



Hungary-Croatia
IPA Cross-border Co-operation Programme



Aspects of local and regional development

**International Conference of
doctorate students, Osijek**

4-5 October, 2013

PROGRAMME

ABSTRACTS

Aspects of local and regional development
International PhD Conference, Osijek
4-5 October, 2013

International doctorate conference entitled ‘Aspects of local and regional development’ is organized for doctoral students by the Faculty of Law, J.J. Strossmayer University of Osijek with the Faculty of Law, University of Pécs and held in Osijek on the 4-5 October 2013. The Conference is one of the events of the DUNICOP project (Deepening **UNI**versity **CO**operation **Os**ijek – **Pécs** project; HUHR/1101/2.2.1/005). DUNICOP is a one-year long common research and curriculum development project between the Universities of Pécs and Osijek in the field of law. The project is co-financed and supported by the European Union through the Hungary-Croatia IPA Cross-border Co-operation Program and by the two participating law faculties. The DUNICOP project is operated in various interrelated areas and through various activities and is regarded as a successful continuation of previous EUNICOP and SUNICOP projects. Among the activities one can find joint regional research, focusing on the field of regional development and environmental protection, enhancing cooperative teaching activity and curriculum development, exchanging good practices in tendering and project management as well as quality assurance, and promotion of joint results.

The conference ‘Aspects of local and regional development’ is a new activity of the co-operation between the faculties and it offers for the first time a possibility for doctoral students to share their own individual research results and participate in an international conference. To attract the widest possible audience who can benefit from the research results, the conference papers are collected and published in an English book. The Faculty of Law, J.J. Strossmayer University of Osijek is much privileged to host the conference.

Jelena Legčević and Tímea Drinóczi

Programme

**Aspects of local and regional development
4-5 October 2013, Osijek**

4 October 2013

10.00-10.15: Welcome speeches: Prof. dr. Igor Bojanić, Dean, Osijek, Dr. Tímea Drinóczi, project manager, Pécs

10.15-10.45: Keynote speaker session – moderator: Tímea Drinóczi

Đula Borožan, Understanding cultural differences: implications for regional development, University of Osijek, Faculty of Economics

10.45-11.00: Kornelija Mlinarević: Is regional development just an abstract EU policy – or does it live at the regional and local level: experiences of the key regional stakeholders in the cross-border region of Croatia and Hungary?

11.00-11.15: Marko Šostar: Regional development of Hungary and Croatia: The importance of EU structural funds

11.15-11.30: Anton Devčić: Regional development based on EU funds: Opportunity and challenge for absorption capacities

11.30-11.45: Barnabás Novák: Sustainable development and the right to a healthy environment – a linguistic approach

11.45-12.00: **Discussion**

12.00-13.00: **Lunch**

13.00-13.30: **Keynote speaker session - moderator: Attila Pánovics**

Darja Sokolić, FP7 Total Diet Study Exposure: Regional differences and harmonization across Europe, Head of Scientific Support and Database Department Croatian Food Agency

13.30-13.45: Sara Mikrut: Protection of geographical indications and designations of origin for agricultural products and foodstuffs as an important element of regional development

13.45-14.00: Dario Vračević: Wine roads without borders

14.00-14.15: Robert Mašić: Implementation of cohesion and agriculture policy in the Republic of Croatia

14.15-14.30: Gergely Czoboly: Reforms of civil procedure in Central and Eastern Europe

14.30-14.45: **Discussion**

14.45-15.00: **Coffee break**

15.00-15.30: **Keynote speaker session - moderator: Zsuzsanna Horváth**

Attila Pánovics and Jasmin Sadiković, The role of NGO`s in regional development, University of Pécs, Faculty of Law and Zeleni Osijek

15.30-15.45: Mario Marolin: Renewable sources of energy financed by EU funds as an opportunity for regional development

15.45-16.00: Tihana Petrović, Impact of social cohesion on regional policy with special reference to Osijek-Baranja County

16.00-16.15: Kristina Glumac: Strengthening small and medium-sized entrepreneurship and institutional entrepreneurship support in the cross-border area through the IPA funds

