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# ECONOMICS

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# THE NECESSITY OF THE DEVELOPMENT OF TRAFFIC INFRASTRUCTURE FOR FURTHER DEVELOPMENT OF SPA TOURISM IN SERBIA ON THE EXAMPLE OF BUKOVIČKA SPA

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**Abstract:** *The role of transport infrastructure in the process of tourism development and the development of spa tourism in Serbia is of key importance for the further development of spa tourism in Serbia. The latest tourism trends show that people prefer to take multiple shorter trips throughout the year. Additionally, growing awareness of the importance of healthcare and relaxation as essential for a longer, higher-quality life has contributed to the global rise of spa tourism. Due to its natural and geographical characteristics, Serbia has a great potential for the development and growth of spa tourism. A large number of thermal waters, spas, villages, mountains, national parks and other natural resources make it one of the most appealing destinations for spa tourism.*

*In addition to the necessity of investment in tourist facilities, the first prerequisite for the further development of spa tourism in Serbia is investment in traffic infrastructure, especially in the vicinity of places with developed tourist potential for spa tourism. This paper highlights the example of Bukovička Spa, which has significant tourism potential that could be further enhanced through improved and better-maintained transportation infrastructure.*

*The entire transportation infrastructure in Serbia—including roads of all categories and routes forms a crucial part of the material foundation necessary for tourism development. Investing in the transport infrastructure of Bukovička Spa will enable the full utilization of its rich natural resources, favorable climate, diverse flora and fauna, strategic geographical position, as well as its cultural and historical heritage, both tangible and intangible. Moreover, improved infrastructure will enhance access, promote local gastronomy, and ultimately reduce transport costs due to the spa's advantageous location.*

**Keywords:** *traffic, traffic infrastructure, spa tourism, Bukovička spa*

## 1. INTRODUCTION

Tourism is one of the leading industries in the global market. Despite the severe crisis that affected the global economy and tourism sector, the strong desire to travel emerged as one of the key drivers behind the industry's faster-than-expected recovery. Also, changes in the needs and desires of people resulted in the changes in the forms of travel. New kinds of tourism have emerged, as a response of tourism industry to the shift in tourists' requirements and preferences. One of the most prominent changes in tourist behaviour is their tendency to travel to destinations with preserved environment and natural heritage, as well as cultural heritage and tradition and diverse and specific ethno-cultural identity. Tourist flows are increasingly shifting toward destinations that were once overlooked by mass tourism but are now gaining significance and attracting more attention. The value of spa tourism has increased because tourists recognize its exceptional merits.

The entire traffic infrastructure in Serbia, roads of all categories and routes, make up an integral element of the material basis of tourism which is vital for tourism development. Traffic infrastructure is one of the most significant aspects of a tourist destination, hence investing in its development and improvement increases domestic and foreign tourist numbers and leads to the development of all other elements of a destination.

This paper emphasizes importance of investing in the transportation infrastructure of the spa, which, in addition to its therapeutic properties, also offers several key features that make it a potentially attractive tourist destination with significant development prospects.

## 2. ATTRACTIVENESS OF BUKOVIČKA SPA AS A TOURIST DESTINATION IN SERBIA

Investing in traffic infrastructure, especially in the vicinity of destinations with developed tourist potential for spa tourism, is the first prerequisite for the further development of spa tourism in Serbia. It is important to create

a strategic development plan in order to give priority to the investment in the traffic infrastructure relevant for the developed spas with modern hotel and private accommodation capacities. In addition to improving main roads, it is essential to ensure that nearby attractions are accessible by road to enhance their visitor potential and better integrate them into the overall tourist experience.

Serbia is a country with a large number of medical spas with considerable geothermal resources. Serbia currently underutilizes many of its thermal mineral springs, making it crucial to develop them for spa tourism by incorporating them into swimming pools, baths, and therapeutic treatments. Also, geothermal water can be used for heating swimming pools, which represents an important economic and energetic opportunity for long-term development of spa tourism in Serbia.

There are 160 natural thermal springs on the territory of Serbia and Kosovo and Metohia, with water temperature of above 15°C. Geothermal water is a limited but renewable resource, with thermal properties stemming from the transfer of heat from lower layers of hot stone masses. The advantage of geothermal water lies in its local availability, low investment required for direct use, reduction in reliance on environmentally harmful imported energy sources like oil, gas, and coal, and its wide range of uses. Like any strategic resource, geothermal energy needs to be supported by the government in the form of strategy and action plans for its execution, which should encourage the use of renewable resources, mostly those available in Serbia, such as geothermal energy.<sup>1</sup>

Bukovička spa is a very attractive tourist destination. A tourist destination is a place with features well known to a sufficient number of potential visitors, which should justify its conceptualization as an entity attractive for traveling to, regardless of the attractiveness of other locations. Natural and man-made attractions, infrastructure, structure of economic activities

<sup>1</sup> Nj. Dragović, M. Vuković, N. Štrbac, Upravljanje resursima niskotemperaturnih geotermalnih voda na jugu Srbije, International May Conference on Strategic Management - IMKSM2014, 23-25. May 2014, Bor, Serbia

and local community characteristics are of great importance for a tourist destination.<sup>2</sup> Popesku<sup>3</sup> states that there are other categorizations which comprise elements such as attractiveness (natural and social), accessibility (geographical and economic) and prerequisites for a stay (accommodation, food, entertainment). Bakić<sup>4</sup> provided the following classification of tourist destination elements:

- attractiveness – includes a mixture of various elements of natural attractiveness (climate, flora, fauna, geographical location) and socio-cultural attractiveness (cultural heritage, anthropogenic factors such as folklore, melos, gastronomy);
- accessibility – includes geographic and economic distance. The former implies distance/proximity to the emissive market measured by kilometres or travel time, and latter the cost of travel to the destination. Accessibility thus represents the stage of development of traffic infrastructure between the emissive market and the destination, as well as the quantity and quality of traffic in the destination;
- prerequisites for a stay – all elements that include tourist supply and are not above mentioned (accommodation, food, entertainment, recreation).

Bukovička spa, according to these classifications, belongs to the category of exceptionally attractive tourist destinations with various elements of natural and cultural attractions. Accessibility in terms of geographical and economic distance is exceptional, as it is located near big cities and the airport. However, the overall development of transportation infrastructure remains at an unsatisfactory level. For this reason, the paper emphasizes the urgent need for its improvement in order to enhance this crucial component of the spa's appeal as a tourist destination. Other conditions for a stay are good, but with the improvement of the quality of traffic infrastructure and the arrival of a

larger number of tourists, they can be additionally enhanced.

In addition, Bukovička Spa offers a variety of both natural and man-made attractions, along with other essential components of a tourist destination, including tourism products, services, and facilities designed to accommodate and attract visitors.

Understanding the essence of the concept of a tourist destination, as well as the analysis, planning, management and control of its development require a systematic and interdisciplinary approach.<sup>5</sup>

Bukovička spa is situated in Šumadija at the foot of mountain Bukulja, in the town of Arandelovac. On the slopes of Bukulja there are two lakes: Garaško Lake and Bukuljsko Lake (Red pond). The town of Arandelovac, home to Bukovička Spa, is located in the heart of Šumadija, in central Serbia. It ranks as the third-largest town in the region and is situated at the source of the Kubršnica River. Arandelovac has a population of 46,225 residents.

Bukovička spa, apart from its medical properties, can boast other attractions in the vicinity, which is an important precondition that can attract a large number of domestic and foreign tourists. Bukovička Spa boasts an exceptional location and outstanding natural features that are highly appealing to tourists. It is surrounded by numerous sites with significant tourist potential. Situated in the very center of the town of Arandelovac, Bukovička Spa is just 76 kilometers from Belgrade. After World War Two, mineral water from Bukovačka spa has been exploited. The greatest concentration of mineral water is found in the Bukulja Mountain massif, particularly in its higher elevations. There are various accommodation options in the spa, with over 200 accommodation units which can accommodate 700 guests. Hotel Izvor, located within the Bukovička Spa complex, offers a wide range of accommodations, including single rooms, double rooms, superior rooms, and private apartments. It also features a congress center

<sup>2</sup> Mathieson Alister, Wall Geoffrey (1990): *Tourism: Economic, Physical and Social Impact*, Longman, Harlow, 12.

<sup>3</sup> Popesku J., *Menadžment turističke destinacije*, Univerzitet Singidunum, Beograd 2011, p 34, 35

<sup>4</sup> Bakić, O., (2009), 21, p 117

<sup>5</sup> P. Ubavić, (2016), *Pozicioniranje Srbije kao turističke destinacije na međunarodnom turističkom tržištu*, Megatrend revija - Megatrend Review, Vol. 13, № 2, 2016: 97-118.



with five conference halls capable of hosting up to 820 guests. The spa continues to enhance its offerings by introducing new programs such as spa and wellness treatments, a waterpark, and various animation and entertainment programs for visitors (gymnastics, hiking, jogging paths, bowling, table tennis, billiards, tennis, cycling, horseback riding, babysitting). In addition, it offers particular specific services such as rental of sports facilities (sports grounds, bowling alleys, saunas) and tours of cultural heritage sites.

Bukovička spa became one of the best spa centres in 1870s during the reign of Prince Mihajlo Obrenović. It was renowned as the best Serbian spa until World War One. The oldest preserved building, which belongs to Serbian Romanticism, dates back to 1865 and served as the summer residence of the Obrenović dynasty rulers and as the parliament building.

Bukovička spa has a park in its very center, which is a green oasis of 22 hectares, with a variety of rare flowers and trees. This park represents an important cultural heritage site. Since 1966 the park has been a home to the largest outdoor collection of stone sculptures which can be compared to a few famous parks of sculptures in the world. The symposium „White Venčac“ has been categorized as one of the most important attractions in the area of visual arts in the world according to UNESCO. Since 1974, an international festival „The World of Ceramics“ has been held in the spa. It is widely known and gathers a great number of domestic and international ceramic artists.

The vicinity of Bukovička Spa is rich in natural and cultural heritage sites such as Risovača cave, The National Museum in Arandelovac, Orašac, Oplenac, mountain Bukulja, Garaši Lake.

In immediate surroundings of the spa there is Risovača cave, a significant archeological, paleontological, natural and cultural heritage site under state protection, categorized as exceptionally significant monument of nature. It has been open for visitors since 1987. Risovača cave boasts fossil remains of numerous animals from Ice Age, tools made of stone or bones dating back to Paleolithic, a cave system which

is 187.5 m long and takes up the space of 703 m<sup>2</sup>. The cave can be reached by a major road. Today, Risovača Cave features all the elements of a modern visitor attraction and welcomes thousands of domestic and international visitors each year.

The National Museum in Arandelovac is a notable tourist attraction, featuring a permanent exhibition that showcases the history of the town and its surroundings, spanning from the Stone Age to the 20th century. The museum houses numerous artefacts from the fields of paleontology, archaeology, ethnology, history and history of art, as well as other remains of material and cultural heritage.

Close to Bukovička Spa lies the village of Orašac, the site of the First Serbian Uprising and proclamation of Karađorđe Petrović Grand Vožd of Serbia. The monumental complex in Orašac consists of a church dedicated to Ascension, with exceptional artistic value, a historical school and fountain as well as a museum and sculpture of Karađorđe. It is located 6km from the spa by regional road.

One of the tourist attractions near the spa is also Oplenac, with St George's church adorned by valuable mosaics of Serbian saints and rulers, as well as Royal winery.

Mountain Bukulja, rising above the spa, is 696 m tall and contains a visitor look-out at 660 m. It stands 19 meters tall, featuring 4 terraces and 2 landings. However, tourists must navigate a narrow, winding mountain road to reach the lookout.

Garaši Lake, 6 km far from the spa, is a beautiful accumulation lake, suitable for fishing, with futsal and beach volleyball facilities, swimming pool and restaurant. It can be reached by asphalt road.

In the vicinity, there is Topola, a town 14km far from the spa which can be reached by 20-minute drive by R – 215a. In Topola there is a permanent exhibition of Vožd's personal belongings and authentic weapons from the First Serbian Uprising, Karađorđe's cannon named „aberdar“ and Karađorđe's church dedicated to Virgin Mary, built between 1811-1813.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- natural properties of Bukovička spa (fresh air, curative thermo-mineral water, pleasant climate);</li> <li>- vicinity of natural and cultural heritage sites such as Oplenac, Orašac and Risovačka cave;</li> <li>- hospitality of local people;</li> <li>- good geo-strategic location and road infrastructure with good bus connection (the distance from Belgrade is 75km)</li> <li>- sports facilities</li> <li>- professional top management</li> <li>- educated hotel staff</li> <li>- wellness, fitness and spa programs</li> </ul>	<ul style="list-style-type: none"> <li>- limited presence in the media</li> <li>- poor tourist signage to the spa and hotel</li> <li>- lack of alternative means of travel (air travel, railway, boat)</li> <li>- insufficient education and skills of the staff who retained from the pre-privatization period</li> <li>- insufficient occupancy rate</li> <li>- lack of other tourist activities (fishing, hunting)</li> <li>- insufficient finances for marketing, especially abroad</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- opening of our country to Europe;</li> <li>- stimulation of tourism on macro-economic level;</li> <li>- building new highways and major roads;</li> <li>- increased mobility of tourists;</li> <li>- newest trends in tourism (more frequent, short vacations);</li> <li>- the increase of one-day excursions</li> <li>- influence of Internet and e- marketing on sales</li> <li>- improvement of employees' skills and education (especially the staff retained over during privatization)</li> </ul>	<ul style="list-style-type: none"> <li>- strong competition in tourism;</li> <li>- Serbia is not an internationally recognized renowned tourist destination;</li> <li>- lack of vision of "Serbia as a tourist destination"</li> <li>- unstable political and economic situation</li> <li>- low disposable income of local people</li> <li>- lack of organization and control in the construction of private accommodation capacities (cottages, private apartments)</li> <li>- investment in other parts of Šumadija</li> </ul>

Figure 1: SWOT analysis of Bukovička spa

Source: Riznić D.T., Cvijanović J., Vojnović B., Usklađivanje marketing strategije turističke destinacije sa promenama u okruženju – Studija slučaja Bukovičke banje, Marketing, 2014, vol. 45, no. 4, p. 319-327.

In addition to the tourist attractions mentioned above, there are several monasteries near Bukovička Spa.

The analysis reveals that Bukovička Spa has significant unused potential. Investing in transportation infrastructure would greatly boost tourism development, while an increase in both domestic and foreign visitors would drive the expansion of hospitality facilities at the spa and stimulate overall economic growth in the region.

The above-mentioned SWOT analysis ensures better understanding of the opportunities and directions for further development, which is of paramount importance for the destination and its traffic infrastructure.

Bukovička Spa is an outstanding tourist destination, offering rich natural heritage alongside modern accommodation facilities. Its favorable geographical location ensures excellent connectivity with major cities, roads, and airports across Serbia. It also boasts historical sites related to two royal dynasties, gastronomy, sport facilities. However, the appeal of the spa and its

surroundings is diminished by the lack of essential infrastructure needed to elevate tourism to the next level—such as rest areas, well-maintained roads, cycling paths, parking facilities, sports grounds, beaches, restaurants, and cafes.

Further investment in transportation infrastructure will stimulate tourism growth both in the spa and the surrounding region. Such investment is essential, as it improves the overall tourist experience and increases tourism revenue for the destination.

### 3. TOURISM IN BUKOVIČKA SPA

Bukovička Spa holds significant potential for tourism development. In addition to its natural heritage, it offers various types of accommodation, including hotels, private lodgings, and rural households. The spa is also rich in cultural heritage and historical landmarks, further enhancing its appeal to visitors. The municipality of Aranđelovac, the town in which the spa is situated, has a Tourist Organisation which is in charge of enhancing and promoting tourism in

the municipality, encouraging programs of traffic infrastructure development and landscaping, coordinating activities and cooperation between business entities in tourism, organization of promotional activities.

Accommodation capacities of the spa are varied. Firstly, there is the Special Hospital for Rehabilitation 'Bukovička Banja', which utilizes advanced therapy methods, making use of the area's exceptional curative mineral water, healing clay, and favorable climate. The hospital also features a recreational wing offering standard hydrotherapy treatments, a swimming pool with jacuzzi and underwater massage, sauna, hydrokinetic showers, shower massage, mud baths and fitness center, which are very attractive for relaxation and entertainment of tourists.

Additionally, the luxurious Hotel 'Izvor' serves as a congress, spa, and wellness resort. It comprises over 32 000 m<sup>2</sup>, with beautiful architecture and high standard of service. It is an important resort as it can receive a large number of tourists and enhances the development of tourism in the spa. The hotel has wellness center with ten swimming pools comprising 1000m<sup>2</sup> with natural, healing mineral water, filtered by cutting-edge technology. There is also a water park with 3 swimming pools, 12 slides for adults, 3 slides for children and an abundance of attractions. The hotel's conference center features six fully equipped conference halls with a total seating capacity of up to 820 participants.

There are also several other hotels in the spa area that can accommodate tourists. One notable example is Hotel 'Šumadija', built in 1939, which was once considered one of the most well-appointed hotels in former Yugoslavia. Today it is protected as a cultural monument, and situated in the park of Bukovička spa. It has restaurants and 150 beds in 65 rooms and 8 suites, where 30 rooms and suites have been renovated. In the spa there is also hotel 'Staro zdanje', which is a palace and marvelous hotel. It used to be the summer residence of Obrenović dynasty and is under state protection as a cultural heritage site. It has been privatized and is awaiting renovation which is a great opportunity for the increase in tourist numbers in the spa.

One of the larger hotels in the spa is Hotel 'Kruna', opened in 2008, offering 30 beds across 12 rooms and featuring a restaurant with a seating capacity of 600 guests. In addition, the area is home to several smaller hotels, motels, and private apartments. There are also three ethno-style apartments located on Mount Bukulja.

Another important hotel in the spa is the children's resort 'Bukulja', situated at an elevation of 270 meters. Renovated in 2008, it features three pavilions with 34 rooms and a total of 150 beds, along with sports grounds and playgrounds set within a well-maintained courtyard.

**Table 1: Turizm turnover in Bukovička spa in 2023**

Bukovička spa	Visits		Overnight stays	
	2023	Index 2023-2022	2023	Index 2023-2022
Total number of tourists	<b>33,279</b>	<b>125.5</b>	<b>91,520</b>	<b>147.5</b>
Domestic	27,356	127.3	75,380	161.1
Foreign	5,923	118.0	16,140	105.9

Source: Statistical Office of the Republic of Serbia

In 2023 in Bukovička spa, a total of 33,279 tourists visited the spa, while 91,520 stayed overnight. Compared to 2022, the total visitor number rose by 25%, and the number of overnight stays increased by 47%. Most of the tourists are domestic, with 27,3% more visits compared to the previous year, with 61.1% increase in overnight stays compared to the previous year. The number of foreign tourists is still not at a satisfactory level, with 5,923 visits and 16,140 overnight stays.

One of the main goals of a country is the development of traffic infrastructure in attractive tourist destinations, especially if it aims at the increase of visitor numbers and overnight stays. Also, extending and enriching tourism supply, introducing new activities and facilities as well as enhancing the quality of service, especially in already established destinations is equally important.<sup>6</sup> It should be mentioned that the development of a tourist destination

<sup>6</sup> Čerović, S., Barjaktarović, D., Knežević, M., (2015), Podrška razvoju turizma kao faktor konkurentnosti Srbije kao turističke destinacije, SITCON 2015, 1-8.



requires strategic planning. The development of a tourist destination requires an interdisciplinary approach. In addition to fundamental factors such as location and local population, it also depends on elements like transportation, infrastructure, and suprastructure—essentially, the entire tourism economy.<sup>7</sup>

#### 4. TRAFFIC INFRASTRUCTURE IN BUKOVIČKA SPA

One of the crucial prerequisites for the development of a tourist destination as well as tourism and economy in general is the development of traffic infrastructure and well-organized transport.<sup>8</sup>

Exceptionally favourable geographical location of the spa near the capital city represents an extraordinary opportunity for this spa, hence investment in traffic infrastructure and connection to other means of transport is a key factor for the further development of the spa and its surroundings, as well as other tourist attractions in the vicinity.

The traffic infrastructure in Aranđelovac improved between the two world wars with the

<sup>7</sup> Vujović, S., Cvijanović, D., Štetić, S., (2012), *Destinacijski koncept razvoja turizma*, monografija, Institut za ekonomiku poljoprivrede Beograd, str.113.

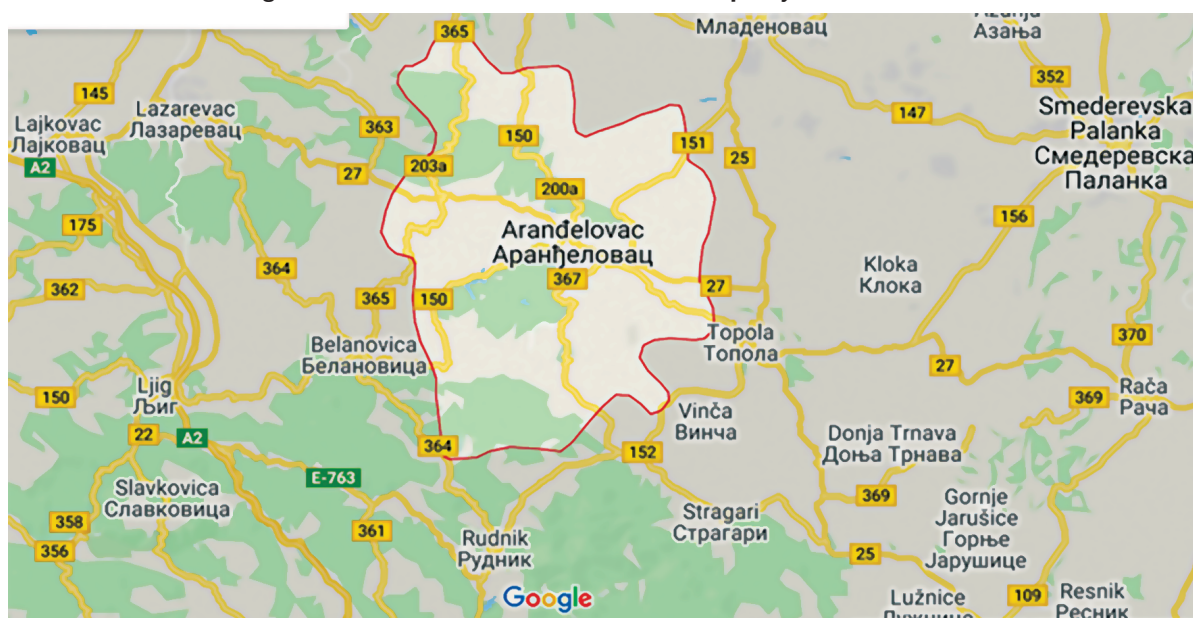
<sup>8</sup> Stanković, S. (2008), *Turistička geografija*. Beograd: Zavod za udžbenike.

construction of the asphalt road connecting Belgrade, Mladenovac, Topola, and Kragujevac, alongside existing secondary cobblestone roads. In 1904 a narrow-gauge railway was built to connect the towns Mladenovac-Aranđelovac-Lazarevac. The railway is not in use nowadays.

The town of Aranđelovac is located between two major roads: the Ibarska magistrala (Ibar Highway) and the Belgrade–Kragujevac M23 road. There is a highway M14 passing through the municipality which connects Western and Eastern Serbia (Zvornik – Loznica– Valjevo – Aranđelovac–Bor). The highway M14 passes through the center of Aranđelovac, and overlaps with central town streets which leads to traffic congestion, noise, air pollution, issues with parking and pedestrian safety.

Aranđelovac, i.e. Bukovička spa can be reached by road, i.e. by bus or by car. The distance from major cities is as follows: Belgrade 74 km, Kragujevac 55 km, Lazarevac 33 km, Mladenovac 22 km, Topola 14 km. Highway M-4, connecting Ibarska magistrala (Ibar highway) and motorway E-75, in east-west direction, passes through this area. Bukovička spa has an exceptional location as it is situated only one-hour drive from Belgrade and it is close to all major traffic routes in Serbia. Also, the vicinity of two biggest airports is equally important.

Figure 2: Traffic infrastructure in the municipality of Aranđelovac



Source: <https://www.google.com/maps/place/Op%C5%A1tina+Aran%C4%91elovac/>



It is located 80 km from Belgrade's Nikola Tesla Airport, a drive of approximately 1 hour and 15 minutes, and 187 km from Niš's Constantine the Great Airport (Car Konstantin), which takes about 2 hours and 30 minutes by car.

Tourists can arrive in the spa by car, or using regular coaches from most towns in Serbia.

The most important routes in the municipality are as follows:

- Road R-202 (Mladenovac-Arandelovac- Belanovica)
- Road R-215 (Arandelovac - Rudnik)
- Road R-215a (Topola-Arandelovac-Vrh Bukulje)
- Road R-200a (Kosmaj- Arandelovac).

Bukovička spa, i.e. the town of Arandelovac is connected to Belgrade via four roads:

- Partizani – Vreoci – Stepojevac (road M-14 to Kruševica, then road R-201 to Stepojevac) – length 83 km
- Orašac- Markovac- Mladenovac – Ralja (road R-202 to Mladenovac, then road R-200 to Ralja) – length 77km
- The same direction by another road (first by the road M-14 to Krčevac, which joins road M-23 to Mladenovac, and continues to the above-mentioned road) – length 83 km
- Orašac –Mladenovac-Mali Požarevac-Vrčin (at Mali Požarevac it joins motorway E-75) – length 84 km.

Bukovička spa is 49 km far from another regional hub, Kragujevac, connected by road M-23 (Beograd - Kragujevac). The town of Lazarevac is 31 km far from the spa connected by road M-4 via Partizani and Kruševica. The same road leads to Valjevo, which is situated 66 km from the spa.

The town of Arandelovac is connected by the following key roads:

- Exit to motorway E-75 at Mali Požarevac
- Highway M-4 at Markovac
- Highway M-23 (Beograd - Kragujevac)
- Ibarska magistrala (Ibar highway) M-22 via road M-4 (at Lazarevac), via road R-201 (at Stepojevac) and via road R-202 (at Ljig).

Bukovička spa has developed all forms of public transport: innercity, suburban (11 lines) and intercity – to Belgrade, Kragujevac, Lazarevac and other towns.

Bukovička spa is connected to other tourist destinations in the surroundings via following roads:

- Municipality of Topola – road R – 215a
- Vrujci spa– road R-202
- Mountain Rudnik – road R-215
- Smederevo – road R-202
- Knjaževac – road E-75 then R-121
- Additionally, the spa is well connected to Serbia's wine routes.

The spa is well connected to key administrative, economic, and tourism centers in Serbia; however, further improvements to the transportation infrastructure are needed to enhance access and facilitate travel to the spa.

Besides the development and improvement of roads and traffic in order to reach the destination faster and in a safer way, it is equally necessary to work on traffic infrastructure within the spa. Namely, it is vital to develop other elements of traffic and transportation aimed at tourists such as cable car railways, gondolas, parking lots, tourist trails within the spa, in addition to those leading to other tourist attractions in the surroundings.

Also, better access and easier arrival of tourists in the spa and at the attractions in the surrounding area is very important for the further development of tourism, as well as the the construction of recreation facilities, the lay-out of the beaches at the lake, the construction of swimming pools, water parks, sports grounds, mini golf courses and other entertainment venues. The other elements of traffic structure targeted at tourists within the spa and in its vicinity are cycling paths, trim trails, swimming and picnic sites, certified beaches.

The quality of tourism supply greatly depends on quality and development of traffic, hence it is important to improve it through defining and realization of infrastructure programs and projects, which should aim at

improving air travel and roads leading from airports to tourist destination.<sup>9</sup>

The major significance of traffic is in the increase of population mobility, but in case of local people and tourists, the increase of the standard of living, arrival and departure of tourists by well-organized traffic infrastructure and the good lay-out of the tourist destination area.

A major challenge for Bukovička Spa as a tourist destination is its traffic and transportation infrastructure. Key issues include narrow streets, a lack of sidewalks, and heavy traffic congestion in the city center.

The total length of roads in the municipality of Arandelovac is 287 km (231 km of modern roads), out of which highways take up 31 km (31 km of modern roads), regional roads 106 km (106 km of modern roads), and local roads 150 km (94 km of modern roads).<sup>10</sup>

A significant drawback of the spa is that it is currently accessible only by road. To improve connectivity, it is essential to introduce or establish links with other modes of transport beyond private cars and buses. Strengthening connections with nearby airports and ensuring the development of faster and more efficient roadways are crucial steps for enhancing accessibility to the spa.

Investment in the development of traffic infrastructure in Bukovička spa will facilitate the arrival of domestic and foreign tourists in the destination along with the development and better exploitation of potentials and tourist attractions within the destination and the surrounding area. Development of tourism will ensure the development of tourism supply in the destination.

## 5. CONCLUSION

An analysis of the existing traffic infrastructure in the spa area—including the condition of roads, their presence, and the network

connecting the spa with nearby attractions—along with an assessment of the surrounding tourist sites and the potential for both domestic and inbound tourism, leads to the conclusion that comprehensive planning and investment in transportation infrastructure and road networks could significantly boost tourism development in the spa. Furthermore, the analysis of tourism resources and attractions, along with the current quality and potential of tourism services, indicates that there is a strong foundation for the continued development of tourism in Bukovička Spa and the municipality of Arandelovac. Therefore, investing in transportation infrastructure is of vital importance and represents a profitable long-term investment.

In addition to the many factors positively influencing the development of this tourist destination, there are also limiting challenges, including issues with traffic and transportation infrastructure, insufficient accommodation capacity, and a lack of proper care and maintenance investment for the attractions.

Bukovička spa has a great potential for tourism development, primarily because of its proximity to the capital and its natural resources, but its development is hindered by insufficient maintenance of roads and underdeveloped traffic infrastructure systems. Due to the necessity of the development of traffic and traffic infrastructure in order to develop tourism destination and tourism in the destination, it is important to ensure detailed planning and construction of the above mentioned, especially in the domain of efficient connection of the spa with other places of interest for tourists. Besides, it is important to plan the connection of local roads in the spa with regional and national roads in Serbia.

It is essential to point out the urgency of strategic planning and investment in traffic infrastructure of Bukovička spa in order to increase the accessibility of this tourist destination to domestic and foreign tourists as well as to improve the overall economy in the municipality of Arandelovac. The influx of a larger number of tourists will activate a number

<sup>9</sup> Tornjanski, A., (2023), Menadžment saobraćaja u turizmu – značaj saobraćajne infrastrukture za razvoj turističkih destinacija u Srbiji na primeru grada Kraljeva i Zlatiborskog okruga, *Turističko poslovanje*, no 31, p.19-31

<sup>10</sup> Opštine u Srbiji 2011, Republički zavod za statistiku, Beograd 2011. str. 259

of tourism resources, attractions and cultural identity of the destination.

It is essential to improve the factors that determine the spa's attractiveness, enhance its accessibility—since it is currently reachable

only by road—and advance the development of transportation infrastructure and facilities that support visitors' stays. Additionally, better utilization of the spa's potential as a tourist destination is needed.

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## NEOPHODNOST RAZVOJA SAOBRAĆAJNE INFRASTRUKTURE ZA DALJI RAZVOJ BANJSKOG TURIZMA U SRBIJI NA PRIMERU BUKOVIČKE BANJE

**Rezime:** Značaj i uloga saobraćajne infrastrukture u procesu razvoja turizma i razvoj banjskog turizma u Srbiji je od ključnog značaja za dalji razvoj banjskog turizma u Srbiji. Najnoviji trendovi u turizmu ukazuju da ljudi žele da putuju više puta u toku godine na kraća putovanja. Pored toga, povećanje znanja ljudi o neophodnosti brige o zdravlju i relaksirajućim i opuštajućim trenutima kao preduslov za duži i kvalitetniji život doveo je do razvoja spa turizma u svetu. Srbija svojim prirodnim i geografskim karaktistikama ima ogroman potencijal za razvoj i rast banjskog turizma. Veliki broj termalnih voda, banja, sela, planina, nacionalnih parkova i drugih prirodnih bogastava svrstavaju Srbiju u jednu od izuzetno atraktivnih destinacija za banjski turizam. Pored neophodnosti ulaganja u turističke objekte, prvi preduslov za dalji razvoj banjskog turizma u Srbiji je ulaganje u saobraćajnu infrastrukturu, posebno u blizini mesta koje su sa razvijenim turističkim potencijalom za banjski turizam. U ovom radu na to je ukazano na primeru Bukovičke banje koja svojim izuzetnim turističkim potencijalima može unaprediti svoj turizam, zahvaljujući saobraćajnoj infrastrukturi koja mora biti razvijenija i bolje održavana. Kompletna saobraćajna infrastruktura u Srbiji, saobraćajnice svih nivoa i svih pravaca, čini integrativni element materijalne osnove turizma bez kojeg nije moguće razvijati turizam. Ulaganje u saobraćajnu infrastrukturu Bukovičke banje dovešće do iskorišćenja njenog velikog prirodnog potencijala, klime, flore, faune, geografskog položaja, kulturno-istorijskog nasleđa, materijalne i nematerijalne kulture, gastronomije i na kraju nižih transportnih troškova do banje usled dobrog geografskog položaja.

**Ključne reči:** saobraćaj, saobraćajna infrastruktura, banjski turizam, Bukovička banja

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## APPLICATION OF BUSINESS INTELIGENCE IN BUSINESS ANALYSIS

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**Abstract:** Modern business increasingly relies on the application of information technologies. Business intelligence should be a part of the organization's information system, with the role to facilitate and improve the organization's management. Business intelligence is an area of information technology, which aims to achieve high-quality decisions in order to fulfill company's strategic goals. It includes different types of technology and approaches involved in the field of IT, management, statistics, and mathematics.

Business intelligence, together with knowledge management, forms new system concepts of collecting, organizing, storing, and exchanging knowledge in order to achieve the goals in given business system. Business intelligence systems are tools that help managers organize and make decisions from their data. Effective Business Intelligence systems strive for efficient collection, formatting of information and use in an optimal way for communication with different interested parties.

Many software packages and applications have been created in this way. One of them, power BI (Business Intelligence) is a tool developed by Microsoft that enables data visualization and analysis to help users make informed business decisions. It enables creation of personalized Dashboards, interactive reports, visualizations, and geo-maps, whereby data can be combined from almost any application or data source, regardless of whether the data is in the cloud or locally.

**Keywords:** modern business, business intelligence, business management

### 1. DEVELOPMENT OF BI

In every business system, various business data are acquired and collected, both about its internal operations and about integration with the environment. It is quite certain that the successful development of the observed company will be safer and easier if the collected data are processed in time and turned into useful information, which can serve as guidelines for the

future period of development. This makes the observed business system more flexible to both internal and external changes. Modern business requires the application of information technologies. Business intelligence is part of the organization's information system, which has a role to facilitate and improve the organization's management. Business intelligence is a field in the field of information technology,



which aims to achieve high-quality decisions to achieve the company's strategic goals. It is a very complex field that includes different types of technology and approaches in the field of information technology, management, statistics, and mathematics.

Knowledge management and business intelligence are new concepts of systematic collection, organization, storage and sharing of knowledge for the purpose of achieving goals in the business system. Knowledge management deals with the processes of creating or recognizing knowledge, its collection and application for the purpose of achieving the ultimate goals of the business system, finding the best ways to maintain, adapt and compete with the business system in conditions of constant change. Business intelligence considers ways of interaction between people and ways of spreading knowledge in the pursuit of developing an efficient organization. It develops the mentality of exchanging and sharing knowledge and opens new channels for the flow of knowledge. Now there is more and more talk about knowledge workers, knowledge managers, knowledge society, digital economy, etc. Knowledge management and business intelligence refer to processes that help business systems to adapt, adapt and efficiently survive changes in the environment.

Business intelligence tools can be integrated into an operational process or monitor the results of a process or series of processes. The main role of business intelligence is to provide information about the achievement of corporate goals, thereby enabling managers to analyze performance gaps and improve their understanding of organizational outcomes. According to performance gaps, managers can take corrective actions. They could update related goals or take specific steps to improve the process to better achieve goals. Business intelligence can be integrated in some situations into a process to automate certain types of decisions, or it can be used in other situations to provide the necessary information to monitor process results. [1]

Business Intelligence (BI) is the use of the collective knowledge of an organization, with the aim of achieving competitive advantages. Business intelligence is one of the business reporting techniques, which enables finding the information needed for easier and more accurate business decision-making. Business intelligence includes processes, technologies and tools that help us transform data into information, information into knowledge and knowledge into plans for managing the organization. The term business intelligence can also refer to the ability to understand and quickly navigate a company in new business conditions. [2]

Business intelligence unites methodologies, technologies, and platforms for data storage (Data Warehousing), network analytical data processing (OLAP Online Analytical Processing) and data mining (Data Mining) that enable business organizations creation of useful management information from business data that is dispersed on different transaction systems and comes from different internal and external sources.

