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EDITOR'S NOTE

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The Journal enables authors to present their researches relating to advancing and improving the practice, as well as understanding information systems of the organization. The Journal accepts theoretical, methodological and empirical contributions, i.e. the works that significantly contribute the thematic fields of the Journal, i.e. management, finance, marketing, law, IT technology, agriculture, and other interdisciplinary topics. It will provide enough space for original empirical and developmental researches.

The works can be presented as:

- Theoretical, clear and empirical researches on the conception, structure, development and usefulness of interdisciplinary science being important for the progress of theory and practice.

- Paradigmatic, methodological aspects of design, development and implementation of science and practice.

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We are dedicated to achieve and to maintain this journal's high standards. All articles submitted for publication in this journal are subjected to a double-blind review process performed by at least two academics from the Editor's Board. Reviewers stay anonymous. Authors will receive written notification of acceptance, remarks, comments and evaluation of their articles in a timely manner. Authors are responsible for ensuring that all manuscripts (whether original or revised) are accurately typed before the final submission. If requested, one set of proof will be sent to authors, before the final publication, which must be returned promptly.

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With all our hearts and sincerity, we wish to express our deepest gratitude to all the authors, reviewers, and editorial board members for their valuable contribution for this journal. We look forward to a successful cooperation.

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GENERAL CHANGES AS A CONDITION OF INCREASING THE EFFICIENCY OF PUBLIC ADMINISTRATION - THE CASE OF THE TAX ADMINISTRATION

Abstract:

Efficiency has long played a central role in the contested terrain of public administration values. This paper analyzes the existing business processes and explores how to determine the optimal model of business processes in the Tax Administration. The goal of this model of business is to increase business efficiency and reflecting on all users of the Tax Administration.

Keywords:

Public administration, efficiency, business process, reorganization

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Introduction

Changes in public services, including the tax authorities are inevitable and it is necessary to adjust the business service users. By changing the way of doing business, the transition to modern forms of business comes to business process change. Analysis of existing business processes indicates that the administration partially started to adapt their businesses to modern trends and thus established a multi-level partnerships with the public companies and other state bodies.

The Tax Administration is an administrative organization within the system of the Ministry of Finance, whose main task is to implement tax regulations and regulations concerning compulsory contributions. Everyone shall participate in the defrayment of public expenses in accordance with their economic possibilities.

With the improvement and change processes must be able to measure the effectiveness, otherwise it is not possible to prove whether the modified business process improvement. During the study identified a number of changes that are likely to measure the level of change.

The main part of the paper contains an explanation of the proposed changes that can help the tax authorities in improving the efficiency and effectiveness and the achievement of its objectives and strategies. Changes are divided into two groups: the first group consists of proposals for changes arising as a result of the reorganization, and the other group consists of those proposed changes that are proposed on the basis of international best practices and experiences of tax experts. The proposed changes are divided into five different domains: organizational changes, regulatory changes, changes to existing business processes, general changes and changes based on best practices.

Efficiency as a measure of resource utilization in public administration

The basic question of every organization including the public administration is a matter of efficiency. In the public service efficiency means that the taxes paid by citizens and other entities, as efficiently as possible, converted to high-quality public services. [1] Citizens for their expenditure through the taxes they want to achieve the greatest possible benefit. Efficiency, which means "do things right" is becoming a critical factor in the survival and success of the organization. [2] Furthermore, citizens who consider taxes as a specific "penalty" believe that they must be spent in a transparent manner. Taxes are on the side of public administration can be seen as an input (input) that actually allows smooth operation of the execution of all tasks of the public administration. Public administration with input must be given the highest possible and should enable the realization of high-quality services in this case are the output. The effectiveness of a particular administrative organization proportional to the quality of service provided, and inversely proportional to the tax expenditure for its functioning. [3]

Public administration is not profit-oriented organizations. This restriction implies that employees have no incentive to provide the maximum in performance of their duties. The management of the public administration has a number of limitations related to the ability to motivate employees (eg. The limit in remuneration of employees). Thus comes to a grinding achieving productivity of public administration.

