of the international word's thoroughness in comparison with the meaning of domestic one, or due to the possible loss of the sentence's meaning etc.

Key words: Macedonian language, international words

INTRODUCTION

The lexicon of Macedonian language denotes the total sum of words in the language, some of which are international or domestic, others – dialectal or spoken nationwide etc., (s. Bojkoska, 2000: 213 – 214). It is a well known fact that there is no lexicon that can encompass every single word of a language, so ‘the total sum of words’ should be regarded with a certain dose of relativity. It should be noted, by all means, that lexicons, which act as lexicographies work, have the utmost importance in the standardization of the vocabulary, as well as in its stabilization. A language is an active matter, it is an open, dynamic and multifunctional system. On the one hand, certain lexemes are constantly being removed from the language, on the other hand, the emerging of new lexemes is rather notable. This is an illustration of the
ongoing process of a lexicon restoration, which concerns Macedonian language as well.

The lexicon of the Macedonian language is related to the sociopolitical changes, the various actions of the human civilization. Its lexis should continually be renewed and enriched in order for the people’s daily necessities to be fulfilled. The development of the language is imminently connected to the everlasting process of renewal and enrichment.

This paper is concerned with the increasing usage of international words in the Macedonian standard language, their analysis, regarding the meaning, as well as with the rate at which they can be substituted by domestic words. Some international words cannot be substituted on account of the international word’s thoroughness in comparison with the meaning of domestic one, or due to the possible loss of the sentence’s meaning etc.

METHODOLOGY OF RESEARCH

In order for the goal to be achieved, certain international words used in numerous daily newspapers, are taken into account. Those sentences that contain an international word are registered as they are found in the newspapers. The interpretation of international words is based on the dictionary: “Leksikon stranih reči i izraza” – (Lexicon of foreign words and expressions) by M. Vujaklija, and that of domestic words is based on “Tolkovniot rečnik na makedonskiot jazik” – (Interpretative Dictionary of the Macedonian language). International words that cannot entirely be substituted by a Macedonian word without further changes in the sentence’s context belong to a different group than those that can.

INTERNATIONAL WORDS IN THE MACEDONIAN LANGUAGE

We all know that foreign words that originate from Old Greek or Latin and are used in every developed language, are called internationalisms or international words. For instance: teatar (theater), opera (opera), dekan (dean) etc., can be found in almost every developed language, but with difference in spelling and pronunciation, (Bojkoska i dr., 2000: 217). International words adjust to the Macedonian language system.

The usage of international words in the Macedonian language is inevitable. The alterations in the lexicon are notable and that is an unchangeable fact. Human interaction disables it. Nevertheless, the awareness of international words must be in accordance with the objective needs of a language and one should bear in mind that they ought to be substituted by domestic words as much as possible, because that alone
enables the lexis to be enriched and the speech to be more natural and more pleasant, (Minova-Gjurkova: 2003, 140 – 141). That is, essentially, the most genuine way for a language to keep its identity, integrity and its uniqueness and authenticity, (Koneski, 1986).

However, the answer to the question: ‘Why use international words, when there are Macedonian equivalents?’ draws attention. Analysis shows that the answer is, in fact, neither easy nor simple, especially considering the greater thoroughness of an international word regarding its meaning.