Power BI is emerging as the most competitive tool due to its data integration and decision-making capabilities. It is a Microsoft product that is well integrated with Microsoft applications and platforms and has advanced support for creating analyses. It is popular for its ease of use, rich data visualization capabilities, support for real-time analytics, and accessibility through different subscription levels.

## 2. THE ROLE OF BI

The role of business intelligence in business analysis is to provide organizations with a systematic and comprehensive understanding of their data, in order to make decisions aimed at achieving operational goals and long-term success.

Business intelligence, together with knowledge management, forms new concepts of the system of collecting, organizing, storing and exchanging knowledge in order to achieve the goals of the business system. Business intelligence systems are presented in various sources as tools that help managers organize and make

decisions from their data. Effective Business Intelligence systems strive for efficient collection, formatting of information and use in an optimal way for communicating with different interested parties. Many software packages and applications have been created in this way.

Business analysis requires detailed insight into various aspects of the organization, and business intelligence provides the ability to integrate data from various sources. Data integration enables a holistic view of the business. Through advanced analytical techniques, business intelligence enables organizations to conduct in-depth data analysis. This includes statistical analyses, causality analyses, and predictive analyses. Business intelligence enables the visualization of complex data. Integrating business analysis with data visualization makes it easier to identify key trends, strengths and weaknesses of an organization. Business intelligence tools allow organizations to create different reports according to the needs of different levels of management. These reports provide an overview of key information and enable business decisions to be made.

In the English language, the word intelligence has two meanings:

1. the ability to learn, understand, think logically, the ability to do these things well;
2. secret information collected about a foreign country, especially a hostile one, by the person who collects that information.

The basis for understanding the concept of BI are three principles:

- ethical and adequate processing become knowledge;
- an information-oriented process on the basis of which future events are planned; and
- an instrument that has a complete role in the decision-making process.

Business data originates from a wide variety of diverse sources, so it follows that business intelligence—being the insights drawn from that data—is not a uniform category. Instead, it consists of distinct subsets, subtypes, or components of intelligence that collectively

form what we refer to as business intelligence. Starting from the fact that the business data that companies routinely collect while performing their business activities is heterogeneous, in the first step we can see that there are two major sources of such data, namely:

- External data sources: data comes from the company's environment, that is, from the markets in which it operates.
- Internal data sources: data is created by the implementation of business processes within the company itself.

Based on the above mentioned, it is possible to distinguish two basic subtypes of business intelligence:

- market intelligence, and
- internal intelligence of the company.

The BI system was originally intended for decision makers, i.e. people who make business decisions. In modern companies, decisions are made by everyone. Not everyone has to decide, but everyone can propose. This is not a return to self-management, but an opportunity for everyone who can contribute to preserving the vitality of the company. Information and knowledge are necessary for everyone to have literary intelligence as information technology that can adequately respond to the challenges of the decision-making process in modern business. Business intelligence systems are also defined as an infrastructure consisting of methods, software tools and applications for efficiently obtaining the necessary information from a large amount of data from various databases. <sup>1</sup>

Modern business is influenced by rapid changes and constant improvement of technology. The most pronounced changes and progress are in the information technology sector. Modern business takes place under the conditions imposed by globalization, internationalization of business, integration of countries on the economic, political and cultural levels, which all require constant monitoring of changes in the business environment and adaptation to the specific conditions of each

market. In order to survive in the market or perhaps take the role of a leader, companies must have the potential for change. A company or organization must keep up with the demands of the market, but also have capable professional management that can understand and predict the future with an idea that can make a breakthrough in the market. Today's managers must accept change as a challenge, not a risk, and must be flexible in their plans and decisions. Proper innovation management is necessary for any business system, especially if it wants to be successful and competitive, and intends to survive in the market in the long term.

Project management best practices are critical to running an efficient and effective multiple listing service. Recognizing that every organization is structured differently, with diverse staff and capabilities, managers will need to establish a benchmark that fits their structure. What is important to remember is that this is a key principle of successful project management, which requires proper planning, communication and execution. Thinking through a project plan in anticipation of a product launch is an imperative basis for setting expectations around product or service delivery. When organizations fail to set the right expectations, even projects that require only months to complete, the burden will begin to feel stretched and strained at best.

### 3. AI

In today's digital age, artificial intelligence (AI) is reshaping our world in fascinating ways. From personalized social media recommendations to autonomous vehicles and medical diagnoses, AI has become an undisputed force shaping our lives. And while it may seem like the domain of experts, it's never been easier to dive into the world of AI and create a solid foundation for understanding this exciting field.

At the beginning, what it is that one can say about application of artificial intelligence is the possibility of automating administrative tasks in HR. Every task is necessary and equally

important when it comes to talent, but the pandemic has taught us that we have to deal with them more. The next step is the application of artificial intelligence in order to provide the best possible experience to employees during the employee lifecycle.

Artificial Intelligence (AI), Machine Learning (ML), and Deep Learning (DL) have revolutionized the field of advanced robotics in recent years. AI, ML, and DL are transforming the field of advanced robotics, making robots more intelligent, efficient, and adaptable to complex tasks and environments. Some of the applications of AI, ML, and DL in advanced robotics include autonomous navigation, object recognition and manipulation, natural language processing, and predictive maintenance. These technologies are also being used in the development of collaborative robots (cobots) that can work alongside humans and adapt to changing environments and tasks. The AI, ML, and DL can be used in advanced transportation systems in order to provide safety, efficiency, and convenience to the passengers and transportation companies.

Although AI may have downsides compared to humans, there are several non-trivial reasons why firms may want to use AI in their innovation processes. Among the factors exogenous to the innovation process is the fact that innovation managers are increasingly facing highly volatile and changing environments, ever more competitive global markets, rival technologies, and dramatically changing political landscapes. Automation will not only render some jobs redundant, but it will also yield performance benefits in many industries. AI has already attracted billions of dollars in investment. Machine learning received the most investment, although boundaries between technologies are not clear-cut.

Many research findings indicate that the automation will have significant impact on exploitation side of the ambidextrous structure, primarily through cost-cutting caused by the elimination of certain functions in the organisations (i.e. administration, accounting, manufacturing), while on the exploration side,



artificial intelligence in the form of software and based on big data will enable creation of disruptive innovations based on insights that the human mind is unable to comprehend. [3]

#### 4. BI TOOLS IN BUSINESS ANALYSIS

Business intelligence tools can be integrated into an operational process or monitor the results of a process or series of processes. The main role of business intelligence is to provide information about the achievement of corporate goals, thereby enabling managers to analyze performance gaps and improve their understanding of organizational outcomes. According to performance gaps, managers can take corrective actions. They could update related goals or take specific steps to improve the process to better achieve the goal. Business intelligence can be integrated in some situations into a process to automate certain types of decisions, or it can be used in other situations to provide the necessary information to monitor process results.

There are a number of business intelligence (BI) tools used in business analysis, and the choice depends on the specific needs of the organization, the type of data being analyzed, and user preferences. Popular business intelligence tools are the following:

1. Power BI, which was developed by Microsoft, and allows users to connect, analyze and visualize data from different sources. It offers a wide range of visualizations and functionalities for data analysis.
2. Tableau is a powerful data visualization tool that allows users to create interactive and dynamic reports. It provides the ability to connect to different data sources. Tableau leads the data visualization software industry. The company invests heavily in advanced data aggregation capabilities as well as clustering, segmentation and other powerful analytical functions. The user interface also allows users to quickly and easily create custom dashboards to gain insight into a wide range of business information.

3. QlikView/Qlik Sense is a self-service tool within the Qlik platform. It allows users to explore data, create visualizations and share reports. QlikView is an older version, but is still used in some organizations.
4. Looker is a cloud-based data analysis tool that provides the ability to create customizable reports. The basic feature of Looker is centralized data management.
5. SAP BusinessObjects which provides a set of tools for reporting, data analysis and business intelligence. It is used to integrate data from SAP and other sources.
6. IBM Cognos Analytics is part of the IBM product family, enabling users to explore, analyze and act on data. It provides reporting and performance monitoring functionality.
7. Sisense is a business intelligence tool that facilitates the integration of data from different sources. It offers the possibility of creating complex visualizations and reports.
8. Domo is a cloud-based business intelligence platform that enables key performance monitoring, data analysis and reporting.
9. Google Data Studio is a free tool that allows users to visualize data and create reports. Integrates with various Google products and other data sources.
10. Yellowfin BI provides reporting, data analysis and visualization tools. It allows users to track KPIs and analyze trends.

These tools cover various aspects of business analysis, including data visualization, performance analysis, KPI tracking, data integration, and other functionalities. When choosing a tool, it is important to consider the specific requirements and characteristics of the organization in order to choose the most suitable business analysis tool.

#### 5. CONCLUSION

The integration of business analysis and business intelligence represents a key synergy that enables organizations to have a deeper understanding, more efficient management



and faster business decision-making. These two areas complement each other and form a powerful alliance in modern business.

The development of business intelligence analytical tools is very important in today's world of information, which rightfully has the status of the most important business resource. The business intelligence market is expanding, and as a result, the amount of information and data utilized in daily decision-making is increasing, creating a rich opportunity for further research and development in information technologies. BI tools enable decision makers to access relevant and accurate information. This supports the process of informed decision-making, instead of making decisions

based on intuition or incomplete data. BI tools enable the monitoring of trends and behavior in business. Organizations can identify changes in the market, consumer habits, and other key factors that affect their business. BI tools help organizations identify inefficiencies in business processes. By analyzing data, it is possible to optimize operations, reduce costs and improve overall efficiency. The use of business intelligence tools in business analysis provides organizations with the opportunity to make better use of their data, achieve operational excellence, monitor changes in the business environment and achieve competitive advantages in the market.

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## PRIMENA POSLOVNE INTELEGENCIJE U POSLOVNOJ ANALIZI

**Rezime:** Savremeno poslovanje zahteva sve veću primenu informacionih tehnologija. Poslovna inteligencija treba da bude deo informacionog sistema organizacije, sa ulogom da olakša i unapredi upravljanje organizacijom. Poslovna inteligencija je oblast informacionih tehnologija, koja ima za cilj postizanje kvalitetnih odluka za ispunjavanje strateških ciljeva kompanije. Uključuje različite vrste tehnologije i pristupa u oblasti IT, menadžmenta, statistike i matematike.

Poslovna inteligencija, zajedno sa upravljanjem znanjem, stvara nove sistemske koncepte prikupljanja, organizovanja, skladištenja i razmene znanja u cilju postizanja ciljeva u datom poslovnom sistemu. Sistemi poslovne inteligencije su alati koji pomažu menadžerima da se organizuju i donose odluke na osnovu svojih podataka. Efikasni sistemi poslovne inteligencije teže efikasnom prikupljanju, formatiranju i korišćenju informacija na optimalan način za komunikaciju sa različitim zainteresovanim stranama.

Mnogi softverski paketi i aplikacije su kreirani na ovaj način. Jedan od njih, pover BI (Business Intelligence) je alatka koju je razvio Microsoft koji omogućava vizualizaciju i analizu podataka kako bi pomogao korisnicima da donose poslovne odluke na osnovu informacija. Omogućava kreiranje personalizovanih Dashboard-a, interaktivnih izveštaja, vizuelizacija i geo-mapa, pri čemu se podaci mogu kombinovati iz skoro svake aplikacije ili izvora podataka, bez obzira da li su podaci u oblaku ili lokalno.

**Glavne reči:** savremeno poslovanje, poslovna inteligencija, poslovno upravljanje



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## THE CONCEPT OF QUALITY MANAGEMENT IN PUBLIC ADMINISTRATION: EXPERIENCES FROM SERBIA AND RECOMMENDATIONS FOR LIBYA

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**Abstract:** Establishing a quality management system in public administration is expected to improve the functioning of the public sector and the efficient provision of public services to citizens. In institutionally regulated countries, public administrations are familiar with and apply the principles of quality management in their operations, especially in Western European countries with a developed tradition of administrative law. Although evidence suggests that management techniques grounded in quality management principles are essential for effective management, their implementation in the public sector of insufficiently institutionalized countries remains underdeveloped or entirely absent. This paper aims to identify the institutional mechanisms that impact the effective implementation of public policies in line with quality management principles in public administration, using Serbia's experience to draw potential lessons for Libya. Although Serbia is still in the early stages of applying quality management in public administration and lacks many institutional mechanisms necessary for its implementation, it demonstrates a distinct administrative tradition, greater organizational autonomy, and more effective public policy coordination—offering valuable lessons for the development of public administration in Libya. There are also numerous similarities between the two countries—for instance, both are facing a lack of oversight regarding the achievement of goals outlined in management strategies and the execution of action plans. Therefore, this paper provides recommendations based on the experiences of developed EU countries, which could serve to improve the public administrations of both Serbia and Libya.

**Keywords:** quality management, public administration, quality standards, knowledge management



## 1. INTRODUCTION

The modern concept of managing public administrations implies introduction and permanent implementation and improvement of the quality management system as a basic prerequisite for monitoring world trends in public administrations. Public administration bodies should work in accordance with the legitimate expectations of users of their services. This model is difficult to clearly define, both for public administration employees and for citizens; however, any failure in its functioning will be readily noticed by both groups. Good governance is a newer administrative doctrine that was developed and started to be applied in developed democracies during the nineties of the last century. A defining feature of this doctrine is its approach to state administration, which seeks to develop best practices and standards of conduct that reflect the core principles underpinning the concept of “good governance.”

The essence is that greater effectiveness and efficiency of public administration is expected, together with other elements that are key to good governance, such as a greater level of democracy in the work of political and administrative institutions, greater openness in the work of administration, as well as greater transparency in the unfolding of political and administrative processes, the important role of citizen participation in political and administrative processes, and the stronger engagement of civil society associations in the process of public management. In this context, management is expected to embrace new dimensions of leadership by establishing mechanisms for organizational learning and knowledge management. Implementing a knowledge management system represents a strategic decision made by the organization's leadership. The quality management system in public administration includes the organizational structure, procedures, processes and resources and is set up in such a way as to prevent the occurrence of non-compliance in all processes, with the simultaneous aspiration towards continuous improvement - from the recognition of user requirements and expectations, through all stages of service

realization. The aim of this paper is primarily to highlight the key aspects of modern quality management and its impact on organizations, i.e. the changes that occur through the implementation of the quality system in the public sector. In addition, the fundamental concepts behind the implementation of a quality management system in Serbia's public administration—currently undergoing sectoral reforms as part of its European Union accession process—will also be presented. Steps aimed at public administration reform include the establishment of ethical standards, prevention of corruption, use of information technology, improvement of internal control mechanisms and internal communication, as well as transparent management of human resources focused on quality. Through the research problem, we will examine the functioning of public administration in Libya with the aim of uncovering the underlying causes of its challenges. We argue that there are numerous similarities between the public administrations of Libya and Serbia, which are the focus of this study—particularly in areas such as the inadequate approach to and regulation of administrative system issues, personnel policies, public service ethics, and the organization of human resource management. By examining the broader context and existing challenges, we will seek to identify concrete measures that can support successful reforms in the implementation of quality management systems. At the very least, the goal is to highlight ways to mitigate or eliminate negative impacts, while also opening up new questions and topics for future research.

## 2. THEORETICAL BACKGROUND

Every business system must have a quality management system in place to ensure a consistent level of product or service quality and to effectively oversee and control that quality. Total quality management is a philosophy, i.e. an approach shaped by a set of tools and processes whose outputs bring consumer satisfaction and continuous improvement of product performance. In this paper, we study the application of quality management in the public sector. Numerous authors have followed the

application of techniques and tools developed in the private sector in the management of public organizations, which traditionally use management models developed in the private sector [11]. Although public and private organizations differ, employee involvement, teamwork, training needs analysis, and career management can all be applied in all organizational practices [7]. Quality management is also related to a strategic approach in managing the organization, an approach to managing changes and emergency situations, and a significant segment includes risk management procedures and documenting the most important risks [12].

The establishment of a quality management system in public administration should improve the functioning of public sectors and thus enable more efficient provision of services to citizens. "Quality public administration means achieving the most desirable results in the best possible way" [6]. Although the quality system represents a new management system in public administration, this does not mean that public administration was not oriented towards quality in the past. Quality has always been important in public administration, even if often implicitly, but its significance has evolved over time. Traditionally, scholars have identified three main phases in the development of quality management within public sector organizations [6]:

- quality in terms of compliance with norms and procedures;
- quality in terms of effectiveness, and
- quality in terms of client satisfaction.

Proponents of quality management believe that large private companies and large public institutions have the same bureaucratic problems, especially in the part related to human resource management, but many experts believe that it is not possible to implement the system that exists in the private sector in public because they operate differently [13]. When examining the implementation of quality management systems, one of the biggest challenges lies in public administration sectors that are heavily influenced by political interests. The introduction of the

quality system in various public agencies and institutions has shown that a business-oriented quality system works best in public agencies and institutions that operate under market conditions - as public enterprises.

The modernization of public administration in developed market-oriented countries has conditioned the creation of organizations with a public-private ownership structure. As a result, the lines between the public, private, and non-governmental sectors have become blurred. In other words, the public sector no longer operates as it once did.

However, as previously mentioned, the quality system works quite well in public companies, agencies and institutions with a certain market character. However, the central level of government, ministries and other sectors of public administration, with a strong focus on creating the political scene in a certain country, have difficulty accepting and implementing the quality management system and generally fail to work in line with the principles of quality management. What does not differentiate the private and public sectors is that both should aim for continuous improvement in the quality of service delivery to users, as well as the overall quality of the organization.

Quality management is precisely a systemic approach to management focused on the continuous improvement of business processes and systems, with the ultimate goal to consistently enhance value for the user and achieving the principle of excellence. The quality system and the organization's strategy and plans are inseparable components of an integrative, comprehensive, holistic approach to the organization that is oriented towards the user/customer [29]. It is necessary to constantly set new goals and gradually, over time, approach those goals. In this way, the effectiveness and efficiency of the organization, that is, the entire system, would be improved. All this constitutes a process of quality improvement in public administration. To improve the overall quality of public administrations, public sector organizations need to possess the following characteristics [29]:

- separating strategic public policy from operational management,
- focusing on the results rather than solely on processes and procedures,
- orientation towards the needs of citizens, not the interests of organizations or bureaucrats,
- active participation of citizens
- transformed managerial culture.

By accepting such a management concept, it is possible to pay sufficient attention in development strategies to each less developed or underdeveloped local community. “Thanks” to the market economy, the question of the development of a certain local community is left to the market mechanism [31]. Whether a local community will succeed in boosting its efficiency, local employment, and economic growth—more or less than other communities in the country—is a question that cannot be answered solely by government strategies, but must be addressed within the community itself. The approach to implementing a quality system varies significantly for each organization, particularly in public administration, which is marked by a wide range of unique characteristics. This is evident when comparing public administration bodies in Serbia with those in Libya, both of which are the focus of this paper.

Emphasizing the importance of the satisfaction of service users-citizens has enabled the development of a business philosophy in which all employees (administration but also public officials) and all internal business processes strive for continuous improvement as their main goal. The orientation of public administration organizations towards a quality management system resulted from the need to improve the work of administrative bodies and their employees and increase citizen satisfaction. Quality as a term in public administration indicates that it is a dynamic category that is in constant development. In this context, decision-makers in public administrations should proactively anticipate potential challenges and identify all sources of resistance within the city administration to the introduction and implementation of the TQM philosophy, approaching the process with a

clear and visionary mindset. Steps toward reforming public administration include establishing ethical standards to prevent corruption, improving internal communication, leveraging information technologies, and managing human resources transparently with a focus on work quality. It is crucial to identify organizational changes stemming from the “new” management philosophy, recognize any shifts in the organizational structure, pinpoint sources of employee resistance, and develop strategies to prevent such resistance from obstructing the implementation process [18]. For a more modern and effective municipal administration, this entails improved efficiency, accuracy, courtesy, accountability, and trust—all leading to greater benefits and satisfaction for citizens as service users. A key factor in achieving this is the introduction of standardized processes and procedures for monitoring and controlling the quality of both services and work processes. The goal of obtaining the ISO (International Organization for Standardization) certificate improving the work of public administration, and providing faster and more efficient services of public organizations as a public service for citizens. When it comes to ISO 9000 quality standards, we are essentially referring to the adaptation of existing Quality Management Systems (QMS) or Total Quality Management (TQM) to internationally recognized and widely accepted standards. ISO standards represent a codified approach to operations—written guidelines on how to perform tasks and prepare relevant documents—and, in essence, outline how public administration should function.

Standards imply unified procedures that are carried out in the municipal administration, describing the exact sequence of actions in the implementation of the procedure and individually describing each of them [19]. The quality management system in public administration includes the organizational structure, procedures, processes and resources and is set up to prevent the occurrence of non-compliance in all processes, with the simultaneous pursuit of continuous improvement - from the recognition of user requirements and expectations,



through all phases of service implementation. Internal quality checks and system reviews by management are used to monitor system performance, monitor effects, analyze conditions and identify opportunities for improvement. The documentation of the quality management system (book, procedures, instructions, records) is a support system for the implementation of processes in the municipal administration. According to its structure and scope, the documentation is adapted to the needs of the processes taking place in the municipal administration and the qualifications of the employees they use in their work. It is important to note that the introduction of TQM in local administrations often brings with it a range of additional challenges, most notably the frequent politicization of public administration operations. The establishment of new work principles is met with resistance from bureaucratic structures, often autocratic leaders who have political parties behind them, who resist any changes.

It is a very common case, especially in countries with non-democratic regimes and in transition processes, to employ people who are politically suitable, or have the support of political or other so-called “quasi elites” who resist any changes. The Total Quality Management (TQM) system in public administration organizations—just like in market-oriented organizations—requires the development of a new organizational culture in which the service user, i.e., the citizen, and their satisfaction take center stage. However, this shift is often difficult for public administration bodies to fully embrace.

### 3. RESEARCH CONTEXT

This paper focuses on identifying the institutional mechanisms that influence the effective implementation of quality management policies in public organizations. By analyzing these mechanisms, we aim to draw lessons for Libya, based on the experiences and reform processes undertaken in Serbia's public administration. Although Serbia lacks many institutional mechanisms necessary for the successful horizontal implementation of quality management systems—both at the central

level and particularly at lower levels of government—some progress has been made. This is largely due to the fact that the introduction of a quality management system is one of the requirements for EU accession and aligns with established European best practices.

With this paper, our primary goal is to present the CAF model (Common Assessment Framework), which effectively contributes to strengthening institutional excellence. By doing so, we aim to encourage researchers in Libya to explore and promote policies related to quality management in the country's public administration. In particular, the paper highlights the role of central authorities and the importance of coordinated government efforts in quality management. It emphasizes the need for appropriate institutional mechanisms to support the implementation of context-specific quality management models within Libya's public sector.

The reform of public administration in Serbia aims to create a public administration based on the principles of the European administrative space, that is, an administration that provides high quality services to citizens and the economy and positively affects the standard of living of citizens. The reform is based on the principles of decentralization, professionalization, rationalization and modernization. The support of the EU is also reflected in the improvement of institutional and personnel capacities for the implementation of the reform in the field of public policy development and public administration reform in general. The European Public Administration Network (EUPAN - European Public Administration Network) is relevant for quality management in the public administration of the countries of the European Union, which cooperates among member states to achieve quality public services and effective quality management in public administrations in Europe [9]. The main purpose of the network is to ensure cooperation between European public administration, to enable informal, flexible, transparent and consistent dialogue with the aim of making public administrations more relevant, more focused and giving clearer results [9]. The basic values that are the motto of the



EUPAN network are professionalism, cooperation, innovation, commitment, sustainability and transparency in public administration institutions. The strategy adopted in 2022 should contribute to solving common challenges for network members in order to contribute to [9]:

- “Greening” of public administrations;
- Attractiveness;

Sharing knowledge between generations/inter-generational cooperation;

- Digital transformation and its associated challenges (teleworking, right to disconnect, cybersecurity, use of artificial intelligence, interoperability of services and digital solutions, etc.);
- Trust in and resilience of public administration;
- Efficiency, effectiveness and performance measurement of public administrations.

It should also contribute to the promotion of the common values shared by the member states of the European Union and its institutions. The most relevant product of the EUPAN network is the Common Assessment Framework CAF, which represents the first European tool for quality management and which was especially designed for the public sector and developed by the public sector [4]. It is a general, simple, accessible model, easy to use and intended for all public sector organizations. It deals with all aspects of organizational excellence and strives for continuous improvement. The CAF-model has now been revised and improved in order to better respond to events and developments in public administration and society. The updated content in the CAF 2020 version primarily focuses on digitization, agility, sustainability, and diversity [4]. The goal of the CAF model is to improve performance and achieve excellence in public administrations by using quality management techniques. It provides a self-assessment framework that is similar to the TQM-Total Quality Management model, but adapted to the public sector. CAF is a quality management tool developed by public administrations and intended for public administrations. It basically aims to introduce public administrations

to the principles of total quality management through the use of self-assessment based on the cycle formulated by Deming’s Plan-Do-Check-Act (PDCA), which aims to help public sector organizations to [25]:

- improve the quality of services through assessment processes in order to obtain a “diagnosis” and improve the provision of services;
- “bridge” various models and methodologies of good management, because the CAF model can serve as a transitional solution for organizations that have not yet implemented any of the quality systems, or if the organization has an implemented quality system, it can serve as a control mechanism;
- enable comparison between organizations and to introduce benchmarking in public sector organizations.

This model can be applied to the entire organization, or to a certain part of the organization, but it must always be implemented as a whole system, and not segmented through the selective application of certain criteria. In addition, it can be applied at all levels of state administration, and most importantly, it can be used as a systemic program during reform processes. By applying the CAF model, the EU member states first of all tried to solve the issue of variability of administrative systems, establishing common criteria and a unique assessment method, so that the results are comparable, mutually acceptable and applicable with the aim of planning common policies. With the technical support of the Public Administration Reform Support Project within the Sector Reform Agreement for the Public Administration Reform sector, the Ministry of Public Administration and Local Self-Government was the first institution in Serbia to introduce a quality management system through the European CAF model, back in 2021, with the aim of improving the institution’s performance [8]. Through a simple-to-apply methodology, the Self-Assessment Group from each institution looks at various aspects (leadership, strategy, human resources, finances, partnerships, processes, impact on society, internally and externally achieved results

and user perception), then makes proposals for improvement measures and activities in a relatively short period of time, without additional costs for the institution. By awarding the CAF mark, after successful implementation, the institution becomes recognizable for its commitment to quality and excellence. With the aim of familiarizing public administration institutions in Serbia with the CAF quality management model and making its application accessible to all interested institutions, the Ministry of State Administration and Local Self-Government launched the CAF website as part of the public administration reform support project. In addition to basic information, this website also contains a questionnaire with guidelines for self-assessment intended for institutions that decide to implement CAF, as well as an invitation from the Ministry of State Administration and Local Self-Government addressed to all interested public administration institutions to apply for support during CAF implementation.

The analysis of the problem revealed that, although Serbia has made progress in recent years, there is still significant room for improving the quality of public policies and regulations [2], which is primarily reflected in the removal of existing shortcomings such as: unnecessary burden that regulations create for citizens and the economy (in the form of costs and overregulation in some areas), insufficient capacities of the public administration to collect, analyze and process data (which is reflected in the quality of public policies and regulations), insufficient coordination of public policies (primarily hierarchical inconsistencies of planning documents and non-compliance of planning with the budget), as well as insufficient public participation in the creation and monitoring of the implementation of public policies and regulations [2].

At the end of last year, the application was improved, so now aggregated financial data related to the progress achieved within the reform processes are available. In the previous two years, trainings have been continuously conducted in order to identify future CAF facilitators from the ranks of the public administration for whom, within the project, the necessary

training would be organized and quality management skills developed. The public administration reform strategy (2021-2030) obliges the Government of Serbia to introduce CAF in 10 institutions by 2025 [26]. Serbia's commitment to EU membership implies the establishment of efficient public administration through the modernization of public administration, which requires the application of innovative management models, such as the CAF model, which is widely used in the territory of the European Union.

### **3.1. COMPARATIVE ANALYSIS - SIMILARITIES AND DIFFERENCES OF ADMINISTRATIVE SYSTEMS AS RECOMMENDATIONS OR INCENTIVES FOR DECISION-MAKERS IN THE PUBLIC SECTOR**

Political relations between Serbia and Libya have traditionally been good. Libya was one of the most important Arab partners of the former Yugoslavia and Serbia, and the backbone of that cooperation was construction, the military industry and healthcare. Political dialogue has stalled in recent years. Membership in the European Union (EU) is Serbia's strategic goal and among the requirements that the European Union places for the future members, there is the strengthening of capacities and the professionalization of public administration. This is important for the European Union primarily to ensure that future member states are not only able to adopt EU legislation but also to implement it effectively in practice. Strengthening public administration capacity also enhances a country's ability to enforce its own domestic laws, which it has independently enacted.

In terms of institutionalization, regulation and improvement of strategic management of public policies, the Libyan government faces unique challenges. On the one hand, there is extremely limited regulatory capacity, accompanied by a workforce with a low level of knowledge and skills [1]. On the other hand, the constant flow of oil revenues has made the reform less effective and less urgent. In the last few years, the weakening of the institutions of

the central government of Libya has been evident in terms of a number of governance indicators, which has resulted in a reduced ability of public institutions to provide key public services, as well as law enforcement [30]. It is also evident that local government structures are increasingly taking responsibility for basic services, security and law enforcement, thus weakening vertical ties between institutions [28]. The largest number of employees work for the public administration in Libya, about 2.9 million workers, i.e. more than half of the working-age population [20]. Thus, a large amount of oil revenue, or 42% of Libya's GDP, is channeled into public wages [3]. Capital investments amount to only 10.8% of GDP [3]. According to a study by the Libyan Organization for Policies and Strategies [23], the following stands out as the most prominent indicators of inefficient governance in Libya:

- Inability of the government to efficiently and responsibly control the state administration.
- Failure of public administration in Libya to effectively manage public institutions.
- Failure of territorial decentralization to ensure even regional development.
- Lack of awareness and training on compliance with the principles of effective management.
- Lack of developed governance models that correspond to Libyan institutions and the local political, economic and social environment.
- Ineffectiveness in the fight against corruption in various public institutions.
- The inefficacy of the bureaucracy and the inability to adopt new trends, methods and management techniques.

Libya is yet to develop a strategic framework for public administration reform within which it would align and coordinate priority actions in the direction of achieving the goals of sustainable development. Libya also needs capacity to collect and analyze the data necessary to develop strategies and monitor progress [15]. One of the most important weaknesses is the unclear role between central government administrations and local administrations. There

is a tendency to duplicate functions in favor of central levels of government and a clouding of vision and perception deepened by the failure of free governance and independent finance [5]. For these reasons, the authors of this paper aim to present the results of research conducted between May and June 2022 within the Ministry of Education, Science, and Finance in Libya. This research, carried out as part of a doctoral dissertation titled "Strategic Management of Human Resources in the Public Sector of Libya," focuses on assessing the efficiency of Libyan public administration in the context of quality management" [21]. Empirical research was conducted in 3 ministries and a municipality in Libya. The sample included 165 top and middle level managers. The results of the frequency analysis of the sociodemographic variables of the respondents show a balanced sample according to the gender structure. The sample is representative, as more than half of the surveyed managers have a university degree, while more than a third have a master's or doctorate in a relevant field. Most respondents have more than 20 years of work experience. In addition, the largest number of respondents are positioned in sectors within the ministry that participate in the planning and drafting of strategic documents, so certainly based on their answers, a conclusion can be drawn with certainty about the current situation in the field of strategic human resources management in the framework of public administration in Libya. The findings suggest it is noteworthy that civil servants in Libya's public sector largely anticipate that they will be expected to adopt innovations or acquire new knowledge in the future, particularly in relation to IT skills. This is in line with the trends expected of civil servants in the 21<sup>st</sup> century, to improve communication and digital skills. From the point of view of the implementation of the strategy in the organizations where the research was conducted, the answers indicate that the central government has the greatest impact. The research thus corresponds with the results obtained by the project implemented by the EU with the aim of determining the real state of human resources at



the local level [16] and the degree of decentralization of authority and responsibility. Despite efforts to decentralize power, it is evident that these initiatives have not been fully established in practice. Part of the questionnaire that was given to the respondents refers to the degree of evaluation of skills that are needed for quality management in public sector organizations and whether there is a classification of skills and what competencies they include. The results show that each ministry has its own classification of necessary knowledge and skills. Respondents from municipalities answered that there is no classification. Some top managers from ministries responded that there is a single classification for all ministries and organizational levels, except for civil servants. It is clear from this that the classification in most cases exists for top managers and civil servants.

Competencies represent a person's capacity (knowledge, skills, attitudes, traits, and abilities) to perform a job effectively. The practices of institutionally regulated countries in the field of human resource management in public administration are that the proposed competence framework should be such that it can be applied in all key areas of human resource management in state administration (recruitment and selection, training, development, performance evaluation, rewarding). Due to the different nature of work between central government bodies and public administration bodies at the local level, the proposed framework in each state should ensure a balance between the needs at the central level, through the definition of general principles, values and competences, and responsiveness (flexibility) on the local level [17], so that the personnel units of the authorities/organizations can, through the application of the competency framework, take into account local specificities and needs. Modern human resources management addresses not only the needs, interests, and demands of organizations and institutions but also those of the employees engaged in a diverse range of activities. Planning focuses on the future, while control reviews the past—both of which are essential and interdependent.

It is interesting that top managers (that is, the highest level of managers in the public administration of Libya) value behavioral competencies to the same extent, which are defined as a set of necessary and desirable work behaviors for a civil servant to perform his work effectively and with quality, namely: innovation, organizational skills, personal development, strategic thinking. In addition, they place great importance on functional competencies, defined as the essential and desirable knowledge and skills that a civil servant applies to perform their duties effectively and with a focus on quality. Senior managers equally value these competencies as critical for work in state administration, including achieving results, communication, digital literacy, and problem-solving abilities. [22]. Civil servants in reference positions did not respond to these questions, leading the author to believe that they either do not see themselves as responsible for determining the knowledge employees should possess, or they adopt an overly formal mindset, believing they should only focus on completing the tasks assigned to them and that they have a certain resistance to the changes that are set and required from employees in the public administration [24].

The obtained data can also be used operationally: what to change, where to start, how to hire people, and the like. First of all, changes must be implemented on a broader social level. Libyan society, in general, must develop the human resources management system at all levels and build better general criteria for professional selection and development of personnel in the public administration sector and design more adequate professional training programs. Currently, in Libya, according to the interviewed managers, representatives of trade unions, working groups of representatives of several ministries and the Centralized Organizational Unit for Personnel Management are represented in the development of the analytical framework for the public sector. The responses indicate that in Libya there is a lack of effective coordination at the political level, or that the coordination



mechanism itself is overly complex [21]. In this context, it is necessary to establish coordination mechanisms at the political and administrative level, as well as to increase the effectiveness of their coordination through all levels of government.

The time horizon for human resources planning is 2 to 3 years, and it is not integrated with budget planning. Given this timeframe, the planning can be classified as short-term human resource planning. It can be concluded that there is no long-term human resources planning in Libya, and the lack of an integrated approach clearly reflects this. We can conclude that there is a huge lack of knowledge that indicates the necessity of improving, first of all, budget planning with the aim of more effective and efficient management in local communities, on the basis of clearly defined priorities, the transparency, monitoring and deviations in spending planned funds. The majority of surveyed managers believe that the standards and goals of managers are only partially or formally present, but not essential. The assessment of human resources capacity includes analyses of the official system prescribed by law and by-laws, with a special emphasis on the area of employment, professional development, training and development of personnel, central personnel records, personnel management, internal labor market and human resources units. On the central level, this means mapping deficiencies and "bottlenecks" in the area of human resources management through the analysis of regulations, practices and processes, and for the purpose of improving the knowledge management model of employees, i.e. for assessing the situation, determining the causes of problems and improvements.

From the point of view of human resources management, the author's conclusion in the research is that it is necessary to improve the conditions in which employees want to work, to adapt to changes, to provide services according to the needs of citizens and to achieve the best results.

#### **4. DISCUSSION AND RECOMMENDATIONS FOR THE PUBLIC ADMINISTRATION OF LIBYA**

To achieve its goal of implementing quality management policies in public administration, Serbia began developing a unified framework to improve the quality of work within public institutions, known as the CAF model (Common Assessment Framework), which represents a tool for total quality management (TQM - Total Quality Management), i.e. a tool for self-assessment. The joint assessment framework is inspired by the Excellence Model of the European Foundation for Quality Management (EFQM) and the model developed at the German University of Administrative Sciences in Speier [10]. With the introduction of the CAF model, public policy holders recognized the importance of quality management. The goal of the model is to improve the performance of public sector organizations by using quality management techniques. The CAF model is an aid to public sector organizations to understand and use quality management techniques. It is suitable for creating reform plans that are tailored to the organization and have internal support. The Ministry of Public Administration and Local Self-Government has introduced CAF 2019/2020 as the first example of this framework being applied in Serbia at that moment [27]. The implementation began as a pilot project, supported by the Regional Center for Quality Management – ReSPA (Regional School of Public Administration). The aim was to align the CAF model with Serbia's ten-year public administration reform strategy, specifically focusing on improving the efficiency of services provided to citizens. The experts who worked on the introduction of quality management believed that the reform of service provision cannot be implemented only by legalistic measures, through the adoption and implementation of laws, but rather by giving the necessary longer approach to work in public administration. In this sense, CAF can be a useful tool. Serbia is only at the beginning of the process of implementing the CAF model,

and it was and still is a learning process. It is a self-growing process that can improve feedback from users, as well as the culture of communication and relations with end users with confirmed progress in work performance, which is why the Ministry of Public Administration has decided to enter a new CAF cycle in 2021. Moreover, in parallel with the pilot project, there are plans to introduce the CAF model in 10 additional institutions over the next two years [27].