The level of satisfaction of social and basic needs must be expressed and measurable certain amount and quality of the results or output and the influence of the effects on the objectives and the general public in relation to the invested and spent resources. The absence of a standard system of

indicators and methods of analysis problem in assessing the efficiency and effectiveness of the public sector, and thus the effectiveness of public management. [4] Measuring the efficiency, although it is very important, in the public sector is a very complex problem. The role of public management involves taking responsibility for organized and effective action in the field of resource management and operations, and control functions are more focused on maximizing the effects of the management of limited resources and the realization of the goals set by the principle of minimizing costs and thereby reduce the budget burden. [5]

Best practices: Proposals of the reorganization of the Croatian Fiscal Authority

Organisational restructuring of the Croatian Tax Administration has the goal of establishing a modern, flexible, efficient and service-oriented Tax Administration using the know-how and experience from the recent reorganisation which took place in the Austrian Tax Administration in 2005.

Structure of the Croatian Fiscal Administration is:

- One Ministry of Finance
- One Central Office located in Zagreb, divided into 12 departments comprising a great quantity of sections and departments
- 20 Regional Offices
 - 15 regional offices perform the tasks of tax assessment, tax audit, enforced collection and offence procedure. Additionally they manage the local (branch) offices.

- 4 regional offices additionally perform the task of criminal tax investigation. The audit division is also responsible for large taxpayers. Furthermore, these regional offices have a general affairs division.

- 122 Local Offices that differ with regard to size, structure and tasks; three specialized local offices exist in Zagreb alone.

Currently there are 20 Regional Offices, some of which also perform the tasks of a Local Office. Regional Offices are divided into tax assessment and contribution division, tax audit division, enforced collection and offence procedure. Four of the Regional Offices (Osijek, Split, Pazin, Rijeka) additionally are in charge of anti-fraud measures and general affairs.

Within the Regional Offices three types of organizational structures can be distinguished:

- Regional Office Zagreb
- Regional Offices Split, Rijeka, Osijek, Pazin
- Other Regional Offices

The Regional offices act as an intermediate management level situated in between Local Offices and Central Office.

To summarize, the following differences and discrepancies can be found among the various Regional Offices:

- Great differences in organizational and process structures
 - Varying manning
 - Varying and workload
 - Lack of comparability of offices

For current Regional Offices organizational charts, see figures 1, 2 and 3.

Figure 1. Zagreb Regional Office Organization Chart[7]