16.15-16.30: Igor Gavranović: Possibilities of the development of the border area (Questions and issues concerning the Donji Miholjac area)

16.30-16.45: **Discussion**

20.00: **Dinner**

5 October 2013

8.30-9.00: **Arrival and welcome coffee**

9.00-9.30: **Keynote speaker session - moderator: Nives Mazur-Kumrić**

Ivan Štefanić, Triple helix innovation ecosystem for regional development, Director of Centar for Tehnology and Development Osijek

9.30-9.45: Jadranka Stantić: Developing regional development capacities in the cross-border area through the innovative network

9.45-10.00: Ivan Sarić: Foreign direct investments in Osijek-Baranja County as a prerequisite for regional development

10.00-10.15: Balázs László: Privileges of the "Hospes" Communities on the territory of Croatia during the Middle Ages

10.15-10.30: Katarina Marošević: The role of human capital in regional development

10.30-10.45: Sanja Ivanović, The young individual as the key element of regional capacity development

10.45-11.00: Péter Fülöp: Could the management of higher education be electronised?

11.00-11.15: Discussion

11.15-11.30: Coffee break

11.30-12.00: Presentation of poster competitions (five minutes per poster presenter)

1. Dario Vračević: Wine roads without borders
2. Katarina Marošević: The role of human capital in regional development
3. Kornelija Mlinarević, Is regional development just an abstract EU policy – or does it live at the regional and local level: experiences of the key regional stakeholders in the cross-border region of Croatia and Hungary

4. Tihana Petrović, Impact of social cohesion on regional policy with special reference to Osijek-Baranja County
5. Sanja Ivanović, The young individual as the key element of regional capacity development
6. Barnabás Novák: Sustainable development at the right to a healthy environment – a linguistic approach

12.00-12.15: **Conclusion of the conference**

12.15-12.30: **Speeches of the representatives of the faculties**

12.30: **Lunch**

Abstracts

4 October 2013

Is regional development just an abstract EU policy – or does it live at the regional and local level: experiences of the key regional stakeholders in the cross-border region of Croatia and Hungary

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This paper reviews both research conducted on the effects of the EU Regional development policy and the existing framework of regional development on the national level as a precondition for coordinated planning and implementation of strategic projects. Europe 2020, being the principal strategy of the current decade, aspires for job creation, competitiveness, economic growth, improved quality of life and sustainable development – a further question of the paper, examined in its second part is: whether Croatian integration into the European Union with its novelties in regional development will be recognized as an opportunity for socio-economic investments and growth? Namely, the whole concept demands supporting capacities in order to achieve short-term goals, such as synergy of regional stakeholders identifying their potentials and opportunities as well as efficient use of available EU funding, and long-term goals, such as higher productivity, employment and social cohesion. What is the role of key regional stakeholders, are they developing capacities and how? In its third part the paper attempts to answer questions about capacities. Finally, the paper shows examples of good practice, proving that efforts, if taken through joint long-term planning and cooperation of stakeholders from different sectors, could and do result in common success. The main idea of this paper is to demonstrate that the same institutional framework does or does not work – depending on political will, open mind and synergy of human capital. Readiness to work and learn

together appears to be an innovative approach – instead of being a widely accepted way of heading for solutions.

Keywords: regional development, stakeholders, cooperation, innovation.

Regional Development of Hungary and Croatia: The Importance of EU Structural Funds

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Regional development is an economic process that encourages the use of resources in less developed regions with the aim of achieving overall sustainable economic development in line with the values and expectations of businesses, citizens and visitors. It is an objective process of socio-economic change in the structure of the regions and their relation to other regions. Regional development policy which affects the course of this process involves the construction and determination of concepts, strategies, goals, objectives, and current economic policy measures as well as their implementation at different territorial levels. It is based on the compatibility of regional, sectoral and global politics. EU regional policy aims at concrete results which strengthen economic and social cohesion in order to overcome the differences in development between regions. With the help of Structural Funds, the EU finances projects that benefit the region, local communities and citizens. In this paper, we analyze the impact of Structural Funds on the regional development of Hungary and Croatia. A questionnaire was conducted on a sample of 62 respondents in Hungary and 69 respondents in Croatia. The survey was conducted among experts in the preparation and implementation of projects co-financed from EU funds. We examine the attitudes of respondents towards the importance of human and material resources in the preparation and implementation of the regional policy of the country and the region. On the basis of the study we can determine the degree of regional development in Hungary and Croatia as well as the

specific needs of each country, with the aim of decreasing regional disparities.