In order to implement the model, resources are required (people, time, equipment, money). Also, leaders should be reminded that during self-assessment, employees must not be held accountable for opinions that conflict with the leader's opinion, so that the whole process would be successful. The goal of the CAF model is to uncover objective facts, rather than just the information leaders want to hear. However, its implementation may face resistance—not only from leadership but also from employees. When filling out the self-assessment questionnaire, employees should answer as objectively as possible. Employees may recognize self-assessment as an assessment of their work, not the processes taking place in the organization. To address potential concerns and eliminate any doubts among employees, training sessions are being conducted. According to managers involved in the implementation and application of the CAF model, its methodology serves as a foundation for delivering quality public services and for driving continuous improvement in daily operations. They view the CAF model as a modern, simple, and engaging tool, whose preparation and application contribute not only to the improvement of daily work processes but also to the strengthening of team spirit. Additionally, the CAF methodology allows for an in-depth identification of key processes and the development of effective strategies to enhance them using a variety of tools. These are the reasons why the Ministry of Public Administration and Local Self-Government are strongly encouraging, through their pilot project, other public administrations to introduce CAF,

among other things, because its application can significantly improve daily work.

The introduction of the CAF model in Serbia is challenged by a lack of experience, knowledge, and at times, financial resources. To support its successful implementation, it is essential to ensure the availability of technical, human, material, and other necessary resources. Most importantly, efforts should focus on raising awareness and fostering a culture of quality within public administration institutions as a key part of the broader reform process. Although progress has been made in Serbia in previous years, there is still room for improving the quality of public policies and regulations, which is primarily reflected in the removal of existing shortcomings such as: the unnecessary burden that regulations create for citizens and the economy (in the form of costs and overregulation in some areas), insufficient capacities of public administration for data collection, analysis and processing (which is reflected in the quality of public policies and regulations), insufficient coordination of public policies (primarily hierarchical inconsistencies in planning documents and inconsistencies in planning with the budget), as well as insufficient public participation in creating and monitoring the implementation of public policies and regulations.

All the mentioned problems, regardless of differences, also apply to the public administration of Libya. Like in Serbia, the public administration in Libya should strive to apply examples of good practice of consultative processes. In Serbia, these efforts align with EU standards, as part of the country's accession process. The guidelines provided through EU initiatives offer a solid foundation—outlining principles, tools, and examples—on how various stakeholders involved in the development, review, and evaluation of public policies and regulations can, through a robust consultative process, contribute to the effectiveness of administrative reforms. Libya requires comprehensive governance reforms across all areas of public administration. The needs for support in this process are both significant

and demanding, reflecting the complexity and scale of the challenges facing the country. Areas requiring support include the following: institutional reform and initiatives to seek support, including international institutions. To successfully implement changes, the authors of this paper emphasize that human resources play a crucial role. It is essential for them to actively participate in and contribute to modernization efforts, responding effectively to new social, economic, and technological developments. The recommendation for the increase of the effectiveness of public administration depends on the success of professional development of employees in the public services of Libya. That is, from the development of a system that should adequately monitor and measure performance and perform adequate reallocation of resources, to identify key factors that are an obstacle to increasing the efficiency of organizations in the public sector.

The analysis of the situation in the field of human resources management and the presented research results indicated that there is some progress in the strategic aspect in general, such as the willingness and interest of employees in the public administration of Libya to achieve efficiency in work, for cooperation and cooperativeness. However, a strong political will is still needed to effectively work on the depoliticization of the public service, decentralization and optimization of state administration, and effective implementation of managerial responsibility, including the delegation of decision-making. By summarizing the results, we can conclude that the function of human resources management in public administration, through the activities that fall within its domain, should create preconditions for the implementation of the Quality Management System in the public administration of Libya. Additionally, it should facilitate the updating of employees' knowledge and competencies to meet the evolving needs of public services. It should also promote an organizational culture that fosters the development of a "learning organization" by enhancing employee motivation for both sharing knowledge and acquiring

the necessary skills. In this context, the authors of this paper emphasize that education should not be seen as a burden or pressure on employees, but rather as a crucial and necessary step demonstrating their willingness and interest in improving work efficiency. If a positive experience with training is established, it is likely that public administration employees will be more willing to participate in projects related to the implementation of quality management systems.

## 5. CONCLUSION

The modern concept of management in the public sector implies the introduction and continuous implementation and improvement of the quality management system as a basic prerequisite for monitoring global trends in public administrations at all levels of government. The quality management system in public administration includes the organizational structure, procedures, processes and resources and is set up to prevent the occurrence of non-compliance in all processes, with the simultaneous pursuit of continuous improvement - from the recognition of user requirements and expectations, through all phases of service implementation. In order to achieve its goal of implementing a quality management system in public administration institutions in Serbia, significant progress has been achieved in the past years in the area of evidence-based policy development and the establishment and coordination of the strategic framework of public administration reform. The new strategic framework is based on well-founded analyses, the goals of the reform are clear and complemented by good indicators, and the operationalization is foreseen through a realistic action plan. Serbia recognized the importance of establishing quality management and recognized the CAF methodology as part of the overall tool for management, for efficient provision of public services, and also for improvements in daily work. The CAF model is a modern, simple and interesting tool, the preparation and application of which means the improvement of daily work processes and the strengthening of team



spirit. The CAF methodology enables in-depth identification of key processes, and then finding effective ways to improve them through various tools. Although Serbia is at the very beginning of implementing the principles of quality management in public administration institutions, some lessons can be learned for the public administration of Libya, at least when it comes to the basic institutional mechanisms required for the implementation and implementation of this process. Although the two countries belong to different groups of administrative traditions, there are certain similarities, especially when it comes to the numerous problems faced by both public administrations, and their overcoming can be used for the exchange of experiences in administrative reforms. The key factors for both public administrations are the reform of the public sector and the construction of efficient functioning of the public administration. Competent employees play a decisive role, and the basic principle should be the right person - at the right place, at the right time - all the time! In both countries, regulatory reform is necessary in terms of improving the business environment and reducing the financial burden for citizens and the economy, strengthening public administration bodies in the domain of data collection, processing and analysis, so that the regulations and public policies are based on data in service of improving the lives of citizens and the economic environment, on better and more responsible planning and capacity development of civil society organizations for participation in the creation of public policies and regulations. In Serbia, significant importance is placed on establishing e-administration and a unified information system as part of the reform processes. These systems play a crucial role in monitoring implementation, coordinating public policies, and reporting, greatly simplifying the reporting process to state authorities and enhancing transparency and accountability. A lot of work is also being done to improve the analysis of the effects of regulations and public policy documents. Analysis of the effects is important because it shows us how and who is affected by the measures we implement, and how effective we were in doing so (ex post analysis). These are

all legal and experiences that can be of great importance for the public administration of Libya and that can be transferred to public policy holders through consultative processes. Good practices in the public administration of Serbia also refer to increased transparency and inclusiveness of the planning process in state bodies and institutions. However, there is still work to be done. The strategy of communication with citizens and non-governmental organizations must be improved. A significant achievement is the unification of the process of preparation of planning documents. Analysis and reporting have become mandatory, with clear definitions of the roles and responsibilities of various officials in the process. Public participation in the preparation and discussion of documents has been reaffirmed; however, additional training is needed for state officials in areas such as citizen engagement, organizing public discussions, and particularly in determining the appropriate duration of these discussions. The greatest challenges in Serbia's reform processes are the public's lack of trust in the system and its procedures, as well as the limited willingness of citizens to engage with these complex policies. Public administration in Serbia must work to "earn" citizens' trust and demonstrate that consultations are meaningful—that every comment and suggestion holds value. In Libya, key problems have been identified as significant state involvement in the economy, high unemployment, political culture issues, weak state administration, an unstable post-war environment, and a lack of a clear development vision. Given Libya's unique political, economic, and social context, we recommend a gradual approach to public sector reforms. This should involve the state administration, inclusion of all relevant stakeholders, capacity building, performance measurement, comprehensive reform planning across all critical areas, and clear prioritization. An important recommendation is that the reform should be unified for all ministries. The public administration of Libya can follow the experiences from Serbia in certain reform processes and examples of good practice, but it can improve numerous processes.



An important segment of the reforms is also related to decentralization. The possibilities offered by the decentralization of power are reflected in the improvement of infrastructure and the improvement of services on the local level, the end of marginalization, the approximate equalization of the distribution of wealth. Therefore, the establishment of quality management in public administration addresses not only the needs, interests, and demands of organizations and institutions but also those of the employees engaged in a wide variety of activities. Planning is looking into the future, and control is looking into the past. One cannot do without the other. In some subsequent research, it is possible to see where the changes should be

implemented, that is, what to change, where to start, and how to direct the reform processes. It is clear that changes must be implemented on a wider social level. Libyan society, in general, needs to further develop its personnel management system at all levels by establishing clearer criteria for the professional selection and development of public administration staff, as well as designing more effective and tailored professional training programs. For both countries, the recommendation is to establish a system of employment and career advancement that is based on expertise, competence and merit and that is not subject to politicization, in order to have a strong state administration both at the local and national level.

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## KONCEPT UPRAVLJANJA KVALITETOM U JAVNOJ UPRAVI: ISKUSTVA IZ SRBIJE I PREPORUKE ZA LIBIJU

**Rezime:** Uvođenje sistema upravljanja kvalitetom u javnu upravu predstavlja značajan korak ka unapređenju efikasnosti javnog sektora i kvalitetnijem pružanju usluga građanima. U zemljama sa razvijenim institucionalnim okvirom, naročito u zapadnoevropskim državama sa dugom tradicijom javne uprave, principi upravljanja kvalitetom već su integrisani u procese donošenja i sprovođenja javnih politika. Nasuprot tome, u državama sa nedovoljno razvijenim institucionalnim kapacitetima, kao što je slučaj sa većinom tranzicionih i postkonfliktnih društava, implementacija ovih principa je slabo razvijena ili se uopšte ne primenjuje. Cilj ovog rada jeste da identifikuje ključne institucionalne mehanizme koji omogućavaju efektivnu primenu principa upravljanja kvalitetom u javnoj upravi, kao i da na osnovu iskustava Republike Srbije ponudi preporuke relevantne za unapređenje javne uprave u Libiji. Iako se Srbija još uvek nalazi u ranoj fazi institucionalizacije upravljanja kvalitetom, određeni pomaci su ostvareni kroz unapređenje administrativne autonomije, bolje koordinacije javnih politika i jačanja organizacionih kapaciteta, što može predstavljati vredan izvor pouka za zemlje koje se suočavaju sa sličnim izazovima. Istovremeno, identifikovane su i zajedničke slabosti pre svega nedostatak sistemskog praćenja realizacije strateških ciljeva i akcionih planova. Polazeći od komparativne analize, u radu se iznose preporuke zasnovane na praksama razvijenih članica Evropske unije koje mogu doprineti modernizaciji javne uprave u obe zemlje.

**Ključne reči:** upravljanje kvalitetom, javna uprava, standardi kvaliteta, institucionalni mehanizmi, upravljanje znanjem

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# INFLUENCE OF INTELLECTUAL CAPITAL ON BUSINESS PERFORMANCE AND CREATION OF COMPETITIVE ADVANTAGE

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**Abstract:** The accelerated pace of globalization over the past few decades has brought about significant technological, political, economic, and social changes that have reshaped the global economy and influenced how organizations perform, acquire value, and build competitive advantages. Intellectual capital has become one of the most important factors for achieving better performance of organizations by applying new knowledge, skills and innovative ideas, which are a prerequisite for business expansion and competitiveness. The modern economy is an economy based on knowledge and its competitiveness is based on high technologies, innovations, the creation of multinational and transnational companies and corporations, and global networking. Every organization strives for a sustainable competitive advantage that allows it not only to survive in the market but also to have continuous recognition, growth and development. The aim of this paper is to determine the impact of intellectual capital on business performance, which will enable the organization to create a continuous competitive advantage as the starting point of any successful organizational business.

**Keywords:** intellectual capital, human capital, structural capital, organizational performance, competitive advantage

## 1. INTRODUCTION

In the modern business environment, characterized by constant changes, high competition and growing market demands, the key challenge for organizations is how to create and maintain a competitive advantage. Traditional business models no longer provide long-term stability, but success is increasingly

based on an organization's ability to quickly adapt, innovate and efficiently use its intangible resources. Thus, intellectual capital becomes one of the most important factors affecting business performance and long-term sustainability of competitive advantage. Intellectual capital represents the integration of three key components - human, structural

and client capital - which together form the basis of organizational knowledge and potential. Human capital includes knowledge, skills, experience and motivation of employees; structural capital means formalized processes, technology, intellectual property and organizational infrastructure, while customer equity refers to customer relationships, trust, loyalty and reputation in the marketplace. Effective management of these components creates a synergistic effect that directly affects the innovation, operational efficiency and market recognition of the organization. It is this ability to use intellectual capital as a strategic resource that makes the difference between average and highly competitive organizations. Those organizations that successfully integrate human, structural and client capital into their business models demonstrate greater agility and resilience, recognize opportunities for growth more easily and adapt to change more quickly. Such organizations not only create a competitive advantage, but also maintain it in the long term, because they build foundations that are difficult to imitate by competitors. The aim of this paper is to point out the importance of effective management of intellectual capital as a foundation for achieving competitive superiority, analyzing its components and the way in which, through their integration, organizations can survive and succeed in modern conditions of market chaos.

## **2. THEORETICAL FRAMEWORKS OF INTELLECTUAL CAPITAL AND THEIR APPLICATION**

Intellectual capital is often viewed through its basic components (human, structural and relational capital), although a deeper understanding of its impact on performance and competitive advantage is possible precisely through the application of relevant theoretical models. Key contributions in this area come from authors such as Barney (1991), Sveiby (1997), and Teece (1997, 2007), whose models draw on the different perspectives of organizational resource theory and dynamic capabilities theory.

### **2.1 BARNEY'S RESOURCE-BASED APPROACH (RBV) MODEL AND HUMAN CAPITAL**

One of the most influential theoretical frameworks for understanding the competitive advantage of organizations is the Resource-Based View (RBV), developed by Jay Barney. The basic thesis of this approach is that long-term competitive advantage does not come from external factors, but from internal resources that the organization possesses and uses successfully. According to Barney (1991), in order for a resource to contribute to a sustainable competitive advantage, it must meet four key criteria - it must be valuable, rare, inimitable and non-substitutable - which is often denoted by the acronym VRIN in the literature.

Human capital, as part of intellectual capital, can be one of the most important sources of competitive advantage. Employees' knowledge, expertise, creativity, experience, and problem-solving skills are often resources that meet all VRIN criteria. Highly specialized knowledge or a unique combination of employee competencies represent resources that are difficult to replicate by competitors, making them rare and hard-to-substitute sources of competitive advantage. Many elements of human capital, such as tacit knowledge (informal, unwritten knowledge gained through experience), are also not easily transferable, nor can they be quickly learned or imported, which further enhances its strategic value. The RBV model has its critics, with one of the primary criticisms being that it does not adequately explain the processes through which organizations acquire, develop, and sustain their superior resources. RBV describes what a resource is when it already exists in an organization, but does not sufficiently explain the dynamic capabilities that enable organizations to continuously renew and improve their human capital.



## 2.2 TEECE'S MODEL OF DYNAMIC CAPABILITIES

David Teece, in collaboration with Pisano and Shuen (1997), developed the concept of dynamic capabilities in response to the limitations of the traditional resource-based approach (RBV). While RBV emphasizes the importance of having resources that are valuable, rare, and difficult to imitate, Teece's model goes a step further, focusing on how organizations can continuously develop, transform, and renew their resources in the face of uncertainty, competitive pressures, and technological change.

Teece defines dynamic capabilities as a firm's ability to integrate, develop, and recombine internal and external competencies to respond to a changing environment. Intellectual capital, which includes knowledge, experience, innovation and creativity of employees, thus becomes a key strategic resource. The emphasis is not only on the possession of knowledge, but also on the organization's ability to effectively use, develop and transfer that knowledge throughout the entire system.

One of the fundamental elements of dynamic capabilities is organizational learning, which enables firms to quickly adapt, innovate, and anticipate changes in market and technological conditions. In this process, digital transformation, collaboration within and outside organizational boundaries, as well as flexible forms of work become important tools for strengthening dynamic capabilities.

Teece's framework is particularly applicable to fast-moving industries such as information technology, biotechnology, the energy sector and the creative industries, where the ability to adapt and innovate is often the difference between leaders and laggards. In those sectors, organizations that successfully develop and deploy dynamic capabilities can anticipate change, manage risks more effectively, and achieve sustainable competitive advantage. Successful organizations do not rely exclusively on static resources, but invest in mechanisms for continuous improvement of

employee competencies, development of internal processes for knowledge sharing and systemic problem solving, thereby creating the basis for long-term agility and strategic renewal, which is the essence of Teece's model.

## 2.3 KARL-ERIK SVEIBY'S MODEL - THE PERSPECTIVE OF KNOWLEDGE AS A RESOURCE

Karl-Erik Sveiby is one of the pioneers of the modern concept of knowledge management, whose contribution is particularly important for the understanding of intellectual capital as a strategic resource. Within his model, Sveiby does not treat knowledge as a static element, but as a dynamic resource that is developed, transferred and used through various organizational processes.

His model divides intellectual capital into three interconnected components:

- Human capital includes the knowledge, skills, experience and creativity of employees, who represent the main carriers of organizational knowledge.
- Internal structure includes organizational processes, databases, information systems, culture, values and patents, and enables internal generation and application of knowledge.
- External structure includes relationships with clients, suppliers, partners, as well as reputation, brand and market position.

What constitutes the essence of Sveiby's approach is the emphasis on the processes of transfer and transformation of knowledge, and not only on its accumulation, which means that the value of knowledge is not only reflected in its existence in the organization, but in the firm's ability to make it available, useful and operational - in real time and in accordance with the needs of the business environment.

In the context of gaining and maintaining a competitive advantage, organizations that successfully connect these three forms of intellectual capital can better respond to changes, innovate faster and build stable relationships

with external stakeholders. Such firms use knowledge as an active basis for making decisions, creating value and shaping long-term strategies.

In today's digital and rapidly changing business environment, Sveiby's model gains additional relevance because it shows that just possessing knowledge is not enough - but the key is in its organization, exchange and strategic use, which transforms organizational knowledge from a potential into a concrete advantage on the market.

## 2.4 CRITICAL REVIEW OF THE APPLICATION OF THE MODEL IN PRACTICE

Although all the mentioned models confirm the importance of intellectual capital, the question of their practical operationalization arises. For example, it is difficult to quantify and accurately measure human capital without subjective factors. These models also often do not sufficiently include the macroeconomic and institutional context, which is especially important for countries in transition like Serbia. In these conditions, organizations face additional challenges such as "brain drain", underinvestment in R&D and low digital literacy, which can limit the effects of intellectual capital.

## 2.5 MODEL SYNTHESIS

By synthesizing the aforementioned theoretical approaches, it is possible to construct an integrative framework in which:

- from RBV takes over the importance of resources (especially intangible ones),
- from dynamic abilities, the importance of organizational flexibility and learning ability,
- from Sveiby's model, the importance of interaction with external and internal knowledge carriers.

Such a framework enables a holistic understanding of how organizations can not only possess, but also develop, transform and exploit intellectual capital, thereby increasing the chances of sustainable competitive advantage.

## 2.6 EXAMPLES FROM PRACTICE OF APPLYING THEORETICAL FRAMEWORKS OF INTELLECTUAL CAPITAL

- Nordeus (Serbia) develops competitive advantage through investment in human capital - highly trained software engineers and creatives. The focus on team culture, internal training and knowledge development creates hard-to-imitate resources, which confirms the relevance of the RBV (Resource-Based View) approach. The success of Top Eleven is the result of these invisible resources.
- Infostud Group (Serbia) implements systematic knowledge management through internal wiki platforms, peer-to-peer training and transparent communication. In this way, it develops and maintains organizational and social capital, which ensures the continuity of knowledge and innovation in case of staff rotation.
- Ericsson Nikola Tesla (Croatia) applies the model of dynamic capabilities through agile work methods, strategic partnerships and continuous training of employees. These capabilities enable rapid adaptation to market changes in the highly competitive telecommunications sector.
- SAP (Germany) combines theoretical approaches to intellectual capital management - RBV through specialized personnel, KM (Knowledge Management) through digital knowledge bases and training, and dynamic capabilities through continuous development (e.g. transition to cloud and AI). This integration provides a sustainable competitive advantage.
- Hemofarm (Serbia) develops expert capital through research and development, cooperation with scientific institutions and continuous education of employees. As part of a highly regulated sector, it uses knowledge as a foundation for innovation and market stability, confirming the applicability of theoretical models in the pharmaceutical industry as well.

The above examples indicate that the application of theoretical frameworks of intellectual capital depends on the sector, the degree of digitization, as well as the strategic goals of

the organization itself. In practice, the most successful firms integrate multiple theoretical models – they do not rely only on static resources, but develop capabilities for continuous learning, collaboration and innovation.

### 3. HUMAN CAPITAL - CRITICAL REVIEW, THEORETICAL FRAMEWORK AND PRACTICE

Human capital is an increasingly important concept in the modern knowledge economy. Although once the key resources of organizations were material factors, in recent decades there has been a shift in focus towards people — their knowledge, skills, motivation and creativity. Human capital is defined as a set of competencies that individuals possess and that contribute to organizational success. However, this concept is not without controversies and challenges, nor is there a single approach to its understanding and operationalization.

#### 3.1 THEORETICAL MODELS AND APPROACHES TO HUMAN CAPITAL

Approaches to human capital can be classified into several theoretical frameworks, which differ from each other in terms of focus:

- The economic approach (Gary Becker, Theodore Schultz) is an approach that views human capital as an economic resource that can be invested in (education, training) and that generates future income. Becker (1964) was the first to quantify investments in human capital, noting that education and training increase employee productivity, leading to higher wages and economic growth. A criticism of this model is that it often ignores the psychological, organizational and cultural aspects of the role of employees, as well as the fact that all forms of investment do not guarantee equal returns.
- The organizational approach (Davenport, 1999) views human capital in the context of employees' contribution to the strategic success of the organization. The focus is on the ability to transfer knowledge within structures and teams. A criticism of this model is that Davenport highlights the challenge of

retaining employees whose contribution is extremely high, thereby further complicating the management of “knowledge drain” risks.

- Intellectual capital (Sveiby, 1997) is a model that views human capital as part of the broader concept of intellectual capital, which includes both structural and relational capital. Human capital is the knowledge that employees take with them, while structural capital is what remains in the organization when they leave. The criticism of this model is that there is no clear answer to the question of where personal capital ends and organizational capital begins - especially in the case of tacit knowledge.

#### 3.2 CRITICAL REVIEW IN THE FORM OF CHALLENGES IN PRACTICE

Although theoretical models recognize the importance of human capital, practice shows a number of challenges, such as:

- Employees change their goals, career paths and loyalties, making the planning process difficult. Example: Google faces the so-called “great resignation” wave that requires new models of talent engagement.
- Most valuable knowledge remains “in the heads” of employees. Companies like Microsoft therefore develop complex internal knowledge transfer platforms (eg Teams + SharePoint + Viva Insights) to make knowledge shareable and keep it within the system.
- Companies like Nordeus and Infostud in Serbia consciously develop employer branding and internal knowledge academies in order to retain and develop staff.
- The need for new knowledge puts pressure on L&D sectors. Infostud, for example, uses agile training and digital platforms for continuous development.

#### 3.3 HUMAN CAPITAL AND SOCIAL DEVELOPMENT

In the context of wider society, human capital is associated with the following:

- Education and innovations in the form of increased investment in STEM education that



contributes to technological development (example: Digital Serbia Initiative).

- Companies like IKEA implement inclusion policies that directly contribute to greater engagement of women and marginalized groups.

Human capital remains a crucial but complex concept. Although theories offer significant insights, practice shows that managing this resource is increasingly demanding. Future research should focus on:

- Measures to retain tacit knowledge within the organization
- Comparison of national human capital development policies.
- The role of digital transformation in the development of individual capacities.

#### **4. STRUCTURAL CAPITAL - CRITICAL REVIEW AND THEORETICAL FRAMEWORKS**

Structural capital represents one of the three basic pillars of intellectual capital, along with human and relational capital (Edvinsson & Malone, 1997). It includes the intangible but formally organized resources and capacities of the organization that enable employees to be productive and innovative. This includes organizational structure, systems, procedures, information, technology, but also intellectual property such as patents and brands (Bontis, 1999).

While many authors underline its importance for operational efficiency and sustainability (Stewart, 1997; Roos et al., 1997), there is a lack of consensus regarding its scope and impact on long-term competitiveness. For example, while Bontis (1999) points out that structural capital is “a platform that enables the transformation of knowledge into organizational value”, other authors, like Sveiby (2001), warn that without human capital, structural resources remain inert and underutilized. This dichotomy points to the importance of their integration, but also raises the question - do modern models overemphasize the formal structure, while neglecting the adaptive capacity of the system?

A critical approach at the same time requires the analysis of different models of structural capital. The Skandia Navigator model (Edvinsson & Malone, 1997) distinguishes organizational and innovation capital as its subsystems, where innovation capital includes intellectual property and improvement processes. In contrast, the Intangible Assets Monitor model (Sveiby, 2001) focuses more on flows and capacities than on the structure and ownership of knowledge. A comparative analysis of these models indicates that Skandia's approach relies more on measurable and proprietary components, while Sveiby's model is more process-oriented. Both, however, do not sufficiently take into account the challenges of modern disruptive technologies and digitalization that redefine traditional notions of structure and stability.

Authors such as Marr, Schiuma and Neely (2004) propose an extended model that includes the so-called “configurational capital”, which includes the organization's ability to re-configure resources in accordance with changes in the environment. This perspective opens up the scope for expanding the traditional notion of structural capital to include both agility and digital transformation. Right here lies one of the most important contemporary challenges, how to establish flexible and at the same time reliable structures that support innovation and enable rapid learning and adaptation?

There is also a need for greater theoretical precision when it comes to the role of structural capital in different contexts, such as in highly regulated industries such as pharmaceuticals, where legal aspects of intellectual property play a crucial role, while in creative industries the importance of organizational flexibility and open innovation dominates. Many studies in the literature fail to adequately distinguish this contextual dimension, highlighting a theoretical gap that future research could address (Kianto et al., 2010).

In addition, the challenge analysis shows that the management of structural capital in the era of digitalization is increasingly complex. The need for continuous investments, rapid technology obsolescence, as well as legal and ethical



constraints create additional tensions between long-term planning and operational flexibility (Dumay, 2016). In the literature, the approach of “designed structural capital” - modular, decentralized and directed towards sustainability - is increasingly being proposed.

Structural capital is a multidimensional concept whose importance is growing in modern organizational conditions, although there are both significant theoretical and practical challenges that require further analysis. It is necessary to delineate the components of structural capital more precisely depending on the industrial and technological context, analyze their interdependence with other forms of intellectual capital and develop new approaches that include flexibility, sustainability and digital resilience as key characteristics of successful organizations.

## 5. ORGANIZATIONAL PERFORMANCE - CRITICAL ANALYSIS OF THEORETICAL MODELS AND PRACTICAL IMPLICATIONS

Organizational performance represents the measure in which the organization succeeds in achieving its strategic goals, meeting the needs of stakeholders and ensuring long-term sustainability in a dynamic environment. In the literature, this concept is viewed from different angles, from quantitative performance indicators (financial results, productivity) to qualitative aspects such as employee satisfaction, innovation and social responsibility (Richard et al., 2009; Kaplan & Norton, 1996). The multidimensionality of this concept requires complex approaches to performance measurement and management.

### 5.1 CRITICAL REVIEW OF APPROACHES IN THE LITERATURE

Traditional models of organizational performance, such as Cameron and Whetten's (1983) effectiveness model, emphasize different dimensions of performance (goal achievement, internal effectiveness, adaptability, and stakeholder satisfaction). Nevertheless, critics claim that such models often do not include complex

interactions between internal and external factors, especially in modern organizations that operate in conditions of frequent changes.

The Balanced Scorecard (Kaplan & Norton, 1996), on the other hand, provides an integrated framework that includes financial and non-financial indicators (customers, internal processes, learning and development), but its application can be limited if the organization does not possess the ability of systems thinking and horizontal coordination. In addition, research shows that there is a serious gap between the theoretical design of these systems and their actual implementation (Neely et al., 2005).

### 5.2 COMPARISON OF THEORETICAL MODELS AND SYNTHESIS OF APPROACHES (TABLE 1)

By comparing the approaches to effectiveness, it is possible to see differences in the focus of the model:

Table 1 - Comparison of theoretical models and synthesis of approaches

Model / Author	Focus	Advantage	Limitation
Cameron & Whetten (1983)	Multidimensional effectiveness	Flexible approach for different contexts	Difficulty in identifying priorities
Kaplan & Norton (1996)	Integrated performance indicators	Strategy orientation	Complexity of implementation
Weick (1976) – Loose Coupling	Adaptability and flexibility	Understanding organizational uncertainty	Difficulty in measuring performance
McKinsey 7S Framework	Integration of structure, strategy and people	Holistic approach	Lack of quantitative validation

These models offer different insights, but none are universal. The key synthesis lies in combining structural and dynamic factors – from formal processes to culture, innovation and learning.

### 5.3 STRENGTHS AND WEAKNESSES OF ORGANIZATIONAL PERFORMANCE - THEORETICAL AND EMPIRICAL INSIGHT

An organization's strengths often include high employee motivation, innovative capacity, efficient internal processes, and financial stability. Empirical research confirms that organizations with a strong "learning culture" (Senge, 1990) achieve better long-term performance, especially in unstable environments. Denison's model also shows that dimensions such as employee engagement and strategic orientation directly correlate with business results (Denison, 2000).

Weaknesses such as poor leadership, limited resources, poor quality control and ineffective communication, on the other hand, remain major challenges. A critical review indicates that many organizations fail to adequately diagnose weaknesses due to a lack of systematic data collection and analysis (Behn, 2003).

### 5.4 PERFORMANCE MONITORING AND STRATEGY ADJUSTMENT

Modern organizations increasingly use performance dashboards, KPI indicators and systematic analyses to manage performance. According to Bourne et al. (2000), the challenge is not only in measurement, but also in the interpretation of data and turning the results into concrete actions. The key is to view performance not as a static outcome, but as a dynamic process of continuous learning and adaptation. Performance monitoring must include feedback from the market as well as internal evaluations that lead to continuous improvement.

Organizational performance is a complex and multidimensional concept that requires a critical understanding of theoretical models, comparison of different approaches and the ability to integrate qualitative and quantitative indicators. Future analyses should focus more on:

- the difference between declarative and actual performance management strategies;

- the role of digital transformation and analytics in performance monitoring;
- and a deeper understanding of how organizations can develop resilience in the face of uncertainty.

Such approach enables not only descriptive analysis, but also prescriptive recommendations that help organizations identify realistic points of progress and adaptation.

## 6. COMPETITIVE ADVANTAGE

In modern, unpredictable and turbulent business conditions, the key challenge for any organization is to create and maintain a competitive advantage. Unlike the traditional period when organizations enjoyed relative stability and responded to occasional changes, today they are in an almost constant state of adaptation. Organizations are forced to continuously adapt their strategies, processes and resources in order to survive and thrive in complex and dynamic market conditions.

Competitive advantage is defined as the ability of an organization to achieve superior performance compared to its competition. According to Porter (1985), competitive advantage arises from the value that an organization manages to create for its customers, which exceeds the costs of that creation. This advantage can be the result of lower costs (cost leadership), differentiation or focusing on a specific market segment (focus strategy). Newer models also indicate the importance of organizational resources and capabilities (Barney, 1991), whereby resources that are valuable, rare, difficult to imitate and organizationally supported (VRIO) are considered the basis of long-term competitive advantage.

One of the most important sources of competitive advantage in modern business is intellectual capital, which includes three key components:

- Human capital - knowledge, skills, creativity and competencies of employees;
- Structural capital – systems, procedures, knowledge bases and technology of the organization;

- Customer equity – customer relationships, trust, loyalty and brand image.

According to the authors Stewart (1997) and Edvinsson & Malone (1997), competitive advantage based on intellectual capital is created through the synergy between human potential, effective organizational structures and lasting relationships with customers. An organization that successfully manages this capital acquires the ability to innovate, react agilely to changes and build recognition on the market.

An important concept in modern approaches to competitive advantage is knowledge management, which enables the accumulation, sharing and application of knowledge in order to improve performance. Alavi & Leidner (2001) emphasize that knowledge management contributes to the creation of organizational intelligence, and thus to the long-term differentiation and resilience of the organization.

A critical review of the literature indicates that there are different interpretations of competitive advantage - while classical economic theory emphasizes market positions and strategic choices, resource-oriented approaches pay more attention to the organization's internal capabilities. Some authors (Teece, Pisano & Shuen, 1997) go a step further by introducing the concept of dynamic capabilities, emphasizing that organizations must develop capabilities for rapid learning and transformation in order to maintain a competitive position in conditions of constant change.

Competitive advantage is not static, it can be temporary if competitors quickly imitate its sources, so the key is continuous innovation and investment in resources that are difficult

for competitors, such as authentic corporate culture, unique user experiences, or brands with emotional value.

The lack of systematic analysis of different models of competitive advantage in the theoretical and practical literature can lead to a limited understanding of the sources of success. There is a need for a deeper synthesis and comparison of the views of different authors in order to identify gaps in knowledge and discover innovative strategies that would provide organizations with a lasting competitive advantage.

## 7. CONCLUSION

Effective management of intellectual capital is one of the key factors for improving business performance and achieving a sustainable competitive advantage. Intellectual capital, made up of human and structural capital, enables organizations to develop the knowledge, innovation and flexibility necessary to operate successfully in a modern, dynamic environment. Human capital, through investment in the competencies and motivation of employees, contributes to the creation of value and innovation, while structural capital provides support for the efficient use of that knowledge through processes, technology and organizational culture. Measuring and monitoring organizational performance enables timely evaluation and adjustment of strategies, which further strengthens the organization's ability to respond to changes and maintain its competitive position. In conclusion, systemic and strategic management of intellectual capital is the foundation for long-term growth, resilience and success of the organization in the market.

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# **LAW AND SECURITY STUDIES**

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## REFLECTIONS ON THE 200 YEARS OF THE HISTORY OF INTERNATIONAL ORGANISATIONS

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**Abstract:** This paper deals with epistemological reflection on 200 years of history of international organizations. This paper addresses three key research questions: the role and position of international organizations in the contemporary international community; the reasons why international organizations continue to be established and why states choose to participate in them; and the identification of the three primary drivers behind the creation of international organizations. Important literature that guides this research includes the works of eminent world authors on international organizations, as well as basic founding documents, work reports, resolutions and conventions of international organizations. The paper uses the hypothetical deductive method, as well as the method of analyzing the content of documents with the technique of qualitative analysis of the content of documents related to 200 years of work of international organizations. There are three main findings in the paper. The first, that states structured, organized and coordinated their relations, affairs and transactions through the institutional mechanism of international organizations. Second, that for 200 years states have tended to shape the international community by introducing international organizations as their preferred choice for organizing them, and third that despite hostilities, states continue to transact through the international organizations in which they participate. The policy implications of the research findings suggest that today's international community is so interconnected and complex that only a few countries can operate independently of international organizations. This reality has significant consequences for practical engagement in international relations, emphasizing the growing importance of multilateral cooperation and institutional frameworks.

**Keywords:** international organizations, position of international organizations, society of nations, international labor organization, United Nations Organization and League of Arab States

### 1. INTRODUCTION – THE POSITION OF INTERNATIONAL ORGANISATIONS IN THE CONTEMPORARY INTERNATIONAL COMMUNITY

International organisations (IOs) are probably the single most significant achievements in the history of the international community.

They constitute the most developed form of organizing it on the basis of equality and fairness. Taking into consideration that international relations have existed for several thousands of years, it is noteworthy that the concept of international institutions, and more specifically the concept of IOs, emerged only 200 years ago. However, the specific



cooperative organizational structures we now recognize as international organizations (IOs) have emerged primarily over the past 100 years. That said, forms of international cooperation existed well before the 19th century—one of the most notable examples being the Hanseatic League, which played a significant role during the Middle Ages. But the history and accomplishments of these earlier institutions have rather been overlooked.