RESULT, ANALYSIS AND DISCUSSION

Stated below are the results gathered from the research, analysis and discussion. Seminarot se održuva vo Humanitarniot dom “Dare Džmbaz” vo Skopje, a edukatori se dvajca eksperti od Institutot ‘Trimbos’ od Utreht. Holandija. (D, 2006) – The seminar takes place in the Humanitarian Center ‘Dare Dzambaz’ in Skopje, and two experts from the Institute ‘Trimbos’ from Utreht, The Netherlands are educators. The word edukator (educator) originates from Latin and denotes a tutor, a grower, a provider, (s. Vujaklija, 1980: 256). Unless there is extensive knowledge of the broader context in which the international word is used, it is extremely difficult for it to be substituted by a domestic one. For instance, if the word edukator (educator) is replaced by hranitel (provider), in that case, the real meaning of the international word is lost, because hranitel (provider) has an entirely different meaning in Macedonian: 1. someone who feeds someone else; 2. someone who supports someone else, (TRMJ, 2014: 294) If the word is replaced by odgleduvač (grower), we again experience loss of the word’s real meaning because odgleduvač (grower) is someone who cultivates or upbrings something or someone, (s. TRMJ, 2006: 468). The lexeme vospituvač (tutor), meaning: someone who tutors/educates someone else, (s. TRMJ, 2003: 294) may seem like a suitable substitute for the term educator, but speakers of Macedonian language usually relate the lexeme vospituvač (tutor) to a person working with pre school children, or with the educational component of the teaching process, i.e. educating of children who go to school. The term educator in Longman’s dictionary has the meaning of teacher, (s. Longman, 2001: 441), while in the Hornbi’s Dictionary: someone who educates, (s. Hornbi, 1989: 385). The word učitel (teacher) is not the most suitable substitute for the word educator, because a teacher is 1. someone who teaches children in elementary school, and that is the most frequent meaning for the native speakers, or 2. a person who is qualified to teach some kind of a skill or knowledge, (s. TRMJ, 2014: 214). The word nastavnik (teacher) can be taken into consideration as a substitute for the word
educator, it means: someone who performs the teaching process, (s. TRMJ, 2006: 294) and this word is most often related to the word nastava (teaching process) which means: a systematical process through which the knowledge of educational and vocational subjects is conveyed to the students within the institution of the educational system. The above mentioned context shows that seminar can be organized inside and outside of an educational institution and the numerous meanings of seminar (seminar) are as follows: 1. practical exercises on some subject or topic, appointed to a student in a high educational institution; 2. a hall where the practise is held; 3. lecturing and practical work for development of qualifications, developing the knowledge of a certain subject etc., (TRMJ, 2006: 348). It is a well known fact that the purpose of the seminar is not merely to convey the knowledge of teaching subjects, but to emphasize any field of the human existence. If we take into account the word obučuvač (instructor) as an appropriate substitute for the word educator, the meaning would differ: obučuvač (instructor) is someone who instructs someone else through training, (TRMJ, 2006: 441), and the word predavač (lecturer) means 1: someone who lectures; 2. a teaching profession, (TRMJ, 2008: 458), and is related to the word predava (conveying knowledge) which means: 1: teach; 2. conveys knowledge to students. The word edukacija (education) is given the following meaning: obrazovanie, (education), (TRMJ: 2003: 583), and obrazovanie (education): knowledge gathered through studying or common sense, culture, (TRMJ, 2006: 436). If the broader context is known, in this case, the seminar takes place outside an educational institutions and it is held for social workers who work with the SOS drug line, then it is clear that educators are the people who will convey their knowledge to a group of other persons, they will be teaching, conveying knowledge and experience of some topic, educating, studying etc., in order for the social workers’ knowledge to be extended and their qualifications on the matter developed. The analysis states that the meanings of the word educator are as follows: someone who is qualified to teach someone else to knowledge or to skill, someone who is competent to lecture and develop the qualifications and knowledge in others, someone who is competent to convey the knowledge, someone who is competent to convey the knowledge through tutition, someone who is qualified to convey the knowledge through training.

Najvažno e kako vodičite-educatori kje im ja prenesat prikaznata, kje gi zainteresiraat, kje im ponudat novi iskustva preku razni rabotilnici. (D, 2012) – The manner that the guides-educators use to convey the story, raise interest and allow new experiences to be created through various workshops, is paramount. (D, 2012). Two nouns that complement each other and denote one entity appear in this sentence, (Pravopis, 1998: 52, t. 110 a) guides-
The word *vodič* (gide) denotes: 1. someone who guides/leads tourists, shows monuments, etc., (TRMJ, 2003: 275). If the broader context is not taken into account, the type of the guides-educators remains unclear. But, through the broader context, bearing in mind the meaning of the word educator, it can be noted that those taken into account are competent people who work in museums and convey experience and knowledge, museum work-related, to school-age children and they do it while guiding the children through the museum and that various workshops for the children are held within the museums.