Keywords: Regional Policy, Regional Development, Structural Funds, Projects

Regional development based on EU funds: Opportunity and challenge for absorption capacities

Anton Devčić, Project team leader, Regional development agency of Pozega-Slavonia County, anton.devcic@gmail.com

In the last decade or even more, in the Republic of Croatia, there has been no serious debate in the context of regional development, without mentioning European Union funds. There are several reasons for this, including the various funds available to the stakeholders, the cuts in domestic support and incentive measures as well as the unavoidable recession. Growing amounts of cohesion and structural funds, which are coming along with full membership, especially highlight the importance of EU funds in regional development. Especially if we know that the European Commission allocates a huge part of its budget for regional development purposes. An important part of that concrete support for regional development consists of the funding of various projects of cross-border cooperation. However, a precondition for the successful absorption of EU funds is constituted by absorption capacities: macroeconomic, administrative and financial capacities. Between the needs for funding of stakeholders on the one side, and their absorption capacities on the other side, there is a certain gap, which is an attribute of most of the stakeholders or potential EU funds beneficiaries. In this paper we will present the results of some recent research conducted in the area of Eastern (Pannonia) Croatia. The research was carried out by online survey, on two groups of examinees, a group of potential EU funds users and a group of experts in the preparation and implementation of EU projects. The aim of the research was to define how examinees perceive their own absorption capacities on the one hand, and how those capacities are seen by experts on the other hand. Nevertheless, the research raises many

important questions in the area of EU funds absorption, the contribution of these funds to regional development in general and in specific areas of the Pannonian region, whose stakeholders are eligible to participate in various EU supported cross-border cooperation programmes.

Keywords: regional development, absorption capacity, cross-border cooperation, EU funds

Sustainable development and the right to a healthy environment – a linguistic approach

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The reflection proposed in this study has been inspired by three questions. After a brief reminder of the birth of the new Hungarian Constitution, we propose in the second section to analyze the new terms (*fenntarthatóság*[sustainability]; *egészséges környezethez való jog*[right to a healthy environment]; *nemzet közös öröksége*[the nation's common heritage]) of the new text in a contrastive perspective (*Hungarian – French – Italian*). Multilingualism is a phenomenon which greatly increases the efficiency of information exchange among people in every sector of life. In particular, in the domain of law a vast category of users need to exchange legal information world-wide and carry out activities in a context where a common understanding of law beyond language barriers is highly desired. In particular, in legal translation the demand for precision is greater than in literary translation, since what is to be carefully taken into account is not only compliance with the rules of the foreign language, but also with the rules of the foreign legal system. One serious practical problem legal translators are faced with is the limited help provided by legal dictionaries, which fail to meet their expectations for conveying the meaning of the source legal language into the target language. In the third section we aim to study the various types of equivalence in order to better understand what is involved in the complex harmonization of terminology. In the

conclusions, we return to the harmonization process by highlighting its usefulness and implications for potential future projects.

