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CHANGING URBAN SYSTEMS IN THE BALTIC STATES: SPATIAL AND SOCIAL TRANSFORMATIONS

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Abstract

Purpose – Political, economic and social reforms related to the demise of the Soviet Union in the end of the Nineteen Nineties and general World-wide developmental trends caused profound changes in the socio-spatial organization of the Baltic countries during the last two decades. The aim of this study is to analyze the spatial and social changes of the national urban systems as a consequence of the processes of population decline and its spatial redistribution in the Baltic States.

Design/methodology/approach – This paper uses Census data of 1989, 2000/2001 and 2011 from three of the Baltic States. Statistical techniques and cartographical analysis are used for the research. Low spatial level data are employed to give precise territorial dimension of the on-going processes.

Findings – The results of the research show that population change has a clear spatial dimension in all of the Baltic States, but there are important differences between the countries. The reasons of these variations are mainly rooted in history. The changes in the social structure go in line with the process of population redistribution, and both of them are characterized by great spatial variations (within and between countries).

Research limitations/implications – Since the phenomenon of changing urban systems encompasses very complex processes, the present study provides the general picture of the socio-spatial transformations in the Baltic States.

Practical implications – The identification of the on-going trends of the socio-spatial transformations may help to anticipate problems related to rising social inequality, residential differentiation, social and ethnic segregation, etc.

Originality/Value – The comparative study of three Baltic States allow us to evaluate the socio-spatial development of the countries in the broader context. An important added value of this research is established by the cartographical approach, which enables to represent the geographical nature of the topic under study.

Keywords: Socio-spatial transformations, urban systems, Baltic States.

Research type: research paper.

Rūta Ubarevičienė is a PhD student and junior researcher at the Department of human geography and demography, Lithuanian social research centre. She is also a guest researcher at the OTB Research for the Built Environment, Delft University of Technology, The Netherlands. Her research interests include: city-regions, post-soviet transformations, social and economic geography.

EMPLOYER BRAND OF LATVIAN SOCIALLY RESPONSIBLE ORGANIZATIONS

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Abstract

Purpose - Socially responsible (SR) organizations in Latvia are mostly at the beginning of the implementation of the socially responsible approach. The SR organizations are striving for the positive image creation and maintenance at external and internal organizational environment. Therefore SR organizations' activities influence employer brand development. The purpose of the study is to examine Latvian SR organizations employer brand through their values and characterize the tendencies. Hence the objectives of the study is to examine what kind of values SR organizations in Latvia have.

Design/methodology/approach - First of all the monographic research were done, to examine the historical development of the term 'employer brand' and nature of the socially responsible organizations in general and in Latvia. For the empirical study organizations were selected that have been included in Latvian Sustainability Index in 2013 and have their values defined and published at their WEB pages.

Findings – There was found out that even the organization has the high level on the Sustainability Index, it not always creates structured design of the corporate culture. 38 organizations from 51 included in Sustainability Index in 2013 have shared with organization values with their external stakeholders. The most popular value for the observed SR organizations is responsibility this value is mentioned by 42.12% of the organizations. The next popular value is teamwork/ cooperation/ unity (34.58%); however, human or human beings are assumed as a value only by 7.90% of the observed organizations.

Practical implications – SR organizations in Latvia can use the results of the survey to consider the challenges connected to their employer brand. Also the results can be used as theoretical background for the further studies.

Originality/Value – This study is a part of the broader research on human resource recruitment and selection at SR organizations; it brings the understanding of stakeholders’ needs and interests on socially responsible organizations as on employers.

Keywords: Employer Brand, Stakeholders, Social Responsibility.

Research type: research paper and literature review.

Olga Stariņeca. Ms. Stariņeca has obtained a Social Sciences Master degree in Management (MSM) in 2013 from Riga Technical University, Latvia, and is currently continuing her studies at the University of Latvia to gain a Doctor of Social Sciences degree (Dr.sc.administr.) in Management. In 2012 she took an internship with the European Commission, Department of HR and Security, conducting research on ethics issues in the public sector. Her research interests lay in human resources management issues.

E. BUSINESS QUALITY: THE DEFINITION AND DIFFERENCE BETWEEN VALUE AND QUALITY

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Abstract

Purpose– to analyze definitions of e. business value and e. business quality, distinguish the main differences.

Design/methodology/approach – there had been used scientific literature, statistical data analysis methods. An expert qualitative opinion survey was carried out in which nine e. business experts were interviewed.

Findings – after analyzing the theoretical aspects of e. business value and e. business quality, there were introduced the main difference between them and suggested definition of e. business quality.

Research limitations/implications – quality is one of the most important factors in e. business, but there are no definition of e. business quality. After analyzing theoretical aspects of e. business value and e. business quality, there were introduced the definition.

Practical implications – Companies are interested in developing e. business, because it helps to get more innovative, it means to get more profit. Most important, e. business can increase sales and reduce selling products and services price. These success criteria are easily measurable, but it is important to assess the immeasurable success criteria, such as user satisfaction or quality (Schneider, 2007). The definition of e. business quality introduced in this article reflects the practical implications. This information could be used in order to develop e. business in more effective way.

Originality/Value – e. business is becoming an integral part of a traditional business. For the development of e. businesses, companies can reach potential customers worldwide. It creates a competitive advantage (Luqman, Abdullah, 2011). In order to create a long-term competitive advantage, e. business must focus on quality, but there

are no definition of e. business quality. Also, there are no clear difference between e. business value and e. business quality. In this article there will be discussed a little-analyzed question of e. business quality.

Keywords: e. business, e. business quality, e. business value.

Research type: research paper.

Gintarė Gulevičiūtė. Got Bachelor in Public Administration in 2008 and Master in Electronic Business Management from Mykolas Romeris University in 2014. Work as an assistant in Institute of Digital Technologies at Mykolas Romeris University. In 2013 published an article about Peculiarities of Electronic Government Services Implementation. Areas of interest are e-government and e-business.

GAMIFICATION IN FOSTERING CREATIVITY

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Abstract

Purpose – to analyze gamification, as the method for fostering creativity.

Design/methodology/approach – Author analyses the precognitions, which allowed gamification to attract mainstream attention, the diversity of understandings about the phenomenon, and the possible relations between usage of gamified platform and the development of creativity. The paper is based on the comparative analysis of scientific literature and related sources from sociology, business, and entertainment. The engagement is analyzed through the theories of self-determination and the “flow”. Creativity is understood as “*any act, idea, or product that changes an existing domain, or that transforms an existing domain into a new one*” (Csikszentmihalyi, 1996). Gamification is analyzed as “*use of game design elements in non-game context*” (Deterding, Dixon, Khaled, and Nacke (2011).

Findings – Although the gamification is gaining more public attention, there is a lack of studies which would reveal its relations in fostering creativity. One of the main goals of any gamified platform is to raise the engagement of the participant while keeping subject interested in the process or activity. In some cases, there is a relation between “flow” and creativity. However, the strength of this relationship depends from the users of gamified content and the domain of interest.

Research limitations / implications – There are very few empirical studies which would support correlation between experiencing the “flow” state and a raise of creativity. This issue requires more surveys, which would ground the idea.

Practical implications – By developing further research in usage of gamification while fostering creativity it is possible to determine, whether or not the “creative domains” should apply more measures of gamification in their activities.

Value – The article emphasizes on theoretical analysis of gamification and its applicability in fostering creativity. First of all, the context of the raise of gamification is examined. The Generation Y, or the Millennials, is the main target group for the gamification applications. The justification of the method is based on the social context which is formed by a generation of people, who like to be stimulated, entertained and engaged. The Millennials are used to advanced technologies; they made the game industry one of the most profitable in the field of entertainment. This creates possibilities for wider variety of usage of game mechanic elements and game thinking in the contexts which are not directly related to games. Furthermore, the definition of gamification is also a controversial issue, since scientists do not agree within the range of elements that gamification involves. Although gamification is created as a method to increase engagement by using elements of game mechanics, it is explained through theories of self-determination and “flow”. The possible correlation between reaching the state of “flow” and fostering creativity is a questionable issue, since very little studies focused on the idea.

Keywords: gamification, creativity, Millennials, Generation Y, serious games, gameful design

Research type – general review, viewpoint.

Marius Kalinauskas is a PhD. student in the field of educational sciences. His area of scientific research covers application of game mechanics in the contexts which are not directly related to gaming (gamification). Author works in Mykolas Romeris University, the Institute of Digital Technologies.

BEING SOCIALLY ACTIVE IN OLD AGE: “WHAT MAKES ME FEEL JOY?”

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Abstract

Purpose. The purpose of this study - to reveal the socially active older people's life satisfaction psychosocial factors.

Design/methodology/approach The study involved eight study participants. The age of the participants ranged from 60-79. Thematic analysis method was used to analyse data collected through focus group. The main question to participants was “*What makes you feel joy?*”

Findings. Thematic analysis of the data led to 5 themes were identified: interpersonal relationships, employment, positive attitude towards life, satisfaction with fruits of my labour and openness to experience. Based on the results of the study, interpersonal relations, employment were attributed to social factors of life satisfaction of socially active older people and satisfaction with fruits of my labour, positive attitude towards life, openness to experience attributed to psychological factors.

Research limitations/implications. This study is qualitative research. Accordingly, the results of this study are suitable to raise new ideas for future researches, but not to generalize.

Practical implications. It is recommended to pay attention to the intimate, informal interpersonal contacts organizing activities with the elderly. Attention should be paid not only to activities together with others, but also for solitary activities. It is also recommended to pay attention to older people's positive thinking skills.

Originality/Value A review of research that explores the social activity and life satisfaction relationship, qualitative research on this topic has not been found. Qualitative research has its advantages in comparison with quantitative analysis. For example, it can bring new ideas. Therefore, in order for a new and different look into the above-mentioned area of research, a qualitative study, which is expected to reveal new ideas for further research, practical work with the elderly.

Keywords: successful aging, activity theory, life satisfaction, focus group.

Research type: research paper

Antanas Mockus. Mykolas Romeris University, Institute of Psychology, PhD student, lecturer. Research areas: successful aging, subjective well-being in old age, life satisfaction in old age and joy of life in old age.

Joana Butėnaitė. Mykolas Romeris University, Institute of Psychology, lecturer. Research areas: health aging, psychological adaptation and meaning of life in the old age.