Nowadays, we take the existence of IOs for granted. It would not be an overstatement to say that international organizations (IOs) have become dominant actors on the global stage, significantly influencing international relations, policy-making, and global governance. Increasingly, more and more inter-state discussions, deliberations and transactions take place inside them. Major issues that concern the entire planet are debated with the initiative and under the auspices of IOs, the protection of the environment / climate change<sup>1</sup> and the protection of human rights and fundamental freedoms being two examples of note.<sup>2</sup> Presently, there are hundreds of IOs and constantly new ones are established. At the same time, the foreign policy of many states is to join as many IOs as possible. These two factors ensure that the importance of IOs will increase in the years to come and that their global position will be consolidated. For the foreseeable future, international organizations will likely remain the most effective and structured means of organizing and coordinating the international community.

<sup>1</sup> The reference here is to the annual Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (it was adopted on 9 May 1992, entered into force on 21 March 1994, 1771 *United Nations Treaty Series* 107). While the holding of these CoPs has been promoted as “United Nations Climate Change Conferences”, see <<https://www.un.org/en/climatechange/un-climate-conferences>>, there are presently four nations / political entities that participate even though they are not UN Member States, one of them being the State of Palestine.

<sup>2</sup> Indeed, almost all treaties, declarations and other legal instruments pertaining to the protection and the promotion of human rights, effectively comprising what is referred to as ‘international human rights law’, have been concluded and adopted in the context of global IOs (UN, International Labour Organisation, etc.) or regional IOs (Council of Europe, Organisation of American States, African Union, League of Arab States, Association of Southeast Asian Nations, Commonwealth of Independent states, Organisation of Islamic Cooperation, European Union, etc.).

## 2. WHY ARE INTERNATIONAL ORGANISATIONS STILL ESTABLISHED AND WHY DO STATES WANT TO PARTICIPATE IN THEM? THE CONTRIBUTION OF MULTILATERALISM - THE WILLINGNESS OF STATES TO CEDE SOVEREIGN RIGHTS TO INTERNATIONAL ORGANISATIONS

These considerations lead to the following two questions. The first is why are more and more IOs being established? The second is why more and more states are eager to participate in IOs? From the outset, it will be argued that both questions have a lot to do with how multilateralism has prevailed over bilateralism and over trilateralism.<sup>3</sup> States no longer engage in bilateral / trilateral negotiations, dealings, and transactions as they used to. For many decades now, states have shown a strong preference to engage principally through IOs and have abandoned the traditional ‘one to one’ or ‘one to one to one’ method of inter-state relations. This preference for multilateral engagement has been witnessed by two other developments of note.

The first development is the retreat or even the abandonment of the principle of reciprocity, which has traditionally been one of the most important norms in bilateral and trilateral relations. Its significance stems from the fact that when only two or three countries are involved, if one or two fail to adhere to the agreed rules, the remaining parties have little incentive to stay compliant, which can quickly lead to the breakdown of their established relationship. On the contrary, when more states participate in an IO, the relationship becomes far more complex and the obligations of participating states are invariably owed to the IO, which could very well have the mechanisms to ensure and demand compliance with obligations. It follows

<sup>3</sup> Even though these are notions and concepts that have been primarily developed in the discipline of international relations, see, e.g., J. G. Ruggie (ed.), *Multilateralism Matters: The Theory and Praxis of an International Form*, Columbia University Press, 1993, arguably they could also find application in international law and in international institutional law not least because they could assist in explaining changes in states’ attitudes that have legal implications.

that although the concept of reciprocity still exists, its importance is diminished. In the 1976 case of *Commission v Italy*, the European Court of Justice ruled that the legal system of the European Economic Community (EEC) had moved beyond the principle of reciprocity. The Court justified this by stating that, as an international organization, the EEC had established 'a new legal order' with its own procedures for identifying and sanctioning Member States' violations. Thus, when a Member State was not performing an EEC Treaty obligation, the other Member States were not allowed to invoke it as reason to justify their own failure to perform any obligation that was incumbent upon them.<sup>4</sup>

The second development is that states are willing to surrender and transfer parts of their sovereignty on far easier terms than in previous times. This probably has to do with the process that coincided with the end of the Cold War in the early 1990s, what has been generally referred to as 'the era of globalisation'. It should always be remembered that it is almost impossible to reconcile absolute state sovereignty with membership in an IO. This is particularly true in the case of regional or sub-regional IOs, especially those that aim at the economic, monetary, etc., integration of the respective Member States.<sup>5</sup>

To illustrate, State A agrees to engage in discussions on specific issues with States B, C, D, and E. Similarly, State B agrees to do the same with States A, C, D, and E, while State C agrees to engage with States A, B, D, and E, and so forth. These discussions among the five States—conducted within an international organization where they hold membership—are aimed at reaching joint resolutions that they have already committed to follow, implement, and, most importantly, not violate. During such a state of affairs, all these States have, by definition, accepted that, as regards the issues deliberated, their absolute right of decision has been

curtailed, and they will be bound by the resolutions which they reached in unison and that they will continue to be bound by them until they are abrogated.<sup>6</sup> What is of important is to understand that this curtailment is effectively a loss of sovereignty. However, this is a necessary condition; without such a concession, these five States would be unable to transact and enter into agreements with one another within the framework of an international organization.

Therefore, the participation in any IO always comes with strings attached. There is inevitably a significant price to pay—namely, the loss of a portion of state sovereignty, which occurs through the transfer of sovereign rights and powers to an international organization. In Western-style democratic countries, this transfer must be approved by the population, since all powers ultimately derive from the people. Consequently, the sovereign powers delegated to the IO also originate from the people. The manner in which the population's consent is obtained is beyond the scope of this discussion. What eventually becomes a significant issue is that, at some point in the future, people may no longer wish to have these rights and powers granted to this or that international organization.

A very good example to describe how the population can change its mind vis-a-vis participation in an IO is the withdrawal of the United Kingdom from the EU on 31<sup>st</sup> January 2020. As is well known, the withdrawal had been decided in a (non-binding) referendum that took place on 23 June 2016.<sup>7</sup> Arguably, for those British nationals who voted in favour of withdrawal

<sup>4</sup> Case 52/75, *Commission of the European Communities v Italian Republic*, Judgment, 26 February 1976, [1976] ECR 277, para. 11, ECLI:EU:C:1976:29.

<sup>5</sup> The reference here is primarily to the type of IOs referred to as 'regional economic integration organisations'. REIOs could also aim at political integration, as the evolution from the EEC to the European Community and, presently, to the European Union shows.

<sup>6</sup> Based on this argument, the resolutions reached e.g. by the UN General Assembly or by the UN Security Council (including those adopted under Chapter VII of the UN Charter) do not lose their validity unless a newer resolution has adopted, which, directly or indirectly, amends or revises or cancels a prior resolution. The issue of the temporal validity of resolutions is not addressed in the constitutive instruments of IOs and, to the best of one's knowledge, the organs of IOs do not review the validity of the resolutions that were adopted a long time ago. This issue may be important when there has been succession between IOs. However, the practice in the African Union, which succeeded the Organisation of African Unity, shows that the decisions of the dissolved IO do not lose their validity on account of the dissolution.

<sup>7</sup> For aspects of the UK's withdrawal, see Gino Naldi & Konstantinos Magliveras, 'The Right to Revoke Withdrawal Notices from International Organisations: The Case of Brexit and the European Union' [2021] 28:1 *Maastricht Journal of European and Comparative Law* 30-58.

the deciding reason was that they wanted the restoration of the sovereign powers that had been 'lost', first, when the UK joined the EEC as a Member State on 1 January 1973 and, subsequently, each time the Founding Treaty had been amended to allow the EEC and the EU to assume even more competencies.

#### A. Why are more and more IOs established?

Based on these observations, the first question could be answered as follows: more and more IOs are established because in the present time and era very few states are able to follow their own independent course of action on important issues and matters. In the discipline of international relations this conduct is usually referred to as unilateralism.<sup>8</sup> For all other states, the only sensible way of addressing such issues is by joining forces, by acting in unison as a group of like-minded states, by sharing resources and experiences, and by working together with the goal of adopting common decisions. Significantly, these decisions are taken by a specific group of states that has already agreed to follow the same rules and the same procedures. In other words, such a group of states does not simply promote some form of teamwork but a far more intense form of cooperation that has clear legal and institutional underpinnings, namely the mutually agreed rules and procedures.

It is precisely this very specific dimension of cooperation that IOs offer to all their members, it is the added value compared to other forms of inter-state cooperation. Accordingly, international organizations (IOs) should be distinguished from, for example, an intergovernmental conference held to address a specific issue of shared interest among participating states. Unlike such conferences, IOs are distinct legal entities with a mandate that extends across national borders (whether it is sub-regional, regional, transregional, or global is of no consequence<sup>9</sup>). Even though there can never be

two identical IOs, they do share several common characteristics, including the following three. First, the existence and operation of one or more organs, which principally act by exercising the powers that Member States have conferred upon the IOs. To that extent, it could be argued that the organs of IOs act on behalf of Member States and, therefore, they are their agents.<sup>10</sup> Indeed, many of the features of the relationship between principal and agent, which is a well-known institution of private law, can be found (and replicated) in the way IOs operate and function.

The second characteristic is that the decisions of the organs of IOs carry a measure of (legal) validity, authority and (legal) power. All Member States are obligated to respect, uphold, and refrain from intentionally violating them. Even though these are not absolute rules and there are certainly exceptions,<sup>11</sup> what should be emphasized is that all Member States are expected to heed to the decisions that IOs have approved. In that respect, IOs do not differ from any other organisation and from the basic tenets of the organizational theory, namely that decisions are reached by those who are authorized to take them, that they are not of an optional nature and that they must be followed. The third characteristic is the application of the principle of equality: all Member States are treated equally, have the same rights and the same obligations irrespective of the size of their territory, their population, the strength of their economy, their

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since most European states are members. In the case of Africa, the African Union would be a regional IO, while the Southern African Development Community (SADC) or the East African Community (EAC) would be sub-regional IOs. The Organisation of Islamic Conference (OIC) is an example of a transregional IO as its members come from all continents except Oceania. Presently, only the United Nations and its Specialized Agencies are global IOs.

<sup>10</sup> From an international relations' perspective, see D. G. Hawkins, D. A. Lake, D. L. Nielson & M. J. Tierney (eds), *Delegation and Agency in International Organizations*, Cambridge University Press, 2006.

<sup>11</sup> For example, in the United Nations the resolutions adopted by the Security Council are held to be legally binding whereas the resolutions of the General Assembly are regarded as political proclamations that have a certain binding effect but are not legally binding. The distinction between these two types of validity becomes more obvious when the Security Council orders sanctions against recalcitrant Member States using its powers under the provisions of Chapter VII of the UN Charter; the General Assembly is unable to do the same because it has not been endowed with these powers.

<sup>8</sup> See, e.g., Ruth Wedgwood, 'Unilateral Action in a Multilateral World' in S. Patrick & S. Forman (eds), *Multilateralism and U.S. Foreign Policy: Ambivalent Engagement*, Lynne Rienner, 2002, 167–189.

<sup>9</sup> If, for example, Europe is considered as one region, the European Union would be a sub-regional IO because not all European states are members, while the Council of Europe would be a regional IO



military capability, etc.<sup>12</sup> Both a Member State with a population of 1,4 billion people and another with a population of only 14,000 have one vote each in the plenary organ of an IO.

#### B. What drives states to participate in IOs?

As regards the second question, namely why more and more states are eager to participate in IOs, the simple answer would be that they realize the unique position that IOs possess in the international community, the services that they offer to members and the fact that a very large proportion of transnational dealings are now transacted through them. In the ordinary course of things, a state does not want to be left out from where the action is. Of course, there are other reasons why states may pursue membership in specific IOs. For purposes of illustration, the examples of the following three IOs will be given.

*Firstly*, the Organisation of the United Nations: to secure membership in it (almost) automatically grants to the applicant country the status of a sovereign state, even though it might not be recognized by all other Member States.<sup>13</sup> Particularly in the case of newly formed states (the examples of East Timor and South Sudan), securing prompt admission in the UN consolidates their position as sovereign states in the international community.<sup>14</sup> *Secondly*, the Council of Europe: when a state joins it, the understanding is that it is a democratic country which subscribes to the rule of law and also protects human rights and fundamental freedoms. In the history of the Council of Europe, this has a very

important consideration for two categories of states. The first category includes the states in the south of Europe when the dictatorial regimes that were in power fell, namely Hellas, Spain and Portugal. The second category refers to the states in Central and Eastern Europe after the end of the Cold War as well as the states that were created following the dissolution of the Soviet Union and of the Federal Socialist Republic of Yugoslavia and wanted to join the Council of Europe. *Thirdly*, the European Union: to accede to the EU is undisputed evidence that the state in question is a developed economy, that it belongs to the so-called 'First World', that it is bound by democratic ideals and that it respects the rule of law as well as human rights.

Furthermore, those states that share specific characteristics with other states, which have already established an IO, will no doubt seek to secure their admittance in the IO so as to join a group of likely minded states. Such characteristics can be the prevailing religion, e.g. Organisation of the Islamic Cooperation; or the prevailing religion, the common language and a shared history, for example the League of Arab States (LAS); or the previous three characteristics and, additionally, a close geographical proximity, for example the Cooperation Council for the Arab States of the Gulf (GCC) and also the Arab Maghreb Union (AMU). Of course, it is not required that states have all something in common in order to create an IO or to seek admittance to it. However, they would have to declare their willingness to cooperate with the IO and its Member States as well as to be subjected to its rules and procedures.

It is not a prerequisite for a state that seeks to be admitted to an IO to have already been recognized by all other Member States, even though it is easy to ascertain why, from a political and diplomatic point of view, non-recognition could be a difficult hurdle to overcome. What will actually happen differs from case to case. Thus, the Republic of Kosovo joined the International Monetary Fund (IMF) in June 2009, sixteen months after the Declaration of Independence had been adopted and more than a year before the International Court of Justice (ICJ) had concluded that "the declaration

<sup>12</sup> There are exceptions, especially in the category of the International Financial Institutions (IFIs), also known as Multilateral Development Banks (MDBs), which, however, are explained by their different structure.

<sup>13</sup> A very good example is the application of the State of Palestine to become a member in the United Nations, in conjunction with the fact that presently 30 UN Member States do not recognize the State of Israel. Generally, see Konstantinos Magliveras & Gino Naldi, 'The State of Palestine as a Sovereign Actor in the International Community: Implications for its Legal Status' in Sabella Abidde (ed.), *Palestine, Taiwan, and Western Sahara: Statehood, Sovereignty, and the International System*, Rowman & Littlefield / Lexington Books, 2023, 93-118.

<sup>14</sup> The same could also be true for regional IOs, for example the accession of the Sahrawi Arab Democratic Republic in the (then) Organisation of African Unity (OAU) in 1984, see Konstantinos Magliveras & Gino Naldi, *The African Union (AU)*, Third edition, Wolters Kluwer, 2024, 35.



of independence of Kosovo adopted on 17<sup>th</sup> February 2008 did not violate international law”.<sup>15</sup> However, Kosovo’s accession to the IMF did not resolve the question of whether it is an independent and sovereign state. Whether Kosovo’s pending request for membership in the Council of Europe,<sup>16</sup> presently before the Parliamentary Assembly (PACE),<sup>17</sup> will achieve this result is open to question.<sup>18</sup> However, based on the arguments presented above, if Kosovo were to be formally accepted to membership, it would be regarded by the 46 Member States of the Council of Europe as a democratic country that subscribes to the rule of law and safeguards fundamental freedoms. Finally, there could be a case where two states, which not only do not recognize each other’s existence but also have hostile relations, would nevertheless be willing to participate in the same IO. A recent example is the East Mediterranean Energy Forum (EMGF). Formally established in September 2020, it brought together as original Member States the State of Israel and the State Palestine.<sup>19</sup>

### 3. THE THREE MAIN MOTIVES FOR ESTABLISHMENT OF IOS: WARS, INNOVATIONS, AND TECHNOLOGY

#### A) THE FASCINATING STORY OF THE RIVER COMMISSIONS IN EUROPE

For most scholars, the beginning of the history of contemporary international institutions and organisations goes back to the Vienna Congress, which was held between September

1814 and June 1815 and rearranged the management of European affairs after the Napoleonic Wars. In particular, the conclusion of the Final Act (General Treaty) of the Congress on 9<sup>th</sup> June 1815<sup>20</sup> was a triumph of multilateral diplomacy. Furthermore, it was a constant reminder of what states can achieve when they act together within a mutually agreed framework to address shared problems and challenges and when they are prepared to work towards common solutions. Unfortunately, this great degree of harmony was only shown after armed conflicts that claimed the lives of between 2.5 million and 3.5 million soldiers and between 750,000 and 3 million civilians.

It is a fact of history that, at some stage, all wars end and that shorter or longer periods of peace ensue. By enforcing war reparations, restitution, and other forms of recompense, the states that emerged victorious from a military conflict seek to make the vanquished states pay a heavy price for losing the conflict. The Final Act signed at the Vienna Congress did all that but what is remarkable is that it additionally promoted the cooperation of the winners by creating a new institutional vehicle to organize a means of inter-state communication that had existed since ancient times.<sup>21</sup> This refers to what are known as “international rivers” in international law, which are navigable interior streams that traverse the territory of many states. It is evident that the Vienna Congress was successful in recognizing the benefits of institutionally organizing navigation in international rivers. The states agreed to replace their own, separate, navigation regulations with those that would be agreed upon in collaboration with the other waterfront states.

This principle of common organisation in the navigation of international rivers was

<sup>15</sup> International Court of Justice, *Accordance with International Law of the Unilateral Declaration of Independence in Respect of Kosovo*, Advisory Opinion, 22 July 2010, I.C.J. Reports 2010, p. 403.

<sup>16</sup> See *Letter of request for accession of the Republic of Kosovo to the Council of Europe*, Strasbourg, 12 May 2022, Council of Europe, Secretariat of the Committee of Ministers, DD(2022)200, 13 May 2022.

<sup>17</sup> On 24 April 2023, the Committee of Ministers decided to transmit to PACE for consultation the letter of 12 May 2022 “without prejudice to the Committee of Ministers’ future consideration of this application to accede to the Council of Europe”, CM/Del/Dec(2023)1464bis/2.4, at: [https://search.coe.int/cm/Pages/result\\_details.aspx?ObjectID=0900001680aaffdc](https://search.coe.int/cm/Pages/result_details.aspx?ObjectID=0900001680aaffdc).

<sup>18</sup> Certainly, this matter was not resolved when Kosovo became the forty-first Member State of the Council of Europe Development Bank on 4 November 2013.

<sup>19</sup> For analysis, see Gino Naldi & Konstantinos Magliveras, ‘The East Mediterranean Gas Forum: A Regional Institution Struggling in the Mire of Energy Insecurities’ [2023] 20 *International Organizations Law Review* 194–227.

<sup>20</sup> The Final Act was written in French, for translation in English, see <https://www.dipublico.org/100513/final-act-of-the-congress-of-viennageneral-treaty-1815/>.

<sup>21</sup> Generally, see Robert Rie, *Der Wiener Kongress und das Völkerrecht*, Röhrscheid, 1957; Henry Strakosch, ‘The Place of the Congress of Vienna in the Growth of International Law and Organisation’ [1964] 13 *Indian Yearbook of International Affairs* 184–206. See further, John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars*. Princeton University Press, 2000.

expressed in specific terms in Article CVIII of the Final Act:

“The Powers whose states are separated or crossed by the same navigable river, engage to regulate, by *common consent*, all that regards its navigation. For this purpose, they will name Commissioners ... who shall adopt as the basis of their proceedings, the principles established by the following Articles [CIX – CXVII]” (emphasis added)

And Article CIX went on to say:

“The navigation of the rivers, along their whole course, ... shall be entirely free, and shall not, in respect to commerce, be prohibited to any one; it being understood that the regulations established with regard to the police of this navigation, shall be respected; as they will be framed *alike for all*, and as favourable as possible to the commerce of *all nations*” (emphasis added)

If these two provisions were read with the terminology that it used in our epoch, arguably the outcome of the Final Act was to treat navigable international rivers as ‘global public goods’.<sup>22</sup> These are goods (in the very broad sense of the word) that are no longer subject to the absolute jurisdiction of one state, but their regulation is henceforth agreed among a group of states that consider themselves to be equals, while respecting national views, interests and preferences. What the Final Act did not say in so many words was that, for the regulation of navigation to be ‘alike for all’, the states that were prepared to participate in this new institutional vehicle of organisation would have to limit the exercise of their sovereign powers. Simultaneously, they would be required to acknowledge that there was a superior form of governance and regulation that must be adhered to, and that the same set of regulations and procedures would be implemented in their place, replacing the current national ones.

<sup>22</sup> Generally, see, Daniel Bodansky, ‘What’s in a Concept? Global Public Goods, International Law, and Legitimacy’ [2012] 23 *European Journal of International Law* 651–668; Gregory Shaffer, ‘International Law and Global Public Goods in a Legal Pluralist World’ [2012] 23 *European Journal of International Law* 669–693.

This, quite revolutionary for that time, thinking led to the establishment, later in the 19<sup>th</sup> century, of several multilateral river commissions, including the following two: (a) the Central Commission for the Navigation of the Rhine. It was established under the Convention of Mainz of 1831 and, having survived two World Wars, it is still functioning pursuant to the provisions of the Treaty of Mannheim (Mannheimer Akte) of 1868; and (b) the European Danube Commission, which was established under the Paris Peace Treaty of 1856.

These river commissions should be seen as the first contemporary international institutions, the forefathers of IOs. Even though their mode of operation might be regarded as outdated compared to the much more sophisticated IOs of the present day, their history arguably shows that, when a group of states is committed to pursue cooperation at an institutional level, problems will be overcome and solutions will be found. For example, when the question of the adjudication of disputes between the Commission for the Rhine and its staff came up, it was resolved by signing an agreement with the Administrative Tribunal of the Council of Europe, pursuant to which the Tribunal was authorized to rule on them.<sup>23</sup> This example shows that IOs do not function in a vacuum but are living organisms able to interact with each other when so needed.

## **B) THE LEAGUE OF NATIONS, THE INTERNATIONAL LABOUR ORGANISATION, THE ORGANISATION OF THE UNITED NATIONS AND THE LEAGUE OF ARAB STATES**

The Napoleonic Wars and the Final Act of the Congress of Vienna are not the only examples showing that war plays a major role in the creation of international organizations.

<sup>23</sup> See Agreement of 16 December 2014 on Extending the Jurisdiction of the Administrative Tribunal of the Council of Europe to Officials of the Central Commission for the Navigation of the Rhine (CCNR), text at: <https://rm.coe.int/16800ce0a5>. The Tribunal presently operates on the basis of the Statute, which was approved by the Council of Europe’s Committee of Ministers (Resolution CM/Res(2022)65 of 16 November 2022) and entered into force on 1 January 2023, at: <https://www.coe.int/en/web/tribunal/statute>.

Indeed, a century later, the peace treaties signed after what was then called the 'Great War'—now known as World War I—led to the establishment of two very different international organizations: the League of Nations and the International Labour Organization (ILO). The former was perhaps too progressive, and the time had not been ripe for states to devolve the sovereign powers as its statute required.<sup>24</sup> Notwithstanding that the life of the League ended in disgrace, the mere fact that it put the foundations of the modern IO with a global remit is enough to secure a position of almost unrivaled significance in the history of international organisation. Regarding the ILO, it is well known that it survived World War II and became the first Specialized Agency of the newly established United Nations. While the UN is a significantly more advanced international organization than the League of Nations, one might still ask whether it would have been envisioned as the institutional framework for lasting peace and security without the precedent set by the League. In other words, one could argue that the League of Nations served as a necessary experiment that helped refine the international community's approach to organizing peace and security.

The United Nations was not the only IO which, directly or indirectly, was established as an outcome of World War II. It is often forgotten that the Charter (Pact) of the League of Arab States was concluded on 22<sup>nd</sup> March 1945,<sup>25</sup> three months earlier than the UN Charter. And while the League of Nations and the United Nations were 'victors' organisations' that excluded the losers of the two World Wars (in the wording of Article 4 of the UN Charter as they were not 'peace-loving states'), LAS was established with the typical thinking of those states that take the initiative to create a new IO: institutional cooperation to pursue common goals by respecting each other and by agreeing to a set of rules and procedures that are applicable to

all participants. In the second half of the 1940s and the early 1950s there was a plethora of other global and regional IOs formed, a rather well-known fact and, therefore, they need not be mentioned here. What is crucial to recognize is that, had World War II not occurred, these organizations would most likely not have been established, as their creation was primarily aimed at addressing the crises and consequences of the deadliest and most extensive armed conflict in human history.

But the phenomenon of the formation of new IOs was also manifested after the end of the Cold War. While it was not a traditional armed conflict, it had many theaters in Europe, in Asia, in Africa and elsewhere that led to belligerent situations that caused death, destruction and misery to a great number of people. The new world order that emerged following the end of the Cold War did open a new page to international history but was also surrounded by pressing problems and difficulties, which, to an extent, were dealt with by setting up new multilateral institutions. It is enough to mention institutions such as the European Bank for Reconstruction and Development (EBRD), the Commonwealth of Independent States (CIS), the Organisation of Security and Cooperation in Europe (OSCE, the successor institution to the Conference on Security and Cooperation in Europe<sup>26</sup>), the Organization of the Black Sea Economic Cooperation (BSEC), and the Central European Initiative (CEI).

### C) OF INVENTIONS AND TECHNOLOGICAL PROGRESS

The history and development of humanity has always been linked to and influenced by inventions and the progress achieved in technology (as understood in the different eras of world history). What, however, changes from roughly the mid-19<sup>th</sup> century onwards is the fact that states started to comprehend the significant benefits of institutional cooperation and organisation when exploiting the

<sup>24</sup> The statute of the League of Nations was titled 'Covenant', arguably a term that could be ascribed certain religious connotations, viz. the Covenant of the Old Testament.

<sup>25</sup> Text in English translation at: <https://www.refworld.org/legal/constinstr/las/1945/en/13854>.

<sup>26</sup> See the Final Act of the Conference, signed in Helsinki, Finland on 1 August 1975, at: <https://www.osce.org/files/f/documents/5/c/39501.pdf>.



technological advances. More specifically, what they understood was that by agreeing to cooperate within the context of a certain institutional arrangement, the positive outcomes of technological advances and inventions could be multiplied, thus assisting in faster economic development.

The invention of the electric telegraph and its application in practice (1830s-1840s) is a very good example. Telegraph, which at that time was, from a technological point of view, the equivalent of mobile telephony in the 21<sup>st</sup> century, revolutionized communication to the benefit of people and national economies, and improved interaction between states. The ability to interconnect telegraph systems across states—whether overground, underground, or even underwater—meant that people could come closer together, interstate commerce could flourish, and state revenues could grow. These developments underscored the growing importance of connectivity not only between countries on the same continent but also across different continents. Just as the mid-19th century saw the creation of various River Commissions to regulate navigable international rivers, the regulation and coordination of cross-border interconnection in areas such as the electric telegraph and other technological innovations were addressed through a more advanced form of institutional organization: the so-called *International Administrative Unions* (IAUs). The emergence of IAUs is particularly noteworthy given that, as has been observed, “the dominant note of political development was undoubtedly nationalism.” Their establishment occurred despite a turbulent international context marked by revolutions, the formation of new states and political unions, and the rise of strong nationalist interests.

Notwithstanding these negative aspects for the creation of international institutions situations,

“[n]ations have given up certain parts of their sovereign powers to international administrative organs ... while fully reserving their independence, actually found it

desirable, and in fact necessary, regularly and permanently to co-operate with other nations in the matter of administering certain economic and cultural interests. Without legal derogation to the sovereignty of individual states an international de facto and conventional jurisdiction and administrative procedure is thus growing which bids fair to become one of the controlling elements in the future political relations of the world”<sup>27</sup>

What is particularly striking, then, is that even as states actively pursued their nationalist interests, this did not prevent them from simultaneously embracing a form of administrative internationalism—managing, in effect, to reconcile both approaches.<sup>28</sup>

#### **D) THE INVENTION OF THE ELECTRIC TELEGRAPH, COMMUNICATION AS A GLOBAL PUBLIC GOOD AND THE INTERNATIONAL TELEGRAPH UNION AS THE INSTITUTIONAL VEHICLE FOR COOPERATION**

On 17<sup>th</sup> May 1865, the International Telegraph Convention was signed in Paris following the successful conclusion of the International Telegraph Conference, which had started on 1<sup>st</sup> March 1865 at the invitation of the King of France. In particular, the attempt to modernize the French state and increase its influence across Europe and beyond, led Napoléon III, who, at the same time, wanted to upgrade his country technologically, to propose the holding of the world’s first International Telegraph Conference, which began on 1 March 1865.<sup>29</sup> For the previous fifteen years, a series of bilateral and regional agreements relating to this revolutionary technology had been concluded

<sup>27</sup> Ibid., p. 581.

<sup>28</sup> For an examination from the perspective of contemporary international relations theories, see Douglas Howland, “An Alternative Mode of International Order: The International Administrative Union in the Nineteenth Century” [2015] 41 *Review of International Studies* 161-183.

<sup>29</sup> The French original of the Convention as well as the discussions and deliberations that led to its conclusion are available at: <https://search.itu.int/history/HistoryDigitalCollectionDocLibrary/4.1.43.fr.200.pdf>.



between the states of (what is now called) Western Europe.<sup>30</sup> But they came to the realization that all these agreements had to be replaced by a new comprehensive treaty with a multilateral remit, the point of the interconnection of the various states being of paramount importance. The *Convention télégraphique de Paris* entered into force very promptly on 1 January 1866 and created the International Telegraph Union (ITU), one of the very first IAU's.

The purpose of the ITU's twenty founding Member States was to facilitate the establishment of transnational telegraph networks by formulating standards and regulations that went beyond the borders of a single state and in accordance with the International Telegraph Convention;<sup>31</sup> its provisions were not meant to be static but ever evolving. Thus, the International Telegraph Conference (1865) had also stipulated that in order to keep up with technical and administrative progress, the Convention should be periodically revised by follow-up international conferences to be held in the capitals of the contracting parties. Between 12 June and 21 July 1868, the (second) Telegraph Conference took place in Vienna, which amended the International Telegraph Convention with effect from 1 January 1869.<sup>32</sup> The follow-up Conferences continued during the 19<sup>th</sup> century and 20<sup>th</sup> century and were directly influenced by the evolution in the electric telegraph technology. In 1932, it was decided that ITU should adopt a new name to indicate the full range of its responsibilities.<sup>33</sup> The new name was 'International Telecommunication Union' (same abbreviation, ITU).

As previously mentioned, reference has been made to the concept of so-called *global public goods*. It is particularly noteworthy that the Madrid International Telecommunication Convention recognized *telecommunication* as a public good with a transcontinental dimension. Notably, Article 22 of the Convention—aptly titled “Telecommunication as a Public Service”—explicitly stated: “The Contracting Governments recognise the right of the public to correspond by means of the international service of public correspondence.” The service, charges and safeguards shall be the same for all senders, without any priority or preference whatsoever not provided for by the Convention”. Moreover, the wording of Article 22 confirmed the two basic principles, which, as was argued above, characterize IOs, namely equality and fairness. ‘Telecommunication’ was regarded as a public good which meant that it had to be given a very high degree of protection and security. This was manifested in Article 24(1) of the Madrid Convention. It read: “The Contracting Governments undertake to adopt all possible measures, compatible with the system of telecommunication used, to ensure the secrecy of international correspondence”.

As regards those countries that were not already contracting parties, the Madrid Convention adopted a *laissez passer* attitude. In other words, any country—or more precisely, the government of any country—could have acceded to the Convention at any time and joined the existing members as an equal partner. According to Article 3 of the Madrid Convention, accession carried with it “... of full right, all the obligations and all the advantages provided by the ... Convention”. No participating country was forced to remain a member: with the easiness the ITU could be joined, with the same easiness it could have been departed from. Thus, Article 10 provided that each ‘contracting government’ had the right to denounce the Convention by sending a notification to that effect through diplomatic channel. Denunciation, to which presumably another participating country could not have objected, came into effect one year from

<sup>30</sup> Further information may be found at: <https://www.itu.int/en/history/Pages/pre1865agreements.aspx>.

<sup>31</sup> To that extent, the Convention was annexed by the Regulations for International Service, which covered in detail common administrative matters, such as the interworking of equipment, the procedures for operation and the settlement of accounts.

<sup>32</sup> For the text of the Convention and for other Conference documents, see <https://search.itu.int/history/HistoryDigitalCollectionDocLibrary/4.2.43.fr.200.pdf>.

<sup>33</sup> See International Telecommunication Convention, signed in Madrid on 9 December 1932, available at <https://search.itu.int/history/HistoryDigitalCollectionDocLibrary/4.5.43.en.100.pdf>. According to Article 8 thereof, the Madrid Convention abrogated and replaced previous Conventions, including the ones signed in Paris (1865) and in Vienna (1868).

the day the notification was received. This twelve-month period allowed ample time, on the one hand, for the withdrawing country to reconsider its decision and, on the other hand, to settle accounts and any other outstanding business with the ITU.<sup>34</sup> And even though it was quite obvious and there was no need for confirmation, Article 10 went to say that the denunciation affected only the party making it, while for all the other parties the Convention remained in force.

Finally, reference should be made to Article 15 of the Madrid Convention not only because it was the lengthier provision but because it regulated dispute settlement, a very difficult matter to be addressed in any IO. Specifically, it stipulated that any disagreement between two or more Contracting Parties concerning the implementation of the Convention would first be resolved through diplomatic channels; if this failed, the matter could be referred to arbitration at the request of any one of the Governments involved. And as regards the mode of the arbitration, the parties in dispute could choose between the procedure that was already envisaged in treaties concluded between them for the settlement of international disputes and the procedure set out in Article 15, which, however, failed to mention whether the arbitral award was legally binding and whether the party that lost the arbitration was (legally) obligated to full and promptly comply with it.

Following the end of World War II, ITU became one of the Specialized Agencies of the United Nations, as it happened with other IOs that had been established in the 19<sup>th</sup> and early 20<sup>th</sup> century. The idea of having follow-up conferences on a regular basis to revise the Telecommunication Convention has persisted. They are now held every four years. The last one took place in Bucharest in 2022.<sup>35</sup> The

discussions center around issues that of mutual concern and have come up from the recent advances in technology: the digital revolution, artificial intelligence, and so on. But the general idea is still the same: the present 193 Member States, regardless of whether they maintain peaceful relations or are embroiled in armed conflict, want to exploit the public good of communication and are ready to agree to common rules and common procedures.

#### 4. CONCLUSION

Even a brief review of the development of international organization over the past 200 years reveals that states have consistently structured, arranged, and coordinated their relations, affairs, and transactions through the institutional framework of international organizations (IOs). Therefore, the argument that “[to] the extent that [IOs] become actors in their own right and exercise some measure of authority and control they must be seen as a new dimension in the international community” was not only true at the end of the 20<sup>th</sup> century when the argument was made<sup>36</sup>, but rather a long time before that, starting in the mid-19<sup>th</sup> century with the establishment of the River Commissions and the International Administrative Unions. It follows that, for the past 200 years, states have shown a consistent tendency to shape the international community through the creation of international organizations as their preferred means of governance. While these organizations have brought states closer and fostered stronger ties, it is equally true that states have also engaged in numerous wars and armed conflicts that have severely strained or even shattered these relationships. However, as institutionalized mechanisms for organizing the international community, international organizations generally tend to endure wars and conflicts between their Member States, despite inevitably experiencing negative impacts from such disputes. The validity of this submission can be ascertained if one

<sup>34</sup> Generally, see Gino Naldi & Konstantinos Magliveras, ‘The Law and Practice Regarding Denunciation of Treaties and Withdrawal from International Organisations with Specific Reference to Human Rights’ [2014] XXXIII *Polish Yearbook of International Law* 95-127.

<sup>35</sup> See International Telecommunication Union, *Collection of the basic texts of the adopted by the Plenipotentiary Conference*, Edition 2023, Geneva, 2023, at: [https://www.itu.int/dms\\_pub/itu-s/opb/conf/S-CONF-PLEN-2022-PDF-E.pdf](https://www.itu.int/dms_pub/itu-s/opb/conf/S-CONF-PLEN-2022-PDF-E.pdf).

<sup>36</sup> See Christoph Schreuer, ‘The Wanning of the Sovereign State: Towards a New Paradigm for International Law?’ [1997] 4 *European Journal of International Law* 447-471, 452.

were to consider, on a global level, how many of the UN Member States and, at a regional level, how many, for example, LAS Member States are presently in some form of hostilities.