Keywords: legal language, translation, constitutional law

Protection of geographical indications and designations of origin for agricultural products and foodstuffs as an important element of regional development

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The aim of this paper is to suggest how Croatia can further regional development based on European Council Regulation (EC) No. 510/2006. One of the key aims of this legislative framework is to encourage diversification of agricultural production in Europe and to protect it from misuse and imitation. This is done through the protection of geographical indications and designations of origin for agricultural products and foodstuffs – commonly known by acronyms PDO (Protected Designation of Origin) and PGI (Protected Geographical Indication). Mediterranean countries in particular, such as Italy, France and Spain, rely heavily on PDO/PGI in protecting a large number of their respective national products. In line with EU law, Croatia has enacted clear legislative frameworks for PDO and PGI. What this paper attempts to show – through reference to relevant practice in Italy, France and Spain – is how the protection of geographical names could be used not only to protect agricultural production but also to strongly promote rural and regional identities and the specific areas that they represent. In this context, the paper will identify the specificities of Croatia's geographical position, its various natural and climate conditions, culture and tradition, high quality of raw materials and products (including the large number of autochthonous products) as factors that could help to further national agriculture policy and rural and regional development based on European Council Regulation (EC) No. 510/2006.

Keywords: protected designation of origin, protected geographical indication, regional development

Wine roads without borders

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The unique EU market, regional unity, better recognition of Osijek-Baranja County in Croatia and Baranya County in Hungary, are presented through the example of the practice of wine routes in Osijek-Baranja County, with special emphasis on their "coexistence" with centuries-old heritage.

The aim of the paper is to point out the results of project development achieved so far and of implementation of regional wine routes based on connecting the micro regions of this viticultural and vinicultural region, accompanied by the creation of a unique tourist product of autochthonous characteristics, which can aid in the development of the wine segment and rural tourism through their implementation in other parts of Croatia and Hungary, thus linking the "green" and "blue" regions. Descriptive analyses will provide the basic features of wine tourism based on the SWOT analysis of advantages, disadvantages, benefits and limitations, as well as opportunities for further development. Guidelines obtained through the analysis of diamond items will be used for the making of a triple helix model of the regional wine route. The triple helix model would enable easier access to financial resources at the national, regional and local level, as well as easier applying for EU funds.

Finally, experiences will be analyzed and sorted out in order to provide specific recommendations and guidelines for the promotion and development of wine routes as one of the most important forms of rural tourism in Croatia.

Keywords: wine routes, EU, unique market, regional development

Implementation of Cohesion and Agriculture Policy in the Republic of Croatia

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My specialist work is connected with local and regional growth. I write about cohesion and agriculture policy, why cohesion and agriculture policy are important for Croatia, I write about structural instruments (European Fund for Regional Development, European Social Fund and Cohesion Fund). Structural Funds are: the European Fund for Regional Development (EFRD), the European Social Fund (ESF) and the Cohesion Fund, which is a financial instrument and provides support for the Cohesion Policy, and, of course, I write about CAP (Common Agricultural Policy) and about financial instruments of the Agriculture Policy. Financial support instruments of the Agriculture Policy are : the European agriculture funds (*the European Agriculture Fund for Rural Development* (EAFRD) and *the European Agriculture Guarantee Fund* (EAGF)). An aspect of my work is local and regional development in Croatia (in particular, in the city of Belišće and the settlements of/surrounding? Belišće), agricultural development in the settlements of/near? Belišće, implementation of cohesion policy in the settlements of/near? Belišće etc..

Keywords: implementation, cohesion policy, agriculture policy, structural funds, cohesion fund, European agriculture funds, city of Belisce, local and regional development

Reforms of civil procedure in Central and Eastern Europe

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At the beginning of the 1990s the former socialist countries of Central and Eastern Europe were faced with the same problems in the field of civil justice. After the political changes, outdated structures proved

unsuitable to resolve complex law disputes, former socialist countries saw a surge in reforms. Establishing the rule of law and transition to market economy were accompanied by aspirations to join the European Union. In the past two decades one has been able to witness some changes in the civil justice of Central and Eastern Europe, which, albeit being motivated by different factors and characterized by different processes, altogether, point in one direction. Central and Eastern European countries – which have the same historical tradition and are in a similar social and economic situation – try to overcome the 21st century challenges of civil justice: as qualified by Sir Jack Jacob as a three-headed hydra (cost, delays, frustration). In my paper I will examine the reforms of civil procedure in Central and Eastern Europe, especially in Croatia and Hungary. I will scrutinize legal institutions having an influence on the course of the proceedings (preparation and conduct of the lawsuit, legal remedies) and I will explore solutions of procedural law applied in the countries under examination that serve to realize the concentration of proceedings and prevent the protraction of lawsuits. The undue delay and high cost of civil procedure hinder access to justice and enforcement of rights. It means an obstacle to business operations and, as a result, a disadvantage for the countries of this region. In my paper I will examine the civil procedures of the above mentioned countries and try to find useable solutions in their reforms which can be applied both to Croatian and Hungarian civil procedure. This could also improve regional development capacities in the cross-border area.