CORPORATE WELLBEING MANAGEMENT – THE NEXT EMERGING TREND AND A CRITICAL SUCCESS FACTOR FOR ENTERPRISE SUSTAINABLE DEVELOPMENT?

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Abstract

Purpose– The aim of the article is to investigate the wellbeing management as a management system considering its organisation and processes, as well as its contribution to the general enterprise outcomes. The article also analyses the best practices of already introduced wellbeing programmes in chosen German enterprises.

Design/methodology/approach Results presented in the thesis are based on interviews conducted among the most sustainable enterprises in Germany (according to the annual ranking of *German Sustainability Award*) as well as critical analysis of literature devoted to problems of wellbeing management.

Findings – The article focuses on the problem of emerging trend of corporate wellbeing management. In the last decades due to a rapid rise in mental illnesses related to the workplace (including occupational burnout or stress) a trend of employers paying more attention to workplace mental health management is to be observed.

Practical implications – To give readers a driver for a new policy concerning HR in enterprises.

Keywords: Wellbeing, Management, Human Resources

Research type: research paper

Magdalena Saczyna. Graduated 2011 as Dipl./Kauffrau at the Technische Universität in Zittau. Main interests: sustainability and management systems.

SMALL AND MEDIUM-SIZED ENTERPRISES' SATISFACTION WITH BANKS' BUSINESS-ORIENTED SERVICES

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Abstract

Purpose – the purpose of this paper is to investigate the impact of quality, variety, accessibility and price of banking services on small and medium-sized companies' satisfaction with banks' business-oriented services. This paper presents a regression equation of SMEs satisfaction with banks' services, indicating the weight of each statistically significant factor to the overall satisfaction with the commercial banks' services for business.

Design/methodology/approach – an empirical study, investigating the influence of quality, variety, accessibility and price of banking services on SMEs' satisfaction with business-oriented services, was conducted. A sample of 405 small and medium-sized companies' employees was used for the survey.

Findings – the results of the research show that price, accessibility and quality of banking services have a direct positive effect on the satisfaction of SMEs with commercial banks' business-oriented services. However, the variety of banking services is not a statistically significant element and did not have an impact on the SMEs' satisfaction with banks' services for business.

Research limitations/implications – this research was conducted in small and medium-sized companies' sector and the results of the survey cannot be used to interpret the satisfaction of other business sectors with banking services.

Practical implications – the findings suggest that banks can create SMEs' satisfaction with business-oriented services through improving accessibility, quality and price of banking services in the way that best meets customers' needs.



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Originality/Value – satisfaction with the banking services concerning SMEs is an important factor affecting the success of commercial banking activities. The present study provides useful information on the factors influencing SMEs’ satisfaction with banking business-oriented services.

Keywords: Banking services, satisfaction, commercial banks, small and medium-sized enterprises (SME), regression analysis.

Research type: research paper.

Viktorija Skvarciany. PhD Candidate and lector of the Department of Banking and Investments, Faculty of Economics and Finance Management, Mykolas Romeris University. Research interests: banking, trust and satisfaction with financial institutions, financial behaviour.

LEGAL ASPECTS OF DECISION MAKING PROCESS IN THE DIGITALIZATION OF PUBLIC SECTOR FUNCTIONS

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Abstract

Purpose– of this presentation rises from the conformity of legal regulation to societal changes by setting new rules for emerging activities of public sector actors. Public sector is confined with legal regulation stronger and in more areas than private sector or 3rd sector as outcomes of processes in public sector has effect on most / all of socium in the country or even greater scope (e.g. in case of European Union regulation most of countries in Europe are effected). Digital mean application in governance is already understood as a natural evolution of governance means and after this point digitalization goes deeper from management of activities to the management of governance content. Main function in governance is decision making. This process is difficult element in both management and administration, as decision making is the process which sets the path for vitality or extinction of other processes. Digitalizing content management in decision making process is highly vulnerable with insufficient legal regulation. Vulnerability may lay in technical support, social relations, political chaos, etc. Such situation raises the following questions: What regulation for digitalizing content management in public sector currently exists? Is current regulation ontology in the field adequate to ensure effective and transparent decision making process in public sector? How deep / wide regulation is necessary in such area?

Design/methodology/approach – content analysis of international, regional and national legal documents in context of Republic of Lithuania.

Findings – Highest and most abstract level for analysis is **global** democratic trends set by world wide spread organizations such as United Nations (hereinafter –UN). At the UN number of groups and committees are contributing to promoting participatory

decisions. UN relates development and growth of a country with citizen inclusion (especially sensitive groups: women, indigenous people) in decision making processes.

Next level of importance is **regional** democratic trends, in this case set by European Union institutions. EU Commission initiative “i2010: European Information Society 2010” included a priority to promote an **inclusive European information society**. Which meant ambition to close the gap between the information society, action plan on **e-Government for citizen-centred services** (released 2006); and three “quality of life” ICT flagship initiatives (technologies for an ageing society, intelligent vehicles that are smarter, safer and cleaner, and digital libraries making multimedia and multilingual European culture available to all (released 2007); and actions to overcome the geographic and social “digital divide”, culminating in a European Initiative on **e-Inclusion** (released 2008). Citizen participation has a trend to be more and more digitalized and networked. Though this trend of participation is not the only one supported by Europe’s international institutions. According to Koelinger (2008) digitalization and networking online could be compared to process innovation. The other trend is what Koelinger (2008) would call a product innovation: European Charter of Local Self-Government (signed by European Council in 1985) where it is encouraged to delegate those governance functions to local self-governments, which are related to societal changes of particular self-governing area. This way citizens approach governance. Digitalization and networking is more about keeping aware citizens together and helping them vote, whereas local self-governance aspect brings encouragement of proactive behaviour to the concept of civil society.

Final level is **national** democratic trends set by state and local governing bodies. Paražinskaitė and Tvaronavičienė (2013) analysed LR case for legal environment of citizens inclusion to decision making process and defined legal assumptions for who can participate in this process. Authors listed such legal assumptions: (a) Regulation of society involvement in the decision-making, (b) Regulation of society involvement goals in the decision-making, (c) Society involvement in the decision-making statutory requirements for implementation.

Governing bodies specifically define who and how can participate in decision making process. Usually **citizens, in some cases permanent residents**. Paražinskaitė and Tvaronavičienė (2013) during their research defined main types of citizen inclusion to decision making process in Lithuania. They are as follow: Elections, Legislation initiative, Referendum, Petition, and Consultations. The set of means of participation raises biggest e-participation problems as current means for participation in decision making process either is not available online or available but used only for 3rd to 5th level of stakeholder participation ladder according to Friedman and Miles (2006) (extended ladder originally developed by Arnstein, 1969).

The higher the complexity of the problem for which decision must be made, the higher need for user of the decision outcome to be involved. Contemporary technologies help to raise transparency and responsibility of the governing bodies (Barcevičius, 2006). New trends of citizen inclusion are emerging and due to ontological change of participation reconfiguration of legislation is becoming more and more necessary.

Research limitations/implications – document list used for analysis might be not an exhaustive list on the topic; the analyses is executed towards the context of the Republic of Lithuania.

Practical implications – findings of the review pay attention to specific emerging situation, which should be taken into account in order to have a higher level of acceptance of decisions in socium.

Originality/Value – legal aspect analysis of digitalization process effect on decision making process in public sector.

Keywords: decision making process, digitalization in public sector, social technologies, legal regulation.

Research type: general review.

Rūta Tamošiūnaitė. Doctoral candidate in Management. Executive editor for research paper journals “Social technologies“ and “CROMA journal“; manager at Mykolas Romeris University’s research program “Social technologies“. Main interest areas decision making process, management of communication in digital environment, science communication.

THE CONCEPT OF GOOD FAITH IN THE COMMERCIAL CONTRACT LAW

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Abstract

Purpose - to analyze the commercial concept of good faith and fair dealing applicable in the UNIDROIT Principles of International Commercial Contracts, Draft Common Frame of Reference and Lithuanian commercial contract law.

Methodology - theoretical methods (analytic and systematic) had been applied in the research.

Findings - The author of the article concludes that the substantive content of good faith and fair dealing in Lithuanian commercial contract law should be specified taking into regard the peculiarities of business relations. What is more, the question, whether a businessman acted in good faith, should be answered with respect to common business practice of particular trade.

The case law of Lithuania also recognizes commercial notion of good faith and fair dealing. What is more, when determining if a businessman acted in good faith, courts mention common commercial practice. However, it is doubted that courts really take this criteria into account and often the application of this standard is limited only to mentioning. Due to application of criteria of common business the content of good faith and fair dealing principle is even harder to unfold, especially, as it can be very difficult to prove the existence of such standards. Yet this is the problem not only of the court, but also - parties of the dispute, as the presentation of reasonable arguments and proofs is their right and obligation of civil procedure.

Research limitations/implications - the research has been limited to the analysis of commercial good faith and fair dealing doctrine in Lithuanian contract law, UNIDROIT

Principles of International Commercial Contracts and Draft Common Frame of Reference.

Practical implications - the findings of the research can be applied by judges invoking good faith and fair dealing doctrine in commercial disputes, as well, by businessman determining the limits of their contractual freedom.

Originality/Value - A. Norkūnas, R. Balčikonis, S. Drazdauskas, A. Jakaitė, S. Arlauskas, R. Jakūbauskas, S. Cirtautienė and some other authors have analyzed particular aspects of general good faith and fair dealing principle in Lithuanian private law. Although these publications are important to this research in some particular aspects, the peculiarities of this notion applied precisely in commercial contract law have not been discussed. Taking into consideration the absence of legal doctrine in Lithuanian Republic the research is new and original. What is more, considering the importance of the stability of commercial standards and predictability of outcomes of possible disputes the research may be in particular valuable not only for scholars, but also for practitioners and businessmen.

Keywords: good faith and fair dealing, common business practice, businessmen.

Research type: general review.

Viktorija Budreckienė. The author of this article is a doctoral student in Mykolas Romeris University, Law faculty, Institute of Civil Justice. Main research interest of the author is law of obligations, especially, contract law. With respect to the subject of author’s doctoral thesis she analyses particular aspects of precontractual and contractual relationships between parties having equal bargaining position.