But despite hostilities, states do continue to transact through the IOs in which they participate, presumably because today's international

community has become so interconnected and so complex that only few countries can claim to be able to act outside the purview of IOs. Viewed against the span of world history, the 200 years during which international institutions and IOs have existed is but a brief moment. And yet so much has been achieved!

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## RAZMIŠLJANJA O 200 GODINA ISTORIJE MEĐUNARODNIH ORGANIZACIJA

**Rezime:** Ovaj rad se bavi epistemološkim promišljanjem o 200 godina istorije međunarodnih organizacija. Tri istraživačka pitanja kojima se ovaj rad bavi su položaj međunarodnih organizacija u savremenoj međunarodnoj zajednici, traganje za odgovorom zašto se međunarodne organizacije i dalje osnivaju i žele da učestvuju u njima i identifikovanje tri glavna pokretača osnivanja međunarodnih organizacija. Važna literatura koja vodi ovo istraživanje uključuje radove eminentnih svetskih autora o međunarodnim organizacijama, kao i bazična osnivačka dokumenta, izveštaji o radu, rezolucije i konvencije međunarodnih organizacija. U radu se koristi hipotetičko deduktivna metoda, kao i metod analize sadržaja dokumenata sa tehnikom kvalitativne analize sadržaja dokumenata koji se odnose na 200 godina rada međunarodnih organizacija. Tri su glavna nalaza u radu. Prvi, da su države strukturirale, organizovale i koordinisale svoje odnose, poslove i transakcije putem institucionalnog mehanizma međunarodnih organizacija. Drugi, da su države već 200 godina sklone da oblikuju međunarodnu zajednicu uvođenjem međunarodnih organizacija kao svog preferiranog izbora za njihovo organizovanje, i treći da uprkos neprijateljstvima, države nastavljaju da obavljaju transakcije preko međunarodnih organizacija u kojima učestvuju. Implikacije rezultata istraživanja na politiku su da je današnja međunarodna zajednica postala toliko međusobno povezana i toliko složena da samo malo zemalja može tvrditi da može da deluje van delokruga međunarodnih organizacija, što ostavlja različite posledice na realnu društvenu praksu u međunarodnim odnosima.

**Ključne reči:** međunarodne organizacije, položaj međunarodnih organizacija, društvo naroda, međunarodna organizacija rada, Organizacija ujedinjenih nacija i liga arapskih država



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## REVIEW SCIENTIFIC PAPER

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# SOME ASPECTS OF PROTECTION OF PERSONAL RIGHTS AND FREEDOM OF CONTRACTING ATHLETES IN SERBIAN LAW

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**Abstract:** *In addition to the income that they earn by playing sports (salaries), athletes also have the opportunity to gain additional income, which they earn by commercially exploiting their personality rights, as a rule, by concluding sponsorship contracts. Sports rules of sports federations (rules contained in the statutes and rulebooks of sports federations) that athletes must follow or they would be exempted from organized sports events, have interposed between them and the maximum realization of the possibility of additional earnings. The basic hypothesis of the paper is that, with their sports rules, sports federations impose significant restrictions on athletes in terms of concluding sponsorship contracts, thus restricting their freedom of contracting. The paper aims to answer the question, whether such restrictions on the freedom of contracting of athletes are allowed in Serbian law and, if so, under what conditions. The paper employs scientific methods such as deduction and comparative analysis.*

**Keywords:** *sponsorship contract, personal rights, freedom of contracting, sports rules, abuse of a dominant position*

## 1. INTRODUCTION

Professional athletes, in addition to their desire to achieve success in sports, also want commercial success. Apart from the earnings they earn by playing sports (salaries), sponsorship contracts are available to them as additional sources of income (On the sponsorship contracts in Italian, French, Swiss and German law, see: Ječmenić, 2017:483-498). The sponsorship contract obliges the sponsor to make money or items available to the beneficiary in support of his activities, and the beneficiary undertakes to promote the sponsor in the agreed manner (Ječmenić, 2022:136). In

sports, sponsorship contracts typically come in two forms such as equipment contracts and testimonial contracts. Equipment contracts are concluded with sports equipment manufacturers, where the sponsor makes their sports equipment available to the beneficiary and pays them a certain amount of money, and the beneficiary undertakes to use only the sponsor's sports equipment in a manner suitable for advertising. Testimonial contracts are concluded with sponsors who make products that have nothing to do with sports. In this case, the athlete as a witness confirms the quality of the sponsor's product, allowing the sponsor to use his personal rights, right to name and right

to character for promotional purposes, and the sponsor pays him the agreed amount of money in return (Roskopf, 2009:12). Sports rules of sports federations (rules contained in the statutes and rulebooks of sports federations) that athletes must follow if they want to participate in the organized sports activities have interposed between them and the realization of the maximum income based on the sponsorship contracts. With their sports rules, sports federations regulate not only purely sports issues, but economic issues as well.

Namely, just like athletes, sports federations have a legitimate right to generate income. In order to achieve the objectives set by the statutes (promotion and development of a specific sport, providing conditions for unhindered and safe performance of sports activities, and providing equal opportunities for athletes to engage in a particular sport), sports federations are very focused on sponsorships as a source of income.

Thus, sports federations conclude sponsorship contracts, such as equipment contracts, for the needs of the national sports team. It would be ideal if athletes and sports federations had the same sponsors, but that is a rarity. Therefore, sports federations regulate marketing activities according to their sports rules. As a rule, it is envisaged that athletes are obliged to wear only sports equipment made available to them by the sports federation, which is received from contractual partners based on the equipment contract (therefore, athletes are denied the conclusion of their own equipment contracts), furthermore to relinquish their personal rights to be used for promotional purposes to the sports federation and its sponsors, and to participate in promotional activities for the sports federation and its sponsors.

In this way, either the freedom of contracting of athletes with regard to sponsorship contracts is completely abolished, or it is significantly limited. If we take into account the pyramidal structure of sports, as well as the so-called principle - one sports federation for one sports branch (namely, there can only

be one world branch sports federation, one continental branch sports federation, as well as one national branch sports federation), it becomes clear that sports federations have a monopolistic position in their sports branch (Đurđević, 2018:289). Logically, the question arises whether by adopting the above-mentioned sports rules, sports federations abuse their monopolistic position, in order to exclude competition (athletes) from the market of providing advertising services in sports competitions.

In this paper, we will try to answer the following questions: 1) under what conditions can sports federations and their sponsors use the rights of the athlete's personality for promotional purposes and, in this regard, whether the sports federation can impose on athletes the obligation to participate in its promotional activities as well the promotional activities of its sponsors; 2) can a sports federation ban individual advertising activities of athletes?

## 2. BINDING ATHLETES TO SPORTS RULES

Sports federations are associations. They cannot make rules that are generally binding. Their rules bind only their immediate members. Thus, in Germany, Switzerland and Austria, athletes are not, as a rule, direct members of sports federations. They have only indirect membership in a sports federation, through membership in their sports association (club), or do not even have indirect membership in a sports federation, if they are independent professional athletes, i.e. professional athletes who do sports independently without belonging to a sports association (club), which is possible in individual sports (Thus, according to our Law on Sports, an athlete can engage in sports activities independently, or within organizations in the field of sports., Art. 9, para. 1, Law on Sports ('Official Gazette of RS', No. 10/2016), hereinafter referred to as LS. A top athlete can independently and professionally engage in activities in individual sports and as an independent professional athlete, i.e., entrepreneur, Art. 14, para. 1 of the LS. However,

according to our LS, independent professional athletes can be direct members of branch sports federations., Art. 97, para. 1, LS).

The same rules must apply to all participants in the sports system. One possibility for ensuring respect for the sports rules of sports federations by athletes, which can only be applied in the case of athletes who have indirect membership in a sports federation, is through the statutes of their sports association. Namely, the sports association in which the athlete has direct membership includes in its statute a provision according to which its members are obliged to respect the sports rules of the higher sports federation. However, there are two disadvantages to this solution. First of all, this includes only athletes who have indirect membership in the sports federation. In that way, the athletes are committed to abide by the sports rules of the sports federation, not to the sports association, but to their association. If they do not follow the sports rules of the sports federation, sanctions for non-compliance cannot be imposed by the sports federation, but only by the association of which the athlete is a direct member.

Another possibility for ensuring compliance with sports rules of sports federations by athletes, which can be applied only in the case of athletes who have indirect membership in the sports federation, is the so-called double membership. Specifically, to achieve that, it is necessary for the sports association of which the athlete is a direct member to include in its statute a provision according to which the athlete automatically becomes a member of the superior sports federation by joining the sports association. On the other hand, the superior sports federation must also include an appropriate provision in its statute, namely, that the athlete automatically becomes a member of the superior sports federation by joining the sports association. The disadvantage is again that athletes who do not have indirect membership in the sports federation are not included in this way.

There is a third possibility for binding athletes to the sports rules of sports federations,

which can include both athletes who have indirect membership in the sports federation and those who do not have indirect membership in the sports federation. To ensure the compliance of their sports rules by athletes, sports federations of Germany, Switzerland and Austria conclude different modalities of contracts with athletes that can be entitled as contracts on the acceptance of sports rules (For more on the modalities of binding athletes to the sports rules of sports federations, see: Matzler, 2009:218-228).

This agreement obliges the athlete to respect the sports rules, and the sports federation to allow the athlete to participate in the competition. These are unique, standard form of contracts, compiled by the sports federation and which ensure the binding of athletes to sports rules, via contracts that can be treated as general business conditions and which regulate in detail the legal relationship between sports federation and athletes in one sports branch (Thaler, 2007:21). However, the fact is that due to the monopolistic position of sports federations, there is a de facto pressure for athletes to sign these contracts, or they can forget about participating in the organized sports activities.

In order to avoid the problem of binding athletes to the sports rules of sports federations, our Law on Sports (hereinafter referred to as LS) primarily defines sports rules, and then prescribes their legal obligation. Thus, sports rules represent rules determined by general acts of the competent national sports federations, which regulate the performance of sports activities and the achievement of established sports goals (Art. 3, para. 28, LS). Organizations in the field of sports achieve their goals and perform sports activities in accordance with the law, sports rules, ratified conventions in the field of sports, and principles established in the documents of international organizations of which the Republic of Serbia is a member (Art. 3, para. 28, LS).

Sports rules apply directly to all persons who are, directly or indirectly, covered by the competences of the competent national sports federation (Art. 6, para. 2, LS). The competent

national sports federations harmonize their sports rules with the sports rules of the competent international sports federation, and in case they are not harmonized or the competent national sports federation has not adopted appropriate sports rules, the sports rules of the competent international sports federation are directly applied unless they are in accordance with this law (Art. 6, para. 3, LS).

Therefore, our sports federations do not have to conclude contracts with athletes in order to ensure compliance with sports rules. Athletes are obliged to respect sports rules based on LS. That is the advantage of our solution. However, in Germany, Switzerland and Austria, due to the contractual nature of sports rules, the procedure for determining their nullity takes place before regular courts. The sports rules of our sports federations are contained in the general acts of the sports federations. General acts of sports federations are subject to the assessment of constitutionality and legality, while the Constitutional Court decides on the conformity of general acts of citizens' associations with the Constitution and the law (Art. 167, para. 1, Constitution of the Republic of Serbia ('Official Gazette of RS', No. 98/2006 and 115/2021).

LS therefore recognizes the autonomy of sports federations to independently and obligatorily regulate internal relations in sports, of course, within the limits of what is allowed by law. Sports federations can regulate the performance of sports activities with their sports rules. According to the LS, sports activities are activities that provide conditions for performing sports activities, and sports activities include, among other things, propaganda and marketing in sports (Art. 3, para.1, item 2, LC). Therefore, based on the LS, sports federations can adopt sports rules that regulate marketing activities. We shall see below how they can do that and move within the boundaries set by the law.

### **3. CONDITIONS UNDER WHICH SPORTS FEDERATIONS AND THEIR SPONSORS MAY USE THE PERSONALITY RIGHTS OF ATHLETES FOR PROMOTIONAL PURPOSES**

The personality rights are generally protected from violation and unauthorized use by the Law on Obligations (hereinafter referred to as LO), and from unauthorized use for advertising purposes by the Law on Advertising. Thus, the LO prescribes that everyone has the right to demand from the court or other competent body to order the termination of an action that violates the integrity of the human personality, personal and family life and other rights of his personality (Law on Obligations (hereinafter referred to as LO), ('The Official Gazette of the SFRY', No. 29/78, 39/85, 45/89 - Decision of the CCY and 57/89, 'The Official Gazette of the FRY', No. 31/93, 'The Official Gazette of Serbia and Montenegro', No.1/2003 - Constitutional Charter and 'The Official Gazette of RS', No. 18/2020), Art. 157, para. 1). The court, i.e. another body may order the termination of the action under the threat of payment of a certain amount of money, determined in total, or per unit of time, in favor of the offended party (Law on Obligations (hereinafter referred to as LO), ('The Official Gazette of the SFRY', No. 29/78, 39/85, 45/89 - Decision of the CCY and 57/89, 'The Official Gazette of the FRY', No. 31/93, 'The Official Gazette of Serbia and Montenegro', No.1/2003 - Constitutional Charter and 'The Official Gazette of RS', No. 18/2020), Art. 157, para. 1). The Law on Advertising stipulates that if the advertising message contains a personal good on the basis of which the identity of the person can be determined or recognized, the advertising message cannot be published without the prior consent of the person to whom the personal good refers (Law on Advertising ('The Official Gazette of RS', No. 6/2016 and 52/2019 - other law), (hereinafter referred to as the Law on Advertising), Art. 15, para. 1).

Personal property is considered personal data, personal record, record of an image (photographic, cartoon, graphic, film, video



and digital recording), sound recording of the voice and spoken words of a certain natural person (Law on Advertising ("The Official Gazette of RS", No. 6/2016 and 52/2019 - other law), (hereinafter referred to as the Law on Advertising), Art. 15, para. 1). The consent of the person to whom the personal good refers to, given for the use of personal property on another basis, with compensation, or without compensation, and not on the basis of advertising, is not considered automatically consent for its use in the advertising message (Law on Advertising ("The Official Gazette of RS", No. 6/2016 and 52/2019 - other law), (hereinafter referred to as the Law on Advertising), Art. 15, para. 1). If the person whose personal property is used in the advertising message subsequently agrees to that use, he has the right to demand appropriate compensation for the use of his personal property (Law on Advertising ("The Official Gazette of RS", No. 6/2016 and 52/2019 - other law), (hereinafter referred to as the Law on Advertising), Art. 15, para. 1).

Therefore, in order to use the athlete's personality rights for promotional purposes, the sports federation and its sponsors must obtain the athlete's permission. The right to use the athlete's personality rights must be specified in detail, in terms of the duration of the right of use, the territory in which the athlete's personal rights can be used, as well as in terms of the manner of use. As we have seen, it is possible to subsequently authorize the unauthorized use of personality rights with the right to demand appropriate compensation.

If the sports federation concludes a sponsorship contract and promises its sponsor that the athletes will bestow the personality rights for promotional purposes, as well as that the athletes will participate in the promotional activities of the sports federation sponsors, without prior regulation of these issues with athletes, it would be a contract promising the action of a third party (Pajtić, Radovanović & Dudaš, 2018:321). If the sports federation now fails to ensure that athletes grant their personality rights to its sponsor for promotional purposes, as well as for participation in the

promotional activities of the sports federation sponsor (provided that the sports federation does not obtain this by abusing monopolistic position), it would be obliged to compensate its sponsor for the damage.

The issue of the rights to use the athlete's personality rights for promotional purposes from the sports federation and its sponsors, as well as the participation of athletes in promotional activities of the sports federation and its sponsors, would be best regulated by the contract between the sports federation and the athletes. As a rule, Serbian sports federations do not conclude any contracts with athletes. However, there are exceptions in this regard. Thus, the Ski Association of Serbia inevitably concludes contract with the national team (the so-called contract for the national team member) (See, Rulebook on the rights and duties of national team members in the Alpine, Snowboard and Nordic national teams of the Ski Association of Serbia, Art. 2), which regulates, among other things, the rights of the Ski Association of Serbia and its sponsors with regards to using the athlete's personality rights for promotional purposes as well as the participation of athletes in the promotional activities of the Ski Association of Serbia and its sponsors.

This could also be recommended to other sports federations. Especially since the LS opens the possibility of concluding the so-called licensing contracts between sports federations and athletes. Namely, according to the LS, the competent national sports federation can determine the conditions and criteria for participation in the national league sports competition, i.e. professional sports competition as well as the procedure for determining their fulfillment (LS, Art. 100, para. 4). The possibility of concluding a licensing contract between the sports federation and the athlete is practically envisaged. In Western European countries, the sports rules of the competent federations have established a three-way relationship: federation-club, federation-player, federation-club. In order for a club, a member of the federation, to participate in the competition

(championship), it must conclude a license contract with the federation. Likewise, an athlete who wants to compete must enter into a license contract with the federation. In order to conclude a license contract with the federation at all, the club and the athlete must first conclude an employment contract (Đurđević, Mićović & Vuković, 2014:110-111). This license contract could also regulate issues related to the rights of sports federations and their sponsors to use the personality rights of athletes for promotional purposes, as well as the participation of athletes in promotional activities of sports federations and their sponsors.

#### 4. CAN A SPORTS FEDERATION BAN INDIVIDUAL MARKETING ACTIVITIES OF ATHLETES?

Both sports federations and athletes have the freedom to conclude contracts. If a sports federation prohibits athletes from concluding individual equipment contracts and individual testimonial contracts altogether, or conditions them with its prior approval, the freedom to conclude sponsorship contracts shall be either completely terminated or substantially restricted. The question that arises is whether the sports federation is abusing its monopolistic position in that way in order to exclude competition (athletes) from the market of providing marketing services in sports competitions.

The Law on Protection of Competition applies to acts and actions committed on the territory of the Republic of Serbia, i.e. to acts and actions committed outside its territory that affect, or could affect, competition on the territory of the Republic of Serbia (Law on Protection of Competition ('The Official Gazette of RS', No. 51/2009 and 95/2013), (hereinafter referred to as the Law on Protection of Competition), Art. 2). As far as personal application is concerned, the Law on Protection of Competition applies to all legal entities and natural persons who directly or indirectly, permanently, occasionally or on one occasion participate in the trade of goods or services, regardless of their legal status, form of ownership or citizenship or nationality (Law on Protection of Competition

('The Official Gazette of RS', No. 51/2009 and 95/2013), (hereinafter referred to as the Law on Protection of Competition), Art. 2). When sports federations and athletes provide marketing services in sports competitions, they participate in the supply of services, so that the Law on Protection of Competition can be applied to them. The Law on Protection of Competition prohibits the abuse of a dominant position on the market (Law on Protection of Competition ('The Official Gazette of RS', No. 51/2009 and 95/2013), (hereinafter referred to as the Law on Protection of Competition), Art. 2).

So far, our Commission for Protection of Competition has not dealt with the application of the Law on Protection of Competition to sports rules. In order to answer the question of whether sports federations abuse monopolistic positions by adopting sports rules prohibiting individual marketing activities of athletes, we must take a brief look at the case law of the European Court of Justice regarding the application of the EU competition law to sports rules, so as to get some guidelines. In particular, the Republic of Serbia has an obligation under the Law on Ratification of Stabilization and Association Agreement between the European Communities and their Member States, of one part, and the Republic of Serbia, of the other part, to harmonize existing legislation with the Community legislation as well as to ensure gradual harmonization of existing laws and future legislation with the Community legislation (Law on Ratification of the Stabilization and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Serbia, of the other part ('The Official Gazette of RS - International Agreements', No. 83/2008), Art. 72, para. 1).

In its decision in *Walrave and Koch v Association Union Cycliste Internationale*, the European Court of Justice stated for the first time that sport can be the subject of European Union law only when it is an economic activity (CJEU Case C-36/74, *Walrave and Koch v Association Union Cycliste Internationale* [1974] ECR 1405). On the other hand, a distinction was

made between merely sports rules (sports rules on the size of the field, number of players, transition periods...), which were automatically exempted from checking their compliance with the EU Competition Law, as well as sports rules that have economic effect (such as, among other things, sports rules governing marketing activities) and which could be the subject of verification of their compliance with the European Union Competition Law. This division of sports rules was valid until the decision of the European Court of Justice in the case of *Meca-Medina and Igor Majcen v Commission*. Following this decision, any sports rule, whether purely sporting or with an economic impact, may be subject to verification of its compliance with the European Union Competition Law. The decision of the European Court of Justice in this case is, for another reason, relevant to the issue of this paper. Namely, in this judgment, the European Court of Justice states: The compatibility of one rule with the Competition Law of the European Union is not assessed in an abstract way. Not every agreement between companies, or every decision of an association of companies restricting the freedom of action of the parties or one of the parties, automatically falls under the prohibition of Article 101 paragraph 1 of the Treaty on the Functioning of the European Union (restrictive agreements and contractual practice). In applying this Article to an individual case, the overall context in which the disputed decision originated or is having its effects, and in particular of its objectives, must be taken into account. Furthermore, it is necessary to ascertain whether the restrictive effects of that decision on competition are necessarily linked to the achievement of its objectives, and whether the restrictive effects of the decision on competition are proportionate to its objectives (CJEU Case 519/04 *David Meca-Medina and Igor Majcen v. Commission* [2006] ECR I-6991, stated according to Heermann, 2015:1173-1174).

What this means. In particular, if a sport rule is found to have a negative effect on competition within the common market (in the sense that it aims to prevent or restrict or distort competition) and as such can be classified

as a restrictive agreement, it is not automatically void but can be exempted from the ban if it passes the so-called test in 3 steps. The first step is to check whether the goal to be achieved by the disputed sports rule is legitimate. If the answer is yes, the second step is to determine whether competition restrictions are necessary to achieve a legitimate goal. If the answer here is yes as well, we move on to the third step, where it is checked whether the restrictions of competition are proportional to the legitimate goal that is to be achieved by the sports rule. If the answer to this question is also affirmative, the sports rule is exempt from the ban; therefore, it is harmonized with the Competition Law of the European Union.

This 3-step test was originally developed for restrictive contracts. However, according to the opinion in the literature, it could be applied to cases of abuse of a dominant position (Special Rulebook on the organization of the competition of the Sports Car and Karting Association of Serbia, Art. 33, para. 1), and therefore to the case that is the subject of this paper. Therefore, in the following, we will apply this test in 3 steps to the sports rules by which sports federations prohibit athletes from individual marketing activities. In the first step, we need to determine what goal the sports federations intend to achieve with these sports rules, and then assess whether that goal is legitimate. We can establish that by looking at the rules of sports federations. Thus, the Special Rulebook on the organization of the competition of the Sports Car and Karting Association of Serbia states the collection of funds to cover the costs of organizing the competition as the goal of the sports rules on marketing activities (Special Rulebook on the organization of the competition of the Sports Car and Karting Association of Serbia, Art. 33, para. 1). In our opinion, this is a completely legitimate goal, which is also in the interest of the athletes themselves, because if there is no competition, there is not only sport but marketing activities as well, and thus no additional earnings for athletes. German lawyers believe that even an economic goal, such as the



financial stability of a sports federation, which is intended to be achieved by marketing rules, could be classified as legitimate. However, this goal is legitimate only for members of the sports federation (direct and indirect), while for non-members of sports federations, this goal is not legitimate (Heermann, 2015:1174). In the second step, we check whether the restrictions on individual advertising activities of athletes are necessary to achieve the recently established legitimate goal in the form of raising funds to cover the costs of organizing the competition. We will assume they are. Namely, sports federations have the opportunity to raise funds in other ways, such as the sale of television rights, but assuming that in this way they cannot raise enough funds to cover the costs of organizing competitions since there is not much media interest in all sports, we will have to conclude that certain limitations of individual advertising activities of athletes are necessary for the realization of this legitimate goal. We check the third step whether the restrictions are proportional. If it is established that it is enough to limit the individual marketing activities of athletes by 50% in order to cover the costs of the competition, then they cannot be completely banned. Of course, the sports federation could claim that higher revenues can be obtained if sponsorship contracts are concluded from one center, which can be accepted as a valid argument, and in that case, sports federations could completely ban individual marketing activities of athletes only if to enable them to participate in the distribution of such revenues in the amount of 50%. To conclude, we consider complete prohibition of individual marketing activities of athletes to be allowed if sports federations distribute an adequate part of the generated income to athletes.

## 5. EXAMPLES OF SPORTS RULES OF SERBIAN SPORTS FEDERATIONS

The Rulebook on the Rights and Duties of the National Team Members in the Alpine, Snowboard and Nordic National Teams of the Ski Association of Serbia contains rules on concluding equipment contracts and

testimonial contracts, the obligation of athletes to participate in promotional activities for the Ski Association of Serbia and its sponsors, and the use of athletes' personality rights for promotional purposes of the Ski Association of Serbia and its sponsors. The Ski Association of Serbia signs the contract with the national team members, by which the national team members accept all the rules, rights, duties, and obligations included in this rulebook. Otherwise, if he/she does not sign the contract, the competitor does not have the right to participate in the competitions of the World and Continental Cups, the Olympic Games, the World Championships (Rulebook on the rights and duties of national team members in the Alpine, Snowboard and Nordic national teams of the Ski Association of Serbia, Art. 2). Thus, the athlete has an obligation to act with the intention of promoting the name of the Ski Association of Serbia and ski sports, which includes public appearances with the aim of promoting the name of the Ski Association of Serbia, as well as publishing promotional messages of the sponsors of the Ski Association of Serbia as well as the equipment distributors of the Ski Association of Serbia on social networks and portals of athletes at least 4 times a month (Rulebook on the rights and duties of national team members in the Alpine, Snowboard and Nordic national teams of the Ski Association of Serbia, Art. 8).

Then, the Ski Association of Serbia sells the entire advertising space on the equipment of the competitors. The Ski Association of Serbia has the right to dispose of the name and image of the competitors (competitors agree and allow the Ski Association of Serbia to use it without time, location, and essential restrictions) for marketing actions of sponsors, partners, and the Ski Association of Serbia. Exceptions are the personal sponsor on hats and helmets, and the personal sponsor. In case the competitor does not use his right to his own sponsor on the hat or helmet, then the Ski Association of Serbia gets the exclusive right to sell the advertising space on the hat or helmet of the competitor. In the case of joint-group sale of an



advertising space on a hat or helmet, competitors are entitled to compensation determined by the Ski Association of Serbia in the amount equal to or greater than the agreed value of the individual sponsor.

The total value of the compensation for the competitor must not exceed 60% of the sponsorship funds that the Ski Association of Serbia realizes for the position on the cap or helmet. The sponsor on hats or helmets must not be a competition to the official sponsors of the Ski Association of Serbia. Competitors have the right to additionally promote another sponsor (personal sponsor) on the outfits worn in their free time. The personal sponsor must not be a competition to the official sponsors of the Ski Association of Serbia. A competitor may sign a contract with a personal sponsor that is valid for one competition season. Before signing the contract with the personal sponsor, the competitor is obliged to inform the Ski Association of Serbia in writing about the personal sponsor, the conditions of sponsorship, and the marketing activities of personal sponsorship, which must be approved by the Ski Association of Serbia. The Ski Association of Serbia within 14 days, starting from the written notice sent by the competitor to the Ski Association of Serbia, approves the signing of the sponsorship contract in writing, provided that the personal sponsor is not in competition with the official sponsors of the Ski Association of Serbia and provided that all sponsorship conditions, marketing activities and obligations of a personal sponsor have been met. All costs incurred in relation to a personal sponsor shall be borne by the competitor himself. In case the competitor signs a contract with a personal sponsor without the prior approval of the Ski Association of Serbia, he is responsible for any damage caused to the Ski Association of Serbia, and the Ski Association of Serbia may impose other sanctions, including a ban on competitions and training. A competitor may compete in one competition season for a personal sponsor without the trademarks of other sponsors of the Ski Association of Serbia, only in one sales and communication campaign of

the personal sponsor, and he must obtain prior approval of the Ski Association of Serbia for that. The company or brand with which the competitor enters into a business and financial relationship must not be advertised on the outfits used by the sponsors of the Ski Association of Serbia as well as on the clothes used by the competitor for participating in events determined by this rulebook. The competitor is obliged to inform his business partner with whom he enters into a business and financial relationship about the fact that by signing such a contract the business partner does not become a partner of the competitor in terms of a member of the national team of the Serbian Ski Association, but in terms of a public figure. In case the business partner uses the competitor contrary to this rulebook, the competitor is obliged to compensate the possible damage to the Ski Association of Serbia (Rulebook on the rights and duties of national team members in the Alpine, Snowboard and Nordic national teams of the Ski Association of Serbia, Art. 11).

The competitor is obliged to perform all marketing actions of sponsors and partners, and actions of the Ski Association of Serbia for up to 8 days in the competition part of the season and up to 10 days during the preparation period, all with the knowledge and approval of the Ski Association of Serbia. The scope of cooperation and marketing actions is determined by the Ski Association of Serbia for each season separately, and the actions must not exceed the maximum number of days determined by this rulebook and must be harmonized and adjusted to the signed sponsorship contracts, programs of individual competitors and coaches. The competitor must perform together with at least two other competitors in the promotional activities of the sponsor or partner on a rotating basis, unless otherwise agreed between the Ski Association of Serbia and the sponsor. The principle of rotation means that the same competitor cannot appear in all the promotional actions of the same sponsor or promotional actions of all the sponsors. Every sponsor of the Ski Association of Serbia has the

right to conduct a marketing campaign once per season with athletes in neutral clothing, which means that they do not wear clothes, shoes and fashion accessories with the logo of the sponsor of the Ski Association of Serbia, personal sponsor, or any other brands. The Ski Association of Serbia is obliged to coordinate all the marketing actions with the responsible coach of each team, and those actions must not affect the competitive rhythm of the competitors (Rulebook on the rights and duties of national team members in the Alpine, Snowboard and Nordic national teams of the Ski Association of Serbia, Art. 12).

Each competitor must, if necessary, be required to appear in the media as part of a sponsor and partner program. At the same time, the Ski Association of Serbia is obliged to acquaint the competitor with the scenario according to which he will perform at least 3 days before the event. The Ski Association of Serbia does not need special consent of the competitors to publish materials from the mentioned marketing campaigns in the media (Rulebook on the rights and duties of national team members in the Alpine, Snowboard and Nordic national teams of the Ski Association of Serbia, Art. 13). The participation of competitors in all the agreed marketing campaigns of sponsors and partners is without additional fee or compensation of the Ski Association of Serbia. The sponsor or partner is obliged to cover only the material costs of participation (Rulebook on the rights and duties of national team members in the Alpine, Snowboard and Nordic national teams of the Ski Association of Serbia, Art. 14). All other independent marketing campaigns with sponsors and partners or any other natural or legal persons are prohibited to competitors without the written consent of the Ski Association of Serbia (Rulebook on the rights and duties of national team members in the Alpine, Snowboard and Nordic national teams of the Ski Association of Serbia, Art. 15).

Before the start of the competition season, the Ski Association of Serbia must, directly, but in agreement with the equipment suppliers,

provide the competitor with adequate equipment.

The athlete is obliged to wear and use the selected equipment of the Ski Association of Serbia. The competitor must not use or wear other equipment at all trainings, preparations, competitions, public appearances (press conferences and other promotional activities) because he is obliged to wear the selected equipment of the Ski Association of Serbia with trademarks and logos of sponsors clearly visible. The athlete can use the selected equipment of the Ski Association of Serbia in his free time, but also, exceptionally his own equipment, which must be without any promotional trademarks and logos. If the Ski Association of Serbia has not concluded a contract with equipment suppliers, the competitor may conclude a contract with suppliers and manufacturers of equipment for one competition season, informing the Ski Association of Serbia in advance. The competitor should ensure that the agreed emblems (logos) of the sponsor are visible on every occasion, at trainings, public appearances, recordings and photographs. The competitor is obliged to inform the Ski Association of Serbia by registered mail about the intention to conclude a contract for the use of a passenger car. The notice must also contain the conditions of use and basic information about the vehicle. If the sponsor of the Ski Association of Serbia offers the same valuable vehicle to the athletes within 14 days from the day of receiving the notification, the athlete must accept the offer of the partner of the Ski Association of Serbia. The competitor may not engage in any marketing activities for the brand of his vehicle, which is not identical to the sponsor of the Ski Association of Serbia (signature and other markings on the vehicle), unless he obtains prior written consent of the Ski Association of Serbia (Rulebook on the rights and duties of national team members in the Alpine, Snowboard and Nordic national teams of the Ski Association of Serbia, Art. 19).

The special rulebook on the organization of the competition of the Sports Car and Karting Association of Serbia contains the

following provisions on advertising. In order to raise funds for the organization of competitions and participation of drivers in competitions, the organizer and driver may provide interested organizations with advertising in car and karting competitions in the following ways: by carrying advertising signs and drawings on competition and accompanying vehicles as well as on the clothes of drivers, along the suitable track during the competition, in the rules and programs of the competition, in various publications, press, radio, TV and other means. It is the obligation of all the drivers in motorsport to leave free space on the front windshield and above the start numbers (except for rallies) exclusively for advertising provided by the Board of Directors of the Sports Car and Karting Association of Serbia (Special Rulebook on the organization of the competition of the Sports Car and Karting Association of Serbia, Art. 33, para. 1). At the request of the organizers, drivers are obliged to wear advertising stickers handed over to them by the organizer during the admission to the competition, on their vehicles, in the places prescribed by the Appendix to the Rules for that discipline and the Rules of the competition, without the right to demand financial compensation. The organizer of the competition reserves the right to collect the amount provided by the Appendix to the Rules for this discipline, from drivers who refuse to carry advertisements of the organizer on their vehicles during the competition (Special Rulebook on the organization of the competition of the Sports Car and Karting Association of Serbia, Art. 34). The organizers of the competition and drivers must place advertisements provided by the Sports Car and Karting Association of Serbia, and the income from these advertisements goes to the fund for the development of auto and karting sports. The organizers of the competition cannot, according to the Rules of the competition, demand from the competitors and drivers who carry advertisements, inscriptions, drawings, etc. on their vehicles during the competition, certain funds from the collected funds from advertisements (Special Rulebook

on the organization of the competition of the Sports Car and Karting Association of Serbia, Art. 35).

## 6. CONCLUSION

The Law on Sports recognizes the autonomy of sports federations to independently and obligatorily regulate internal relations in sports. Nevertheless, their autonomy has been recognized in order to facilitate the achievement of sports goals. Sports federations cannot abuse the autonomy granted to them to the detriment of athletes, nor can they violate the law with their sports rules. Specifically, as far as the issues we are interested in are concerned, for the use of personality rights of athletes for promotional purposes, sports federations must obtain their permission, and the same applies to sponsors of sports federations. This unequivocally derives from the LO and the Law on Advertising. It is recommended that this issue be regulated by the contract between the sports federation and the athlete. However, sports federations must not obtain the permission of athletes by abusing their monopolistic position. The same applies to the obligation of athletes to participate in the promotional activities of sports federations and their sponsors. As far as the prohibition on individual marketing activities of athletes in sports competitions is concerned, we also consider total bans allowed with the adequate participation of athletes in the distribution of income that sports federations realize on basis of their sponsorship contracts.

Finally, it is clear that the Regulations of the Ski Association of Serbia are much more restrictive for athletes compared to the Regulations of the Sports Car and Karting Association of Serbia. Examining the admissibility of these sports rules would require a detailed analysis of each provision of these regulations, in order to establish their compliance with the LO, the Law on Advertising, and the Law on Protection of Competition.



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## NEKI ASPEKTI ZAŠTITE PRAVA LIČNOSTI I SLOBODE UGOVARANJA SPORTISTA U SRPSKOM PRAVU

**Rezime:** Osim prihoda koje ostvaruju baveći se sportom (plate), sportistima su na raspolaganju i mogućnosti sticanja dodatnih prihoda, koje oni ostvaruju komercijalnom eksploatacijom svojih prava ličnosti, po pravilu zaključivanjem ugovora o sponzorstvu. Na putu do maksimalne realizacije ove mogućnosti dodatne zarade, sportistima su se isprečila sportska pravila sportskih saveza (pravila sadržana u statutima i pravilnicima sportskih saveza) koja oni moraju da poštuju, ili mogu da zaborave na učešće u organizovanom sportu. Sportski savezi svojim sportskim pravilima nameću sportistima značajna ograničenja u pogledu zaključenja ugovora o sponzorstvu, čime se ograničava njihova sloboda ugovaranja. Jesu li ovakva ograničenja slobode ugovaranja sportista u srpskom pravu dopuštena i ako jesu pod kojim uslovima, predmet je pažnje autora u ovom radu.

**Ključne reči:** ugovor o sponzorstvu, prava ličnosti, sloboda ugovaranja, sportska pravila, zloupotreba dominantnog položaja



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# UNDERSTANDING MERGER CONTROL IN MACEDONIAN COMPETITION LAW

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**Abstract:** This article explores the close relationship between Macedonian competition law and EU regulations, with a focus on concentration as a critical aspect of competition policy. Originating from strategic aspirations for EU membership, Macedonian competition law is deeply influenced by EU standards, particularly regarding merger control, which is seen as a key element of competition law.