Keywords: reforms of civil procedure, undue delay, Central and Eastern Europe

Renewable sources of energy financed by EU funds as an opportunity for regional development

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The equal development of regions in Europe is one of the main priorities and objectives of modern European Union (EU). The

European Commission and the European Committee of the Regions have an obligation to create models and solutions to encourage undeveloped regions through financial perspectives and measures as well as to ensure equal and sustainable development. The most important possibility for undeveloped regions today is their opportunity to use EU funds. These funds can be used mainly for their integration into the common EU market, the implementation of EU standards and for raising economic standards which will provide better life and living conditions in the future for final beneficiaries, namely the people who live there. Regions in Croatia also have problem issues connected with economic growth, sustainable development and the huge number of unemployed people as well as their obligations toward the EU. But some obligations can be beneficial for Croatia and its regions. According to formula 20-20-20 Croatia has an obligation to produce 20% more energy from renewable sources of energy and to reduce the spending of energy by 20 percent as well. It means investment in green energy and the reopening of new jobs in many fields, especially in construction. The second very important thing is funds which can be a useful source of capital for new investments. They can induce entrepreneurs to build new factories, motivate people to cut spending on energy, and protect the environment. Unfortunately, our municipalities have not yet recognized this possibility of financing by EU funds in the field of renewable sources of energy, but they should use this opportunity for the development of undeveloped regions and the improvement of the life of the people who live there. Concerning this I will use the example of Osječko-Baranjska County to show to this county and any other similar county how to raise the economy and protect the environment according to EU standards and potentials.

Keywords: regional development, EU funds, protection of environment, renewable energy resources

The influence of formal and informal factors on entrepreneurial activity in Croatia

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The main purpose of the paper is to analyze the influence of environmental factors on entrepreneurial activity in Croatia. Through the application of institutional economics as the theoretical framework, the study attempts to explain how institutions and the institutional context influence new ventures creation and form the constraints that shape the economic environment. The study utilizes Global Entrepreneurship Monitor (GEM) dataset as the basis for the analysis and aims to identify the relationship between formal (such as government programs, market openness, intellectual property rights, finance, physical infrastructure, commercial and services infrastructure, R&D transfer and government policies) and informal environmental factors (such as education and training, cultural and social norms, opportunities to start-up, abilities, entrepreneur social image, women's support to start-up and innovation). The study considers the time prior to the recession and the time of recession, and discusses the results on the country level as well as on the level of Slavonia and Baranja region. The implications of this research, from the theoretical perspective, relate to application of the institutional approach as a conceptual framework in the field of entrepreneurship and empirical validation of the role that environmental factors play in fostering entrepreneurial climate. From the practical standpoint, implications are primarily directed toward policy makers and other stakeholders who participate in designing policies related to promotion of entrepreneurial activity in Croatia.

Keywords: entrepreneurial activity, institutional economics, Global Entrepreneurship Monitor (GEM), Croatia

Strengthening small and medium sized entrepreneurship and institutional entrepreneurship support in the cross-border area through the IPA funds

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This paper analyses usage of IPA funds; the instrument for pre-accession assistance of the European Union, in terms of improving capacities and strengthening small and medium sized entrepreneurship in the eastern cross-border region of Croatia and Bosnia and Herzegovina. Further, it examines how the funds have been used to strengthen the capacities of institutions that provide support to small and medium sized enterprises (SMEs). SMEs represent important drivers of economic growth and employment. Within the European Union, about 99 percent of the enterprises fall within the group of SMEs. Through component II of the IPA, the European Union has ensured funds for cross-border cooperation to candidate countries and potential candidate countries to work together on entrepreneurship development in order to achieve economic growth, competitiveness of enterprises and to create new workplaces. Additionally, funds are intended to strengthen the necessary institutional support for the development of small- and medium-sized enterprises. Thus, this paper examines implemented cross-border projects – it analyses the ways in which funds of the European Union have been used to develop entrepreneurship, the results of the implemented project activities and their effect on the economic growth of the studied eastern cross-border area of Croatia and Bosnia and Herzegovina.