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PRIVACY IN DIGITAL AGE: DEAD OR ALIVE?!

REGARDING THE NEW EU DATA PROTECTION REGULATIONS

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Abstract

Purpose– To review and critically discuss the current state of privacy in the context of constant technological changes and to emphasize the pace of technological advancements and developments reached over the time when the last EU data protection laws came into effect. These facts inevitably affect the perception of privacy and raise the question whether privacy is dead or takes the last breath in the digital age? This paper is an attempt to address this question.

Design/methodology/approach – Based on the comparison and systematic analysis of scientific literature, the authors discuss problematic issues related to the privacy and data protection in the technology era –where these issues are the complicated to be clearly regulated by laws and rules since “laws move as a function of years and technology moves as a function of months” (Ron Rivest). Therefore, the analytical approach towards the issue may help to facilitate the reach of the best-fit decision in this area.

Findings – The authors emphasize the change of perception of privacy which originated and grew on the idea of “an integral part of our humanity” the “heart of our liberty” and “the beginning of all freedoms” (D.J Solove, 2008), leading to the recently raised idea of privacy as the one which is severely hanging with threat. The Authors are of the opinion that legislation and regulation may be one of the best and effective techniques for protecting privacy in the twenty-first century but it is not adequate (Raymond Wacks, 2012). One of the solutions lie in the technology design. We should control and secure our privacy in digital age by technology.

Research limitations / implications – The privacy and data protection aspects in European Union have been widely discussed recently because of their broad applicability. Therefore it is hardly possible to review and cover all the important aspects of the issue. This article focuses on the role of technology and legislation in securing privacy. The authors examine and provide their own view based on the critical analysis of the outstanding scientific material.

Practical implications – The authors highlight the ongoing change of perception of privacy. If the regulation is left behind the development of technology, privacy is hardly staying alive. On the other hand, if the legislation is applied on the ex-ante basis, the technological development will depend on the legislators. The reach of balance of both may be the golden mean and it basically depends on the coordinated behavior of all the stakeholders.

Value – The article emphasizes that the rising role of sharp development of technology by itself doesn't violate privacy. It's the people using this technology and the policies they carry out that create violations (Simson Garfinkel, 2000). In fact, threats, at the first place, are the consequence of human behavior. In other word, technology is not the significant measure to violate or demolish privacy; it may also be the major way to protect the privacy. The reach of balance of both may be the key mean.

Keywords: data protection, privacy, technology development, consent

Research type: general review

Seyed Ebrahim Dorraji. Author's main field of research lies in privacy and data protection regulation in emerging technologies, with a particular focus on cloud computing. Much of author's current research focuses on the jurisdiction and choice of law conundrum in cloud computing contracts, with a primarily focus on consumer.

Mantas Barcys. Author's academic interest is related to legal risk management and Internet governance fields. The author is also engaged in the regulation and applicability of technology in ordinary legal processes, with the particular focus on technology based improvements in management of data flows and procedures.

CLINICAL PSYCHOLOGICAL ASSESSMENT IN LITHUANIAN HEALTH CARE INSTITUTIONS: OPINION ANALYSIS OF PROFESSIONALS

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Abstract

Purpose – to investigate the state of clinical psychological assessment in the Lithuanian health care system: what kind of tests are used, how they are viewed, what kind of psychological processes are most frequently assessed, which areas of assessment are the most problematic, what kind of issues clinical psychologists most frequently face in their practice.

Design/methodology/approach – 101 clinical psychologists, who work in Lithuanian health care institutions, completed a questionnaire about their opinion on clinical psychological assessment.

Findings – the study has shown that only 13 of the 65 tests used in Lithuanian Health Care system meet the criteria for proper tests. The most frequently used tests in clinical practice are WAIS-III, WISC-III, MMPI, „4-1“ and HTP. The minority of the used tests are viewed as good instruments for clinical assessment. The tests perceived as the most effective are WAIS-III, WISC-III, „4-1“, pictograms and Schultz tables. Attention, memory, executive functions, intelligence and emotions are the most important and frequently assessed psychological processes in clinical practice. Neuropsychological assessment of attention, memory, executive functions, are viewed as the most problematic fields of assessment. The adaptation, standartization and revision of the various neuropsychological tests was suggested. The most pressing issues in clinical practice are: 1) the assessment of specific psychological processess (neuropsychological and psychosocial functioning); 2) the assessment of specific disorders (schizophrenia

spectrum disorders and autism spectrum disorders); 3) the assessment of specific stages of development (children from 5 to 12).

Research limitations/implications – 32 percent of health care institutions (30 out of 95 identified institutions), which provide mental health care, did not participate in the study. The majority of these institutions are from the provinces.

Practical implications – psychological assessment plays a key role in the practice of a clinical psychologist. This study investigated and pinpointed the most pressing issues and needs of psychologists in clinical practice. According to the study results, recommendations ascertaining to the adaptation and revision of tests and preparation of clinical psychologists for their practice can be made.

Originality/Value – this is the biggest and most thorough investigation of the state of clinical psychological assessment in the Lithuanian health care system.

Keywords: clinical psychology; assessment, specialists’ opinion.

Research type: research paper

Augustinas Rotomskis. The Head of Lithuanian Psychology Students Association Scientific Branch (2012-2014). Research interests: clinical assessment, screening in the primary health care system, cognition.

MODELING A VALUE CHAIN IN PUBLIC SECTOR

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Abstract

Purpose – Over the past three decades comprehensive insights were made in order to design and manage the value chain. A lot of scholars discuss differences between „value chain“– value creation and appropriation and „supply chain“ operational view that considers strategies and tools. However, there is a lack of a common understanding of what public sector value chain is. This paper reviews the literature on a determination and architecture of a value chain in public sector which gives a structural approach to greater picture of how all structure works. It reviews an approach that the value chain for the public sector shows how the public sector organizes itself to ensure it is of value to the citizens.

Design/methodology/approach – descriptive method, analysis of scientific literature.

Findings – The public sector value chain is an adaptation of the private sector value chain. The difference between the two is that the customer is the focus of the public sector context, versus the profit focus in the private sector context. There are significant similarities between the two chain models. Each of the chain models are founded on a series of core components. For the public sector context, the core components are people, service and trust.

Research limitations/implications – this paper based on presenting value chain for both private and public sectors and giving deeper knowledge for public sector value chain model.

Practical implications – comprehension of general value chain model concept and public sector value chain model helps to see multiple connections throughout the entire process: from the beginning to the end. The paper presents the theoretical framework for further study of the value chain model for waste management creation.



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Originality/Value – The paper reveals the systematic conceptual overview on comprehension of value chain model for both private and public sectors.

Keywords: value chain, public sector, value model.

Research type: scientific literature review.

Daiva Rapcevičienė. PhD student at Mykolas Romeris University, ISWA (International Solid Waste Association) member. Research interests: public sector evaluation, value chain of private and public sectors, environment and environmental problems, sustainable and effective waste management, waste prevention strategies, process modeling.

DISCRIMINATION EXPERIENCES OF LITHUANIAN YOUNG HOMOSEXUAL, BISEXUAL MEN ON THE GROUND OF THEIR SEXUAL ORIENTATION

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Abstract

Purpose – to explore, how young homosexual, bisexual men deal with discrimination in their everyday life and how the perceptions of young homosexual men living conditions has changed during the 9 year period.

Design/methodology/approach – a qualitative study, 10 in-depth semi structured interviews with 21 – 30 years old homosexual, bisexual men, conducted in 2013 compared with 8 semi structured interviews with 17-26 old lesbians and gays conducted in 2005.

Findings – on one hand we observe young homosexual people living a more open life than before. Most of the interviewees, given interviews in 2013, are open to their parents and friends, although the reactions of parents are often complicated. The two Gay Pride Parades organized in Lithuania have raised the awareness of LGBT (Lesbian, gay, bisexual, transsexual) people discrimination in the society. On the other hand the same concerns about discriminative speeches in the media, bullying at school and the lack of protection of LGBT people fundamental rights in the area of family creation remain and interviewees deal with these issues in their everyday life.

Research limitations/implications – the research is focused on young interviewees. The age of interviewees varied from 17 to 30 years. The LGBT people of the older generation might have different experience, as they grew up in the Soviet Lithuania. The research is focused mostly on men. No interviews with homosexual women were conducted in the survey of 2013, as the study was based on the scientific project focused on men and masculinity. Homosexual women may have had another experiences of

discrimination on the ground of their sexual orientation and gender, only some of them were represented in the study of 2005. Transsexual people were not included in the research. Their discriminatory experiences are more complicated than experiences of homosexual and bisexual people in Lithuania, as Lithuania hasn't adopted any sex changing laws yet. A qualitative research reached a small amount of representatives, therefore findings cannot be generalized to the whole Lithuanian LGBT community.

Practical implications – the references to discrimination experiences of young LGB (Lesbian, gay, bisexual) people may raise an awareness and sensitiveness to their everyday life, especially for those participants of the conference, who don't know any LGB person in person. The conference report should contribute to ensuring fundamental human rights by spreading European Union values of respect to human dignity and equal treatment in cultural and social life.

Originality/Value – recent studies on LGBT people in Lithuania are mainly focused on their discrimination experiences at work, school, and in public sphere. The main focus of 2013 study is on the procreation aspirations of young men, including homosexual and bisexual men. Do they have any aspirations to create a family: to register their partnership/ marry and raise children? Do they expect these aspirations to come true in Lithuania or do they plan/intend to emigrate? There are visible connections among cultural models of masculinity in Lithuania and men's procreative behavior according the study. The results of the study are expected to enrich the field of masculinity studies in Lithuania.

Keywords: young homosexual, bisexual men, discrimination, sexual orientation.

Research type: research paper.

Lina Šumskaitė. PhD candidate in Sociology. The interviews of the year 2013 were conducted within the scientific project “Procreational Identities of Young Men: Cultural Norms, Individual Expectations and Experiences” (No. MIP 005/2013), funded by Research Council of Lithuania. The interviews of the year 2005 were conducted in order to obtain a Master's degree in Social Work. Scientific interests: studies on men and masculinities, LGBT studies, fatherhood, fathering studies.