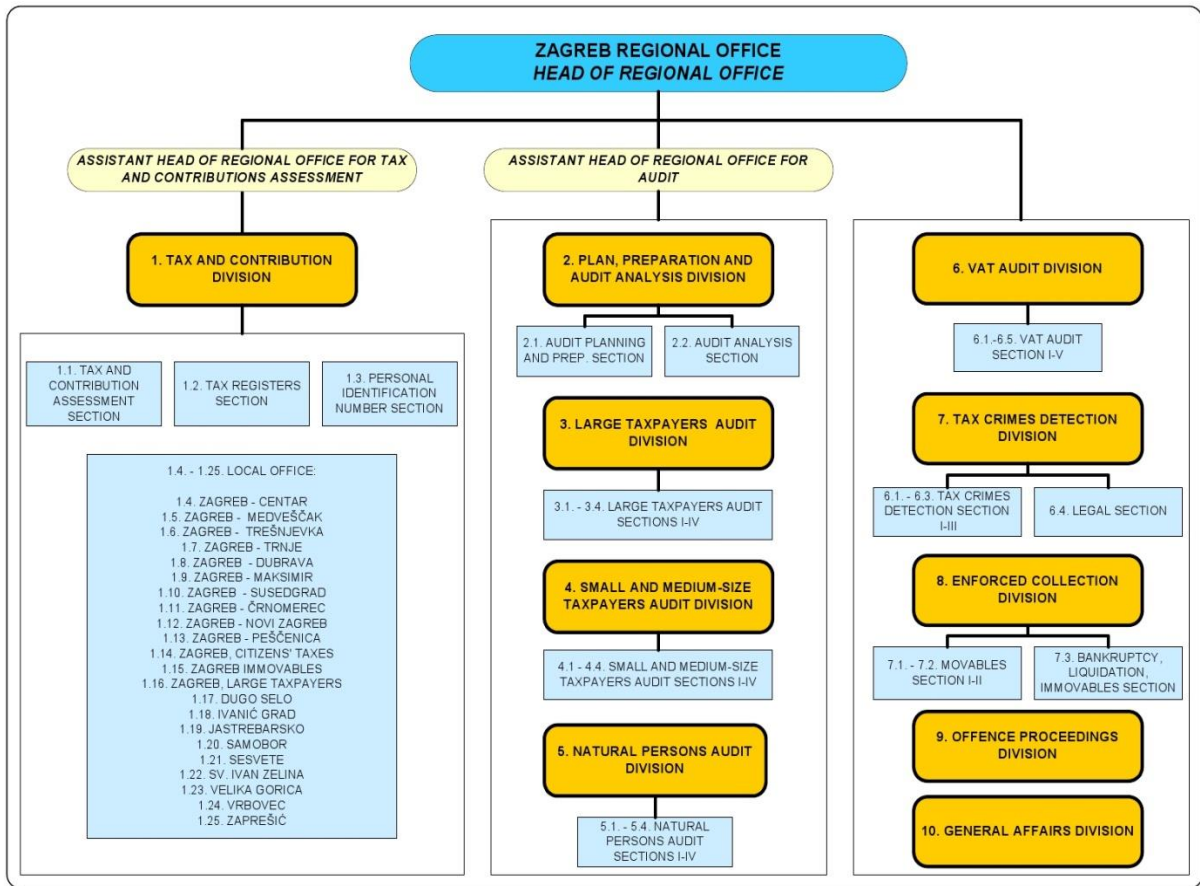


Figure 1. Regional Office Organization Chart [7]

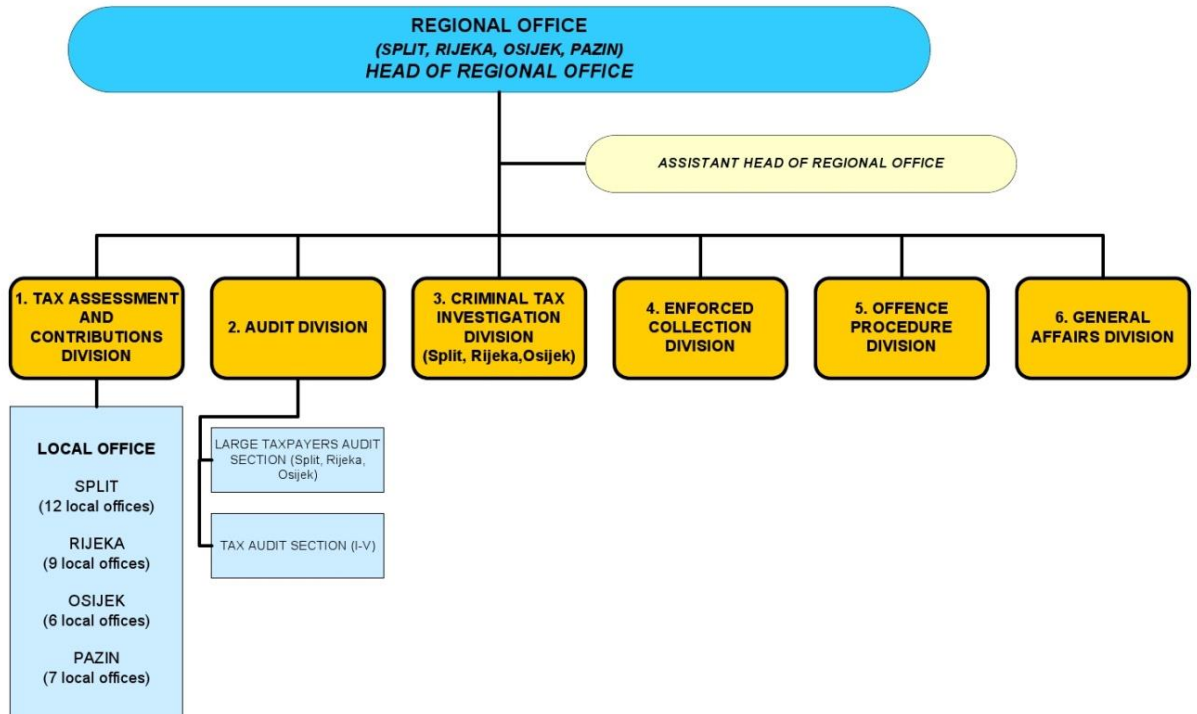


Figure 2. Other Regional Office Organization Chart [7]