Keywords: instrument for pre-accession assistance, small and medium-sized enterprises, institutional entrepreneurship support, cross-border area

Possibilities of the development of the border area (Questions and issues concerning the Donji Miholjac area)

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This paper is oriented towards examples of the many possibilities of development in border areas, and the main focus is on the Donji Miholjac area, which is a border area with Hungary. Possibilities of development are enormous, especially nowadays, when both Croatia and Hungary can apply for EU funds. There are some projects that have already been finished (e.g. cross-border bike route 'Drava Bike Tour' which connects Donji Miholjac, Belišće, Siklós and Harkány), there are some projects that are underway (e.g. Donji Miholjac Technology Park, infrastructure construction in the industrial zone of Donji Miholjac, reconstruction of the local dirt roads in Viljevo Municipality), and there are projects that might help the development not only of the Donji Miholjac area, but also of the border areas of Ormánság, Harkány and Siklós in Hungary, which are neighbouring the Croatian Donji Miholjac area. There have been suggestions of commercial cooperation (e.g. Donji Miholjac has factories that need raw materials, especially agricultural ones, another example is the export of wood cuttings as a fuel for the Pécs powerplant etc.). Eco-tourism activities as well as environmental protection actions could help the future sustainable development of the area (e.g. the idea of the cross-border Jendra-Kokinica touristic park, the Podpanj bird reserve park in Donji Miholjac, the new Regional Nature Park Mura-Drava and especially protection of the borderline Drava river, renovation of the protected Donji Miholjac parks and castles, waste and disposal management in the border area etc.) and give new boost to this area characterized by a high rate of unemployment nowadays .

Keywords: Donji Miholjac area, cross-border cooperation, nature protection, ecotourism, sustainable development

5 October 2013

**Developing regional development capacities in the cross border
area
through the innovative network**

Jadranka Stantić, executive of Economic Affairs, city administration
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The beginning of the 21st century marks a major economic crisis, the processes of globalization and regionalization and deepening differentiation within society. In such an environment, regional development becomes one of the most challenging topics for all EU regions, in particular cross-border ones, having a particular role in integration processes. Knowledge-based economy is the basis of the competitiveness of regions, at global and regional levels. This paper identifies cross-border regional capacities in the regions of Osijek-Baranja County in Croatia and Baranya County in Hungary, and proposes an optimal model for their development. The aim of this work is to indicate innovative forms of cooperation between regional level entities, to ensure recovery of the economy. In order to develop the region faster and in an innovative way, it is necessary to achieve effective cooperation between scientific institutions and the economy/economic actors?. This requires an adequate legal framework and the fulfilment of certain economic assumptions. In order to ensure that cooperation and integration are not carried out randomly and 'ad hoc', it is necessary to establish a model of cooperation between scientific institutions and the economy/economic actors?, which will allow the development of regional capacity building to take place in an optimal way. In the process of establishing an optimal model, at first, the existing models of cooperation (linear, triple helix, quadruple helix and innovative network) should be examined, then key problems should be identified, followed by the definition of the optimal model for cooperation between scientific institutions and the economy/economic actors?, which will lead to the innovative development of regional capacities, thereby building

prerequisites for the overall economic and social development of the observed cross-border region.