Both Macedonian and EU competition laws prioritize preventive measures to prevent harmful mergers and acquisitions between enterprises seeking market dominance. Such dominance concentrates market power, which, if abused, can impede effective competition, innovation, and harm consumer welfare through higher prices, lower quality, and limited choices.

Given the limited discussion on market concentrations in North Macedonia, this article aims to shed light on the competition policy related to preventing harmful concentrations. Using descriptive and analytical legal research methods, it examines mergers and acquisitions in the Macedonian market, legal obligations in cases of market competition disturbances, and evaluates the effectiveness of the control mechanisms. It also analyzes the operations of the Macedonian Competition Authority regarding market concentrations, focusing on the notification processes and challenges faced.

Through a comprehensive analysis, this paper contributes to a deeper understanding of concentration control mechanisms in the Macedonian competition law and provides insights into broader competition policy dynamics, offering valuable implications for policymakers, legal practitioners, and scholars.

**Keywords:** mergers, concentration, competition, market, control

## 1. INTRODUCTION

Competition law in North Macedonia is a concept that is evolving. Starting from the strategic determination for full membership in the European Union, the development of the Macedonian competition law is heavily influenced by the EU competition law. As one of the

three pillars of competition law, merger control is significant in competition policy. Following the institutional framework of the European Commission in the field of competition policy, the Commission for Protection of Competition was established as an independent state body in North Macedonia, responsible for protecting effective competition, including merger control.

The decisions of the Commission for Protection of Competition can be subject to review by the Administrative Court.

Similarly, as in the EU competition law, merger control is primarily seen as a preventive measure, aimed at preventing harmful concentrations between companies seeking to establish a dominant position in the market. The dominant market position concentrates on market power that, if abused, can have harmful and disruptive consequences on effective market competition. This creates harmful consequences for other companies operating in the same market, reducing their incentive for competition and innovation. It also creates harmful consequences for consumers, such as higher prices, lower quality, and limited choice of goods and services in the market. Therefore, the merger control system is primarily designed to act preventively, so that competition protection authorities can timely prevent potential harmful effects of market power concentration. The Macedonian Competition Authority, following the example of the European Commission, can conduct investigations in specific sectors of industry, and a wide range of tools and methods for conducting investigations, which will result in an assessment of the effect of potential mergers and acquisitions. The procedural aspects of competition law are particularly important for merger control, and their consistent compliance is imperative for timely merger control. Therefore, the firmness in the Competition Authority's decisions for non-compliance with the competition law procedures is an important part of the competition policy. Bypassing procedural aspects undermines the entire merger control system.

## 2. MERGERS AND ACQUISITIONS IN THE CONTEXT OF THE COMPETITION

In economic terms, concentration represents the degree to which a market is controlled by one of several entities. Concentration measures the degree of market domination by one or more legal entities in a specific market.<sup>1</sup>

<sup>1</sup> See more: The Economic Times: What is 'Market Concentration',

Legally speaking, concentration is linked to control or the power of decision-making in a specific legal entity. The term '*concentration*' refers to the concentration or centralization of power in one entity, regardless of whether it is a natural or legal person, which allows for dominant control over decision-making and management. The Competition Protection Law stipulates that concentration arises from a change in control on a long-term basis, resulting in a permanent change in the structure of a specific market entity. There are several possibilities for how a concentration arises. Firstly, concentration may occur based on the merger of two or more independent enterprises or parts of enterprises. The second possibility may be a result of acquiring direct or indirect control over the whole or parts of one or more enterprises, by one or more individuals who already control at least one enterprise. The third possibility may be a result of acquiring direct or indirect control over two or more independent enterprises or parts of enterprises, by one or more enterprises, through the purchase of securities, property, by agreement, or by other means.<sup>2</sup>

Consequently, the legal basis for the evolution of a concentration can be found in the Company Law<sup>3</sup> that regulates the possibility for status changes, including norms for governance, decision-making, and control over companies. One of the legal methods for the evolution of concentration is through merger and/or acquisition.<sup>4</sup> An acquisition evolves when one or more companies join another existing company, without undergoing a process of liquidation. Consequently, all assets and liabilities of the joining company are transferred to the acquiring company in exchange

available online at: <https://economictimes.indiatimes.com/definition/market-concentration>

<sup>2</sup> Article 12, Law on the Protection of Competition (Official Gazette of the Republic of Macedonia no. 145/2010; 136/2011; 41/2014: 53/2016 and 83/2018)

<sup>3</sup> Law on Commercial Companies (Official Gazette of the Republic of Macedonia no. 28/04, 84/05, 25/07, 87/08, 42/10, 48/10, 24/11, 166/12, 70/13, 119/13, 120/13, 187/13, 38/14, 41/14, 138/14, 88/15, 192/15, 6/16, 30/16, 61/16, 64/18 and 120/18 and Official Gazette of the Republic of North Macedonia no. 290/20, 215/21 and 99/22)

<sup>4</sup> Article 517, Law on Commercial Companies

for shares or stocks in the acquiring company. On the other hand, a merger results in the establishment of a new company because of the merger of two or more companies, without conducting a process of liquidation. Similarly, all assets and liabilities of the merging companies are transferred to the beneficiary company in exchange for shares or stocks in the new company – beneficiary.

The occurrence of status changes must be registered in the Trade Register, which *de jure* results in a shift in the control of the company and power concentration. Such a type of concentration can be easily determined. However, the change in control can occur *de facto*, without legally resulting in a merger or acquisition that is registered in the Trade Register. For example, two or more companies can retain their legal entity as separate, independent legal entities, but agree to common economic management or a dual listing structure.<sup>5</sup> In addition, companies can have an agreement where they define a joint assumption of risk, profit, and loss. These agreements can lead to a factual merger of the companies (or specific parts of the companies), i.e., consolidation of control over the companies. Similarly, a *de facto* merger can also occur through cross-shareholding or partnerships between two or more different companies that form an economic dominance of the market. This type of concentration is much more difficult to establish.

In the context of market concentration, a significant economic avenue through which such concentration manifests is related to the notion of control over an entity, indicating a concentration of power in a certain number of individuals. Within this framework, the term ‘individual’ is used to explain the concept of control, encompassing both natural and legal persons, covering public and private entities.

There are various modalities for the acquisition of *de facto* control over a company. Initially, control may be attained by an individual possessing exclusive or joint control over another company. Alternatively, control

may be established by multiple individuals, each possessing single or joint control over a distinct company. If these individuals engage in economic activities in their own capacity and/or exercise control over another company, it is usually considered that permanent changes in control over the affected company occur. It is commonly understood that considerable changes in control over the affected entity significantly affect its structure and management.

Another way to gain control arises when a specific natural or legal person, according to contractual arrangements, acquires rights that grant decision-making power or control over the company. Such contracts may involve a transfer of ownership rights or rights to use the company’s property, yet may also encompass contracts transferring decision-making rights and substantive control over the company. Nonetheless, *de facto* control may also occur when a particular individual lacks formal decision-making rights but possesses the authority to exercise such rights. For instance, one person may appear to hold rights but is merely a channel for assuming control, while the true exercise of control lies with someone else behind the scenes. Another scenario involves a particular company exerting control, often through its majority shareholders or those with exclusive rights among its shareholders or partners. The rationale underlying such examples rests on the premise that these individuals have actual control over the company, which in turn exercises control over another company due to their decision-making power.

Furthermore, a third way of acquiring control can also be through investment funds because usually, the control over the fund, even though it is a separate legal entity, is held by the investment company that established it; instances where the fund *per se* exercises control are not frequent. In addition, the acquisition of shares or interests may be complemented by many contractual arrangements considering management, decision-making, and property usage within a particular company.<sup>6</sup>

<sup>5</sup> Guidelines for the concept of concentration: 1) Merger of independent enterprises, p.4

<sup>6</sup> For instance, in the case of Electrabel, the company has entered into a shareholder voting agreement with the

Crucial to the analysis of concentration in terms of market competition is the notion of effective control. The actual exercise of such control of the subsequent influence derived from its procession is irrelevant; what is important is the moment at which the potential for such control materializes.

### 3. NOTIFICATION FOR MERGERS AND ACQUISITIONS

Any merger and/or acquisition that meets the conditions under the Law for the protection of competition must be subject to notification to the Competition Authority. Following the EU regulation, the Macedonian legislator also provides certain annual income thresholds for the participants in the merger, whereby they can be met alternatively or cumulatively.

According to the Macedonian Law for the protection of competition, companies must notify the Competition authorities if:

- 1) The total annual revenue of all companies included in the merger, achieved by selling goods and/or services on the world market, exceeds 10 million euros, referring to the business year preceding the merger, given that at least one of the participants in the merger is registered in North Macedonia, and/or
- 2) The total annual revenue of all companies included in the merger, achieved by selling goods and/or services on the domestic market in North Macedonia, exceeds the amount of 2.5 million euros, referring to the business year preceding the merger, and/or
- 3) The market share of one of the participants in the merger is more than 40%, or the total market share of all participants in the merger is more than 60%, referring to the business year preceding the merger.<sup>7</sup>

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second largest shareholder in the company it is acquiring, whereby they have agreed to vote in a way that ensures that two of the three members of the board of directors are representatives of Electrable – this gives him actual control over the steering. See more: Case No COMP/M.4994 - ELECTRABEL / COMPAGNIE NATIONALE DU RHONE

<sup>7</sup> Article 14 from the Law on Protection of Competition, Supra Note 2

If a particular merger meets the conditions mentioned above, then the participants in the merger are obliged to notify the intent for the merger before its actual implementation, immediately after the conclusion of the merger agreement or publishing the public offer to buy or acquire a majority stake in the company. The same obligation is made by participants in the merger on the EU market. Acting in good faith, the participants in a merger can notify the Competition Authority that they intend to finalize a merger agreement. Similarly, if it is a public offer scenario, they can publicly announce their intention to participate in the bidding process, especially if this participation would potentially lead to a merger that requires notification to the Competition Authority.<sup>8</sup> Essentially, this is about being transparent and proactive in informing the relevant regulatory body, i.e., the Competition Authority, about their merger plans or participation in a bidding process that could result in a merger subject to mandatory regulatory notification.

The obligation to submit a notification in the case of acquiring sole control applies to the individual (natural person or company) who acquires control over the whole or part of one or more companies. In the case of a merger or joint control, the obligation to submit a notification is jointly held by all the participants in the merger.

The notification is made in the form prescribed by the Government of North Macedonia to all mergers affecting the domestic market, while using the form attached to the applicable EU Regulation for mergers affecting the EU market.

In terms of deadlines, i.e., the timing when the notification for a merger must be submitted, neither domestic legislation nor the EU Regulation provides specific deadlines by which the notification is to be submitted. However, to ensure compliance and allow the competent Competition Authority enough time to assess the merger before it is implemented, participants typically submit a notification well in advance of their planned implementation period.

<sup>8</sup> Article 15, Ibid



It is important to mention that there are no fees associated with submitting a notice to the competition authorities.

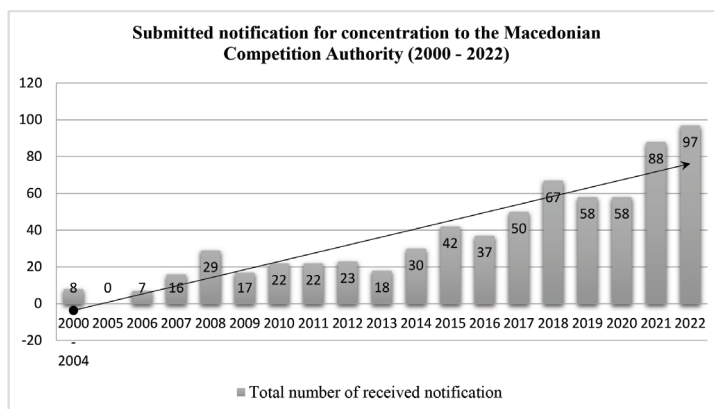
Interestingly, there is a developed practice within the EU connected with a so-called “prior notification” or consultation with the Competition Authority, which is not a legal obligation, but it is considered a good practice.<sup>9</sup> This involves participants consulting with the Competition Authority before formally submitting a notification. It helps to reduce the risk of incomplete notification and facilitates the assessment process. The Macedonian Competition Authority also finds the “prior notification” beneficial, particularly in defining relevant markets and determining the necessary information for the notification.

The annual reports of the Macedonian Competition Authority show a positive trend in increasing the number of notifications for concentration throughout the years. There was a slight drop in 2019 and 2020, with 9 fewer notifications compared to the previous year, and a record number of 97 notifications in 2022. However, although the numbers show a trend of linear quantitative increase in submitted notifications, the number of cases that were subject to examination by the competition authority remains low.

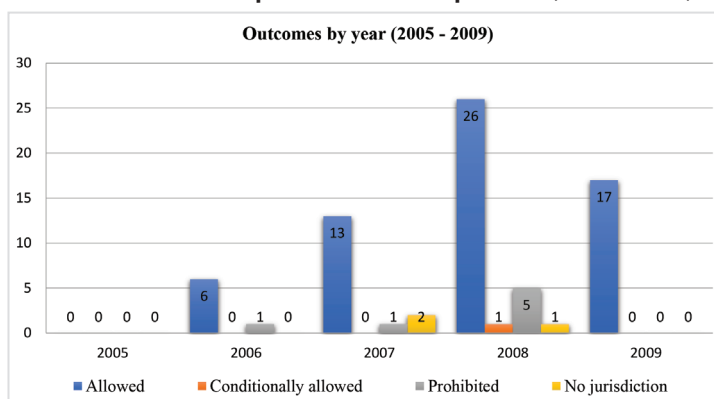
The graphic below shows a review of the submitted notifications that were subject to examination by the Macedonian Competition Authority.

Referring to the qualitative work of the Macedonian Competition Authority, that is, the outcome of the assessment of notified mergers and acquisitions, in 22 cases, it determines that the merger does not fall under the provisions of the competition law, i.e., there is no jurisdiction

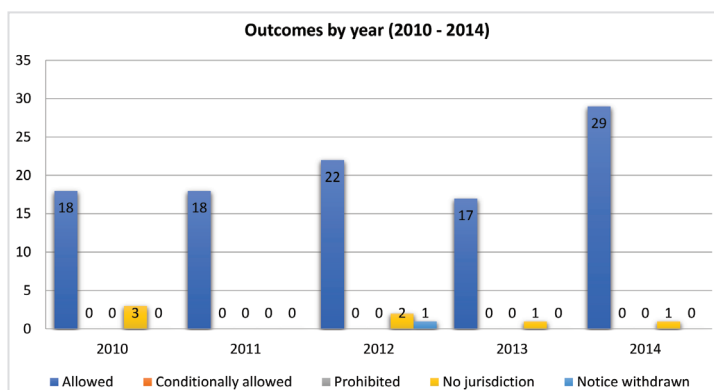
<sup>9</sup> For instance, in Electrabel's case, the company itself addressed the EU Commission for an opinion regarding a potential concentration that might be subject to mandatory notification. In its final decision imposing a fine for Electrabel, the EU Commission considered this fact as a mitigating circumstance in measuring the fine.



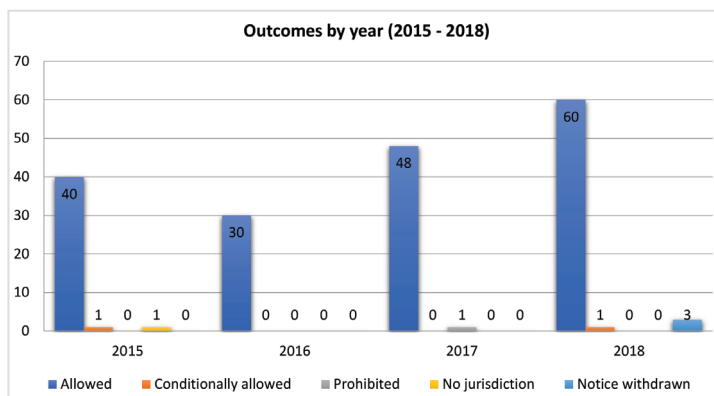
**Chart 1: Total number of annual notifications to the Commission for the protection of competition (2000–2022)**



**Chart 2: Outcomes by year (2005–2009)**



**Chart 3: Outcomes by year (2010–2014)**



**Chart 4: Outcomes by year (2015–2018)**

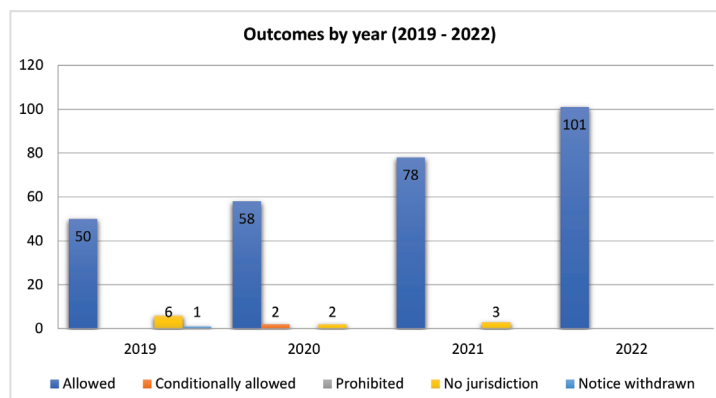


Chart 5: Outcomes by year (2019–2022)

for their assessment, while in 5 cases, the notification was withdrawn. Referring to the mergers that were subject to evaluation, most of them resulted in a positive outcome, i.e., the Competition Authority decided that the merger or acquisition was permissible and did not damage effective competition on the market.

The graphics below show the data for the submitted notification to the Macedonian Competition Authority and the outcomes by each year.

Analyzing the statistical data, it is relevant to question the effectiveness of the investigation and examination by the Macedonian Competition Authority. Considering that it banned only 8 concentrations and imposed obligations on a total of 5 cases, it is relevant to question the operation and effectiveness of the merger control in the market of North Macedonia. One of the indicators revealed by the data is that the Macedonian Competition Authority very rarely decides to conduct a detailed investigation, and even more rarely imposes additional conditions for the eligibility of the mergers. This practice of the competition authority does not certainly contribute to strengthening its role in merger control and protection of competition on the North Macedonian market, which is noted as a main remark in the report of the EU Commission several years in a row.<sup>10</sup>

#### 4. ACCURATE AND COMPREHENSIVE DATA

When submitting a notification for a merger, the participants in the merger are required to provide accurate and comprehensive data relevant to the merger assessment. The notification itself will not be considered complete if the information and data are not fully accurate and comprehensive. There is a possibility that the notification will be deemed incomplete if the information provided in

the notification form is not entirely accurate and comprehensive. Therefore, it is crucial for those who submit a notification to ensure the accuracy and relevance of the contacts provided to customers, suppliers, and competitors. Failure to provide accurate or complete data can result in significant delays in the process or even lead to a rejection of the notification due to incompleteness. Furthermore, the obligation to supply accurate and complete information extends beyond the notification itself to all data and information requested by the Competition Authority, including research or data requests in legal proceedings.

Submitting accurate and comprehensive data to the Competition Authority assessing a merger is essential for ensuring a fair, transparent, and effective review process to protect competition. Accurate data enables the Competition Authority to conduct a thorough analysis of the possible impact on competition within a relevant market. A failure to conduct such analysis may lead to an oversight of the real impact that such a merger may cause on the market, i.e., market concentration or potential anticompetitive behavior, which will disturb the effective market competition. Additionally, accurate and comprehensive data helps the Competition Authority to evaluate whether a merger is likely to be beneficial for consumers or to disturb the competition, thus making a well-informed decision to approve, reject, or conditionally approve the merger. Finally, data accuracy is also important for the potential merger participants because it reduces the likelihood of delays in the merger

<sup>10</sup> Panev K.: Merger Control as a mechanism for protection of competition, August 2019

review process, but also ensures legal compliance, which is important because failure to do so, may result in legal penalties, fines, rejection of the notification, or even prohibition of the merger. Inaccurate and incomplete data may even be a reason for the annulment of an approval decision if such data has a decisive impact on the decision.<sup>11</sup> In addition, submitting inaccurate and incomplete data may also be considered an offense that may lead to a fine of up to 1% of the total revenue in the last business year.<sup>12</sup> Similarly, the EU Regulation has the same approach, transposed into the Macedonian legislation.<sup>13</sup>

The Macedonian Competition Authority has a modest practice in sanctioning infringements for delivering inaccurate and incomplete information by companies engaged in mergers. Namely, from 2007, when it assumed authority for misdemeanors in competition, until the end of 2018, the Competition Authority initiated a total of seven (7) proceedings against companies and only four (4) proceedings against responsible natural persons for providing incomplete or inaccurate data regarding potential mergers. One of those proceedings was against the Institute of Accountants of the Republic of Macedonia (ICOS), which incurred a fine of 307.500 Macedonian denars. The decision was the subject of an administrative dispute.<sup>14</sup> The limited practice of the Competition Authority may be a result of the lack of offenses concerning incomplete or inaccurate data, which is not very likely, or due to the lenient stance of the Competition Authority related to this practice.

On the other hand, there is an evolving trend in the EU Commission's practice regarding

the submission of inaccurate and incomplete information by companies. Although the EU Commission did not have a strict policy on the matter previously, it has become notably more proactive in sanctioning such behavior in the last decade. For instance, in 2017, the EU Commission imposed a fine of 110 million euros on Facebook for providing incomplete and misleading information during the review process of Facebook's acquisition of WhatsApp.<sup>15</sup> This was the first decision and a milestone in the EU Commission's practice of this type. Before this, decisions concerning this type of offense, which were not that common, were typically made based on the Regulation from 1989, following the rules applicable at that time.

Namely, the notification submitted by Facebook indicated that it could not establish a dependable automated matching system between Facebook's and WhatsApp's users' accounts. This statement was provided in both the notification form and in response to information requested from the Commission. However, in August 2016, WhatsApp announced updates to its terms of service and privacy policy, which indicated the potential linking of WhatsApp users' phone numbers with the identities of Facebook users. Consequently, the EU Commission, even though it approved the acquisition, found out that a technical possibility of automatically matching the identities of Facebook and WhatsApp users already existed in 2014 and that Facebook's staff were aware of such a possibility, thus imposing a fine for providing inaccurate and misleading information. Commissioner Margrethe Vestager said: *"Today's decision sends a clear signal to companies that they must comply with all aspects of EU merger rules, including the obligation to provide correct information. Furthermore, it imposes a proportionate and deterrent fine on Facebook. The Commission must be able to take*

<sup>11</sup> Article 21 paragraph 1, p.1 from the Law on Protection of Competition, Supra Note 2

<sup>12</sup> Article 61 of the Law on Protection of Competition stipulates that the Competition Authority can impose a fine in the amount of 1% of the value of the total annual income, achieved in the last year, if the company submits incorrect, incomplete or data that can mislead the CPC or the Commission for decision-making after a misdemeanor

<sup>13</sup> Article 14, paragraph 1, p.1, Council Regulation (EC) No.139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) (Official Journal of the European Union L 24/1, 29.01.2004).

<sup>14</sup> See more: Decision PP.09-10/6 from 16.11.2018.

<sup>15</sup> EC, Press Release: Mergers: Commission fines Facebook 110 million euros for providing misleading information about WhatsApp takeover, 18 May 2017, Brussels, available online at: [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_17\\_1369](https://ec.europa.eu/commission/presscorner/detail/en/IP_17_1369)



*decisions about mergers' effects on competition in full knowledge of accurate facts.*"<sup>16</sup>

*This position of sanctioning such behavior of the companies, the EU Commission has confirmed in its preliminary conclusion to the German companies Merck KGaA и Sigma-Aldrich for providing inaccurate and incomplete information.*<sup>17</sup> The trend continues with the Decision from April 8<sup>th</sup>, 2019, when the Commission imposed a fine of 52 million euros on General Electric for submitting incorrect information regarding the acquisition of LA Wind. Commissioner Margrethe Vestager then said: "Our merger assessment and decision-making can only be as good as the information that we obtain to support it. Accurate information is essential for the Commission to make competition decisions in full knowledge of the facts. The fine imposed today on General Electric is proof that the Commission takes breaches of the obligation for companies to provide us with correct information very seriously."<sup>18</sup>

## 5. GUN JUMPING

All participants in a merger that falls within the scope of the Law for the Protection of Competition are obliged to submit a notification to the Competition Authority.<sup>19</sup> According to the applicable rules, the participants in a merger must submit a notification for the merger before its actual implementation. In addition, there is a prohibitive legal norm prohibiting acting towards an effective implementation of the merger before the Competition Authority reviews the process and issues a decision.<sup>20</sup> Namely, the prohibition for taking actions towards effective implementation of a merger is extended not only before the notification to the Competition Authority but also in the period after the notification is submitted

until the Competition Authority issues a decision that the merger complies with the competition rules and does not disturb the free market. These rules are fully harmonized with the EU Regulation, in particular articles 4 and 7 that regulate the obligations of the participants in the mergers within the EU. Notably, this approach imposes a positive obligation for the participants to notify the merger before its actual implementation, but also a negative obligation to refrain from implementing the merger before the Competition Authority decides on the matter, or at least before the deadline for issuing such a decision is passed.

The obligation to notify and suspend, or refrain from taking action to implement the merger, is based on the system of merger control, both domestically and within the EU. This is because these legal obligations empower competition authorities to conduct *ex ante* control of all concentrations that may affect market competition. Such designed legal provisions sustain existing competitive conditions while the Competition Authority evaluates the effects of a potential merger.<sup>21</sup> This prior control is a crucial safeguard protecting free competition, ultimately shielding consumers from any damage to free and effective competition that may result from anti-competitive, unlawful mergers. One of the mechanisms for combating the anti-competitive conduct of market participants is the possibility for the Competition Authority to impose significant fines, up to 10% of the total annual turnover of the affected participants in the merger, in case of breaches of the notification or suspension obligation. A similar provision is contained in the legislation of North Macedonia<sup>22</sup> and the EU Regulation.<sup>23</sup>

Unauthorized coordination among participants in a merger before its implementation, as well as breaches of notification and/or suspension obligations through premature actions

<sup>16</sup> Ibid

<sup>17</sup> Press Release: Mergers: Commission alleges Merck and Sigma-Aldrich, General Electric, and Canon breached EU merger procedural rules. IP/17/1924, Brussels, 06.07.2017

<sup>18</sup> See more: Press Release: Mergers: Commission fines General Electric €52 million for providing incorrect information in LM Wind takeover. IP/19/2049, Brussels, 08.04.2019

<sup>19</sup> Article 15 of the Law on Protection of Competition, Supra Note 2

<sup>20</sup> Article 18, Ibid

<sup>21</sup> Similar: Hull D., Gordley C. (Van Bael & Bellis (Brussels)): Gun jumping in Europe: An overview of EU and National Case Law, Concurrences, N°85642, e-Competitions, Antitrust Case Laws e-Bulletin, www.concurrences.com

<sup>22</sup> Article 60 of the Law on Protection of Competition, Supra Note 2

<sup>23</sup> Article 14 para.2, EC Merger Regulation, Supra Note 13



to implement the merger, are known as “gun jumping.”

The legal system of North Macedonia and the practice of the Competition Authority have not yet established an appropriate term corresponding to “gun jumping”, which is quite a technical term stemming from the competition law and practice in general. However, the gun-jumping scenarios are also known in the competition practice in North Macedonia. It has broad connotations and includes two main aspects: substantive and procedural.

The substantive aspect refers to the preliminary coordination among the actors in the merger, which occurs before the actual merger takes place. Typically, this involves unauthorized joint behavior among the actors, such as sharing confidential competitive information. It may include price fixing, geographic or product market allocation, customer allocation, investment limitations, or other agreements restricting trade or investment, as well as plans regarding products, distributors, or employees, e.g., appointment of new directors, etc. In certain cases, the exchange of detailed information deemed sensitive and confidential concerning competitors in the market may also be subject to preliminary coordination.<sup>24</sup>

However, sharing such information is often part of the analyses and negotiations conducted by the actors in a merger before concluding the merger agreements, and sometimes it is necessary to disclose such business information. Therefore, defining what constitutes anti-competitive conduct as preliminary coordination is a complex task because many forms of coordination among the actors in a merger, before the actual merger occurs, are reasonable and necessary during merger negotiations, acquisitions, or other forms of concentration. The process of thorough analysis involves the exchange of certain information, and competition authorities recognize that thorough analysis and reasonable steps taken during the process are essential parts of

any merger. Therefore, distinguishing what is reasonable and lawfully permissible information to share during negotiations, from preliminary coordination among the actors in a merger, is often a challenging task for competition authorities, requiring special attention and in-depth analyses. However, this does not mean that the actors in a merger should act as a single entity, under the assumption that the merger will occur after the conclusion of the merger agreement. The tendency of the merger actors to align their motives increases the risk of breaching the competition rules and obligations.

What the actors in a merger must consider is the fact that taking actions for preliminary coordination and entering into contractual arrangements before the merger is approved, bears the risk of being sanctioned by the competition authorities, even if the merger may not fall under the scope of mandatory notification, or even if it turns out to be permissible. For instance, in the case of *Smithfield Foods and Premium Standard Firms*, the Competition Authority in the USA and the companies included in the merger made a 900.000 USD settlement for practicing ownership rights before the actual merger occurred, although the US Competition Authority decided that the merger was allowed and did not have negative consequences for the competition on the market.<sup>25</sup>

The procedural aspect of gun-jumping refers to breaching the notification obligation or the suspension obligation. The first one may occur when the actors in a merger fail to fulfill the obligation to notify the competition authority before the merger takes place. The second part, i.e., breaching the suspension obligation, occurs when the actors in a merger start taking actions to execute the merger after submitting the notification, but before receiving a decision on the permissibility of the merger by the competition authority. Such actions constitute a violation of the obligations under Article 15 and Article 18 of the Law on Protection of Competition of North Macedonia. Similarly,

<sup>24</sup> Gun jumping, produced in partnership with Stephane Dionnet and Pauline Giroux of Skadden Arps Slate Meagher&Flom LLP, LexisNexis, March 2017

<sup>25</sup> United States v Smithfield Foods and Premium Standard Farms 1:10-CV-00120 (DDC Jan 21, 2010)

such actions would be in breach of Article 4 and Article 7 of the EU Regulation, when it comes to a merger within the EU market.<sup>26</sup>

The prohibition of gun-jumping in a certain way freezes the *status quo* while the competition authority assesses the implications of the merger on the market competition. Even though the competition authority considers that the actors in a merger necessarily conduct prior analysis, negotiations, and plans; they must remain independent competitors in the market. For instance, they must not act as a single entity on the market or take actions for the actual execution of the merger until they receive the decision from the competition authority. Such a prohibition is simply procedural, meaning that it does not require the actors in a merger to necessarily be direct competitors or the actual implementation of the merger to have effects on the market competition. Consequently, even if the merger does not have effects on the free market competition, gun-jumping remains a violation and may be the subject of a fine by the competition authorities. Some examples of gun-jumping include prematurely transferring ownership rights from the joining company to the acquiring company, thereby creating the possibility of direct control over assets, business scope, or management; use of resources and assets of the joining company by the acquiring company; takeover of equipment, customer and supplier lists, employee transfers, etc.<sup>27</sup>

The competition regulation of North Macedonia is fully aligned with the EU *acquis* regarding the examination and detection of gun-jumping.

<sup>26</sup> When it comes to a merger within the EU market, it is important to note that even if a merger does not meet the threshold prescribed and it is not a subject of notification before the EU Commission, it can still be subject to notification according to the domestic legislation of the EU member states.

<sup>27</sup> Panev K., Supra Note 10, pp.92-94.

Consequently, the Competition Authority has the authority and a variety of mechanisms to effectively secure evidence and gather data relevant to the investigation of possible gun-jumping. For instance, it has the power to enter business premises, including the land and vehicles of the actors in the merger, to analyze and copy business books, documents, and items, to seal the business premises, and to examine authorized persons and employees.<sup>28</sup> Furthermore, the Competition Authority has the authority to issue interim measures if needed to protect effective competition in the market.

However, the practice of the North Macedonian Competition Authority shows that sanctioning these types of violations has been very limited throughout the years. From 2007 to 2018, the Competition Authority initiated proceedings and imposed penalties referring to gun-jumping only in seven (7) cases. The total amount of fines in these seven cases was 3.202.127 Macedonian denars, which is approximately 50.000 euros.

<sup>28</sup> Article 40 and 41 from the Law on Protection of Competition, Supra Note 2

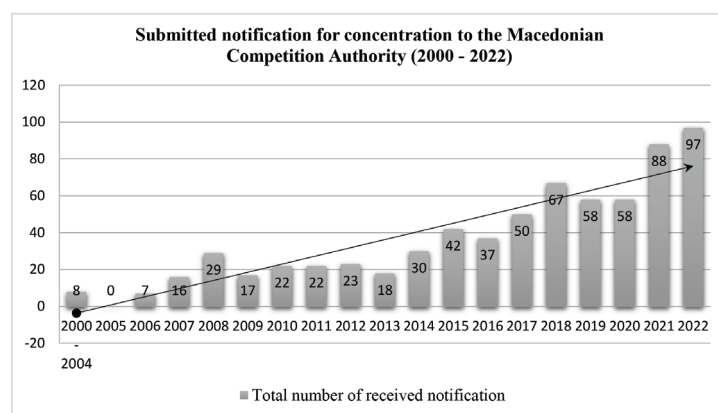


Chart 6: Fines imposed by year, not adjusted to Administrative Court decisions (2007–2018)

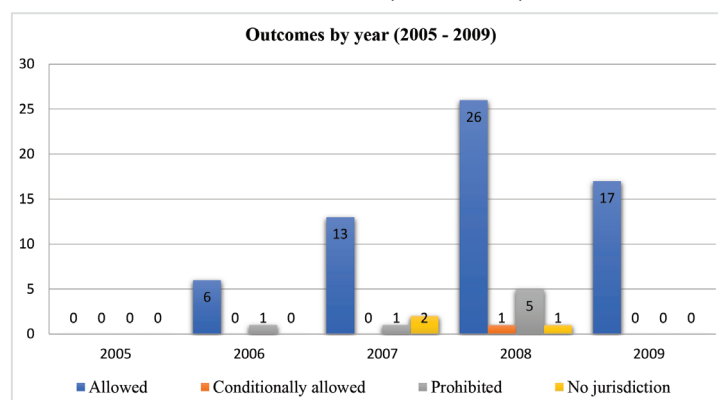
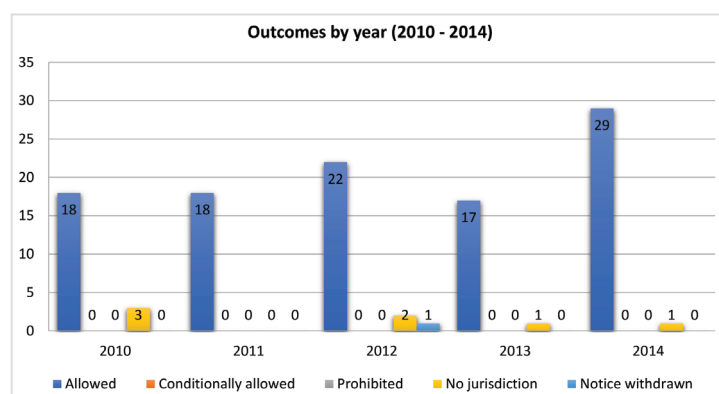


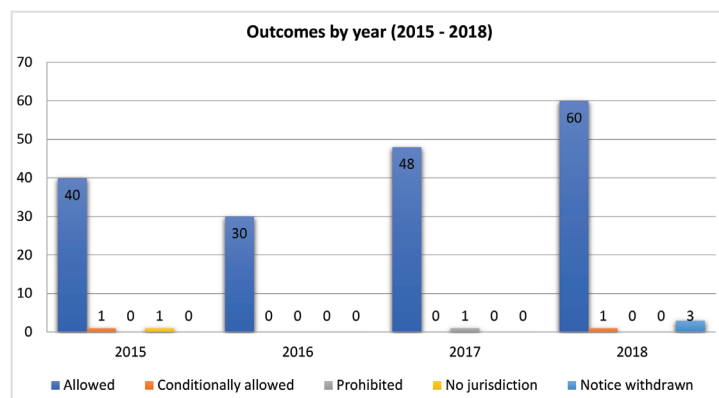
Chart 7: Total amount of fines by year, not adjusted to Administrative Court decisions (2007–2018)

The highest individual fine overall was issued at the beginning of 2007, with a fine of 1.774.136 Macedonian denars, which is approximately 29.000 euros.<sup>29</sup> However, the fine represented only 0.11% of the total annual revenue of the company, which is far below the potential fine of up to 10% for non-compliance with the obligation to notify the Competition Authority of possible concentration.