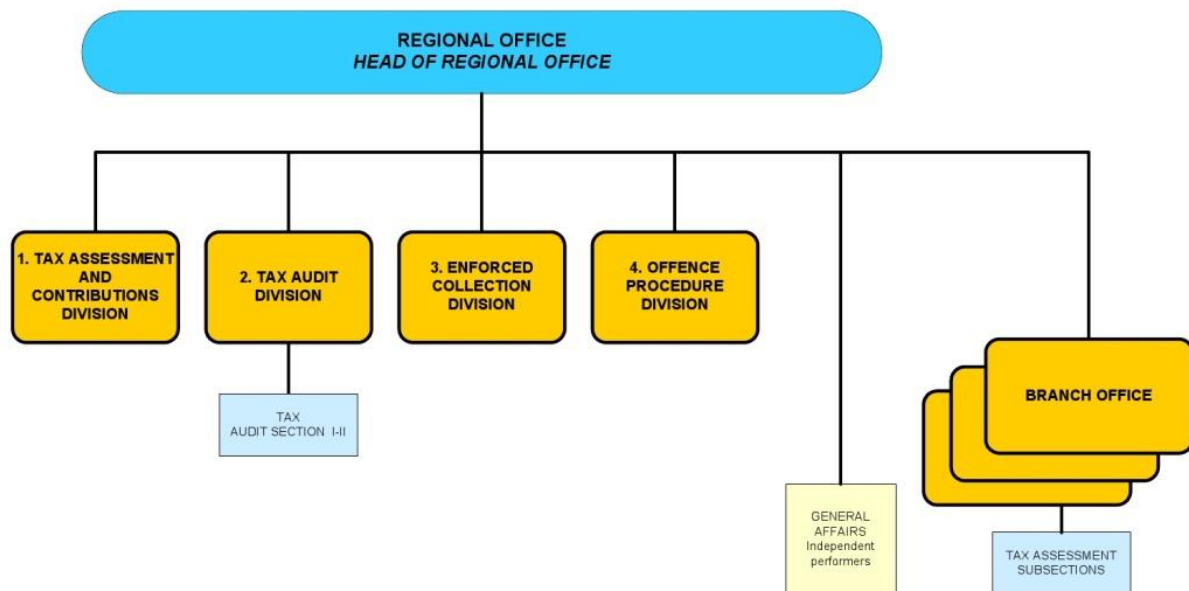


Figure 3. Other regional offices organizational chart

Each „large“ Local Office is in charge of processing tax assessment for natural and legal persons, VAT control and taxpayer analysis. The Local Offices of Zagreb, Split and Rijeka have special functions relating to real estate, large taxpayers, citizen taxes etc. As the Local Offices do not feature a uniform organizational and process structure they cannot be compared or benchmarked with regard to output and allocation of human resources. In some smaller Local Offices there is no subdivision into organizational units, the smallest Local Office has a staff of one person. Each staff member is in charge of the entire tax assessment process, the “four-eye principle” (principle of dual control) is not implemented which brings along a high risk of fraud and malversation.

To summarize, the following aspects seem problematic:

- Too many Local Offices
- Differences in organizational and process structure
- Wide differences in manning
- Differences in workload

- Lack of comparability

Central Office

The Central Office is not subject of this reorganization concept. If this reorganization concept is implemented, it will also be essential to extend reorganization to Central level. Following a comprehensive analysis of tasks to be performed processes and tasks need to be streamlined, thus entailing a reduction of sections and departments. In order to assure an effective development of the organization the implementation of an organizational department is essential. All tasks with a national import have to be concentrated at Central Office. In particular, the departments for General Affairs and Criminal Tax Investigation have to be situated at Central level in order to improve nationwide coordination.

Regional Offices

In order to create an efficient, flexible and economically sound Tax Administration and in order to allow nationwide steering of all functions and processes, the structures of all Regional Offices have to be unified and identical departments and

tasks need to be established. All tasks of national import (e.g., risk analysis, anti fraud, audit planning etc) have to be concentrated at Central Office.