Retrospektivnata izložba na dela na akademskiot slikar Velo Tašovski večerava vo 20 casot kje bide otvorena vo … (ovde stanuva zbor za presek na negovoto tvoreštvo i se opfakjaat site periodi od negovoto tvoreštvo). (D, 2014) – The academic painter’s, Velo Tašovski’s retrospective exhibition, will be open tonight at 8 pm in … (both his work and the periods of the work are referred to in this exhibition). (D, 2014). The word *retrospekcija* (retrospection) originates from Latin and has the meaning of: reminiscing, looking back, (Vujaklija, 1980: 802), while *retrospektiven* (retrospective): someone who looks back, or reminices. (Vujaklija, 1980: 802). If we substitute the word retrospective with the words *gledanje nanazad* (looking back), we risk having a meaningless sentence as a final product: Gledanje nanazad izložba na dela na akademskiot slikar … – Looking back exhibition of the academic painter … or: Izložba za gledanje nanazad na dela na akademskiot slikar … – Exhibition for looking back on the academic painter’s pieces of work … If the word retrospection is substituted by the words *povtorno gledanje* (looking again), we get: Povtorno gledanje izložba na dela na akademskiot slikar … – Looking again exhibition of the academic painter … or: Izložba za povtorno gledanje na dela na akademskiot slikar … – Exhibition for looking again the academic painter’s pieces of work/exhibition for looking at the academic painter’s pieces of work again …, which may indicate that we are once more to see the pieces of work we have already seen. The substitution of the word retrospection with the word *potsetuvanje* (reminiscing) amounts to: Potsetuvanje na izložba na dela na akademskiot slikar … – Reminiscing of the academic painter’s exhibition … which can, essentially, mean that we are being reminded of the exhibition, or: Potsetuvačka izložba na dela na akademskiot slikar … – An academic painter’s reminding exhibition … which indicates an exhibition where the attendants will reminisce the pieces of work, and that is the meaning of the word retrospection. In the Tolkoven rečnik na makedonskiot jazik (Interpretative Dictionary of Macedonian Language), the word retrospection denotes: reminding of the past, looking back at something that has already passed, a preview of the past, and the word retrospective denotes: something
that refers to the past, something dedicated to the past, (s. TRMJ, 2011: 222). So, if we attempt to substitute the word retrospection with the given equivalents, the sentences are as follows: Potsetuvanje na minatoto izložba na dela na akadaskiot slikar … – Reminiscing of the past exhibition of the academic painter …, Navrakjanje kon nešto so mimalo izložba na … – Looking back at something that has already passed exhibition of …, Pregled na minatoto izložba na … – Preview of the past exhibition of …, and they make absolutely no sense. However, with the help of reconstruction, and taking in account the meaning of the word potseti (remind): renew someone’s reminiscence, knowledge; being reminded of something, (TRMJ, 2008: 399) as well as that of all the above mentioned meanings of the word retrospective, all of these sentences would make sense by adding a hyphen. At the same time, a sentence that makes sense by avoiding the use of the international word can be constructed: Izložba na dela na akademskiot slikar Velo Tašovski, na koja prisutnite kje se potsetat or kje se navratat na negovoto tvoreštvo, večerva vo 20 časot kje bide otvorena vo … – The academic painter’s exhibition, through which the attendants will reminisce his work, will be open tonight at 8 pm in … In this case, a larger number of sentences containing no international word can be constructed, they will, however, contain more domestic words that will take a toll on the language’s efficiency, which, in turn, is especially important in journalism. The same explanation is applicable to the following instances: Retrospektivata e zaokružuvanje na rano počinatiot avtor koj …, (D, 2014) – The retrospection is rounding of the late author, who …; Na Univerzitetot “Braoun” vo Roud Ajlend, SAD, vo tek e retrospektiva posvetena na delata na makedonskiot režiser Milčo Mančevski. (D, 2014) – The Brown University in Rhode Island, USA, is currently holding a retrospection of the Macedonian producer, Milčo Mančevski’s pieces of work. Let’s look at the following sentence: Grupata kje napravi retrospektiva na del od pesnite od svoite prethodni albumi, no k je sviri i sosema novi pesni, ko doprva treba da se najdat na nejziniot nov album. (V, 2007) – The band will be taking a retrospection of their old songs, but will also be playing new ones which will be part of the upcoming album. The word retrospection can be substituted by the word reminiscing: Grupata kje napravi potsetuvanje na del od pesnite od svoite prethodni albumi … – The band will be reminding the audience of their old songs ... In the example: Ako napravime retrospektiva, koi se spored Vas pogrešnite čekori koi se napraveni vo makedonskata diplomatija vo izminative 20 godini?, (D, 2011) – In retrospect, what has damaged the Macedonian diplomacy the most in the past 20 years, according to you?, the word retrospection can be
substituted by: Ako pogledneme nanazad … – If we look back …; Ako se vratime nanazad … – If we go back ...; Ako se potsetime na minatoto … – If we reminisce the past ...; Ako se navratime kon periodot što izminal … – If we look back at the period that has passed ... etc.

The word edukacija (education) in the Tolkovniot rečnik na makedonskiot jazik (Interpretative Dictionary of Macedonian Language) has the meaning of obrazovanie (education), (TRMJ, 2003: 583). So, in the sentence: Vo Muzejot na Makedonija i vo Muzejot na sovremenata umetnost vo Skopje povekje godini rabotat oddelenija za edukacija, koi se specijalizirani za mladata publika. (D, 2012) – There are various sectors for education in the Macedonia Museum and the Contemporary Arts Museum in Skopje, which specialize in educating the younger audience, the word edukacija (education) can be substituted by the word obrazovanie (education) ... sectors for education ... and in the following examples as well: Vo taa smisla, muzeite ja istaknuvaat svojata edukativna misija kako prioritet za 21 vek. (D, 2012) – The museums emphasize their educational mission as 21st century’s priority. .... educational mission ... ; Sè počnalo vo 1997 godina po seminarot „Edukacija na muzeite“, na koj predavala Britankata Alison Hit, ekspert od oblasta na muzejskata edukacija. (D, 2013) – It all began in 1997 after the seminar ‘Education in museums’, which was held by Alison Hot – an expert in music education. (D, 2012): ... after the seminar ‘Education in museums’ .. in museum education..

... Tuku razočaruvanjeto e od devastiran jeto na ostatokot od desnicata vo Makedonija, … (Vreme, 2011) – The disappointment comes from the devastation of the rest of the right wing group in Macedonia ... The word devastiranje (devastation) originates from Latin and denotes ruining or destroying. The international word devastiranje (devastation) can be substituted by domestic words opustošuvanje, uništuvanje (ruining, destroying): ... The disappointment comes from the ruining of the rest of the right wing group in Macedonia, ...

Dlaboka ekspresija na emociite. (UV, 2006) – Intense expression of the emotions. The word expression originates from Latin, as well, and has the meaning of: manifestation, phrasing, expresiveness, presentation, (Vujaklija, 1980: 264), and in the Interpretative Dictionary denotes: manifestation, an intense expression of emotions, (TRMJ, 2003: 590). In this case, the international word expression can be substituted by the appropriate domestic word, and a genuine Macedonian sentence can be created: An intense manifestation … or An intense phrasing ... or An intense expresiveness ...