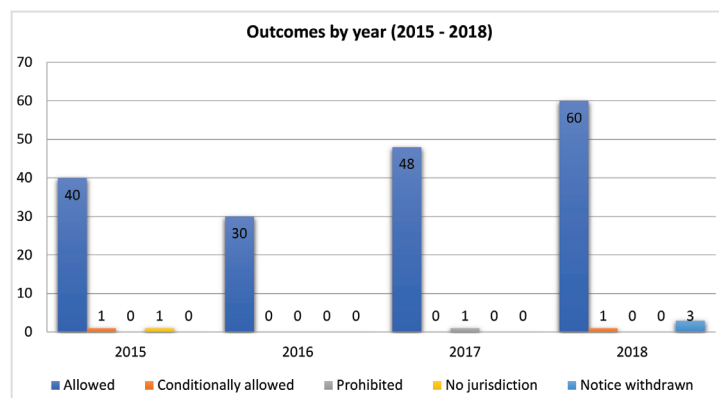
<sup>29</sup> Source: Annual Reports for the work of the Macedonian Competition Authority (2005 – 2018)



**Chart 8: Total amount of fines by year, before and after adjustment to Administrative Court decisions (2007 - 2018)**



**Chart 9: Total amount of fines in %, not adjusted to Administrative Court decisions (2007 - 2018)**



**Chart 10: Total amount of fines in %, adjusted to Administrative Court decisions (2007 - 2018)**

In fact, the first fine of 10% of the revenue was imposed in 2018, but not in a case related to mergers.<sup>30</sup>

The graphics below show the total number of fines throughout the years, taking into consideration the numbers before and after administrative disputes. Considering the data, it is relevant to conclude that the Macedonian Competition Authority has pursued a relatively lenient policy in terms of gun-jumping behavior.

## 6. CONCLUSION

In recent years, merger control has been increasing both in the North Macedonian market and the market of the European Union. North Macedonia's competition policy continuously follows the guidelines and trends set out by the European Commission. Consequently, the number of mergers and acquisitions that are subject to evaluation by the North Macedonian Competition Authority is growing each year, with 97 documented notifications in 2022.

However, there is a notable difference between the practice of the North Macedonian Competition Authority and the EU Commission regarding the gun-jumping violation. While the European Commission has taken a rigorous approach to imposing significant fines<sup>31</sup>, the North Macedonian Competition Authority has pursued a lenient approach towards sanctioning gun-jumping behavior. The idea of more strict sanctions for such violations within the European Union is aimed not only at retribution for the committed

<sup>30</sup> Panev K., Supra Note 10, pp.144-149.

<sup>31</sup> In an interview in 2017, Johannes Laitenberger, Director-General for Competition at the European Commission commented on gun-jumping as behavior that undermines procedural fairness of the merger evaluation; thus, the European Commission has initiated a serious approach against it. See more: The Antitrust Source: Interview with Johannes Laitenberger, Director-General for Competition, European Commission, June 2017, [www.antitrustsource.com](http://www.antitrustsource.com)

gun-jumping violation but also at prevention and a deterrence effect.

Another trend relates to the competition authorities' approach to innovations and new technologies when assessing concentrations. Concentrations in sectors involving innovations and new technologies pose a real challenge for competition authorities. For example, in resolving the Dow Chemical and DuPont concentration in March 2017, the European Commission requested redirection of global research and development by the company, because the development of specific products had the potential to reduce competition for pesticide innovations on a broader scale.<sup>32</sup> Also worth mentioning is the increasing cooperation between the European Competition Network and the competition authorities.

Finally, there is a different pattern toward the use of the leniency policy as a mechanism for combating antitrust practices and

unauthorized market behavior. Although leniency as a concept is recognized in both the North Macedonian and EU competition policy, such a program has not been effectively developed in the Macedonian competition practice. On the other hand, the European Union encourages national competition authorities to introduce and develop their individual leniency policies. The efficiency of a leniency program is emphasized in the Report on the 10 Years of Implementation of the EC Merger Regulation, highlighting the need for alignment of such policies among EU member states.<sup>33</sup> In addition, related to the leniency policy, there is a reasonable expectation for alignment of the policy to protect employees from individual liability if they participate in the leniency program. Such a policy exists only in a few member countries of the European Union, which highlights the need for alignment within the whole Union.<sup>34</sup>

<sup>32</sup> See more about the comments on the case by the Director-General for Competition, European Commission in the Interview for Antitrust Source, *ibid*.

<sup>33</sup> Ten Years of Antitrust Enforcement under Regulation 1/2003: Achievements and Future Perspective, COM (2014) 453, Brussels, 2014; point 39-40

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## RAZUMEVANJE KONTROLE KONCENTRACIJE U MAKEDONSKOM KONKURENTSKOM PRAVU

**Rezime:** Ovaj članak istražuje blisku vezu između makedonskog zakona o konkurenciji i propisa EU, s fokusom na koncentraciju kao ključni aspekt politike konkurencije. Proistekao iz strateških težnji za članstvo u EU, makedonski zakon o konkurenciji je duboko pod uticajem standarda EU, posebno u pogledu kontrole koncentracija, koja se smatra ključnim elementom zakona o konkurenciji. I makedonski i zakoni o konkurenciji EU daju prioritet preventivnim merama za sprečavanje štetnih spajanja i akvizicija između preduzeća koja žele dominaciju na tržištu. Takva dominacija koncentriše tržišnu moć, koja, ako se zloupotrebi, može ometati efikasnu konkurenciju i inovacije, i štetiti dobrobiti potrošača kroz više cene, niži kvalitet i ograničen izbor. S obzirom na ograničenu diskusiju o koncentracijama na tržištu u Severnoj Makedoniji, ovaj članak ima za cilj da osvetli politiku konkurencije u vezi sa sprečavanjem štetnih koncentracija. Koristeći deskriptivne i analitičke metode pravnog istraživanja, ispituje spajanja i akvizicije na makedonskom tržištu, pravne obaveze u slučajevima poremećaja konkurencije na tržištu i procenjuje efikasnost kontrolnih mehanizama. Takođe analizira delovanje makedonskog organa za zaštitu konkurencije u vezi sa koncentracijama na tržištu, fokusirajući se na procese obaveštavanja i izazove sa kojima se suočava.

Kroz sveobuhvatnu analizu, ovaj rad doprinosi dubljem razumevanju mehanizama kontrole koncentracije u makedonskom pravu konkurencije i pruža uvid u širu dinamiku politike konkurencije, nudeći vredne implikacije za kreatore politike, pravnike i naučnike.

**Ključne reči:** spajanja, koncentracija, konkurencija, tržište, kontrola

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# COMPARATIVE VIEW OF THE EUROPEAN CONVENTION ON HUMAN RIGHTS WITH THE CHARTER OF FUNDAMENTAL RIGHTS OF THE EUROPEAN UNION AND THEIR TRENDS IN THE INTERNATIONAL COMMUNITY

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**Abstract:** The second half of the 20th century was the era when countries opened up beyond their borders. This period also marks the creation of the largest and oldest international governmental organization, the United Nations. In parallel with these integrations, in Europe and beyond, the awareness of human rights is developing - a value which, by its nature, is inalienable, indivisible, absolute, and universal.

The paper will discuss how the European Convention on Human Rights is developing, a counterpart to the Universal Declaration of Human Rights and the Charter of Fundamental Rights of the European Union, which is being developed under the example of the ECHR. These two international documents are interesting for analysis and comparison and have implications for the entire international community. What they have in common is that they have almost similar provisions, which indicates that a certain range of human rights was valid in that development process of the international community. Later, that list was expanded by the American Declaration of Human Rights.

It is important to know that the international community elevates human rights as the highest human value. The existence of these documents is only a step forward towards the integration of the modern international community.

**Keywords:** UN, European Convention on Human Rights, Charter of Fundamental Rights of the European Union, comparison, trends

## 1. INTRODUCTION

The comparison between the European Convention on Human Rights (hereinafter ECHR) of the Council of Europe and the Charter of Fundamental Rights of the European Union (EU Charter) is quite justified for several reasons. The first is the territory on which these international governmental organizations are located, which is common to both. We are talking about the European

continent, where there are the most member states of the Council of Europe, as well as the European Union, which actually includes the European states. They united in two communities (the Council of Europe and the EU), have signed and ratified the European Convention on Human Rights and the EU Charter.

The second reason is the history that is common to the European continent. The fiery past of the First and Second World Wars is both a

testimony and a teacher of what values they should share. Europe (the oldest continent) taught how to behave in the international community, and it has the two most important human rights documents.

And finally, the last reason, which is not so strong, is that they were created within a small time difference of five decades. The time interval from 1950 to 2000 shows that the human dimension has remained unchanged and that human rights continue to be a value category. However, in this time interval, the EU Charter also integrated some other rights that Europe was not aware of in 1950 when the ECHR was created.

This paper aims to prove that, content-wise, both documents contain similar and sometimes identical articles on human rights. The fact that judicial experts from the European Court of Human Rights in Strasbourg participated in the creation of the articles of the EU Charter also speaks in the context of this kind of research.

The subjects of analysis are both documents, while using the comparative method that will help to find conclusions and indicate the tendencies of these two documents in the future. Since the analysis was done on each separate article that actually reaches a value maximum in the paper below, a presentation of almost the most essential categories of human rights is given. Separately in each article, a display is made where they belong and whether they belong in the first category of personal freedoms and rights, the second, civil and political, and the third, economic.

From the paper that follows, it can be determined exactly what the essential coincidence is, and at the same time, the difference between them, as well as the integration from an older international document, such as the ECHR, to a newer document, such as the EU Charter. When reading these documents, one can see the division of chapters in the EU Charter according to the categories of human rights and the simplicity or uniformity of the section on human rights in the ECHR.

## **2. COMPARISON BETWEEN THE PREAMBLES OF THE ECHR AND THE CHARTER OF FUNDAMENTAL RIGHTS OF THE EU**

In the two preambles of these documents, the purpose for which they were adopted is highlighted - greater unity of European countries. Both of them mention the historical heritage as well as the fact that a peaceful future is based on shared values. The foundation is basic human rights and freedoms, which constitute the foundations of justice and peace in the world. Respect for freedom and fundamental rights is the fundamental foundation on which these conventions are based. In both documents, the principle of subsidiarity is emphasized in the preamble.

## **3. COMPARISON OF INDIVIDUAL ARTICLES BETWEEN THE TWO DOCUMENTS**

First of all, here I would like to address the concern for a comparative method between these two important international documents. The main reason is that both refer mainly to the continent of Europe, where there are legal regulations that have been adopted individually by the efforts within the states or under the provocation (ratification) of these documents. Since they refer to the soil of Europe, the states were expected to accept the approach of these documents and their impact that they individually produce in society.

The time dimension of 5 decades is not such a wide gap between them, but it is quite enough to indicate that it is about something that is approximately similar and completely integrative in terms of the EU Charter, which is a later document.

As mentioned above, there are certain reasons for the justification of this comparative approach. The articles in both documents somewhere allude to completely identical rights and freedoms. As mentioned above, the Charter of Fundamental Rights of the EU is based on the content of the ECHR. This fact justifies this kind of research.



If we want to analyze which direction in the development of the contemporary international community characterizes such cooperation, during the creation of the EU Charter, we can freely say that it is neo-idealism (cooperation between two international governmental organizations for common goals and values).

### 3.1. RIGHT TO LIFE

The maxim that “everyone has the right to life” is contained in and common to both documents. This human right is the essence of the human rights system. One of the oldest maxims, which by its character is included in the first generation of human rights, is the so-called personal freedoms and rights. What is characteristic of the ECHR is that in the distant 1950s, the death penalty was an integral part of the ECHR, which was later abolished by Protocol No. 6. While in the Charter of Fundamental Rights of the EU, it is explicitly stated that it is prohibited. What can be noted is that in some countries today, the death penalty still exists. This is an indication that the modern international community in certain regions is still at a primitive stage. Human being is the essence of existence, no matter how many sins a person has committed. The prohibition of encroaching on someone’s life also comes from the religious approach: “God gives life and only he can take it away”.

Also, regarding the integrity of the person in the ECHR, it is contained in the same article, while in the Charter of Fundamental Rights of the EU<sup>1</sup> it is contained in the following article.

### 3.2. PROHIBITION OF TORTURE AND INHUMAN OR DEGRADING TREATMENT OR PUNISHMENT

In both documents, this maxim is almost identical: “No one shall be subjected to torture or inhuman or degrading treatment or

<sup>1</sup> Everyone has the right to have his or her physical and mental integrity respected. 2. In the field of medicine and biology, the following must be respected: free and informed consent of the person concerned according to the procedures prescribed by law, prohibition of eugenic practice, especially when it aims at selection of persons, prohibition of exploiting the human body and its parts for financial gain, prohibition of reproductive cloning of human beings.

punishment.” This maxim is developed in parallel with the right to life. Just like the right to life, it belongs to the category of personal freedoms and rights. It elevates the human integrity of the person on a pedestal. Any injury to the person (physical or mental) again affects the being of the person, hurting him physically and oppressing him as a person. Treatment in prisons, the very act of deprivation of liberty, which should not be in a cruel and degrading manner, is among the basic behaviors protected by this maxim. However, just as with the right to life, there are countries in the world where this maxim is violated.

The main difference with the Charter of Fundamental Rights of the EU is that some of these provisions are contained in the integrity of a person in a separate chapter.

### 3.3. PROHIBITION OF SLAVERY AND FORCED LABOR

“No one shall be held in slavery or servile dependence” is the next maxim that is also common to both documents. Slavery as a category of distinction between the persons of slaves and free citizens encroaches on another human right, and that is discrimination in terms of slave dependence. With this, the European continent indicates that it belonged in the past, and that today, with the new value maxims, there is no room for it. Article 4, paragraph 2 of the ECHR defines this maxim of forced and compulsory work<sup>2</sup>.

### 3.4. RIGHT TO FREEDOM AND SECURITY

“Everyone has the right to liberty and security of person” is the next maxim that is common to both documents. Since deprivation of liberty directly affects human freedom, it is guaranteed in both documents. With the ECHR<sup>3</sup>, it

<sup>2</sup> No one may be forced to perform forced or compulsory work in the sense of this article.

<sup>3</sup> Every person has the right to freedom and security. No one shall be deprived of liberty, except by law in the following cases:

a. if he is serving a prison sentence according to the judgment of the competent court;  
b. if he was arrested or detained due to opposition to the legal order of the court or in order to ensure the performance of an obligation prescribed by law;

is elaborated in more detail regarding detention and deprivation of liberty, while with the Charter of Fundamental Rights of the EU, only the maxim is shown.

### 3.5. RIGHT TO A FAIR TRIAL

The right to a fair trial in the ECHR is contained in Article 6, while in the Charter of Fundamental Rights of the EU it is contained in Chapter IV, Article 47, entitled “the right to effective legal aid and a fair trial”. However, in terms of content, these two articles are the same and guarantee the criteria under which a procedure will be considered to be a fair trial (public hearing, adversary before an independent and impartial tribunal, the right to a defense attorney, and a reasonable time limit. The presumption of innocence is contained in the next article of the EU Charter, while the ECHR elaborated it in the same article.

This human right belongs to the group of civil rights and is one of the most appealed within the ECHR system. Not all countries are expected to have the same protocol in court proceedings, but still, the basic coordinates should be observed. The directions given by this maxim are unequivocal and can be said to apply more to the criminal than the civil procedure if we analyze the contradiction and the presumption of innocence. It is very important to cover all the elements of this maxim because they work together and reflect the state's justice system.

### 3.6. RIGHT TO RESPECT FOR PRIVATE AND FAMILY LIFE

The maxim “Everyone has the right to respect for his or her private and family life, home

and communication” is contained in the following articles respectively (Article 8 of the ECHR and Articles 7, 8, and 9 of the EU Charter). This maxim respects the inviolability of the home, the norms of search and the protection of communications (letters, telegrams, mail).

Since the home is a man's fortress, the center of his life activities, this right is included in the category of personal freedoms and rights. Man has the disposition to choose the most adequate home for himself and nurture it according to his upbringing and habits. Violation of this maxim is a direct violation of human integrity, and if it is done, it should be done in a prescribed manner (e.g., the search that is carried out should be legally determined to what extent it infringes on human privacy). Here we mean both the search of the home and the search of a person. Many countries have addressed this in their systems, but unfortunately, there are also countries where the human fortress can be violated in the most rudimentary way.

### 3.7. FREEDOM OF OPINION, CONSCIENCE AND FAITH

This maxim is contained in the continuation of Articles 9 of the ECHR and 10 of the EU Charter. It includes the right to freedom of opinion, conscience and religion. The right includes freedom to change one's religion or belief, alone or in community with others, and the public and private manifestation of one's religion or belief, in observance, teaching, practice and observance<sup>4</sup>.

This maxim belongs to the list of personal freedoms and rights, and its violation is actually not only a harm to the person, but also to the whole society where it is not guaranteed.

### 3.8. FREEDOM OF EXPRESSION

This freedom is in the following articles (Article 10 of the ECHR and Article 11 of the EU Charter). It includes the freedom of opinion and receiving and sending of information and ideas without interference from public authority

c. if he is arrested or detained due to detention before a competent judicial authority, when there is a justified suspicion that that person has committed a crime, or when there are justified reasons to prevent that person from committing a crime, or after committing a crime to flee;

d. if it is about the detention of a minor based on a legal procedure, for the purpose of upbringing under supervision or for the purpose of detention before a competent judicial authority;

e. if it concerns the detention of a person to prevent the spread of an infectious disease, mentally ill persons, alcoholics, drug addicts and vagrants;

f. if a person is arrested or detained by law in order to prevent them from entering the country illegally or a person against whom deportation or extradition proceedings are pending.

<sup>4</sup> The Charter of Fundamental Rights of the EU, 2000.

and independent of restrictions and media pluralism. Freedom of expression belongs to the third category of human rights, namely political rights. This maxim makes a special contribution to society because the existence of various currents of political action and dissidents leads to social integration. Unfortunately, today there are countries where this right is not included in the category of rights in the laws of these countries.

### **3.9. FREEDOM OF ASSEMBLY AND ASSOCIATION**

This maxim is contained in Article 11 of the ECHR and Article 12 of the EU Charter and covers the right to freedom of peaceful assembly and freedom of association at all levels, especially on political, trade union and civil matters. It belongs to the group of political rights, that is, to the third group, where it is also related to social integration.

### **3.10. FREEDOM OF ASSEMBLY AND ASSOCIATION**

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### **3.11. RIGHT TO MARRY**

This maxim provides that “from the moment they become capable of marriage, a man and a woman have the right to marry and create a family according to the national laws regulating the exercise of this right.”<sup>5</sup> It is contained in Article 12 of the ECHR<sup>6</sup> and Article 9 of the EU Charter<sup>7</sup>. While the ECHR guarantees it as the maxim above, the EU Charter is relied upon as provided for in the EU Charter signatory states.

<sup>5</sup> The European Convention on Human Rights of 1950.

<sup>6</sup> From the moment they become capable of marriage, a man and a woman have the right to marry and create a family according to the national laws regulating the exercise of this right.

<sup>7</sup> The right to marry and the right to found a family will be guaranteed by the national laws that regulate the implementation of these rights.

This maxim is included in the group of personal freedoms and rights and implies the freedom of the individual to enter into marriage in a free way by choosing the partner that best suits the person. One of the most important maxims related to the natality of society, which sociologists especially claim is essential for the development of society and all humanity, taking into account the natural increase.

Although today, this right is developing in a slightly different direction with the so-called same-sex marriage considered to be a human right as well. The era of the last century considered that these were persons of two different sexes, but today that has been overcome. It is considered that a man who is married to a person of the same sex will not be able to adopt a child. It is justified and it is not discrimination because it violates the basic cell of society - natality. On the other hand, it is considered that the child will not receive the basic values in the family if he were to be adopted by spouses of the same sex.

### **3.12. PROHIBITION OF DISCRIMINATION**

This principle in the ECHR is contained in Article 14, while in the EU Charter it is contained in Article 21. It provides that persons in the interpretation and application of both documents shall not be subjected to any discrimination based on gender, race, skin color, language, religion, political or any other opinion, national or social origin, belonging to a national minority, material position, origin by birth or any other status. The list of attributes of the EU Charter<sup>8</sup> expands and extends to property, birth, disability, age and sexual orientation.

The maximum prohibition of discrimination is a pillar of any society that claims to be democratic. Discrimination entails repercussions both in man when we analyze him as an individual, as

<sup>8</sup> Any discrimination on any grounds, such as sex, race, color, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age, or sexual orientation. Any discrimination based on nationality is prohibited by the application of the Treaty establishing the European Community and the Treaty on European Union and without prejudice to the special provisions of these Agreements.



well as in society and the function that man has in it. This negative phenomenon can be relativized by the existence of more norms in national laws or by special laws that would make a person's life more pleasant in society.

### 3.13 RIGHT TO EDUCATION

In the ECHR, it is defined by art. 2 of Protocol No. 1, while in the EU Charter it is defined by Article 14. The ECHR determines this right in the direction that the state respects the rights of parents to provide education and teaching in accordance with their religious and philosophical convictions<sup>9</sup>, while the EU Charter<sup>10</sup> as an opportunity to obtain free compulsory education and respect for the freedom to establish educational institutions with respect for democratic principles and the right of parents to have the education and teaching of their children in accordance with their religious, philosophical and pedagogical convictions, in accordance with the national laws that regulate the implementation of this freedom and right. This right falls under the category of civil rights.

The right to education offers a person a worldview towards the world he faces. This process is not at all simple and implies that the states guarantee and implement the right to education, accessible to every person. The state should offer a wide range of educational profiles that would be in accordance with human needs.

### 3.14 RIGHT OF OWNERSHIP

It is determined by the ECHR in Article 1 of Protocol No. 1, while by the EU Charter in Article 17. The definition of this maxim is similar to that everyone has the right to protection of the right to property, except for public

<sup>9</sup> ECHR, 1950.

<sup>10</sup> Everyone has the right to education and access to vocational and continuous training. 2. This right includes the possibility of obtaining free compulsory education. 3. The freedom to establish educational institutions will be respected with respect for democratic principles and the right of parents to have the education and teaching of their children in accordance with their religious, philosophical and pedagogical convictions, in accordance with the national laws that regulate the implementation of this freedom and right.

interest (land acquisition). The EU Charter<sup>11</sup> takes a step forward in guaranteeing intellectual property. This right belongs to the category of civil rights and implies that the state guarantees the right to property of every citizen. An exception to this, acquisition implies that the state restricts this right to the citizen, only on the condition that it pays the real estate to the person, the market value at the time of the acquisition.

This determination implies that no one can dispute the right of ownership that man has acquired. This maxim guarantees the stability and security of man in terms of his property.

As for intellectual property, which is within the framework of the EU Charter, the EU is taking a step forward in this category of rights. It is completely expected and normal because when the ECHR was written, intellectual property rights were practically not subject to legal determination.

### 3.15 RIGHT TO FREE ELECTIONS

In the ECHR, this right is defined in art. 3 of Protocol No. 1, while in the EU Charter in Art. 39. However, the context of defining this right in both documents is different. In the first, it refers to the high contracting parties of the ECHR who commit themselves in reasonable intervals to organize free elections with a secret ballot, under conditions that allow the people to freely express their opinion on the election of the legislative body<sup>12</sup>. While the EU Charter refers to the right to vote and the right to stand for election to the European Parliament, every citizen of the Union who has the right to vote and stand for election to the European Parliament in the Member State in which he or she resides, under the same conditions as the citizens of that State. So, in the ECHR for citizens in the legislative body of the member states of the ECHR, while in the EU Charter for candidacy in the elections for the European Parliament of an EU member state.

<sup>11</sup> Intellectual property will be protected.

<sup>12</sup> ECHR, 1950.



### 3.16 FREEDOM OF MOVEMENT

The ECHR is defined in art. 2 of Protocol No. 4, while in the EU Charter it is defined in Art. 45. It is common that every citizen of the Union, that is, a signatory state of the ECHR who has the right to move and reside freely.

### 4. DIFFERENCES BETWEEN THE ECHR AND THE EU CHARTER

There are also some differences in the content of these two documents. Namely, the ECHR does not determine the rights of children, which is not the case with the EU Charter<sup>13</sup>. Also, the ECHR does not determine the fourth generation of human rights - those for the environment, which are defined in the EU Charter<sup>14</sup>. Finally, the ECHR does not determine intellectual property rights.

The reasons for that are all too obvious. The second half of the 20th century was a period when awareness of these categories of human rights was at too low a level. Although children's rights are defined by special international documents, a great step forward has been made with the EU Charter because it also includes children as a category of people who should enjoy certain rights. As for environmental degradation and the utility of enacting laws to curb it, the EU Charter only supports that process.

While intellectual property rights can be said to have always existed, the increasing abuse and technological expansion at the end of the 20th century led to clear perceptions that something should be done in that context. Thus, numerous countries pass laws in this field, but a significant contribution exists when the EU Charter determines it.

<sup>13</sup> Article 24 of the EU Charter: "Children shall have the right to such protection and care as is necessary for their well-being." They can express their views freely. Their views will be taken into account on matters that affect them according to their age and maturity.. In all activities related to children, regardless of whether they are undertaken by public authorities or private institutions, the best interests of the child will have primary importance.. Every child shall have the right to regularly maintain a personal relationship and direct contact with both parents, unless this conflicts with his or her interests."

<sup>14</sup> Article 37 of the EU Charter: "In the policies of the Union, a higher level of environmental protection and improvement of the quality of the environment must be integrated and they must be provided in accordance with the principle of sustainable development."

### 5. SUMMARY

It is to be welcomed that the dimension of human rights tends towards the creation of new and new human rights that have at their core human life in a way that will make it easier and better in the social community.

The characteristics of human rights: indivisibility, inalienability, absoluteness and universality are also mentioned in the Preamble of the EU on human rights, which says that they are a system of norms that apply together, cannot be separated from the human being, that is, they belong to him, apply to everyone and they are everywhere. This means that they tend to impose themselves in the international community as a mandatory imperative that will elevate the human being to the pedestal of social events. Man and his inviolable right to life and integration in society lead all states to bow to these international imperatives. This is of particular importance because the ratification means the adaptation of the Constitution and the laws of the states to them, which will contribute to all states treating the human being equally. Unfortunately, this does not exist in the modern international community because we still have countries where human rights are not mentioned in the legal regulations. There are also such systems where they are legally determined, but in practice, the judicial protection of them does not work.

The second example is more worrying because it says that the legislative norms of the states that determine human rights are just written paper and nothing more. In such systems, admixtures can be found where a person may be afraid to seek their judicial protection.

Since the list of human rights is expanding day by day and new human rights originate only from the most modern democracies (USA, Western European and Scandinavian countries), the international community has to invest a lot of effort. This is aimed at ensuring at least respect for basic human rights in the most isolated countries, where this would be both an international and social benefit. In the world today, unfortunately, there are also countries where even

the basic right - the right to life - is not guaranteed, and the death penalty still exists.

The rigor of such social systems contributes to great dissatisfaction among the population, because man in such environments is completely helpless and cannot exercise his essential rights. When this prevails, the man in those societies wonders if he should also take care of the duties imposed by the society. In that imbalance of rights and duties actually arises the dissatisfaction of the people and of the government also. That tension can only start a conflict. The more pronounced it is, the stronger the escalation of the conflict, which can lead to civil war and revolutions.

That is why the subject of human rights, their imperative to rise as a value category, should not be underestimated, because the result of that is clear: the dissatisfaction of the human being.

Today, in a world where information circulates, where information technology flourishes, it makes man an international being. That international being is informed every day of what

is happening outside the borders of his country. If human rights are not respected in one's own country, it contributes, on the other hand, to the individual sympathizing with democratic countries. Since this is an increasingly common case, many theorists say that migrations from the so-called third world towards the USA and Europe find the human rights situation as the reason. At the same time, it is usually the intellectual elite that develops the global brain drain syndrome. This phenomenon is dangerous for the international community because it will deepen the already existing gap between highly developed and rich countries and underdeveloped and poor countries.

Human rights trends are clear. The list of human rights is expected to increase in some of the next international human rights documents.

We would conclude that human rights should be understood with a more serious approach because the implications they have in society are also very serious.

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## UPOREDNI POGLED EVROPSKE KONVENCIJE O LJUDSKIM PRAVIMA SA POVELJOM O OSNOVNIM PRAVIMA EVROPSKE UNIJE I NJIHOVI TRENDOM U MEĐUNARODNOJ ZAJEDNICI

**Rezime:** Druga polovina 20. veka je doba kada se zemlje otvaraju van svojih granica. U stvari, ovaj period obeležava i stvaranje najveće i najstarije međunarodne organizacije Ujedinjenih nacija. Paralelno sa ovim integracijama, u Evropi i šire, razvija se svest o ljudskim pravima – vrednosti koja je po svojoj prirodi neotuđiva, nedeljiva, apsolutna i univerzalna. U radu se s epistemološkog stanovišta sagledava razvoj Evropske konvencija o ljudskim pravima, pandan Univerzalnoj deklaraciji o ljudskim pravima i Povelji o osnovnim pravima Evropske unije, koja se razvija na primeru EKLJP. Ova dva međunarodna dokumenta su zanimljiva za analizu i poređenje i imaju implikacije na čitavu međunarodnu zajednicu. Zajedničko im je da imaju skoro slične odredbe, što ukazuje da je u tom razvojnem procesu međunarodne zajednice važio određeni spektar ljudskih prava. Kasnije je ta lista proširena američkom deklaracijom o ljudskim pravima. Važno je znati da međunarodna zajednica ljudska prava uzdiže kao najvišu vrijednost. Postojanje ovih dokumenata samo je korak napred ka integraciji savremene međunarodne zajednice.

**Ključne reči:** UN, Evropska konvencija o ljudskim pravima, Povelja o osnovnim pravima Evropske unije, poređenje, trendovi

# **PRESENTATION OF SCIENTIFIC PUBLICATIONS AND CONFERENCES**

**SOCIAL SCIENCES**

**PRESENTATION OF A MONOGRAPH**

doi: <https://doi.org/10.61837/mbuir030125100a>

**Živanka Miladinović Bogavac**  
**ZLOUPOTREBA MEDIJSKIH SLOBODA**  
**(ABUSE OF MEDIA FREEDOMS)**

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The monograph *Abuse of media freedoms* by Prof. Dr. Živanka Miladinović Bogavac deals with an important and significant topic, since the right to freedom of expression is one of the basic and among the most important human and citizen rights, incorporated in a whole range of international and national documents.

This monograph was released in 2022 (Belgrade, Andrejević Endowment), it is published in Serbian and English, and was reviewed by renowned experts: Academician Prof. Dr. Boris Krivokapić, Academician Prof. Dr. Nedo Danilović, Prof. Emeritus Dr. Mirko Kulić and Prof. Dr. Milan Rapajić. It comprises 193 pages and the material is presented in an objective and systematic manner, describing, classifying, and scientifically analyzing the following topics:

1. The paradigm of freedom of expression and its drastic abuse,
2. Fake news,
3. Media manipulation from the critical perspective of Noam Chomsky,
4. Journalism and ethics,
5. The place and role of the media in the ethical system,
6. The concept and essence of media concentration,
7. Violations of the right to free, truthful, and timely information,
8. The place and role of regulatory bodies in the achieving media freedom and preventing monopoly in Serbia,
9. Media pluralism and its legal protection in Serbia,
10. Radio Television of Serbia as an indicator of media pluralism, and
11. State aid in promoting the principles of media pluralism.





The monograph also comprises Abstract in both Serbian and English and Index of terms. The author cites 96 references.

The monograph *Abuse of media freedoms* addresses a highly current and significant topic. Given the relevance of the subject, the author Prof. Dr. Živanka Miladinović Bogavac devotes particular attention to the paradigms of freedom of expression and its serious abuse, emphasizing hate speech as a direct negation of that freedom. She stresses that freedom of speech represents one of the greatest achievements of modern civilization, serving as both the foundation and core pillar upon which all other fundamental human rights are built.

The complexity of human society often makes it difficult to empirically and normatively distinguish between the right to freedom of expression and hate speech, as there is no clear boundary between the two, but rather an intersection of these two fluid phenomena. A particularly harmful form of abuse affecting society as a whole is unlawful media concentration – the shrinking of the media space and the transformation of freedom of expression into a tool used to suppress media freedom and enforce ideological uniformity. Recognizing the complexity and importance of this issue, the author advocates for the establishment of genuine media pluralism in Serbia. Following a detailed analysis, she argues convincingly for the need to improve the legal framework related to media concentration, ownership transparency, and other factors essential to promoting and safeguarding media freedoms, with the ultimate aim of narrowing the space for their abuse and contributing to the broader democratization of Serbian society.

In addition, the monograph also strongly advocates for neutralizing political influence on the media (especially the Public Media Service) as well as for the further harmonization of Serbian media legislation with relevant European and international standards, promoting the integration of high-quality comparative legal solutions into the Serbia's legal system.

Starting from the fact that freedom of the press is an important transmission between individuals, social groups and authorities, the author particularly deals with the issue of freedom of the press and hate speech as its negation and emphasizes that freedom of expression limits hate speech, while the use of hate speech is in fact the abuse of freedom of expression. The entire phenomenon is analyzed in terms of the complex relationship between state power – public opinion – freedom of the press – abuse of freedom.

Analyzing the paradigm of freedom of expression and its severe abuse, Dr. Miladinović Bogavac starts with determining hate speech as the negation of freedom of speech, and moves on to thoroughly analyze the notion of hate speech, its components, freedom of the press in relation to hate speech as its negation, and then presents hate speech viewed through the prism of the European Court of Human Rights practice by briefly presenting several cases: Leroy vs. France – racism and support for terrorism, Vejdeland and others vs. Sweden, Gunduz vs. Turkey – hate speech due to religious motives, Ferguson vs. France etc. Reviewing the hate speech practice in Serbia, she considers cases of the Organization for lesbian human rights “Labris”, the case of TV “Studio B”, Radio “Fokus” and the daily newspaper “Blic”, as well as judicial epilogues of the prosecution of hate speech in Serbia.

The author pays special attention to fake news, given the fact that it is an increasingly present phenomenon. Fake news as a media phenomenon is not a product of modern times though it became particularly popular at the beginning of this century, coming to the fore in situations of dangerous social crises, conflicts and great turmoil on the world stage, but also, to a no less extent, on the domestic political scene. Though crises are fertile ground on which fake news grows like weeds, their expansion in peaceful times is also witnessed. The high viewership of electronic media and the readership of written media are unimaginable today without sensationalism, the essence of

which is the desire to increase the earnings of media owners.

A special chapter is dedicated to another important issue – the problem of ethics in journalism, and the role or function of the media in the ethical system, since the main duty of journalists should be to provide the public with accurate, timely, unbiased and verified information from credible sources.

As media concentration in the hands of a small number of media moguls represents a serious problem of achieving media freedoms and what should be heard in them, and that is *Vox populi, vox Dei* (Voice of the people is the voice of God), the cases of Silvio Berlusconi, Ted Turner and Rupert Murdoch have been analyzed as well.

Since the issue of protection of media rights and freedoms is very important, the author briefly addresses media pluralism and its legal protection in Serbia. Namely, the protection itself is not limited to external influence, such as the political factor. That protection should also have an internal character, within the media space itself. The public media service has a significant role in guaranteeing the respect for the principle of media pluralism, considering that the primary task of the public media service, unlike others, is the protection of the public, that is, the general interest. The author also briefly focuses on state aid in promoting the principles of media pluralism, as this is also an important issue. One type of state assistance is at the normative level, which is the adoption of laws, by-laws and strategies. The next form of that assistance is the implementation of the law

in practice, that is, at the organizational level – through the creation of special bodies and organizations authorized to control the implementation of media laws and cooperation with numerous non-governmental organizations.

Given the scarcity of literature in this region addressing the misuse of media freedoms, the scholarly contribution of this book is considerable, especially in advancing the understanding of media freedoms and their abuse, and in situating these issues within the broader corpus of international human rights law. The monograph's academic contribution is further reflected in the author's advocacy for the comprehensive democratization of Serbian society and the enhancement of legal and political culture. Professor Dr. Živanka Miladinović Bogavac calls for a significant improvement in the position, independence, and accountability of regulatory (and self-regulatory) bodies, the development of new self-regulatory institutions such as a Council for Electronic Media, and better staffing and financial-resourcing of professional services within these bodies.

Having in mind the important scientific contribution of the monograph *Abuse of media freedoms* that offers critical insights into the nature of media freedoms and their abuse, the reviewers have recommended that this monograph be included in the recommended reading lists of higher education institutions and faculties that cover fields such as constitutional law, political systems, human rights and freedoms, and international human rights – at undergraduate, master's, and doctoral academic levels.