For the reasons cited above the tasks currently performed by Local Offices are shifted to Regional Offices. All Local Offices have to be integrated organizationally, if possible also regionally, into Regional Offices. Following the principles of cost effectiveness and practicability some sites will have to be closed.

Analysis of instruments for measuring changes in the Tax Administration

The following describes the analysis of primary research results obtained from the questionnaire. To be fair to assess the effectiveness of changes in business processes questionnaire was sent to legal and natural persons who are able to assess the financial savings, as well as non-financial indicators of change and restructuring business processes Tax Administration. Under the restructuring was first understood the process a variety of changes in ownership structure (merger, acquisition, purchase, sales, integration), and at a later stage this term except for proprietary, includes organizational, technological and market regulation of the organization, its business operations and portfolio. The following table is the number of analyzed business entities by type of registration.

Type	Number of respondents	%
Firm	90	55,55
Artisan	72	44,44

Table 1. Type of subject registration[7]

The next group of questions related to the evaluation of customer satisfaction by introducing new processes in the work of the Tax Administration by legal and physical entities through service eTax shown in the following table.

	Number of respondents	%
1		0.00%
2	18	11.11%
3	42	25.93%
4	96	59.26%
5	0	0.00%

Table 2. Satisfaction with the introduction of new business processes in the work of the Tax Administration[7]

According to data obtained from the questionnaire can be interpreted that the grade four largest number of businesses, their 59.26%, rated by the introduction of business processes through the model eTax. As none of the respondents gave a negative assessment, the conclusion is that the economic operators are satisfied with the business processes and that should continue in the same over. The following table gives an overview of the deadlines in which economic operators submit tax forms electronically.

Number of respondents	Answer	%
126	Before deadline	77.77%
36	On time	22.22%
0	After deadline	0.00%

Table 3. Deadlines for electronic tax forms[7]

According to data obtained from the questionnaire to conclude that 77.77% of business entities tax returns submitted before the deadline, while 22.22% of them submitted within. As none of the surveyed business entities not submitting their returns after the deadline, to conclude that the introduction of new processes reporting tax liabilities in statutory terms of 100%.

Furthermore, in order to obtain more complete information on the effectiveness of the change, a survey was conducted on the financial aspects of the user project (economic entities). Financial viability is assessed through financial analysis. The purpose of the financial analysis used forecasts of the financial flow of the project to calculate the profitability of investments, or to determine the extent to which the project cost effective for customers of the Tax Administration. Profitability investment expressed as the ratio of profit and investment.

In a sample of 162 economic entities, 62.96% subjects can estimate the financial savings after implementation of the project. The table was estimated savings by introducing new business processes by companies.

Proposal of changes to further increase efficiency

These changes are not necessarily related to changes in business processes, but they are looking at possible ways to make the tax administration more efficient and effective. To further develop this process is necessary to establish a set of new solutions on the basis of information systems for database connectivity between the Tax Administration and other state and public administration (eg. The Ministry of Interior, State Attorney's Office, etc.), which allow a controlled and safe retrieval requested data of public administration. Furthermore, it is necessary to implement the following changes:

1. Standardize the first jobs of employees in the public administration and the planned acquisition of appropriate IT equipment,

2. To determine the appropriate procedures for maintenance and installation of IT equipment purchased to support the business processes of employees,

3. To provide adequate facilities for the performance of all business processes at the desired level of quality,

4. Establish procedures necessary for planned and ongoing professional development for all employees

5. Establishment of an internal and external communication policy to improve the horizontal

6. Establish the practice of inclusion and information related to the service changes relevant regulations.

Conclusion

As in today's dynamic environment, changes occur extremely quickly due to the accelerated mode of information flow as well as due to the accelerated development of technology specific scientific theories to adapt to new conditions in the environment. The effects of public administration have expressed negativity and limitations. In the first place to the height of expenditure, the lack of resources to finance, lack of transparency of the expenditure of funds and recruitment, unclear human resource management policies and inefficiencies in public administration.