Insistirame da postoi obligatorna odredba na sekoj vraboten da mu bide vkalculirana hrana i prevoz vo bruto platata. (D, 2008) – We insist that there should be an obligatory regulation for every employee to have the food and
transportation expenses calculated within his gross income. The word *obligatoren* (obligatory), again, originates from Latin and has the meaning of: compulsory, constitutional, established by law and specified, indispensible, (Vujaklija, 1980: 622), and in the Interpretative Dictionary has the following meanings: something that obligates, someone who is obligated, (TRMJ, 2006: 430). *Kalkulira* (calculates) has its origin from the Latin and means: estimates, (Vukajlija, 1980: 389), and in the Interpretative Dictionary: 1. estimates, makes an estimate; 2. schedules, plans. The word *insistira* (insist), again, originates from Latin and has the meaning of: makes a persistent effort for something, demands something, does not comply, does not relinquish, (Vujaklija, 1980: 349), and in the Interpretative Dictionary: makes a persistent effort in order to accomplish something, persistently emphasizes something, (TRMJ, 2005: 340). It is clear from this prospect that the three international words in the sentence can be substituted with domestic ones: *zadolžitelen* (compulsory), *presmetuva* (estimate) and *nastojuva* (demand) in order to have a Macedonian sentence as a final product: *Nastojuvame* or *Uporno istaknuvame* da postoi zadolžitelna or obvrzna or propišana so zakon odredba na sekoj vraboten da mu bidat presmetani hrana i prevoz vo bruto platata – We are persistent in our efforts or we persistently emphasize that there should be an obligatory regulation for every employee to have the food and transportation expenses calculated within his gross income.

**CONCLUSION**

The analysis shows increasing usage of the international words in the Macedonian Standard Language. Many people think that using the international words in everyday communication will make them sound more educated. In the same time, the analysis shows that some international words, in some way, have more thorough meaning compared with the domestic words and that the international word contains two or more meanings of two or more domestic words, for ex., *edukator* (educator). The analysis points out the relevance of the context in which the international word is used, because depending on the context, the international word can easily or hard be substituted with a domestic word. Also, we have to take into consideration that the international word contributes the principle of economy in language. Domestic words do contribute the clearness of the statement and it is a fact that one should be familiar with the Macedonian language expression possibilities in order to create words which are in the spirit of the Macedonian language. Nevertheless, it is impossible to avoid the fact that the language is an active matter and that it is constantly developing,
so the usage of the international words is inevitable. They are, in fact, one type of synonyms with the domestic words, and it is well known that synonyms are a way of enriching the language expression. We can conclude that the usage of the international words exceeds the objective needs of the Macedonian language, but also that everyone should take an individual responsibility for his own language expression.

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SOUND ALTERNATIONS IN CONNECTED SPEECH

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Abstract

The research on pronunciation aiming at better understanding of the speech process has largely relied upon analyses of corpora mainly built up of records of utterances of isolated words or sounds of a specific language. However, there are corpora built up of records of connected speech such as the speech in the media, interviews, deliverances of various public speeches and alike but most of the research of these corpora are focused on the syntax and prosody.

This paper aims at displaying the sound alternations that occur in authentic connected speech in communication and greatly influence the auditory processing with listeners, thus affecting the communication.

Our findings rely upon acoustic analyses and spectrograms displaying those sound alternations with the English language and with the Macedonian language.

Key words: connected speech, speech perception, coarticulation, sound alternations, phonemic and non-phonemic languages

INTRODUCTION

Oral communication is the essence of everyday life in every society and practiced by every social group – from the smallest one such as family to the largest one such as those in educational or in working environment. It basically consists of two main components: speaking and listening. Each of these encompasses additional corresponding processes; speaking is grounded

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on articulation and speech production ability whereas listening is grounded on speech perception and comprehension ability.

Linguists and Language Teaching Methods researchers have devoted much of their research work on each of these components of oral communication. Acoustic Phonetics and Auditory Phonetics have greatly contributed to understanding the complexity of oral communication as one of the starting points necessary to improve not only everyday communication but communication for educational purposes, and in professional and social life as well.

However, in most research, the emphasis has been placed on analyses of isolated speech - i.e. sounds or words uttered in isolation. The results are undoubtedly useful, especially in teaching foreign or native – phonemic or non-phonemic language and literature. But they do not contribute to understanding and improving oral communication in real time – i.e. communication which occurs in authentic situations and surroundings and with no text script of the statement said to reread and rely on.

**CONNECTED SPEECH AND COARTICULATION**

Connected speech is an audibly structured realization composed of phonemes grouped into syllables, syllables grouped into words, words composed into phrases, phrases into clauses and sentences, and sentences into a shorter or longer discourse structure. The “final touch” to this complex structure comes with the accent, stress, intonation, and pauses.

The realization of this audible structure is performed by the speech organs – i.e. articulators which can be either passive (generally speaking – the stationary parts of the vocal tract) or active (the movable ones) in speech production\(^{192}\). The active articulators gesture (make coordinated movements) to produce certain degrees of stricture (opening / closure) at certain points in the vocal tract\(^{193}\), thus allowing for the vowels, consonants, and sonorants to be formed and audibly released. As phonemes making a syllable or a word are sequenced in connected speech production, Mannell (2008) says these gestures overlap in an utterance. In articulatory planning, each phoneme has a single ideal articulatory target for each articulator\(^{194}\) i.e. each articulator must try to achieve the target position necessary for the articulation of each phoneme. The ideal target for a specific phoneme of a

\(^{192}\) Mannell, R., 2008, Phonetics and Phonology: Coarticualtion and Assimilation, Macquarie University

\(^{193}\) Ibid.