INTERORGANIZATIONAL NETWORKING IMPACT TO INNOVATION

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Abstract

Purpose – network formation is one of the essential factors to effective business performance and fostering competitiveness. The emergency of growing competition and influence of globalization leads companies to effectively use inner-sources and capabilities in order to be ahead of competitors. Innovation, knowledge transfer and use of social capital are significant factors to companies’ success and their competitive advantages. Therefore, formal and informal networks are seen as relevant tools to innovation and knowledge transfer within the company and between related actors.

Design/methodology/approach – scientific literature analysis.

Findings – the paper emphasizes the role and the value of networking that leads to innovation in order to succeed in a fast changing environment.

Research limitations/implications – the research on networking and innovation impact to service sector has not been thoroughly implemented yet.

Practical implications – the inter-organizational networking is a strategy of management and a powerful tool for development, solving of problems and acceptance or exchange of innovations. Innovation is a crucial element in the development of companies as well as their competition with rivals. Innovation enables companies to continuous adaptation to the global economy.

Originality/Value – the paper stresses the importance of innovation that is seen as a highly significant factor and an impetus to modernisation in the rapidly changing and increasingly more competitive business environment. The paper focuses on the significance of inter-organizational networks and its impact on innovation development.

Keywords: networking, innovation, network capital, social capital, knowledge flow.

Research type: scientific literature review.

Evelina Šakalytė. Mykolas Romeris University doctoral student in Economics, Vilnius, Lithuania. Research interests: innovation, networking, business economics, the benefits of innovation and networking in service sector, effective business performance.

Ilona Bartuševičienė. Mykolas Romeris University doctoral student in Economics, Vilnius, Lithuania. Research interests: identification of intangible assets, their impact on the economy, the benefits of investing in intangible assets, the impact of these investments on the economy as a whole as well as firm level.

PRINCIPLE OF LEGAL CERTAINTY AND (IN)DIRECT EFFECT OF DIRECTIVES

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Abstract

Purpose – The research discloses problematic aspects of the case law of the European Court of Justice (ECJ) denying direct effect of the directives between private parties and real effect of (in)direct effect of the directives in the light of the principle of legal certainty.

Design/methodology/approach – Research employs logical, systemic, teleological and comparative analysis methods.

Findings – Though ECJ still explicitly refers to the ruling made in *Marshall* case prohibiting horizontal effect of directives, its practice in reality is quiet controversial, begging for discourse and suggestions capable to assist in assuring the respect to the principle of legal certainty.

Research limitations/implications – The focus of this article is not to analyse and disclose classical ECJ cases on (in)direct effect of the directives. Research is limited to analysis of exceptions to the rule that denies direct effect of directives and reveals their compatibility with the principle of legal certainty.

Practical implications – Key users of rules formed in the case law of the ECJ are national courts that shall assure application of the principle of legal certainty and abstain from acting *contra legem*. Such research is important in forecasting evolution of the case law of the ECJ in this area for courts and legal advisors that face with doctrine on effects of the directives in practice.

Originality/Value – Doctrines on the effect of the directives are of great interest to legal researchers. However, lately ECJ case law allows making more detailed

generalizations, though it also leaves certain open questions on the importance of the principle of the legal certainty in relation to principles of effectiveness and supremacy of European Union law. Superior courts of Lithuania usually refer to these doctrines in pretty theoretical aspects, however it is very rarely applied in practice.

Keywords: legal certainty, direct effect, indirect effect, consistent interpretation, directives.

Research type: research paper.

Aistė Samuilytė-Mamontovė is a graduate of Mykolas Romeris University and received her master degree (LL.M. – summa cum laude) at Christian Albrechts University in Germany. At the moment she is doctoral student at Mykolas Romeris University. Research interests: Doctrines of Legal Effect of European Union Law, Implementation of European Union Law in the National Court, Member State Liability for the Breach of European Union Law.

MANAGEMENT OF SECURITY SERVICES IN A MUNICIPAL UNIT

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Abstract

Purpose – Based on Maslow hierarchy of human needs, security is an important factor determining development of our society. In accordance to Kuznets curve environmental security play different roles in various types of economic conditions. Therefore there is a need to measure security of citizens in such manner that would be applicable in various types of socio-economic environments. A main purpose of this article is to analyze and evaluate various approaches of measurement of citizens’ security and to propose a new methodology how security of citizens could be measured. Knowledge about actual security of citizens in a territorial unit and knowledge about indicators which could influence such a security level could serve for improvement of such a situation.

Design/methodology/approach – The article is using basic scientific methods like analysis, synthesis, deduction, induction. For determination of set of services characterizing security of citizens, a method of critical analysis is used.

Findings – The article shows partial outcomes of a scientific research project focused on possibilities of citizens’ security measurement.

Research limitations/implications – The research paper results and methodology are limited for conditions of Slovak Republic legal environment, according to the outputs of critical analysis. Also proposal of methodology of measuring the quality of security services is to be implacable only on municipality as a territorial unit.

Practical implications – Knowledge about actual security of citizens in a territorial unit and knowledge about indicators which could influence such a security level could serve for improvement of such a situation.

Originality/Value – Main finding, which is original, is a proposal of methodology for measurement of security of citizens in a municipality.

Keywords: citizen, security, municipality, service

Research type: research paper

Ing. Marián Kováč is a PhD student at the Faculty of Special Engineering, University of Zilina. He graduated in Study field Personal Security, study programme Protection against economic disasters at the Faculty of European Studies and Regional Development. In present he works as junior lecturer at Department of Security Management, School of Economics and Management in Public Administration in Bratislava, where he is focused on scientific and pedagogical themes related with Risk and Crisis Management.

COUNTRIES’ SUSTAINABILITY TO ECONOMIC “SHOCKS”: THE CASE STUDY OF CENTRAL AND EASTERN EUROPEAN MARKETS

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Abstract

Purpose– to analyze economic “shock” impact on Central and Eastern European countries’ sustainable economic development.

Design/methodology/approach – Statistical data has been analyzed and sustainability theory has been applied to Central and Eastern European countries during economic downturn 2008 – 2012.

Findings – Findings suggest that commonly used macroeconomic indicators do not reflect stable social economic development. Moreover, usually high economic growth during economic cycle is determent by high level of recession in economic cycle. This finding suggests that investors and other financial decision makers should take into account the sustainability of economic performance before taking financial decisions so that during financial economic recession could mitigate risks and loses in Central and Eastern European markets.

Research limitations/implications – Research is applied in the theory of sustainable economic development. The economic and social performance is being considered in the research. Although the concept of sustainable economic development is quite controversial in scientific literature, the aspects of economic and social indicators are taken into account not considering much of ecological aspects of sustainable development. The research logic is based on sustainability as constant and smooth social and economic development than the development through natural limitations and human being needs combinations.

Practical implications – Practical implications might be broad enough. Identification of reaction of economies to natural economic “shock” during economic downturn might be

applied for governments decision makers, investors, banks, exporters to evaluate future economic financial decisions in Eastern and Central European markets.

Originality/Value – Value of the research might be high for interested parties. Applying sustainability theory to economies in transition during financial economic downturn 2008-2012 is original and novel.

Keywords: Economic development, sustainability, economic “shock”,

Research type: research paper.

Arturas Jurgelevicius has gained Master’s degree in Economics from Mykolas Romeris university. He gives lectures in Business economics and Marketing at College of Vilnius Cooperation. Arturas’ scientific interests are: sustainable economic development, country risk assessment, intangible capital, business economics.

EVOLUTION OF CUSTOMS LAW IN LITHUANIA AFTER THE ENTRY TO THE EUROPEAN UNION: TEN YEARS OF EXPERIENCE

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Abstract

Purpose – the aim of this article is to analyze and examine development of Lithuanian customs law and customs legislation concerning international trade and transporting the goods *via* state and European Union customs borders after the accession to the European Union; to overview practical experience of implementation of European Union customs law requirements in national legal system both at the level of application of law and at the level of law making.

Design/methodology/approach – analysis of relevant issues is based both on theoretical (analysis and synthesis, historical, systematic, comparative) and empirical methods (statistical analysis of data, analysis of documents, generalization of professional practice, in particular – practice of the courts). The article consists of an introduction, four chapters and conclusions.

Findings – becoming a member of the European Union, Lithuania has become a part of common market in which the free movement of goods, services, capital and people is established. However as practice shows this process had its positive as well as negative aspects, including widespread smuggling problems. The entry into force and direct application of the European Union regulations, in some cases, the European Union directives, has created a challenge to ensure uniform application of the European Union customs law. However this process has created a challenge for national courts and their practice and didn't create static legal environment.

Research limitations/implications – article gives insights on changes in legal regulations of customs law in Lithuania and practice (case law) of their application since the entry of Lithuanian Republic to the European Union (yrs. 2004-2014).

Practical implications – article presents proposals for the improvement of current customs legislation, evaluates national Lithuanian experience of ensuring direct and effective application of European Union customs law and solving various other problems which was encountered by the customs after the entry to the European Union.

Originality/Value – article presents theoretical and practical legal problems of the recent changes and evolution of national customs law, which are not discussed in the Lithuanian legal doctrine and specific academic legal literature since all the main analysis was done before preparations to enter the European Union or immediately after the entry to the Union.

Article also discusses the main elements of concept and idea of the separate branch of customs law in Lithuanian and foreign legal doctrine since overall evaluations of importance and place of customs law in the overall system of law ranges from customs law as merely the institute of national administrative or finance law or relatively distinct branch of national legal regulations (Raišutis, 2005; Sudavičius, Medelienė, 2011), to separate branch of European Union and international law (Lyons, 2005) or even the separate institute of trade law (trade regulation; Thuronyi, 2003).

Keywords: customs authorities, customs law, EU Customs Code, international trade, free movement of goods and services.

Research type: research paper.

Gediminas Valantiejus is the lecturer in the Department of Finance and Taxes, Faculty of Economics and Finance Management, Mykolas Romeris University (Lithuania). His area of specialization and academic interests includes customs and tax policy, international taxation, international trade regulation. Currently Gediminas is delivering lectures and organizing seminars on Tax and Customs legislation in European Union and Lithuania, and is teaching such subjects as Taxes in European Union, Customs Policy and Taxes in European Union, Taxes and Tax Disputes, Tax and Customs Disputes, Tariff Classification of Goods. Gediminas actively participates in other academic activities and research projects and is the co-author (with Assoc. Prof. Dr. J. Radžiukynas) of learning material for the distance studies course "Customs Policy and Taxes in the European Union", as well as various other scientific articles and presentations in publications of Mykolas Romeris University and other academic institutions (Lithuanian University of Educational Sciences, Klaipėda University).