According to the results obtained in this study to conclude that it is possible to successfully implement change business processes and thus increase the efficiency of tax administration and improve customer relations services, and thus the entire public administration. Accordingly, this paper proposed the general changes that would ultimately lead to an increase in the efficiency of tax

administration and improvement of relations with the users of the tax administration.

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ANALYSIS OF PROMOTIONAL ACTIVITIES OF MEDIUM AND LARGE WINE PRODUCERS IN CROATIA

Abstract:

The potential for diversification in segment of wine promotion is greatly wide. But it is important to empathize that supply market achieves almost perfect offer effect and competition, bought form domestic and foreign producers is great, so promotion efforts are one of the most important

activities that producers have to make in order to make their market share satisfactory. Since wine is product that is described with large number of classification, suppliers have a wide range of promotional options. However, due to the great competition it is important to make every effort to gain as much of the buyers focus as possible.

Keywords:

wine, marketing, promotion, export, import

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About winemaking in Croatia

In Croatian economy branch of agriculture production is considered to be one of the strategic sectors. This is primarily viewed within its share in GDP, number of employees, consumption and production and a fact that it holds the potential of multiplier effect on the entire economy. Although the potential of this market branch is unimpeachable, having analyzed the impact on the GDP in terms of output between 2003 and 2013, the smallest contribution was provided by the entertainment and other services (3.6%) and agriculture, forestry and fishing (1.7%) [1].

Statistical data released by the Croatian bureau of statistics shows that within the agricultural production showed that the total utilized agricultural area in 2015, amounted to 1.537.629 hectare, with the category of land and gardens represented by 54.7%, permanent grassland (meadows and pastures) to 40.2%, orchards 2.0%, vineyards 1.7%, from 1.2% olive groves, vegetable gardens by 0.1% and nurseries, willow basket weavers and Christmas trees with 0.1%. [2]. The value of agricultural production in 2015 in the Republic of Croatia amounted to 17 billion and 383 million Croatia kuna (2 billion and 317 million EUROS) and compared to the previous year there was a decrease of 0.2%. [2]. According to the statistics available from the Agency for Payments in Agriculture, Fisheries and Rural Development (Paying Agency) which was created based on an analysis of the national system of identification of land parcels, and records the use of agricultural land in the Republic of Croatia (ARKOD) in 2015 a total of 1.094.793,30 hectares of agricultural land was cultivated. Viticulture makes 1.7% of total share of land that was cultivated in 2015 [3]. There is some differences between statistical data release by the

Croatian bureau of statistics and paying agency. Since Paying agency is creating data based on an analysis of the national system of identification of land parcels, and records the use of agricultural land in the Republic of Croatia (ARKOD) it is considered to be more reliable.

G-1. POLJOPRIVREDNA POVRŠINA PO KATEGORIJAMA KORIŠTENJA U 2015.
AGRICULTURAL AREA, BY CATEGORIES OF UTILISATION, 2015

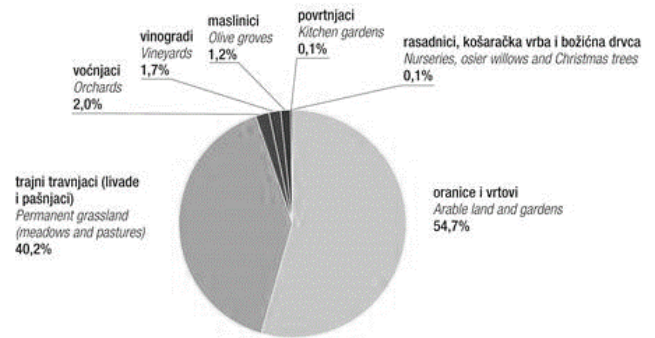


Figure 1: Total agriculture area divided by the categories of utilization in 2015 [1]

Croatian chamber of commerce (CCC) reported that total area of permanent vineyards in 2015 year amounted total of 20.881,75 hectare (cumulative of all sub-regions together) and production was a total of 98.857,66 tons of grapes from which it was obtained 646.129,34 hectoliters of wine [4].