\(^{194}\) Ibid.
specific language is invariant\textsuperscript{195}. However, differences occur as they do in the graphemes of the handwriting of different individuals. In speaking, these differences are in tight relation with different accents or other (physical) aspects of the individuals. For the economy of fluent speech, the sequencing of phonemes into a syllable and then into words results in articulators moving nearly simultaneously; the articulators gesture at the target position to produce one phoneme and at the same time start moving to reach the articulatory target position of the next phoneme in the sequence. Thus, no definable articulatory or acoustic boundaries between phonemes in connected speech can be heard, except in certain phrases under accents, stress or when pauses in between intonation blocks are employed. This process is known as coarticulation.

With all of the facts stated, it is easy to understand the abundance of sound alternations initiated by coarticulation and by almost simultaneously target position gesturings of articulators in connected speech. Most of these alternations have already been the objective of linguists and speech pathologists’ research and presented in various grammar books, books on phonetics and phonology, and on auditory pathology.

As speech is an essential part of oral communication, and oral communication is an activity which spans the whole life of a human – thus including early childhood, education, socialization, career, family life, communication with other ethnicities and peoples, etc., the objective of this research is to point out some of the most frequent sound alternations that might affect the successfulness of communication in every aspect of life: family, education, work, social and cultural life, etc.

SOUND ALTERNATIONS

Sound alternations are frequently confused with sound changes. However, they are two different processes. Sound changes are tightly related to the diachronic aspect of a language and refer to the language norms and rules that must be obeyed. Unlikely, sound alternations are related to the synchronic aspect of the language and to real time language use as well as to a number of other aspects such as physical aspect of the articulators of an individual, the speech rate the he/she usually employs when conversing, and his/her dialect, sociolect and idiolect – if consciously or unconsciously used in the standard language when conversing.

Sound changes are in the research focus of Phonology and Morphonology and are frequently referred to as phonological and morphonological changes.

\textsuperscript{195} Ibid.
Sound alternations occur in everyday communication and are mostly spontaneous and unintentional though many of them overlap with phonological and morphophonological changes and may be intentional at some points (for e.g. to show/hide the social background, to make the statement more interesting, etc.).

The group of sound alternations and sound changes which occur as a design of public speech delivery belong to the group phonomorphological changes and are in the research focus of Phonostylistics, as an important aspect of the art of conversation – i.e. Stylistics of language discourse (in this case the oral one).

This paper deals with the second group – i.e. the alternations in oral speech and the real time speech effects which are spontaneous and unintentional.

This is the reason we have decided our analyses to rely upon spectrogram readings of semi-structured interviews with famous people.

RESEARCH METHODS

This paper has shifted the emphasis of its objective onto connected speech and the processes affecting the pronunciation described and transcribed in between phonetic brackets in all non-phonemic dictionaries as they frequently affect the speech production output and sometimes burden the speech perception i.e. listening comprehension.

There are two languages in focus in this research: the English as a representative of non-phonemic languages and the Macedonian as a phonemic language.

Thus, the objective of this paper is to present that sound alternations occur in real time connected speech both in non-phonemic and phonemic languages.

The research has been conducted by building up corpus of semi-structured interviews with famous people; all of those interviews are accessible for the public as they are posted on public internet sites such as You Tube. This type of interviews is most representative of standard language full of rich vocabulary and communicative phrases common both for formal and informal situations.

The audio-content in English is of 2 hours, 44 minutes and 30 seconds duration, and the audio content in Macedonian language is 2 hours 56 minutes and 20 seconds.

The audio-content was listened to for sound alternations. The parts appearing to contain sound alternations were analyzed in the computer.
program PRAAT\textsuperscript{196} by reading their spectrograms and measuring the formants of the sounds – both for male and female voices.

SOUND ALTERNATIONS IN THE ENGLISH LANGUAGE

According to Gary Buck (2002), “… the degree of phonological modification varies depending on the situation. For example, in formal speech speakers will tend to have less modification than in informal situations; similarly, in cases where the information is important, they will tend to pronounce the words with more care than they would with informal, throw-away information…” \textsuperscript{197} He points out three types of sound alternations as the most important: assimilation, elision, and intrusion - i.e. the third one defined by Peter Roach\textsuperscript{198} as linking.

Our acoustic analyses with the PRAAT computer program confirm the a/s alternations (Figure 1, Figure 2, Figure 3):

\begin{figure}
\centering
\includegraphics[width=\textwidth]{sample.png}
\caption{Figure 1 – Spectrogram shot of assimilation: in the phrase be what you’ve...}
\end{figure}

\*Spectrograms are individual works and property of the authors of the paper

Figure 1 shows that the sound /t/ undergoes influence from the adjacent sound /j/ that follows it (so called anticipatory or regressive coarticulation)

\footnotesize
\textsuperscript{196} www.praat.org
Figure 2 – Spectrogram shot of elision in the word *wanted.*

*Spectrograms are individual works and property of the authors of the paper.*

Figure 2 shows that the sounds /t/ and /d/ are dropped in *wanted;* /d/ is devoiced and then substituted with /t/ which in the phrase *to do,* that follows, assimilates with the initial /t/ in one /t/. There has been another sound alternation identified in the same statement – *reduction;* although quite a common alternation in oral speech, it was not mentioned above. In the same spectrogram shot we see *reduction* of the diphthong /eɪ/ into /ɪ/ in the word *always.*
Figure 3 – Spectrogram shot of intrusion in the phrase “… what a rich year…”