CHALLENGES OF COMPUTER PROGRAM PATENTABILITY: EUROPEAN PERSPECTIVE

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Abstract

Purpose– To review the patentability issues of computer programs in Europe and highlight the significant aspects of the requirements applied in Europe in comparison with the other developed countries. To discuss on the specific nature of the European approach and to provide insights of what has to be done to change the current harmful computer program patenting practice in Europe.

Design/methodology/approach – Based on the comparison and systematic analysis of scientific literature, the author discuss problematic aspects of patentability of computer programs and computer-implemented inventions in the light of current regulatory nature. Therefore, the analytical approach towards the subject matter fulfils the objective of this paper and provides analysis with the most added values.

Findings – The analysis highlights and explains the main reasons why there is no uniform understanding of where to draw the dividing line between the applications relating to programs for computers as such and applications relating to patentable technical solutions, in the form of computer-implemented invention. Moreover, the analysis explains the main differences between the requirements for software to be patented in US and Japan and emphasizes a significant difference compared to the European perspective.

Research limitations / implications –Both copyright law and patent law are applicable to the protection of software, copyright laws are capable to protect expressions of ideas. Since the scope of such protection extends only to the coding and it does not

protect the expressed underlying idea, the paper discusses mainly the patentability issues.

Practical implications – While some countries grant patents for almost all types of software, the patent practice in Europe is a different matter. The basis for granting a software patent is highly uncertain or even completely impossible in Europe, because of the lack of unifying regulatory structure with binding effect on national courts and varying interpretation and inconsistent practice of European and national judicial authorities leaves a gap for differences to appear over the interpretation of particular aspects of European patent regulation.

Value – The article provides a clear break line to the current situation: making implicit requirements for granting a patent explicit in Europe require not only coherent case law interpretations, but also to urgently change the whole legal policy and judiciary structure in the field. The paper leads to the conclusion that current necessary builds inharmonious development of case law in the field and makes difficult to bring less ambiguity in European and local level in the foreseeable future. Providing distinct insight on what has to be done to change this harmful practice, the article gives both: its academic input, and provides strong practical contribution.

Keywords: computer program, patent, computer-based inventions, software protection.

Research type: general review.

Mantas Barcys. Author’s academic interest is related to legal risk management and Internet governance fields. The author is also engaged in the regulation and applicability of technology in ordinary legal processes, with the particular focus on technology based improvements in management of data flows and procedures.

INVESTING IN INTANGIBLE ASSETS: LITHUANIA CASE

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Abstract

Purpose– Scientific studies have concluded that investments in intangible assets increase future output and consumption for the entire economy the key point again is whether an increase in intangibles yields returns at some point in the future in the form of higher production efficiency, improved product quality and effectiveness. The purpose of this article is to reveal models, which are being used to explore the effectiveness of the investments in intangible assets and identify their application capabilities in Lithuania.

Design/methodology/approach – Scientific literature review, comparative and statistical data analysis.

Findings – According to the statistics department of Lithuania, investment in Research and Development as a share of Gross Domestic Product in Lithuania has increased starting 0,79 perc. back in 2006 up to 0,9 perc. in 2012. Konstatinos *et all* (2013) defended, that the size of the investment in R&D is not enough to get a grasp of the intangible asset essence and impact in the economy. Corado (2012) has adopted a model to assess the intangible investment potential valuation in Organization for Economic Co-operation and Development countries, where intangible assets are classified based on three categories: computerized information, intellectual property and

economic competencies. The objective of this paper is to explore whether it is possible to apply adopted Corrado model in Lithuania.

Research limitations/implications – Statistics department of Lithuania measures the percentage of investment in Research and Development as a share of Gross Domestic Product. This indicator alone should not be used to identify the investment level in intangible assets in Lithuania, therefore adopted model, which includes various indicators, should be used to grasp real situation in the country. The challenge arise with macro data availability. Data limitation could affect benchmarking chances.

Practical implications – Investment in intangible assets valuation model would allow to benchmark Lithuania’s economy with countries such as United States, Denmark, Sweden and Japan.

Originality/Value – Lithuania’s policies regarding intangible assets follows traditional theories, therefore it is very important to identify the level of intangible investments, not recorded in the accounting books and define its impact on the economic effectiveness.

Keywords: intangible assets, intangible investment, economic effectiveness

Research type: literature review.

Ilona Bartuševičienė. Mykolas Romeris University doctoral student in Economics, Vilnius, Lithuania. Research interests: identification of intangible assets, their impact on the economy, the benefits of investing in intangible assets, the impact of these investments on the economy as a whole as well as firm level.

Evelina Šakalytė. Mykolas Romeris University doctoral student in Economics, Vilnius, Lithuania. Research interests: innovation, networking, business economics, the benefits of innovation in service sector.

DISCREPANCIES AND CONTRADICTIONS OF INTELLECTUAL CAPITAL MEASUREMENT MODELS

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Abstract

Purpose – the main idea of measuring intellectual capital is that organisations, institutions and enterprises can successfully manage and control intellectual capital with the consequences that it increases company’s value added and assures normal and stable activity. Nevertheless, many authors indicate that intellectual capital is a complex and sophisticated concept, which is difficult to capture, measure and manage. Intellectual capital measurement models are controversial due to inconsistent and different perspectives, point of views demonstrated by management, distinction between academic theory and practical execution. The main purpose of this scientific paper is to present contradictions appearing while trying to capture, measure and manage intellectual capital.

Design/methodology/approach – scientific literature review.

Findings – the knowledge era has brought a new perspective into every organisation, institution and management strategies are becoming more related with intangibility. The concept of intangible assets can be analyzed and investigated through intellectual capital point of view. Nowadays academic literature is full of intellectual capital scientific papers and can be categorized into three main groups: intellectual capital as a concept, intellectual capital structure and structural parts, intellectual capital measurement models. This scientific paper is prepared to analyze the third group, which concerns mostly of how to capture, measure and manage intellectual capital.

Research limitations/implications – the most challenging aspect is the discrepancies and contradictions in the measurement of intellectual capital. The differences of various enterprises broaden the perspective of intellectual capital and multiple points of view

and attitudes are formalized into different methods of intellectual capital capture, measurement and managing.

Practical implications – the universal model of intellectual capital measurement could help enterprises to focus on the intellectual capital management itself. The main goal and concentration to the intellectual capital management and not to the understanding the concept would save time and increase the productivity and efficiency in every day’s procedural activities.

Originality/Value – the ability to understand and implement intellectual capital evaluation methodology is essential for every enterprise. As a consequence, the efficiency and productivity is increasing and the value of the company is growing.

Keywords: intellectual capital measurement models, knowledge based view, knowledge management, value creation.

Research type: literature review.

Simona Survilaitė is an economics doctoral student of Mykolas Romeris University. The main areas of research are: company’s value added, intellectual capital, the coherence between company’s value added and intellectual capital, calculation of company’s value added, intellectual capital measurement discrepancies.

A FEW LEGAL ISSUES OF THE SINGLE RESOLUTION MECHANISM

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Abstract

As a result of the crisis it now seems that jurisdictions feel the need to have a special framework to deal with insolvent banks. Banking Union is a key part of the policy, economics, legal measures to put Europe back on the path of economic recovery and growth. It is a crucial step to overcome the current financial fragmentation and uncertainty, also to break the link between the sovereigns and the banks. 2013 July the Commission proposed a Regulation on a Single Resolution Mechanism. It also could be said that SRM is a crucial step re-lunch cross-border banking activity in the Single Market to the benefit of both Euro Area and non-Euro Area Member States. The SRM will apply the single rulebook on bank resolution set out in the Bank Recovery and Resolution Directive in respect of ailing banks of the participating Member States in the mechanism. However, notwithstanding the fact that European finance ministers approved a general approach on the single resolution mechanism (*under the Lithuania Presidency period*) it's still one of the most sensitive and complicated files in EU co-legislators history. The paper reviews the file on the Single Resolution Mechanism, the legal influence of that file in the context of Banking Union and identifies a few legal issues of SRM. This paper seeks to provide an overview and preliminary assessment of the SRM proposal from the legal perspective.

Purpose– to review the file on the Single Resolution Mechanism in the context of Banking union, the influence of that file and identify legal issues by implementing SRM.

Design/methodology/approach– purposely to explore the actual meaning of legal norms and legislations as well as content and to analyze the literature the systematic analyses, synthesis, comparative, critical methods were used.

Findings– potential legal basis problems might go from the degree of the centralization and the appropriation with the primary law. First, SRM proposal might

require changes to primary law. Second, it is unclear is proposal in line with the legal basis of Article 114 TFEU (especially suggested comprehensive transfer of executive competences from Member States to the Commission) which allows for the harmonization of law in the EU; Also it could cause the interest of conflict with state of primary law. Another possible legal issue- boundary between the Commission becoming the Resolution Authority. Further, legal risk pertains to resolution decisions that may factually impact on national budgets, it is reliable that much stronger budget protection must be given to participating Member States in order to ensure legitimacy and compliances with constitutional requirements of Member States; Last but not least, the legal issue might be in the context, whether the delegation of powers to the Board envisaged in the proposal is compatible with EU treaties and the general principles of EU law, as interpreted by so-called “Meroni” case law of the Court of Justice of the European Union etc.

Practical implications –Single Resolution Mechanism consisting of a Single Resolution Authority and a Single Resolution Fund, established to operate in tandem with the Single Supervisory Mechanism. SRM will establish a common institutional framework for the application of single rules in the participating Member States. It will encompass codification of supervisory practices and harmonization for national recovery and resolution regimes with a view to safeguarding taxpayers from the need of the future bail outs of banks.

Originality/Value – The single resolution mechanism, which will implement the rules on banking resolution as described in the bank recovery and resolution directive for all banks supervised by the single supervisory mechanism, placed under the responsibility of the European Central Bank, should be up and running by January 2015. However, many interested parties and member states expressed their initial views on the proposal and a few legal issues as legal base, litigation risk, centralization and decision making powers risks, etc. could be identified nowadays. These sensitive issues need to be identified in the scientific level in order to crystallize single resolution mechanism efficiency and credibility.