Keywords: innovative network, regional development, innovation

Foreign direct investments in Osijek-Baranja County as a prerequisite for regional development

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Foreign direct investments have a significant impact on the local and national economy. The deciding factors why to invest in a country or particular area are various, such as macro-economic stability, the rule of law, transparent and consistent regulations and procedures, well-developed infrastructure, labour force. A balanced development of the Republic of Croatia is one of the strategic goals of Croatian regional policy besides the creation of all prerequisites for economic development. It results in the creation of a better entrepreneurial environment. The effects of foreign direct investments influence regional development, and they are essential for the further development of Osijek-Baranja County. The aim of this paper is to analyse the attractiveness of Osijek-Baranja County for foreign direct investments. This analysis is supported by the results of studies and research on foreign direct investments conducted within the framework of cross-border EU projects in Osijek-Baranja County.

Keywords: foreign direct investments, Osijek-Baranja County, regional development

Some aspects of the outsourcing contract in business law

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The outsourcing contract is one of the most important documents in an outsourcing relationship. The contract, terms and the quality of the contract will largely influence the outsourcing relations, governance

and the overall success of the outsourcing venture. One of the most popular forms of outsourcing is called offshore outsourcing. In my essay I will examine the special problems and aspects of the outsourcing contract which are connected with the Hungarian and Croatian economic system and commercial law too.

Keywords: outsourcing, business law, economy

The role of human capital in regional development

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In developed economies, human capital is becoming an increasingly recognized determinant of launching economic and regional development. Developed economies base their development on policies that generate knowledge-based economy. The success in achieving this goal can be seen through some objective indicators, such as, for instance, the proportion of the population in tertiary education. Besides developed economies, human capital also acquires a central place in the countries with a lower economic growth rate in order to accelerate development. Studying the differences and similarities of individual economies and regions is a complex issue. Therefore, scientists from other fields of social sciences take increasing interest in regional development. Apart from the impact of human capital, regional development can encompass the domain of geographic, institutional and cultural determinants. The purpose of this paper is to present the impact of human capital in generating regional development. The paper investigates the theoretical aspects of human capital and analyses the impact of human capital investment on regional development. Besides the theoretical consideration, this paper deals with the comparison of Croatian and Hungarian human capital. Special emphasis will be laid upon the human capital development policies. The results of comparative analysis can offer public policies suggestions aimed at promoting human capital as one of the important sources of regional prosperity.

Keywords: human capital, economic development, regional development, education

Active labor market policies – raising awareness of self-employment possibilities among Croatian youth

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The aim of this paper is to identify policies directed at encouraging young people to become self-employed and to analyze the market effects of such policies. High unemployment is one of the major problems of Croatian economy. Although it has affected all age groups, the position of the youth in the labor market is considerably less favorable and more uncertain. The government strives to reduce unemployment with active labor market policies that focus on job creation. The study puts accent on young people who, although highly educated, face numerous difficulties in job seeking, particularly when it comes to those without work experience. Self-employment is one of the possible solutions to youth unemployment, especially if it is a result of the realization of business opportunities. Students after graduation have to decide (by themselves or with the help of others) about the direction of their careers, and therefore they represent tomorrow's self-employed people. Using a sample of 219 Croatian business students, this study tries to investigate students' awareness of self-employment possibilities, to test whether students with a propensity to a self-employment career are aware of the active labor market policies related to self-employment and the existence of institutions that are providing such information. The results have important policy implications for the future alignment of active labor policies directed toward self-employment among young people.

Keywords: self-employment, active labor market policies, student population, unemployment

Could the management of higher education be electronized?

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We can declare that there is a renewal competition in the world. The countries that are not able to become renewed and organize their everyday based on new scales will be the losers of the transformation. Nowadays in executive science, there is a continually intensifying perception that one of the greatest challenges in the information age is nothing less but the reconsideration of the government's function and operation. It shows up clearly that the countries said to be advanced today see the near future in the widespread use of infocommunicational technology; in e-governance. In case the participants of higher education take these trends into consideration and want to have a competitive edge over their competitors, they need to reconsider their institution's functions and operation quickly, as it has been done in the States. The complex accomplishment of the system of institutional e-governance can contribute to the increase of competitiveness, the quality of services can increase and thereby users' (students, tutors, administrative workers) satisfaction can also rise, and finally, external judgement can be improved, too. According to the study, the Hungarian observations can serve as useful examples for Croatia. It would be worth contemplating a common inspection aimed at examining the internal operation of the universities of Pécs and Osijek and discovering the currently used electronic instruments, which could form the basis for a potential common development initiative.