*Spectrograms are individual works and property of the authors of the paper

Figure 3 shows a pronunciation of an extra sound occurring in between syllables or in between words, in this case – intrusion of /v/ in between the indefinite article *a* and the adjective *rich* in the phrase “… what a rich year…”

SOUND ALTERNATIONS IN THE MACEDONIAN LANGUAGE

Unlike the English language which is non-phonemic, and consists of about 44 sounds and 26 graphemes i.e. letters in 185 combinations\(^{199}\) to present these sounds – i.e. spellings for the articulation of each sound, the Macedonian language as a phonemic language of 31 sounds and is not expected to show some abundance of sound alternations in real time oral communication. Reduction of diphthongs to monophthongs in the English language is quite common in oral communication in everyday life. But the Macedonian language does not have diphthongs and neither the gemini vowels nor the adjacent vowels occurring in words, word-building, and word-formation are in any case equivalent in quality to diphthongs.

However, both in informal speech and in formal, it can be noticed that the same reduction process does take place when there are gemini vowels or two adjacent vowels, especially in longer words. In some cases, this reduction is influenced by the word accent or the intonation blocks, but in other cases it is simply a result of fast speech or economy of fluent speech. When reduction of gemini vowels occurs in fast oral speech it may result in one longer phoneme or in elision of one of the geminis. In regard with reduction or elision of one of two adjacent vowels in the Macedonian language we can say that it does occur although no diphthong quality binds these vowels as it is the case in the English language. (Figure 4). What is interesting to point out from the discerned alternations is that the Macedonian vowel /a/ is weakened in the end of a word and sometimes even reduced to the schwa /ə/ sound which is only facultative in the Macedonian language.

Assimilation, elision and intrusion have been found to occur in everyday connected speech as well (Figure 5, 5-a, and 5-b, Figure 6). However, assimilation is already a sound change that is in accordance with the phonological and morphonological rules of the Macedonian language; thus

viewed from the point of alternations we can take it into consideration only as a component of the Macedonian dialects which is not in the focus of our objective here.

Figure 4 – Reduction: In the phrase која ќе ја реализира /koja|ce|ja|realizira/.

*Spectrograms are individual works and property of the authors of the paper

The reduction presented in Figure 4 occurs at three points: in the word која /koja/ the vowel /a/ cannot be identified in the spectrogram and the values of the formants display presence of /ə/. Further on, the second reduction occurs in the phrase ќе ја /ce|ja/ which is pronounced and identified in the spectrogram analysis as /ce|e|. And the third reduction is identified in the word реализира /realizira/. The adjacent vowels /~ea~/ do not make a diphthong. Thus, no condition exists for the reduction from /~ea~/ to /~e~/. The only explanation we can offer is the economy of fluent speech.
In Figure 5 the spectrogram analysis shows that both /i/ are dropped as well as /e/ in between /s/ and /t/ due to fast rate of speech; thus the word is pronounced /tetn’aesta/ which conditions the omission of one /t/ where there are two /t/ to be pronounced.

Elision in Macedonian occurs with adjacent vowels and consonants as well. (See Figure 5a).

Figure 5a – Elision of /~ad~/ in the word заради /’zaradi/ pronounced as /zari/

*Spectrograms are individual works and property of the authors of the paper
The elision of /v/ displayed in Figure 5b conditions occurrence of gemini /a/ where they do not exist in accordance with the spelling. Intrusion is a type of sound alternation quite common in informal and formal everyday speech. In fact, on the one hand, the sound /j/ appears quite intrusive in between vowels, and on the other hand it is dropped when proceeded by a word beginning with /j/ or /i/. For this reason we present a different type of intrusion here – i.e. the doubling of a vowel. See Figure 6.
CONCLUSION

This research has been inspired and motivated by misperception which often occurs in oral communication in all aspects of everyday life. Pronunciation has mainly been researched with the focus on sounds and words pronounced in isolation. There have been research papers on pronunciation and sound changes which occur due to coarticulation but most of them deal with non-phonemic languages such as English or for the purpose of easing and improving the process of learning a foreign non-phonemic languages.

Our approach is to provide a better insight regarding the sound alternations in real time communication in a non-phonemic language and see whether we can say that the same sound alternations occur in phonemic languages.

The research was conducted by listening for and selecting semi-structured interviews as most convenient and abundant with standard language used in situations in which the formal and informal components of conversing overlap.

The audio content was analyzed in the computer program PRAAT by reading spectrograms and measuring formants of the sounds involved in the sound alternations.

The results have shown that non-phonemic languages – i.e. the Standard English language undergoes sound alternations in real time communication and the most frequent ones are: reduction, elision, and intrusion.

As for the phonemic languages, in this case – the Standard Macedonian language, the number of the a/s sound alternations that we have found is lower but not to be neglected.