Keywords: bank, bank insolvency, bank resolution, single resolution mechanism

Research type: research paper

Tomas Ambrasas. Mykolas Romeris University, faculty of law, business law department, PhD candidate. Research field: bank insolvency law: interaction between bank liquidation and bank resolution procedures.

TRANSFORMATIONS OF INTERNATIONAL ARBITRATION'S THEORIES

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Abstract

Purpose – The author of this review analyzes the changes (transformations) of the theories of international arbitration. Specifically, the main postulates of jurisdictional, contractual, hybrid and autonomous theories are discussed. In addition, the most prominent theory is identified and evaluated as a tool to solve some practical issues of international commercial arbitration (in particular in relation to jurisdiction of the arbitral tribunal).

Design/methodology/approach – Theoretical methods (comparative, historical and systemic analysis) as well as empirical method of document analysis are used for this research.

Findings – The main postulates of international arbitration's legal theories. Most prominent theory and its capability to be used for solving some practical concerns of international commercial arbitration.

Research limitations/implications – Research aims to demonstrate the main (but not all) postulates of international arbitration's legal theories. Also only the autonomous theory is analyzed in respect of its capability to address some practical issues related to international commercial arbitration.

Practical implications – This research and its findings may serve as a basis or addition to the further scientific discussions regarding various issues of international arbitration. The findings of this paper may be valuable for arbitration practitioners while solving certain practical questions.

Originality/Value – Arbitration in Lithuania is yet on its way to be a popular mean of dispute resolution. This might be a reason why the scientific research on arbitration is very limited. International arbitration's theories, although briefly overviewed by some scholars, to the best knowledge of the author, were not a subject matter of scientific research in Lithuania.



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Keywords: international (commercial) arbitration, theories of international arbitration, arbitral legal order, jurisdiction of the arbitral tribunal.

Research type: general review.

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LIBRARY ROLES IN CHANGING SOCIETY

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Abstract

Global economy, the development of information and communication technologies, new customer requirements for the quality of products and services encourages organizations to expand their practices, to make innovations, to use creative solutions and to perform new functions – to take on new roles. In this changing environment together with other organizations we have information institutions – libraries. They serve the society, therefore they have to correspond the society needs (Shera, 1976).

Purpose – the purpose of this report is to analyze how changing society can influence the change of libraries roles in it.

Design/methodology/approach – research methodology based on the system and sociocultural systems theories (based on Grenier, 2005) and system approach.

The chosen theory to validate the analysis is the generation changing theory. It says that society consists of groups of different age and different life experiences (history, technologies, political events, etc.) individuals (Levickaitė, 2010). Marc Prensky (2001) claims that our current society can be divided into two groups.

Chosen methods: analysis of scientific literature, synthesis, comparison and summarizing.

Findings – Two society groups are: the digital world immigrants and the digital word natives. The first group are the people born before the digital world establishment and expansion, they learned to use it at older age, usually at work or during their studies, and often they do not understand the necessity of new technologies in their lives (meaning they wouldn't experience big discomfort without it). The second group, the natives of digital world, are people born after the expansion of information and

communication technologies; they are able to see and also enjoy the meaning of using these technologies (Prensky, 2001; Selwyn, 2009). It is lead to the library roles changing from library as the repository to the library as the place and information to the customer anywhere and anytime.

Research limitations/implications – libraries are analyzed as a social institution in the dynamic environment.

Practical implications – it allows to analyze society influence on libraries activities and plan libraries roles changing.

Originality/Value – based on first try to research libraries roles in Lithuania systematically.

Keywords: library, libraries roles, digital native, digital immigrants

Research type: literature review

Laura Juchnevič is a PhD student in the Vilnius University, Faculty of Communication. Her research interests concern on questions about information institutions and libraries: roles, strategic planning and management. She reads lectures for the bachelor students about information management and information institutions management, information seeking. She is a member of the NORSLIS Board since 2012.

RESPONSIBILITY TO PROTECT. QUALITATIVE CHANGE IN UNDERSTANDING SOVEREIGNTY?

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Abstract

Purpose – This article analyzes and evaluates a conceptual switch in contemporary understanding of sovereignty under constitutional and international law. It mainly focuses on the notion of sovereignty as responsibility provided by the concept of responsibility to protect.

Design/methodology/approach – Article analyzes the topic's question in three parts. Firstly, it elaborates on traditional understanding of sovereignty as a state oriented concept. Secondly, it discusses the concept of responsibility to protect and how it challenges a state centered sovereignty. It concludes with the assessment of sovereignty as responsibility which redefines sovereignty as individual (or rather population) oriented concept.

Findings – Sovereignty as responsibility frames the state's function to protect its population from mass atrocities as dual responsibility. Firstly, as the government's responsibility for the well being of its people derived from the idea of representativeness. Secondly, as the responsibility of international community to protect populations from mass atrocities based on the idea of subsidiarity and international solidarity. While underlining the normative character of the former the article questions (at least now) its existence in case of the latter. However, it does not mean that sovereignty may be used as an explanation for mass atrocities. Article leads to conclusion that sovereignty continues to serve as the foundation for the entire international system and that the respect for and protection of human rights only reinforces its quality and value.

Research limitations/implications – The main research limitation is a dubious character of responsibility to protect. Due to the controversial state practice it is difficult to assess its current normative character. This doubt poses a limitation on research question about the qualitative change of sovereignty and its impact on international relations.

Practical implications – Article makes a point that any action taken by members of international community while protecting endangered population must follow the legal explanation based on both international and constitutional grounds. Such an attitude would clarify the state practice and *opinio iuris* which are the conditions to accept the customary character of responsibility to protect.

Originality/Value – Contrary to the majority of papers on intervention or sovereignty this article focuses mainly on constitutional challenges for the successful implementation of the responsibility to protect. It analyzes constitutional principles governing the exercise of the concept by both state and international community.

Keywords: international law, sovereignty, human rights, responsibility to protect

Research type: research paper

Tomasz A. Lewandowski is a PhD candidate at the Faculty of Law and Administration, Adam Mickiewicz University in Poznan, Poland. He currently prepares a doctoral dissertation on the notion of responsible sovereignty under the concept of responsibility to protect. His research area focuses on the international protection of human rights, constitutional law and international humanitarian law of armed conflicts. He is particularly interested in legal limitations imposed on human rights and sovereignty. Lewandowski participated in many national and international conferences. He also finds interest in oenology, Greek mythology and the works of G. Bizet.

THE MODEL OF INTEGRATION OF ELECTRONIC GOVERNMENT AND ELECTRONIC BUSINESS IN PUBLIC PROCUREMENT

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Abstract

Purpose – to analyse the relation of e.government and e.business in public procurement, evaluating theoretical and legal context of the EU as well.

Design/methodology/approach. The commercialization of the internet environment has caused the appearance of new business models. It has been started to discuss the integration possibilities of e.government and e.business, hence new appeared business models have successfully been added to the already existing models of traditional business; at the same time giving the enterprises the possibility to lower the production costs, to increase the efficiency of production and service sphere, and, of course, to improve the quality.

Findings. E.government is the means to implement reform of state governing, therefore, it is possible to efficiently establish its ideological foundation by the use of information technologies. This foundation is inseparable from orientation towards consumer and application of business governing models in the work of public institutions. While promoting transparency of public procurement process, it is important not only to realize the problem of corruption, but also publishing of concrete violations, implementing of prevention program of corruption, integrating practical problems of public procurement and legal basis as well.

Research limitations/implications. Generalising the improvement possibilities of public procurement order, it is possible to state that corruption in public procurement can be reduced only assessing personal priorities, orienting activity towards legal basis of public procurement. Institutional budget has to be planned and saved, ethical principles have to be followed and general anti-corruption culture has to be established. State

officials, politicians and business people have to assess contribution of tax payers, on which depends efficiency of executive government and achievement of tasks set. It should be noted that implementation of public procurement order depends on maturity of civil society, of interest in corruption problem, therefore, in order to seek efficient implementation of non-corruption programs it is important to speak about corruption as one of the biggest economical and social problems as well as to take mentioned prevention measures.

Practical implications. Even though there have been many discussions in the society about of e.government and e.business integration possibilities, problems in public procurement, however, electronic public procurement as the integration result of e.government and e.business requires a greater attention of theoretics and practitioners. Thus, it is an actual problem to evaluate current situation in the field of public procurement and to identify the most faced problems. The practice of public procurement is quite new in the public sector, however it is worldwide known about the complicated regulation, coordination and control of this process.

Originality/Value. Public procurement can be described as procurement of goods, services or working activities performed by a national institution (procurement organisation) in accordance with the order set by the laws. The aim of this procurement is contracting an agreement of public procurement – sale with an enterprise (supplier). Therefore, it is of great importance to divide the concept of public procurement into three stages: 1) planning procurement including identification of procurement demand; 2) organising and performing of procurement procedures, and making an agreement of public procurement; 3) implementing of a public procurement agreement. It should be accentuated that people do sometimes not realize that they are the cause for problems in the process of public procurement, therefore, participation in electronic public procurement is able to help business organisations and public sector solve these problems as well as create value-added. It is necessary to promote society to get interested in the problem of transparency in public procurement stressing that successful fight against this problem of transparency depends on the wish of society to resist it. Anti-corruption education, complex implementation of principles of effectiveness, efficiency and transparency is able to concentrate public and private sectors and civil society in seeking to simplify and improve public procurement procedures through the implementation of the e.government and e.business concept.

Keywords: electronic government, electronic business, public procurement, transparency.

Research type: literature review.

Simona Ereminaitė. Master of Management and Business administration, Mykolas Romeris University, Institute of Public Administration, PhD student. Research interests: electronic government, electronic business, public procurement, transparency.

THE POWER OF SOCIALLY RESPONSIBLE BUSINESS TO ENSURE WELFARE OF SOCIETY: TODAY AND TOMORROW

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Abstract

World practice shows that the corporate social responsibility (CSR) is associated with the companies' benefits, but it comes to light that the effect of implementing CSR is not only on the company itself, but on the welfare of society too.

Purpose – to reveal the role of socially responsible business to ensure welfare of society.