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## SOCIAL SCIENCES

### PRESENTATION OF A MONOGRAPH

# Boris Krivokapić RAT I PRAVO: TEORIJA I PRAKSA ORUŽANIH SUKOBA I MEĐUNARODNO PRAVO (WAR AND LAW: THEORY AND PRACTICE OF ARMED CONFLICTS AND INTERNATIONAL LAW)

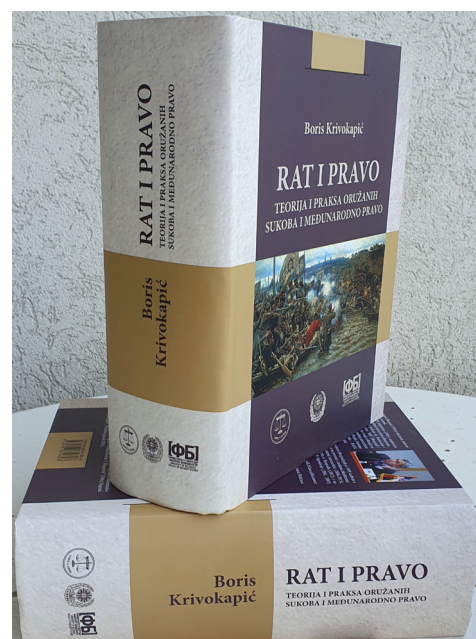
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The monograph „WAR AND LAW – Theory and Practice of Armed Conflicts and International Law,” authored by academician Prof. Dr. Boris Krivokapić, represents an exceptionally valuable scientific and encyclopedic work. The book is the result of many years of research by one of the world’s most eminent scholars and university professors of international law. While there is an abundance of high-quality textbooks and scientific monographs in Serbian and other world languages addressing various aspects of war and humanitarian law, this monograph goes two steps further in its comprehensiveness, offering a complete presentation of the most important issues and solutions in the fields of war and humanitarian law.

Unlike most monographs that examine war and humanitarian law and are limited to presenting international legal regulations (retelling and interpreting the solutions of the most important conventions and customary rules in this area), this book constitutes a kind of expertly crafted encyclopedia. It possesses a legal dimension but also equally thoroughly covers key issues in the theory of international relations, military strategy, security and military



sciences, history, philosophy, and many other scientific fields and disciplines.

In terms of content, the monograph by academician Boris Krivokapić spans 1,549 pages and includes a foreword, ten parts, a list of references, an index of terms, and an index of names.

*The first part* of the monograph, divided into two chapters, is devoted to war as the



most complex social phenomenon and process. In the first chapter, the author discusses the conceptual definition and classification of wars, different understandings and approaches, with special emphasis on modern wars and alternative perspectives. In the second chapter, the author provides a detailed analysis of types of wars according to spatial dimensions, belligerent parties, motives and goals, and methods of warfare, with a particular focus on special wars and their types, armed intervention, and the war on terrorism.

*The second part* of the monograph, also in two chapters, focuses on war and humanitarian law (the law of armed conflict and sources of international war and humanitarian law). In the first chapter, the author thoroughly analyzes the relationship between national and international law, national war legislation, and international war and humanitarian law. The second chapter, from an epistemological perspective, examines the sources of international war and humanitarian law, customary legal rules, international treaties, statutes of international criminal tribunals, and the most important concrete international legal sources, starting with the Hague Conventions of 1899 and 1907, the 1949 Geneva Conventions on the protection of war victims and their protocols, up to the 1998 Rome Statute of the International Criminal Court.

*The third part*, in three chapters, is dedicated to the phenomena of the beginning and effects of war. The first chapter deals with the onset of war—its outbreak, its effects on states and their relationships, and consequences for relations with allies, third (neutral) states, and international organizations. The second chapter covers the so-called territorial effects of war, comprehensively addressing war zones, areas with special status such as demilitarized and neutralized zones, medical zones, safety zones, undefended localities, open cities, and nuclear-free zones. The third chapter is dedicated to the **personal effects** of war, where the author systematically addresses the impact of war on individuals, armed forces, combatants, non-combatants, and other

categories—participants and victims of war and armed conflicts.

*The fourth part* of the monograph, divided into five chapters, deals with the laws and customs of war. In the first chapter, the author discusses the prohibition of certain weapons, covering topics such as war means (weapons), international legal regulation of specific types of weapons, the obsolescence of legal solutions, widely used weapons, and weapons of mass destruction such as bacteriological (biological), chemical, nuclear, radiological, geophysical, and other arms. The second chapter tackles theoretical and practical issues regarding the prohibition of certain methods and principles of warfare, ruses of war and perfidy, prohibited methods of warfare, and reprisals. The third chapter focuses on the legal status of property in war, covering both enemy and neutral property. The fourth chapter addresses the concept of military necessity, both in historical context and modern interpretations. The fifth chapter treats, in an original and epistemologically grounded manner, agreements between belligerents during hostilities, interpreting the provisions of military conventions on armistice and capitulation.

*The fifth part* of the monograph, in four chapters, explores special rules of warfare. In the first chapter, the author scientifically addresses general questions of land warfare, military occupation, the status of certain weapons such as dum-dum bullets, sniper rifles, and mines, and provides a detailed methodological elaboration of procedures concerning the war dead, including military tags, battlefield sanitation, and war cemeteries. The second chapter deals with the rules of naval warfare, focusing on key concepts in naval warfare and international maritime law, specific methods and means of naval combat, treatment of property during naval warfare, neutrality in naval warfare, and procedures regarding the dead at sea. In the third chapter, the author elaborates on rules of aerial warfare, with emphasis on the definition and development of aerial warfare, its legal framework, categorization of concepts, connections between aerial,



land, and naval warfare, aerial bombing and missile strikes, and other characteristic methods of combat. In the fourth chapter, the author provides a scientifically grounded analysis of **space warfare**, including epistemological discussions on space, war operations in space, and conflicts involving extraterrestrial beings.

The **sixth part** of the monograph, divided into three chapters, deals with humanitarian law and the protection of persons in armed conflicts. The first chapter examines human rights, humanitarian law, and human rights in times of armed conflict. The second chapter elaborates on war victims and their protection, with a focus on war victims, wounded and sick combatants, shipwreck survivors, prisoners of war, and civilians. The third chapter, from an epistemological angle, discusses medical services and organizations, highlighting medical services, search and rescue operations, and humanitarian NGOs.

The **seventh part** of the monograph, also divided into three chapters, is dedicated to a scientific analysis of the termination of war and the state of war. In the first chapter, the author focuses on peace treaties, other agreements and declarations, and various other cases involving the end of war or the state of war. The second chapter examines the issue of war damage, reparations, war indemnities, and different methods of compensation.

The **eighth part** of the monograph, structured into three chapters, offers a scientific analysis of non-international armed conflicts (civil wars). In the first chapter, the author discusses the concept of non-international armed conflicts and the distinction between such conflicts and internal disturbances or internal armed clashes. The second chapter addresses the recognition of insurgents and national liberation movements. The third chapter focuses on the application of international humanitarian law to non-international armed conflicts, including its historical treatment, contemporary legal sources, and legal norms regulating internal armed conflicts.

The **ninth part** of the monograph, classified into four chapters, is titled *Operations of*

*International Armed Forces*. The first chapter deals with national and multinational armed forces, international armed forces, and forces of international organizations (i.e., international armed forces in the narrow sense and UN peacekeeping forces). The second chapter is devoted to violations of international law by international peacekeeping forces, including various forms of breaches, war crimes, crimes against humanity, genocide, and aggression. The third chapter examines issues related to the accountability of international armed forces, with emphasis on fundamental questions, jurisdiction, and responsibility in war. The fourth chapter discusses unresolved issues related to the role of UN peacekeeping missions, failures to undertake timely peace operations, and other open questions, as well as possible solutions to existing problems.

The **tenth part** of the monograph, divided into two chapters, addresses the most significant problems in the field of international law of armed conflicts. The first chapter deals with the problem of consistent compliance with the law of armed conflict. It discusses the peculiarities of major legal sources, the implementation of established legal norms, and the potential for abuse of the law of armed conflict and international law in general. The second chapter addresses the obsolescence and lag of the law of armed conflict behind real-world developments. This final chapter effectively represents a kind of concluding reflection. The author, based on previously analyzed content, critically points out major issues within the international law of armed conflict. He approaches these questions with originality, particularly emphasizing that good legal solutions are not sufficient by themselves. The author argues that problems often arise in the implementation of legal rules, especially when it involves powerful global actors. With strong argumentation, he warns of the potential for abuse of international law, noting that many norms of war and humanitarian law are outdated and lag behind the fast-changing realities of modern conflict. These issues do not stem solely from the emergence of new weapons and methods of warfare

that remain legally unregulated for a time, but also from the appearance of non-state actors in conflicts (such as major terrorist organizations like ISIS), and new domains of warfare such as cyberspace and outer space. On this basis, the author rightly concludes that a constant revision of the law of armed conflict is necessary to keep up with these developments, while also emphasizing the imperative of ensuring consistent respect for existing legal norms and principles by all actors, including the most powerful states.

In addition to the ten substantive parts, the monograph is enriched with three essential appendices for categorization as a scholarly monograph: 1) an index of terms, 2) an index of names, and 3) a bibliography of scientific sources.

What immediately stands out in the structure of this monograph is its exceptional volume. The core text alone—excluding the table of contents, indexes, and the extensive bibliography—contains more than 3.6 million characters and over 125 author's sheets, which is truly impressive. Of course, volume alone is not an indicator of quality. Frequently, extensive works result from overly complex or redundant content. However, this is not the case here. The exceptional length of the monograph reflects the complexity of the subject matter, the vast number of questions examined, and the remarkable volume of material utilized.

In terms of content, the manuscript is truly comprehensive. It thoroughly covers virtually all major and relevant issues in international humanitarian and war law (the law of armed conflict) while also venturing beyond these boundaries in a methodologically sound and engaging manner. The author recognizes the multifaceted nature of war and, while staying rooted in international legal regulation, makes serious efforts to shed light on other dimensions of armed conflict. Consequently, the monograph includes practical case examples, historical reflections that illustrate international relations and legal issues, and a rich collection of statistical and other data.

A careful qualitative analysis of the monograph shows that it is not confined solely to issues of war and humanitarian law, but addresses nearly all related major challenges. A special strength of the work is its epistemological approach to current topics such as cyber warfare, space warfare, private military companies and their personnel, the status of spies, the characteristics of specific weapon types (weapons of mass destruction and conventional arms), operations of international forces, and the enforcement of international law in armed conflict.

These and other scientifically important contemporary topics are approached from multiple angles. The author provides historical backgrounds, scientific explanations of legal implementation, and well-argued critiques of shortcomings and inconsistencies, engaging in scholarly dialogue with various doctrines and international theories. Moreover, the author strives to acquaint the reader with key historical and current issues—ranging from antiquity to present-day dilemmas in international and humanitarian law.

Unlike most books on this topic, this monograph does not merely summarize international legal regulations and interpret the content of major conventions and customary norms. Instead, it serves as an expertly crafted encyclopedia with both legal and interdisciplinary dimensions. It addresses key questions in international relations theory, polemology, military science, history, philosophy, economics, and more.

Especially noteworthy is that many entirely new questions and problems are raised in the monograph. The author offers new analyses, definitions, and classifications, challenges existing interpretations, criticizes numerous legal solutions, and incorporates recent developments, including treaties entered into force after 2017, the most recent statistics, and events such as the testing of anti-satellite weapons by Russia on 15 November 2021. This proves that the monograph is not a revised edition of the author's earlier works but a genuinely original,

extensive, and scholarly encyclopedic achievement.

Another strong point is the author's readiness to offer his own views and constructive criticism, going beyond the presentation of existing regulations and legal doctrine. Professor Krivokapić, known for his encyclopedic knowledge and philosophical insights as well as his clear and engaging writing style, frequently illustrates points with interesting examples from practice, which he does again in this substantial scholarly work. This approach makes the content more accessible and engaging, far from dry or overly technical.

The manuscript also draws from an impressively vast body of literature, primarily in English, which is unavoidable given the breadth of heterogeneous problems addressed. The author draws on sources ranging from religious texts such as the Bible and Quran to the works of ancient philosophers, historians, and military leaders.

Based on all the elements presented, it can be concluded that the monograph *"The Law of War"* by Academician Boris Krivokapić represents an extraordinary scientific achievement—a kind of concise encyclopedia of war and the law of armed conflict and humanitarian law. As such, the monograph deserves a place in the libraries of law faculties and other scientific and educational institutions (military and police academies, faculties of political science, various scientific institutes), as well as in the collections of governments, ministries of defense, justice, foreign affairs, police, general staff, rescue agencies, media organizations, and others.

We are confident that in the years to come, this monograph will not only be a valuable resource for experts and students of all levels—from undergraduate to postdoctoral—but also find its place on the desks of politicians, military officers, diplomats, analysts, journalists, and other professionals. It unquestionably deserves such recognition.

## Professor emeritus Dr. Dušan Regodić, M.Sc. OSNOVI KOMPJUTERSKE TEHNOLOGIJE (FUNDAMENTALS OF COMPUTER TECHNOLOGY)

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The textbook *Fundamentals of Computer Technology* by Professor Emeritus Dr. Dušan Regodić, M.Sc., is a foundational work intended for students of Information Technology at the University “MB.” The book covers key computing concepts, from basic mathematical principles to modern computer architectures and networks. It was published by *Planeta Print, Belgrade*, in 2024, as part of the University “MB” Mid-Term Plan for Educational Literature Development. ISBN 978-86-6375-150-7 15/052024. The book consists of 12 chapters spanning 451 pages.

### KEY FEATURES OF THE BOOK:

- *Comprehensive Approach* – Covers both hardware and software aspects of computer technology.
- *Theoretical and Practical Application* – Explains mathematical foundations, logic circuits, and computer architecture.
- *Current Topics* – Includes modern concepts such as cloud computing, embedded systems, and network security.
- *Student-Friendly* – Features review questions, examples, and exercises for practice.



### STRUCTURE AND CONTENT BY CHAPTER:

#### 1. INTRODUCTION TO COMPUTER TECHNOLOGY FUNDAMENTALS

The preface outlines the book's objectives and study methodology. It defines key terms such as informatics, data, and information, distinguishing between data and information while explaining the role of computers in information processing. Study recommendations are provided for efficient learning. This



chapter is essential for beginners, as its definitions are frequently referenced later.

## 2. HISTORICAL DEVELOPMENT OF COMPUTING

Covers the evolution of computing machines—from early devices (Abacus, Babbage's Analytical Engine, ENIAC) to modern digital systems (transistors, integrated circuits). Discusses Von Neumann architecture, the microprocessor revolution, and types of modern computers (supercomputers, mainframes, servers, workstations, PCs). Special focus is given to:

- *Personal Computers (PCs)* – Classification (desktop, laptop, tablet).
- *Embedded and Specialized Computers* (IoT, smart devices).
- *Networking and the Internet Revolution* (LAN/WAN, TCP/IP).
- *Computers in Daily Life* (industry, medicine, entertainment).
- *Maintenance and Upgrades* (hardware management, security risks, and technological obsolescence).

## 3. MATHEMATICAL FOUNDATIONS OF COMPUTER TECHNOLOGY INTRODUCES POSITIONAL NUMBER SYSTEMS (DECIMAL, BINARY, OCTAL, HEXADECIMAL), WITH SPECIAL EMPHASIS ON:

*Binary System* (arithmetic operations).

- *Hexadecimal System* (programming and memory addressing).
- *Data Representation* (integers, floating-point, IEEE 754 standard, ASCII, Unicode).
- *Conversion Between Number Systems* (algorithms and examples).

This is a crucial chapter for programmers and engineers

## 4. DATA REPRESENTATION IN COMPUTERS

Covers: *Numeric Data* (signed/unsigned integers, floating-point errors); *Character Data* (ASCII, EBCDIC, UTF-8); *Sound*

(digitalization, PCM, MP3); *Images* (raster/vector graphics, RGB, CMYK) and *Video* (compression, H.264, MPEG). Useful for *multimedia applications and signal processing*.

## 5. LOGIC ELEMENTS

Discusses: *Boolean Algebra* (basic operations, laws); *Logic Gates* (AND, OR, NOT, NAND, NOR, XOR, XNOR) and *Function Minimization* (Karnaugh maps, De Morgan's laws). Includes practical exercises critical for digital electronics.

## 6. LOGIC FUNCTIONS AND SWITCHING NETWORKS

Explains: *Combinational Circuits* (multiplexers, decoders, adders) and *Sequential Circuits* (registers, counters, memory units). *Essential for hardware design*.

## 7. COMPUTER ARCHITECTURE

Covers: *CPU* (ALU, control unit, cache memory); *Memory Hierarchy* (RAM, ROM, HDD, SSD) and *Buses and I/O Devices*. *Fundamental for understanding modern computers*.

## 8. COMPUTER ARCHITECTURE (DETAILED)

Examines: **Central Processing Unit (CPU)** – Functions, memory, peripherals; **Motherboard & Chassis** – Types (desktop, tower, rack), cooling; **Memory Systems** (HDD, SSD, USB flash, optical disks, cache hierarchy); **Buses & Ports** (PCIe, SATA, USB, HDMI, Thunderbolt); **Chipset & Firmware** (Northbridge/Southbridge, BIOS/UEFI) and **Key Concepts**: Von Neumann vs. Harvard architecture, memory hierarchy (registers → cache → RAM → disk), HDD vs. SSD comparison.

## 9. CENTRAL PROCESSING UNIT (CPU) IN DEPTH

Details: **Instruction Execution** (Fetch-Decode-Execute cycle); **Pipeline Processing** (parallel execution); **CPU Structure** (registers, ALU, FPU) and **Machine Programming**

(addressing modes, instruction set: MOV, ADD, JMP, INT).

## 10. PROCESSOR REGISTERS AND ADDRESSING

Covers: *Register Types* (control, status flags); *Addressing Modes* (immediate, direct, indirect, relative); *Instruction Set* (arithmetic, logical, jump operations).

## 11. COMPUTER SOFTWARE

Discusses: *Software Types* (application, system, OS); *OS Functions* (process management, memory allocation, file systems); *Security* (malware protection, firewalls, encryption).

## 12. COMPUTER NETWORKS

Explores: *Networking Basics* (LAN, WAN, PAN, MAN); *Models* (OSI 7-layer, TCP/IP); *Network Hardware* (switches, routers, cables, Wi-Fi, 5G).

### How to Best Use This Book?

1. For Hardware Engineers – Focus on Ch. 8-9 (CPU, memory).
2. For Programmers – Study Ch. 10 (registers, assembly).
3. For System Admins – Prioritize Ch. 11-12 (OS, networks).

### Who Is This Book For?

– IT Students – Covers all computing fundamentals.

- Electronics Engineers – Explains digital logic in detail.
- Programmers – Provides insights into hardware constraints.

**Best Study Approach:** Read theory first (Ch. 1-4); Solve exercises (especially from Ch. 3, 5, 6); Connect concepts (e.g., how binary numbers are used in CPU operations) and Use additional tools (logic circuit simulators, assemblers).

### Most Important Chapters:

1. Chapter 3 (Number Systems) – Critical for programmers.
2. Chapters 5-6 (Logic Circuits) – Foundation for digital electronics.
3. Chapters 8-9 (CPU Architecture) – Essential for system programming.

**Conclusion:** This book is an indispensable reference for anyone seeking an in-depth understanding of computer technology. Its combination of theory and practical examples makes it ideal for academic study.

**Recommendation:** Perfect for students and professionals who want a deep grasp of computer technology, from digital logic to advanced architectural concepts. Its balance of theory and practice makes it valuable for future engineers and programmers alike.

## CRITERIA AND RULES FOR SUBMISSION OF AUTHOR'S PAPERS IN THE PUBLISHING PLAN OF THE MAGAZINE MB UNIVERSITY INTERNATIONAL REVIEW (MBUIR)

### ARTICLE 1.

"MB University International Review - MBUIR" (further: Journal) is the journal of "MB" University.

The journal provides open access (Open Access) and applies Creative Commons (CC BY) copyright provisions. The magazine is of open type and its content is freely available to users and their institutions. Users may read, download, copy, distribute, print, search, or access the full text of the articles, as well as use them for any other legally permitted purposes without seeking prior permission from the publisher or author, provided that they cite scientifically correctly to the sources, which is in accordance with the definition of open access according to BOAI.

According to the classification of the Ministry of Science, Technological Development and Innovation of the Republic of Serbia, the magazine is classified in category M54 - a scientific magazine that is being categorized for the first time. It is referenced in the national database of scientific journals of the National Index and meets all the requirements of the conditions for editing scientific journals that are categorized for the first time.

### ARTICLE 2.

The journal publishes the results of analytical, experimental, basic and applied, diagnostic, prognostic and futurological research from various narrow scientific areas of the social studies and humanities:

- Management and business
- Economy
- Political and legal sciences
- Information society
- Theory of visual art.

### ARTICLE 3.

The journal is available in printed and electronic open access versions. It is published in English: two times a year according to the following dynamics:

- number 1 (January-July),
- number 2 (August-December).

### ARTICLE 4.

In the journal MB UNIVERSITY INTERNATIONAL REVIEW, the following author's papers (hereinafter referred to as works) are published:

1. Scientific works according to the categories of the Ministry of Science of the Republic of Serbia - original scientific work, review work, short or previous announcement, scientific criticism, i.e. polemic and work in the form of a monographic study, and a critical edition of scientific material previously unknown or insufficiently accessible for scientific research, which have not been published and have not been simultaneously submitted to other journals for publication;
2. Professional papers - professional papers, i.e. contributions in which experiences useful for the improvement of professional practice are offered, but which are not necessarily based on the scientific method; informational contribution (editorial, commentary, etc.); presentation (of books, scientific conferences, computer programs, case studies and other public scientific conferences), as expert criticism, that is, polemics and reviews.

### ARTICLE 5.

Papers from Article 1 are submitted to the Editorial Board of the Journal, written in English and proofread by a qualified person. References are cited in the original language and numbered in order of first appearance in the text. It is preferable that the references are not older than ten years, which depends on the subject of the work.

The text and graphics are prepared according to the Technical Instructions, which form an integral part of these Criteria and Rules.

### ARTICLE 6.

The following rules apply to the works listed in Article 1 under point 1.

Papers are submitted with an abstract at the beginning of the text, in the length of 100 to 250 words or 10-15 lines and with 5 to 8 keywords. The abstract is translated into Serbian and becomes a summary.

The volume of work should be up to one author's sheet (about 30,000 characters, with white spaces). Due to the peculiarities of the scientific field or discipline from which the paper is written, there may be deviations in the scope, provided that the number of letters with white spaces is not less than 20,000 nor more than 45,000, which is resolved in agreement with the Editorial Board of the Journal. For particularly justified reasons (social importance of the topic, co-authorship of internationally recognized scientists, scientific discovery, etc.), the editorial staff of the journal may exceptionally allow the publication of an article of a larger volume, but not larger than 2.5 pages (75,000 characters).

Papers of a theoretical nature should have one author, exceptionally two, and papers of an empirical nature a maximum of three.

#### **ARTICLE 7.**

Papers from Article 1 under item 2 are submitted to the Editorial Board of the journal written in English in the length of 60 to 150 lines, with a description in Serbian of 100-250 words or 15 to 20 lines. These works are signed by one author.

#### **ARTICLE 8.**

All works that are the subject of these Criteria and rules are submitted to the Editorial Board of the Journal electronically to the e-mail address: mbuir@ppf.edu.rs.

A brief biography of the author of up to 10 lines, a personal photo of the size for an identity card and the following information about the author (or authors) in English must be submitted with the paper:

1. first name, middle initial, last name,
2. academic title - in Serbian and English,
3. affiliation – name and address of the institution (company), and for pensioners the name and address of the previous workplace,
4. email address,
5. year and place of birth,
6. mobile and landline phone numbers,
7. residential address.

The data listed in Article 5, under serial numbers 1, 3 and 4, along with the photo, are printed in the Journal and represent an electronic database.

#### **ARTICLE 9.**

Papers listed in Article 1 under item 1 of these Criteria and Rules are subject to review by two blind reviewers for a given scientific discipline.

The work is reviewed by two independent reviewers, to whom the text is submitted electronically without indicating the author's name. The reviewers submit their opinion to the Editorial Board of the Journal also electronically. The names of the reviewers are known exclusively to the Editorial Board of the Journal.

If the review is positive, the author is informed that the paper has been accepted for publication.

If, in the opinion of the reviewers, an intervention is needed in the work, the author is obliged to carry it out or to give up the request for publication of the work. This conclusion applies to all authors if the work is a joint work of authorship.

In the event that the reviewers do not agree on the assessment of the work, the Editorial Board of the Journal appoints a third reviewer (possibly several), whose opinion is delivered to the previous reviewers and the author without mentioning the names of the authors and reviewers. The final position is taken by the Editorial Board of the Journal based on the opinions of all reviewers.

Reviewers of the work are informed about the performed intervention.

In all cases from the previous paragraphs, the Editorial Board of the Journal is included.

#### **ARTICLE 10.**

In the scientific presentation of the author's works, the Journal will act in relation to socially responsible behavior, which implies non-acceptance of:

- works that do not rely on recognized scientific methodologies, and which are used in research (improvisations of scientific thought),
- general information, political and scientifically unfounded announcements and other texts that are not based on scientific research and analysis and have a weak basis in science,
- texts that shock and amuse the public quasi-scientifically, speculations in science and the like,



- texts that encourage religious, national, racial intolerance and gender inequality,
- review texts of textbook and manual content,
- generally of all texts that cannot withstand scientific criticism,
- texts that contain plagiarism or auto-plagiarism,
- texts in which other authors are insulted or attacked.

The views presented in this article form the basis for the evaluation of papers by reviewers and the Editorial Board of the journal. They are also the basis for the actions of the Editorial Board and the Journal Council.

#### **ARTICLE 11.**

Under equal conditions, according to these Criteria and rules, authors of works who are members of the Publishing Council, editorial board and reviewers of works in the journal have priority.

In case the work is classified in the group of priority scientific information (rapid communication), the Editorial Board will act according to the opinion of the reviewers.

#### **ARTICLE 12**

In case of a dispute that is not resolved between the author - the Journal's Editorial Board - the Editorial Board, the decision is made by the Journal's Publishing Council on the basis of these Criteria and rules.

#### **ARTICLE 13.**

Papers accepted for print and electronic presentation become the property of the Journal and may not be reprinted without the consent of the Editorial Board of the Journal.

The Publishing Council and the Editorial Board of the Journal are interested in the works published in the Journal being used for further publication with the indication of the publisher, volume, number and year of publication of the Journal, for which the future publisher is given written consent.

#### **ARTICLE 14.**

The author is obliged to sign a declaration that the work is not plagiarized, or contains self-plagiarism. The works will be checked and the Editorial Board of the Journal will act in accordance with the Law on the Protection of Copyright and Related Rights ("Official Gazette" No. 104/2009, 99/2011 and 119/2012, 29/2016 - decision of the Constitutional court and 66/2019).

#### **ARTICLE 15**

These Criteria and rules are a public document, they are published at the end of each issue of the journal and are applied by the Editorial Board and Editorial Board of the Journal from the day of publication on the journal's website.

The editorial board of the journal is obliged to inform each author and reviewer of the papers with these Criteria and rules.

## INSTRUCTIONS FOR AUTHORS

### 1. MANUSCRIPT OF THE PAPER

The manuscript of the paper is submitted in electronic form (MS Word) in A4 format, font Times New Roman, size 12 pt for the text, including the abstract, without spacing. The paper is sent to the e-mail address: [mbuir@ppf.edu.rs](mailto:mbuir@ppf.edu.rs). A written statement by the author stating that the paper is an original paper (signed and scanned statement) is submitted with the paper. The condition for the paper to enter the review procedure is that it fully meets the technical criteria prescribed by this instruction. The paper must be proofread, i.e. must meet the spelling language standards of the English language.

### 2. NUMBER OF AUTHORS

The number of authors on one paper is limited to a maximum of three authors. Papers of a theoretical nature should have one author, exceptionally two, and papers of an empirical nature a maximum of three. Preference is given to articles written by only one or two authors (single author and co-authored paper).

### 3. READ LANGUAGE

The manuscript is submitted in English. If it is accepted, it will be published in the language in which it was submitted, with the obligation that the title and content of the summary at the end of the paper be in Serbian. Also, if the language of the paper is one of the world languages that is used in domestic or international communication in a given scientific field, and which is not English, the title and abstract must be in English.

### 4. SCOPE OF PAPER

The article should have approximately 30,000 characters, including white space (1 author's page). It can be shorter or longer, provided that the number of characters with white spaces is not less than 20,000 or more than 45,000. For particularly justified reasons (social importance of the topic, co-authorship of internationally recognized scientists, scientific discovery, etc.), the editors can exceptionally allow the publication of an article

of a larger volume, but not larger than 2.5 pages (75,000 characters).

### 5. TABLES AND FORMULAS

Create tables exclusively with the table tool in the MS Word program. Tables must have titles and be numbered in Arabic numerals. Paper with formulas using the formula editor in MS Word.

### 6. GRAPHICS AND PHOTOGRAPHS

Graphic representations (pictures, graphs, drawings, etc.) and their descriptions should be treated as a separate paragraph with an empty line above and below. Drawings and photographs must have signatures, and all illustrations must be numbered with Arabic numerals, according to the order of appearance in the text.

Graphics in electronic form should be in one of the following formats: EPS, AI, CDR, TIF or JPG. If the author does not know or uses a specific program, it is necessary to agree on the format of the record with the technical editor of the journal. Graphics should not be drawn in MS Word! Photographs must be clear, contrasting and undamaged. It is not recommended that the author scan the images himself, but to leave this sensitive paper to the editors. If drawings and photographs are not included in the electronic version, they must be clearly marked where they should be placed. Labels in the text must match those in the attached images (or files).

### 7. ORGANIZATION OF THE MANUSCRIPT

The paper must contain the following elements, in the following order:

7.1. The title of the paper should describe the content of the article as faithfully as possible. The title of the paper should use words suitable for indexing and searching. If there are no such words in the title of the paper, it is preferable to add a subtitle to the title.

The running title is printed in the header of each page of the article for easy identification, especially copies of articles in electronic form.

7.2. Information about the author(s) and affiliation are listed below the title of the paper with the full name and surname of (all) authors, without the function and title of the author, which are not listed. The names and surnames of local authors are always written in their original form (with Serbian diacritical marks, diacritical marks of letters of world languages or diacritical marks of letters of national minorities and ethnic groups), regardless of the language of the paper. Along with the author's first and last name, the full (official) name and headquarters of the institution where the author is employed, and possibly also the name of the institution where the author conducted the research, is indicated. In complex organizations, the overall hierarchy of that organization is indicated (from the full registered name to the internal organizational unit). If there are more than one author, and some of them come from the same institution, it must be indicated, with special marks or in another way, from which of the mentioned institutions each one comes from. The e-mail address of the author must be specified. If there are more than one author, as a rule, only the address of one author, responsible for communication on the occasion, is given. For example: Name and surname, name of the institution where the author is employed (affiliation), e-mail address of the author.

7.3. A summary or abstract is a short informative presentation of the content of the article, which contains the aim of the research, the methods used, the main results and the conclusion. It is in the interest of the author that the abstracts contain terms that are often used for indexing and searching articles.

The summary or abstract should be in English, the same language as the paper itself. In terms of length, it should be 100 to 250 words or 10-15 lines and should be between the title of the paper and the keywords, followed by the text of the article.

In the narrower scientific disciplines of the social sciences and humanities for which the main subject of the journal is the abstract, the summary traditionally contains other elements, in accordance with the scientific heritage that the journal nurtures (the scientific area(s) to which the paper belongs, the social meaning of the paper, the importance of the research itself, etc.)

7.4. Keywords, list the terms or phrases that best describe the content of the article. It is allowed to specify 5-8 words or phrases.

7.5. The text of the article is the central part of the paper and represents the elaboration of the article in which the author, with the use of appropriate scientific apparatus, deals with a certain problem and the subject of the scientific paper. For articles in English, it is necessary for the author to provide qualified proofreading, i.e. grammatical and spelling correctness.

7.6. References, i.e. the list of used literature, should contain all the necessary data and should be cited according to APA style. The literature is cited in the original language and numbered with Arabic numbers in square brackets, in the order of first appearance in the text, with the note that the year of publication is placed immediately after the author's name, and at the end of citing an article in a journal or paper in a collection, the pages on which finds the cited paper, according to the examples shown below for citing references.

In the instructions for authors, we provide several examples of citing sources according to the type of reference:

- Books: surname (comma), first name (period), year of publication in parentheses (period), title in italics (period), place of publication (colon), publisher (comma), page number if the author wishes to state (period).

[1] Đorđević, S., Mitić, M. (2000). *Diplomatsko i konzularno pravo*. Beograd: Službeni list SRJ, 56-58.

[2] Đurković, M. (ured.) (2007). *Srbija 2000-2006: država, društvo, privreda*. Beograd: Institut za evropske studije.

[3] Lukić, R. (2010). *Revizija u bankama* (4. izd.). Beograd: Centar za izdavačku delatnost Ekonomskog fakulteta.

[4] Danilović, N., et al. (2016). *Statistika u istraživanju društvenih pojava*. Beograd: Zavod za udžbenike (ako je u knjizi broj autora veći od tri).

Note: Papers by the same author are listed in chronological order, and if several papers by the same author published in the same year are listed, the letters "a", "b", "c" etc. are added to the year of publication.

- Articles: surname (comma), first name (period), year of publication in parentheses (period), title of the article (period), title of journal in italics (comma), volume number and journal number in parentheses (comma), pages on which it is found article (period).

- [1] Kennedy, C., Michael, B., Stephen, B. (1970). Police in Disasters. *Survival*, 6(2), 58–68.
- [2] Mišić, M. (1. feb. 2012). Ju-Es stil smanjio gubitke. *Politika*, 11.
- [3] Kennedy, C., et al. (1970). Police in Disasters. *Survival*, 6(2), 58–68. (if the number of authors of the journal article is more than three)
- Articles from the anthology: last name (comma), first name initial (period), year of publication in parentheses (period), article title (period), U or In (colon), editor's last name (comma), editor's first name (period), in parentheses office. or ed. (dot), the title of the proceedings in italics and in parentheses the pages on which the article is located (dot), place of publication (colon), publisher (dot).
- [1] Radović, Z. (2007). Donošenje ustava. U: Đurković, M. (ured.). *Srbija 2000–2006: država, društvo, privreda* (27-38). Beograd: Institut za evropske studije.
- [2] Brubaker, R. (2006). Civic and Ethnic Nationalism. In: Brubaker, R. (ed.). *Ethnicity without Groups* (132-147). Cambridge: Harvard UP.
- [3] Danilovic, N., et. al. (2016). The Role of General Scientific Statistical Method in Futurology Research. In: Termiz, Dž. et al. (eds.). *Nauka i budućnost* (199-217). Beograd: Međunarodno udruženje metodologa društvenih nauka (if the number of authors of the anthology article and the number of editors of the anthology is more than three).
- Internet sources: surname (comma), first name (period), year of publication in parentheses (period), article title (period), journal name in italics (comma), pages on which the article is located (period), Downloaded from or Then the http address and the download date in parentheses.
- [1] Hall, S. (1992). The Question of Cultural Identity. *Modernity and Its Futures*, 274-316. On <http://www.library.auckland.ac.nz/ereserves/1224039b.pdf> (February 25, 2023).

It is recommended that the references not be older than 10 years, depending on the topic of the paper

**7.7. The summary (Summary)** is given at the very end of the paper in Serbian, which can be the same as the summary (abstract) at the beginning of the paper, and it can be somewhat longer, but no more than 1 page.

**7.8. The titles in the paper** have different levels depending on the specific text, with the following marking method being used:

**1. The first level of the title (centered, regular, bold, Arabic numerals)**

1.1. Second level heading (centered, regular, no bold, Arabic numerals)

1.1.1. Third level heading (above the beginning of the paragraph, right-aligned, italics, Arabic numerals).

In case of ambiguity in labeling, authors are advised to consult previous issues of the journal or to contact the secretary or technical editor of the journal. The editors reserve the right to, depending on the specifics of the text, and in order to make it more transparent, edit the titles in a slightly different way, staying within the basic framework of the presented division of titles.

**7.9. Citing, self-citing and referring** to parts of other authors' texts is done in such a way that at the end of the quoted text, the sequence number of the reference from the bibliography is indicated in square brackets with a comma and the page number on which the text to which the author refers is located. Example: [32, p. 58].

If quoting or referring to information from the same page of the same reference cited in the previous footnote, only the Latin abbreviation *Ibidem* is used in square brackets. Example: [*Ibidem*].

If information from the paper cited in the previous footnote is cited or referred to, but from a different page, *Ibid* is cited, followed by a comma and the page number. Example: [*Ibid*, 54].

**7.10. Acknowledgments** are listed in a separate note, after the conclusion, and before the literature. The thank you note presents: the name and number of the project financed from the budget, that is, the name of the program within which the article was created, as well as the name of the scientific research organization and the ministry that financed the project or program. The thank you note can also contain other elements.

**7.11. Editorial office address.** - Papers are sent in electronic form to the following

e-mail address: [mbuir@ppf.edu.rs](mailto:mbuir@ppf.edu.rs)

"MB University International Review".

Editorial office: "MB" University,

Dražerova 27, 11000 Belgrade.

Editorial office phone: +381 64 65 970 39.



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