As we searched for the said sound alternations that are most frequent in the English language, we presented some examples of those sound alternations we have found in the Macedonian language. Yet, there is a sound alteration we have not come across in the Standard English language audio content, but which appears quite frequently in the Standard Macedonian language audio content. It is the shifting of accent despite the strict norms and rules of its use. The Macedonian accent is non-phonemic and for the most words automatically determined\(^{200}\) – it falls on the antepenult (the third syllable counting from the last one) of words of three or

\(^{200}\) Lunt, H. G., Grammar of the Macedonian Literary Language, Makedonska Akademija Biblioteka, Skopje, 1952
more syllables, and on the second on shorter words (counting from the last one). The most frequent shifts of accents we have come across were mostly with shorter words – i.e. shifting the accent from the second syllable onto the first one (counting from the last syllable).

It is our belief that this research broadens the horizons regarding connected speech sound alternations in phonemic languages and should be further on developed in two directions: a) whether sound alternations are conditioned by other prosodic features in phonemic languages such as intonation and intonation blocks; b) how much this sound alternations are present in the educational institutions and to what extent they can affect students’ achievements.

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THE INFLUENCE OF THE ASSESSMENT CRITERIA ON THE STUDENTS’ SUCCESS

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Abstract

This paper is focused on the evaluation criteria and their impact on the students’ success.

The aim of this paper is to show that the clearly defined criteria affect positively on the students’ success.

The research involved students from the High School "Taki Daskalo" - Bitola, including three gymnasium high school classes and three classes of vocational education with a total of 137 students.

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INTRODUCTION

Experts agree that the criteria for assessment are the most powerful tool in the teachers’ hands if they are accurately determined and then used properly, but the problem arises because the curricula which are implemented in the educational practice have defined goals, but they have not got unified criteria to evaluate the content of the program objectively.

The refined specific criteria should be a tool not only in the work of the teacher, but they should also be present in the everyday life of each student. It will be much easier for the students to acquire the material if they know exactly which part of it to pay attention to i.e. what specifically they need to acquire to gain knowledge that will equal the grade 2, 3, 4, 5. Thus, knowing the criteria for assessment, the students will be more motivated to learn and will be convinced that behind their real knowledge stand realistic grades. If it was handled this way, there would not have been dissatisfied students and teachers who would have got complaints for the grades they had given.

The refined and specific criteria should be part of the climate in the classroom and something that the students will see upon as help without which they will not be able to reach the desired knowledge.

1. CRITERIA FOR ASSESSMENT

The most important and the most complex problem in assessing the students’ achievements is the criterion. If the criteria as a measure of success are not good, if they are not certain, then it will not be possible to interpret and assess the collected data as indicators of the students’ success in overcoming the defined goals (standards).

The criterion is defined as a measure of the individual efficiency in accomplishing (achieving) the goals and the objectives of the educational process in which it is included.

Regarding the criteria for assessing the students’ achievement there are two important questions arising:

a) what should be examined and assessed, what should the students know and be able to do and

b) to what extent, how well should they know something and can do something
1.1 TYPES OF CRITERIA BY ITS STRUCTURE

In assessing the students’ success can be applied two types of criteria:
- Composite "general"\textsuperscript{202} - which may contain a sequence of elements and
- Multiple - multiple criteria\textsuperscript{203} which consists several criteria that do not merge into one

1.1.1 COMPOSITE CRITERIA

This criterion takes into consideration all of the individual criterion elements of success, but it shows everything in a single or joint result. That is the case with number grades which cover all the elements of the students’ success in each subject. This kind of criterion is used to convey the total - general success of the pupils (and students) in a way that are summed all the individual grades and is calculated their arithmetic mean which is taken for an average success.

The summation of the grades has no establishment and justification, because it is not possible to sum manifold elements, such as the individual grades in every school subject. The use of this criterion creates a blurred picture of the whole situation – of the joint assessment of all elements of success (as well as the grade of the average success) is not clear in which elements the student is better and in which he/she is less successful. The same joint grade, for example - Good (3), in the mother tongue a student may have for excellent, surpassing oral answers and satisfactory achievement of the written exams or for another student it may mean equally good achievements in all the elements which of course is the same. This ambiguity becomes even more apparent when it comes to assessing the overall (average) student success. From that grade it cannot be seen in which area (linguistic, natural-mathematical, social) the student scores better and in which weaker results. This criterion has a justification only when its individual elements are highly correlated with each other, which really is not very common case when it comes to the elements of the criteria for evaluating the success in every school subject. For example: If in the assessment of success in a foreign language were considered the following components: ability of understanding the language, ability of speaking that language, capacity to read and understand written text in the foreign

\textsuperscript{202} Kiro Poposki, 1996, The contemporary understandings for the assessment and evaluation of the students’ achievements, Skopje, page 182
\textsuperscript{203} Poposki, 1996, page 194
language and ability to write in that language then it would be hard to claim that among them there is a high correlation. On the contrary, one can understand the language quite well, and speak that language, but maybe is not able to use the language in a written form. However, it cannot be claimed that most of the components that make the essence of the grade in a number of school subjects are not in a significant mutual correlation from which arises the justification for the application of the composite criterion.

1.1.2 MULTIPLE CRITERIA

This criterion takes into consideration all the specific components of the success in a subject and therefore it has several criteria for its evaluation. The establishment of the criteria for evaluating the students’ success is not an easy task, because the subject of evaluation itself is very complex and includes numerous and heterogeneous components. The criterion must reflect all the relevant elements by which can be seen and evaluated the success of the students in achieving the objectives of the program. To achieve this, the criterion is usually built in two stages:

• The first begins with an analysis of the objectives and the content as it is proposed by the program and thus identifies all the components that are relevant for the success in acquiring the program.