Keywords: infocommunication, higher education, e-governance

Interregional cooperation program

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Since the European Union and the integration processes are going hand in hand, the need for programs that will help those processes was a natural thing to happen. There was a need to help regions near the borders of countries to start functioning as one market without any barriers. Transboundary cooperation means harmonized activities with the purpose to encourage and strengthen relationship between regions and concluding contracts and agreements for such purposes. Transborder cooperation is an important part of the policy of the European Union aiming to reduce social and economic differences between regions in the Union. Assuring the free movement of goods, people, capital and services, the improvement of infrastructure, cooperation in technology, education, culture and sport, common care for the environment are only a part of the tasks of the program. In the paper we will research the INTERREG IVC program which provides funds for the cooperation between regions and which is financed by the European Regional Development Fund (ERDF). The program follows the INTERREG IIC program, which had the same goal. The main areas of support are innovation and the knowledge economy, environment and risk preventions. Outcomes of the program should include economic modernisation and enhanced competitiveness of Europe. Since the budget of the program is approximately 50 million euros per year, it provides substantial support for interregional development.

Keywords: transboundary cooperation, interreg IVC program, ERDF

Impact of social cohesion on regional policy with special reference to Osijek-Baranja County

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Regional policy is a complete and coordinated set of priorities, objectives, measures and actions with a purpose to achieve sustainable economic development, the improvement of economic and social cohesion in order to ultimately reduce the number of developmental differences in numerous regions. It is also called the policy of economic and social cohesion. The paper aims to present the importance of social cohesion that is prominent everywhere. Due to globalization, it has become the centre of sociological debates, and the challenges currently imposed are demographic changes, migration, cultural diversity and political, economic and social changes. In order to overcome various forms of social inequality, power asymmetry and social conflicts, the Council of Europe significantly contributes to social cohesion and has adopted it as one of its core objectives. The mechanisms, instruments and methods of increasing the level of social cohesion will be discussed in this paper. Joint action is the only way to achieve different goals, especially in a time when the crisis in Europe is not only of economic nature, but also includes a dimension that threatens social cohesion. Precisely these problems of social cohesion that are usually discussed in the media deserve to be a part of this work. Given the fact that social cohesion is considered to be an ideal to strive for and to maintain, adapt and improve and that different regions within Croatia do so with the help of their action plans, strategic documents and reports, the results of the activities in this area in Osijek-Baranja County will be specifically analysed.

Keywords: regional policy, social cohesion, the Council of Europe, European Social Charter, the New Strategy and Action Plan, Revised Strategy, Moscow Declaration, Report of the Working Group, the County Development Strategy 2011 to 2013

The young individual as the key element of the regional capacity development

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Even though there has been a variety of levels of cultural and educational cooperation between the cities of Pecs and Osijek, a further upgrading and updating of cooperation projects that would above all involve young people seems highly relevant. The existing cooperation programs do not adequately address the issue of successfully involving a large number of young people by giving them an opportunity to take part in cross border activities. My paper will address the issue of the importance of enhancing young people's capacity for cross-border thinking and a more successful cross-border development. I argue that the routing of the young individual towards cooperation with their European neighbors, especially in the region area, is the key factor for Croatia's full integration and development in the new EU context. This also excellently fits into the Europe 2020 strategy for young people – Youth on the Move – whose goals are acquiring new skills within EU borders and making education and training more relevant to young people's needs. There is also the Youth in Action initiative, which aims to inspire active European citizenship, solidarity and tolerance among young people. These goals can only be achieved by implementing them from an early age through youth exchanges, democracy projects and voluntary activities. In conclusion, this paper sheds new light on the little recognized issue of giving young people the opportunity to get involved in shaping the Union's future.

Keywords: young people, integration, projects, European strategies.



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