Design/methodology/approach – analysis and synthesis of scientific literature, comparison and summarizing.

Findings – Corporate social responsibility means the dialogue between business companies and stakeholders (shareholders, employees, business partners, clients, government, local community and society). As a result, the business companies should do not only the business –maximize their profits – but at the companies should be shifted from hierarchical “top-to-bottom” to modern one-level (horizontal) management model, when all stakeholders are included into the process of decision making.

It is said, that social responsibility of business is expensive fashion, but the author strongly believes that socially irresponsible business would not survive in future. Moreover, CSR is a cheapest way to ensure welfare not only for today's society, but to future generations too, and to save the environment not only today but to make better to live for tomorrow. The emphasis on promotion of corporate social responsibility is necessary.

Research limitations/implications – There are still discussions on indicators (especially statistical ones) which show the level of welfare of society. The questions

remain, why should and how could the responsible organizations ensure the welfare of society? There is the need to explore this situation to find the solutions, which could be taken into real actions.

Practical implications – Socially responsible business more often than those that follow the primeval traditions ensure successful business prospects as they gain a competitive advantage both in the local and in the global markets, as a result their earnings grow up in the long term. Such positive results encourages companies to change their business policies – make a contribution to scientific research, participate in solving economic, ecological and social problems in order to decrease the adverse effects on environment and the tensions in society.

Originality/Value – The effect of corporate social responsibility on the welfare of society have wide number of expressions and application areas: ensuring the staff with the safe and healthy working conditions and the opportunities to learn and improve their skills; effectively and responsibly using the natural and energy resources (not only to satisfy the needs of current generations but also not to reduce the abilities of future generations to satisfy their own needs and widely using renewable energy sources, such as solar, wind, water, geothermal energy, heat and energy from sorted waste treatment; energy and heat production from garbage, waste and biomass could resolve the problem of waste disposal and contribute to the reduction of climate change effects and thereby ensure the growth of welfare for present and future generations) to solve the issues of energy exclusion and climate change problems; providing consumers with safer products and services (giving the right information about the composition of the production, informing about the possible side effects); developing socially responsible marketing (promoting socially responsible decision-making process and abusing weaknesses of individual social groups). Modern companies that seek to ensure the successful development of business cannot ignore the stringent legal requirements, the growing needs of partners and the growing public interest in the companies' activities, its impact on the environment, quality and safety of production.

Keywords: corporate social responsibility, socio-economic justice, sustainable development, welfare.

Research type – viewpoint.

Dalia Karlaitė. Doctoral candidate in Economics. The interests of the research are focused on the meaning of social responsibility of business and its economic effect to welfare, the socio-economic justice as the result of corporate social responsibility, safe and responsible consumption possibilities in nowadays world, environmentally friendly practice, and sustainable development influencing the quality of life for today's and future generations.

NETWORK APPROACH TO THE MANAGEMENT OF INNOVATION SYSTEMS

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Abstract

Purpose – the purpose of this paper is to analyze the context of the public governance changes with an emphasis on networks and to identify the key features of how these changes influence the transformations in the innovation system management.

Design/methodology/approach – analysis of scientific literature

Findings – the paper reveals new and innovative forms of inter-sectoral knowledge-based collaboration and the formation of the interdependent linkages among network agents as the key features of the contemporary management of system of innovations. In this sense, the relation between collaboration forms and knowledge networks are considered as a central point of innovativeness and competitiveness.

Research limitations/implications – Knowledge networks is one of the most dynamic perspective of the network approach to the innovation system management which is the main driver of the contemporary knowledge-based economy. The paper analyses the environment of the public governance changes and its influence to the innovation system management with an emphasis on the unique characteristics of knowledge networks.

Practical implications – the article describes a holistic view on network approach to public governance, based on two contrasting perspectives on networks: network as *logic of organizing* and network as *analytic perspective*. The synthesis of both perspectives is used to analyze the transformations of the knowledge-based network governance of innovation systems management in multiple levels.

Originality/Value – The study integrates the network governance and knowledge-based collaboration streams in order to provide a unique contribution towards



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understanding key network factors that are essential to the contemporary knowledge-based management of innovation systems.

Keywords: innovation management, inter-organizational networks, network governance, knowledge networks, knowledge transfer.

Research type: conceptual paper, literature review.

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HOMESCHOOLING IN POLAND? LEGAL STATUS AND ARGUMENTS USED IN POLISH DEBATE OVER HOME EDUCATION

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Abstract

Purpose – the purpose of this article is to summarize the legal aspects of home education in Poland, with particular emphasis on the evolution of the provisions of the Polish School Education Act 1991 and selected jurisdiction of Polish administrative courts.

Design/methodology/approach – research was based on the analysis of legislation, including legislation drafts, published studies and other scholarly works, as well as published opinions. The scientific approach was based on investigating which legal aspects of homeschooling have raised most controversies and were thoroughly discussed.

Findings – the main findings of the research focus on presenting in chronological order the evolution of the Polish education law regarding the issue of home education and the reactions – both from the legal doctrine and the practitioners of homeschooling – to changes of law. Practical aspects of implementation of the provisions were also shown on the examples of the verdicts of Polish administrative courts.

Research limitations/implications – article is based on already published works, but it proves that a clear evolution of Polish government’s approach to the home education can be observed. However, the adoption of more accurate and clear provisions does not mean that they are less restrictive, although the recent amendments remove some of the obligations. **Practical implications** - article may be helpful for scholars interested in analysis of the Polish regulations applied to the home based education, offering them a summarized history of regulations and a selection of publications devoted to this subject.

At the same time it points to the necessity of preparing more unbiased publications referring to this matter.

Originality/value - the article is published in form of review of literature; it is based mostly on already published articles and selected verdicts. Its value lies in a summarized presentation of the direction of the evolution of Polish regulation considering home education.

Keywords - the right to education , homeschooling , administrative law .

Type of research - literature review

Szymon Paciorkowski (1987), M.A., PhD student at Chair of Roman Law and History of Jurisprudence, Adam Mickiewicz University in Poznań, Poland. His main research interests are related to the history of family law and marriage law in Poland, as well as sociology of law. He also participates in solicitor training at the Regional Chamber of Solicitors in Poznan.

THE ROLE OF COMMUNICATION IN THE QUALITY MANAGEMENT SYSTEM OF HIGHER EDUCATION INSTITUTION

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Abstract

Purpose – To reveal and to base the role of internal communication in quality management system of higher education institutions.

Design/methodology/approach – Methodological basis of the research of the role of communication in the system of quality management system in institutions is supposed by *systemic attitude* that integrates analysis and synthesis methods. Systemic attitude towards quality management is based on the idea that quality management is a part of general management strategy in the institution that helps to achieve goals and embraces all spheres of performance in the institution.

Findings – The definition for this study derives from research on quality in higher education describing quality as a enhancement process and dynamic concept. Quality is conceptualized as agreement between the community members of the higher education institution. Quality management system of the activity in higher education institutions is related with organizational communication processes and this supposes *scientific relevance* of the topic.

Research limitations/implications – Although previous literature identified various sources of quality culture, very little research has developed a communicative perspective to explain the development of quality culture.

Practical implications – Higher education institutions when developing, implementing and improving quality management systems are to perceive and to evaluate the role of organizational communication.

Originality/Value – Multi-dimension of quality conception, multiplicity of higher education institution allow perceiving that quality management system that is based on



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adapted/developed model is given a sense through communication process. This multidimensional definition of quality culture reflects communicative perspective

Keywords: quality management, organizational communication, higher education.

Research type: General review.

Lina Tamutienė is a Doctoral degree student (Vilnius University). Research interests: quality management, organizational communication

DIAGNOSING SAFETY DEVELOPMENT IN PASVALYS DISTRICT

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Abstract

Purpose – to analyse and evaluate the activities of Pasvalys municipality in terms of safety development in the district.

Methodology – to define theoretical presumptions the method of analysis of scientific literature, legal acts and other documents was applied. The investigation of the safety development activities in Pasvalys district municipality was done by analyzing documents (such as plans, statistic data, reports, projects, programmes etc.) and interviewing. The semi-structural interviewees were chosen to represent the main institutions ensuring safety in Pasvalys municipality (further – IES). There were accomplished 12 interviews with experts from The Police Headquarters, Pasvalys municipality, Fire and Rescue Board, Wards. One more interview was conducted with employee of the Ministry of Internal Affairs who is monitoring the public actions to increase the safety.

Findings – while going deeper into the problem itself on theoretical level, it was established that equally important roles are played both by local societies and local institutions, as dangerous situations appear in concrete local places. In order to solve problems linked with residents` safety it is necessary to connect not only various institutions, but also the representatives of local communities for common efforts resulting in possibly best achievements.

After having analysed the activities of Pasvalys municipality in terms of residents` safety it was found, that institutions involved in safety issues interact in analysing risk factors and the main risk groups. Those institutions work both individually and together to carry out all possible safety measures. The abundance of projects, preventative

programmes and actions proves their determination on enhancing public safety. Consequently, statistic data show the movements towards positive changes in some safety areas. Such shifts can be understood as a reflection of effectiveness of safety measures.

In spite of this, there are some areas where the municipality could put more efforts. One of the fields for improvement is implementation of the Concept of Safe Municipality. Pasvalys municipality lacks motivation concerning bringing into effect the vision of the Concept of Safe Municipality. Paying attention to the fact of a high rate of adolescent crimes in the region, district lacks youth centers that could keep them busy and move away from crime activities. As public engagement is a prerequisite for safety development, local residents are asked to attend meetings in slow and idle manner yet. There is not enough information spread for public about the results of activity in safety field.

Research limitations/implications –in this research paper there are mentioned different preventative measures, programmes, analyses, but, alas, they do not allow to evaluate the real effectiveness of all those measures, as safety situation depends not only on preventative steps made, but also on physical safety measures. For example, educational work can be hardly measured, since it is very challenging and requiring other studies to evaluate how an individual masters the given information. Therefore, the research pictures general trends in safety development rather evaluates overall effectiveness of safety development activities in Pasvalys district.

Practical implications – referring to theoretical and practical investigation premises, some offers are done to institutions ensuring safety in Pasvalys district in order to make safety measures improved.

Value – the investigation is exceptional the way it investigates and evaluates how in a concrete local place (in this case in Pasvalys district municipality) IES work to ensure safety among local residents. Also an outline of possible threats and actual risk groups in this particular region in presented.