• In the second phase for each element is defined the specific indicator i.e. the criterion measure through which can be expressed the success.

2. TYPES OF CRITERIA BY THE METHOD OF THEIR DETERMINATION

In our schools the situation today is not on a satisfactory level when it comes to precise definition of the criteria, i.e. there are no generally accepted criteria, but each teacher builds and applies their own criteria. However, these criteria are not clearly defined, are not known to the students, and it leads to a situation when the teachers themselves, for various reasons, change their criteria.

Depending on how you set the criteria, we can talk about two types of criteria which are applied in our schools: aprioristic and statistical (empirical)\(^\text{204}\).

2.1 APRIORISTIC CRITERIA

\(^{204}\text{Kiro Poposki, 2005, School docimology, Skopje, page 35}\)
The aprioristic criterion, as the name itself says is predetermined criteria and on the basis of certain standards. Before approaching to assessment of the students’ achievements is determined which of their knowledge (to what extent and quality) will be considered satisfactory, which and what kind of levels of success and with which grades they will be assessed. These criteria may be determined to assess only certain elements (parts) of the program in some school subject and then they are specific and clear or can apply on the knowledge in a certain school subject in general.

2.2 STATISTICAL CRITERION

Statistical criterion. At the basis of this criterion is the law of probability, according to which in each major group of students (one school, for example) there is the highest number of average. A good example of statistical (empirical) criteria is a teacher who evaluates the written work in Macedonian language. This teacher intending to establish as much objective criterion as possible, firstly reviews (reads) all the written works in order to understand how the students worked, and then determines criteria to evaluate them, practically applying statistical criterion because it is formed on the basis of previously reviewed answers.

A weakness of this criterion is that it varies depending on the composition of the group. In classes with a greater number of better students are determined higher standards and vice versa, which can sometimes lead to too low criterion.

CONTENTS OF THE RESEARCH

IDENTIFIED PROBLEMS

1. Teachers encounter with indefiniteness of the assessment criteria while they are elaborating the curriculum.
2. The criteria without precise indexes perform difficult assessment.
3. Subjective seeing of the assessment criteria by the teachers.

A PROBLEM THAT WILL BE STUDIED (ANALYSED)

Lack to define the criteria for evaluating the teaching.

SUBJECT OF THE RESEARCH
The influence of the refined specific criteria for students’ assessment on the results of the students’ studying.

OBJECTIVES OF THE RESEARCH

The aim of the research is to show that the clearly defined criteria and indicators give better results when assessing i.e. give better success of the students.

SURVEY RESULTS

<table>
<thead>
<tr>
<th></th>
<th>With a given criteria</th>
<th>With a precise and specific criteria</th>
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<tbody>
<tr>
<td>Insufficient</td>
<td>35</td>
<td>13</td>
</tr>
<tr>
<td>Sufficient</td>
<td>24</td>
<td>30</td>
</tr>
<tr>
<td>Good</td>
<td>51</td>
<td>43</td>
</tr>
<tr>
<td>Very good</td>
<td>18</td>
<td>37</td>
</tr>
<tr>
<td>Excellent</td>
<td>9</td>
<td>14</td>
</tr>
</tbody>
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Table number 1. - Table of grades with a given and with a precise and specific criteria of the survey by classes
Graph number 1 – Graph of the grades with a given and with a precise and specific criteria from the survey by classes.
With a precise and specific criteria

Graph 2 and 3 - Graphical display which shows that in the conducted survey by classes with a given criteria an “insufficient” success showed 26% of the students, while with the precise and specific criteria there were 9%, from what we can conclude that the success has improved by 17%.

“Sufficient” success with a given criteria showed 18% of the students, while with a precise and specific criteria 22% which means that the success has improved by 4%.

“Good” success with a given criteria achieved 36% of students, and with a precise and specific criteria 32%, which means that there was a descent of 4% in the success, but because of that, the results in the “very good” success are on a very high level, as with the given criteria there are 13%, and with a precise and specific 27% which means that the improvement in the success of the students is for 14%.

The situation in the “excellent” success is also improving, with a given criterion there are 7%, while with the precise and specific 10% - meaning that the improvement is 3%.

CONCLUSION

Based on everything that is stated it is clear that the assessment criteria represent one of the dominant conditions that determine the success of the students.

The teacher as a central figure in the educational process of the student among the other things, should pay special attention to the process of assessment, while using the criteria for assessment consistently.
The regular use of precise and specific criteria contribute to facilitate the learning process of the students because they help to focus their attention and effort to what is the most essential and the most necessary.

The general conclusion arises from the confirmation and the acceptance of the general hypothesis that:

- The refined specific assessment criteria and their continuity improve the students’ success.

The specific conclusions arise from the confirmation and the acceptance of the specific hypotheses that are part of and derive from the general hypothesis:

- The refined specific criteria for assessment affect the student’s grade
- The refined specific criteria for assessment affect the level of the students’ conviction that the grade reflects their knowledge
- The refined specific criteria influence criteria affect the student’s activity during the lessons

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