Keywords: safety, municipality, safe municipality.

Research type: research paper.

Odeta Želvytė. Master in management, graduated Mykolas Romeris University, Crisis management study program. Research interests – safety development at local level, disaster management processes and organizations.

SOCIAL ASPECTS OF THE REFORM TO THE EUROPEAN UNION PUBLIC PROCUREMENT LAW

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Abstract

Purpose: the article aims to analyse the reform of the European Union public procurement law on social aspects in different stages of the reformed public procurement procedures. Comprehensive reform of the European Union public procurement law was approved by the European Parliament in January 2014. The current directives 2004/18/EC on procurement in public works, supply and service contracts, as well as 2004/17/EC on procurement in the water, energy, transport and postal services sectors were updated. Additionally, the new directive 2011/0437 on the award of the concession contracts providing an orientation previously given only by the case law of the Court of Justice of the European Union was adopted. Among other things the reform is highly focused on greater scope of social issues to be addressed in the public procurement procedures. The authors aim to analyze in which ways the social issues are tackled under the new directives.

Design/methodology/approach – logical systematic method will be used in order to ascertain the content of the laws within the scope of the social aspects, whereas comparative method will be applied to ascertain national and European Union legal acts. On the basis of analytical method conclusions will be drawn.

Findings – the authors will focus on legal analysis and considerations on social aspects in different stages of the reformed public procurement procedures ie in the stage when deciding on the subject-matter of the contract and the technical specifications, in the qualitative selection, in applying the award criterion and in the stage of performance of the contract.

Research limitations/implications – the new directives also set new mandatory grounds related to the infringements of social and labour laws for excluding suppliers from the competitions for contracts, though the paper will not analyse in-depth the legal issues of the labour law.

Practical implications –the authors will be focused on the some of the most important aspects of the new reform of the European Union public procurement law. The reform is new and approved at the beginning of this year thus there are no much consistent analysis of the social aspects in different stages of the reformed public procurement procedures The issue will be relevant to the public and private sectors, academic society and jurisprudence of Lithuania as well as European Union.

Originality/Value – the authors will present in - depth the legal analysis of the social aspects of the new directives. Such logical systematic analysis will help to correctly interpret the laws.

Keywords: public procurement, directives 2004/18/EC, 2004/17/EC, 2011/0437, social aspects, social and labour laws, the European Union.

Research type: research paper.

Roberta Lukošūnienė. Presentation The Peculiarities of Legal Regulation of Social Partnership: Impact and Possibilities to Regulate Legal Labor Relations in the European Union and Lithuania at the International Scientific Conference "Practice and Research in Private and Public Sector - 2013". Research interests are: finance law, banking law, civil law, labour law, public procurement law, international law.

Laurynas Lukošūnas. Presentation The Peculiarities of Legal Regulation of Social Partnership: Impact and Possibilities to Regulate Legal Labor Relations in the European Union and Lithuania at the International Scientific Conference "Practice and Research in Private and Public Sector - 2013". Research interests are: civil law, public procurement law, social and labour laws, the European Union law.

THEORETICAL AND PRACTICAL ASPECTS OF LIQUIDATED DAMAGES AND APPLICATION UNDER THE LAW OF THE REPUBLIC OF LITHUANIA

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Abstract

Purpose – the purpose of this article is to analyze the theoretical and practical aspects of liquidated damages in the light of commercial contracts and evaluate the potential application of liquidated damages under the law of the Republic of Lithuania.

Methodology – in the research theoretical methods (analytic, systemic and historical) are applied.

Findings – within the common law the traditional approach, under which the enforceability of liquidated damages rests upon difficulty of proof of loss and the disproportion of the agreed sum compared to the anticipated or actual harm, is relatively rigid from the point of view of commercial contractors that seek for a legal instrument enabling to convey information about a party’s intent or capability to perform under the contract. Recently adopted commercial justification test applicable to liquidated damages seems to resolve this problem to some extent. Undoubtedly, liquidated damages have more common hallmarks with penalties defined under the Civil Code of the Republic of Lithuania¹ (hereinafter “CK”), rather than compensation of damages, e.g. liquidated damages integral with commercial justification test and penalties have relatively similar functions and purpose, as well as both do not require proving damages. However, liquidated damages and penalties may be distinguished by comparing the rules

¹ Civil Code of the Republic of Lithuania. Official Gazette. 2000, No. 74-2262.5.

regarding the limitation of liability and models of control over agreed amounts. The CK establishes a limited list of grounds to void agreements, so unless the legislative process separating liquidated damages from penalties as an independent form of liability and incorporating certain rules on voiding stipulated amounts takes place, there will be no other judicial tool available for the courts to control unreasonably excessive and/or unfairly agreed amounts rather than reducing them. The problem of accommodating the rules of liability limitation applicable to liquidated damages would also have to be dealt with, although this issue is more relevant in respect of weaker parties’ protection. Under the current regulation liquidated damages would not escape the application of Articles 6.251 and 6.252 of the CK, so they could only function as the liability limitation to the extent same as, for instance, exclusive penalty.

Research limitations – in this paper the research is limited to the analysis of theoretical and practical aspects of liquidated damages in the contemporary legal relationships between commercial parties that are sophisticated and of relatively equal bargaining power. The author analyzes and evaluates potential application of liquidated damages under the law of Lithuanian Republic, only when integral with the commercial justification test.

Practical implications – the article initiates a discussion whether adopting a similar test to commercial justification that would apply to penalties under the CK would enhance legal certainty and autonomy in civil relationships in Lithuanian Republic, or perhaps a more radical solution is required, such as establishing liquidated damages as a separate form of liability, with certain grounds for voiding the clause based on the unreasonableness of the agreed amount or even unfairness of the contract process.

Originality – there are only few scholars that analyzed the concept of liquidated damages and dealt with some aspects concerned with the application of liquidated damages under the law of Lithuanian Republic. E. Meškys (2012) separated liquidated damages from penalties and considered that the Supreme Court of Lithuania¹ established liquidated damages as the independent form of security of obligations under CK 6.70(1), whereas D. Bublrienė and J. Truskaitė-Paškevičienė (2013) disagreed with this position by concluding that deterrence of the breach is incompatible with the purpose of liquidated damages and that under the Article 6.256(2) of the CK liquidated damages may only function as penalties. Nevertheless, the questions, such as whether liquidated damages that are commercially justifiable meet the needs of the today’s commercial world in terms of contact autonomy and certainty of legal relationships, furthermore, what exactly prevents liquidated damages from being applied under the law of Lithuanian Republic, remain unanswered.

Keywords: liquidated damages, penalty, equal bargaining power, commercial justification.

Research type: general review.

¹ The Supreme Court of Lithuania, Civil Division, 6 November 2006 ruling in the civil case No. 3K-P-382/2006.



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ROLE OF CUSTOMERS IN THE CONTEXT OF KNOWLEDGE ECONOMY

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Abstract

Purpose – Scientific literature on marketing and innovation management has a long-standing tradition of involving customers into organizational processes. Even though empowerment of customers is often highlighted, but high volume of research shows lack of understanding of how to manage this process. The goal of this paper is to look at customer role from perspective of knowledge economy and to analyze literature in the context of intellectual capital, knowledge management and organizational learning. Insights from other scientific disciplines could help marketing researchers to look at existing problems from new perspective and reveal organizational factors influencing consumer involvement that have not been considered before.

Design/methodology/approach – Analysis "intellectual capital", "knowledge management" and "organizational learning" concepts was conducted using scientific literature, comparative analysis, synthesis and generalization. Deduction method was applied.

Findings – Analysis revealed that scientific literature on intellectual capital, knowledge management and organizational learning is analyzing the same phenomenon of growing importance of knowledge simply by using non-unified terminology. In addition, scholars and practitioners of these distinct fields rarely give customers a role of strategic importance. Standardization of terminology and unified theoretical model would allow more comprehensive researches not only in knowledge economy field, but also for other streams.

Research limitations/implications – There is an apparent need for broader theoretical research as well as the necessity for interdisciplinary discussions between

scholars of three related fields of intellectual capital, knowledge management and organizational learning in order to get a better understanding of the subject and development of unified model.

Practical implications – Concepts of intellectual capital, knowledge management and organizational learning have many similarities mainly because of their orientation towards importance of knowledge. Unfortunately, they are rarely discussed together. This paper will seek to compare three different disciplines on one aspect (customers) and would fill existing gap in literature.

Originality/Value – Better understanding of the role of customers in knowledge economy defines an important but little researched area of science and practice of economics.

Keywords: on intellectual capital, knowledge management, organizational learning, customers.

Research type: literature review.

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HOW E-BUSINESS AND ITS EFFECTS ARE PERCEIVED BY YOUTH STUDYING IN LITHUANIA?

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Abstract

E-business is an area, which is constantly changing and those changes can cause advantages or disadvantages for organizations and companies. With so much necessity for business to include internet based marketing and applications to support business process and customer expectations, the area of e-business is still under researched (Balaraman and Kosalram, 2012).

Purpose – to present how e-business and its effects are perceived by youth studying in Lithuania.

Design/methodology/approach – literature review and empirical qualitative study (partially structured interview method).

Findings – Most companies and organizations are switching from traditional to e-business. E-business can cause advantages or disadvantages. The main advantages of e-business – it brings a lot of profit and does not need a lot of investments; increases business efficiency. The main disadvantages – hard to ensure security; e-business can cause employee dissatisfaction; low customer satisfaction caused by a large amount of advertising, higher customer expectations, changing customer behavior. Theoretical aspects were compared with findings of interviews.

Research limitations/implications – quantitative study is based on small number of respondents. Deeper insights are made into particular case, though for widely generalized results a quantitative study would be necessary.

Practical implications – understanding youth’s view on e-business might help to drive e-business performance to more effective way by adjusting activities to growing market potential.

Originality/Value – perception of youth studying in Lithuania is presented.

Keywords: e-business, youth, SWOT.

Research type: viewpoint.

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Is world really changing as fast as we think? Or is it event changing at all? Social transformations is a delicate topic for researchers. This year we invite You to look at processes which cause social transformations (or prove the static of societal tradition) in Your country and share it with us.

Texts are not edited

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