Production 2015.	Grape(t)	Wine w/r (hl)	Wine b (hl)	Wine (hl)
Total	98.857,66	163.904,13	482.225,21	646.129,34

Figure 2: Grape and wine production in 2015 [4]

With the analysis of the available statistical data it can be concluded that Croatia grape yield per hectare was 4.7 tonnes and that from one kilogram of grapes it was gain 0.65 liters of wine. Although there is developed wine production in Croatia with a long tradition and legally regulated market the fact remains that the use of total agriculture surface for a production of wine is quite limited. As showed in Figure 3 in all 21 counties (županija) there is total of

41.175 economies who are engaged in viticulture but only 366 of them grow vines on surface (površina) more than 5 hectares [5].

Županija	Broj PG	< 0,1 ha	0,1 - 0,5 ha	0,5 - 1 ha	1 - 5 ha	5 - 10 ha	10 - 50 ha	50 - 100 ha	100 - 200 ha	>= 200 ha	Površina (ha)
Bjelovarsko-bilogorska	906	549	304	27	21	5	-	-	-	-	172
Brodsko-posavska	506	251	213	18	20	-	3	1	-	-	255
Dubrovačko-neretvanska	3.426	692	1.411	628	679	5	11	-	-	-	2.215
Grad Zagreb	957	432	434	42	35	9	3	1	-	1	766
Istarska	2.673	260	1.569	397	352	60	33	1	-	1	3.025
Karlovačka	383	145	187	29	22	-	-	-	-	-	113
Koprivničko-križevačka	3.881	1.980	1.852	23	21	3	2	-	-	-	533
Krapinsko-zagorska	5.474	2.704	2.680	60	28	1	1	-	-	-	753
Ličko-senjska	101	22	67	9	3	-	-	-	-	-	29
Međimurska	737	285	284	60	92	10	5	-	1	-	534
Osječko-baranjska	739	228	235	79	148	32	12	1	1	3	2.490
Požeško-slavonska	730	130	228	93	235	35	7	1	-	1	1.409
Primorsko-goranska	416	98	203	69	39	2	4	1	-	-	306
Sisačko-moslavačka	702	336	305	27	26	6	2	-	-	-	232
Splitsko-dalmatinska	4.613	1.146	2.540	601	310	6	5	3	1	1	2.359
Šibensko-kninska	2.042	454	1.371	158	54	1	4	-	-	-	682
Varaždinska	3.928	1.991	1.855	52	25	4	1	-	-	-	569
Virovitičko-podravska	1.131	471	610	23	21	2	2	1	1	-	477
Vukovarsko-srijemska	531	60	126	80	225	20	16	1	2	1	1.655
Zadarska	2.654	430	1.823	193	187	11	8	2	-	-	1.343
Zagrebačka	4.645	2.322	2.032	184	99	6	1	1	-	-	966
Ukupno	41.175	14.986	20.329	2.852	2.642	218	120	14	6	8	20.882

izvor: APPRRR

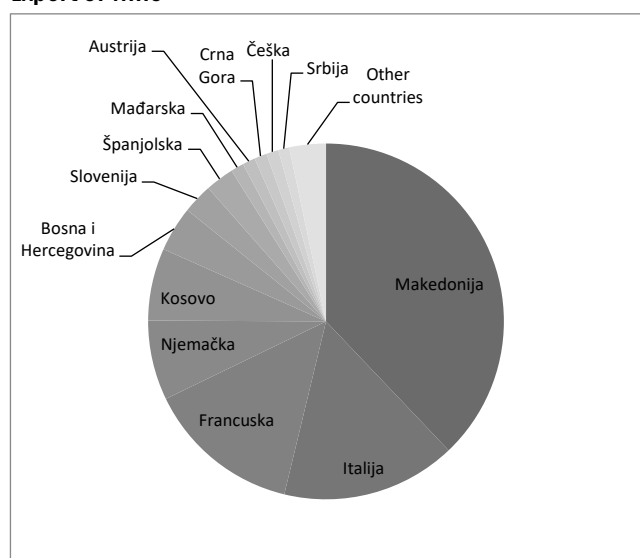
Figure 3: Number of farms by the size of the vineyard and the total area under vines (22.09.2015.) [5]

We emphasize that a large number of economies that grow vines on less than 5 hectares of vineyards does not imply that all who grow grapes produce wine. Market of cultivating grapes is part of an organized system of association and cooperation between small businessmen and larger producers. This method of cooperation provides a larger wine producers the necessary raw material while the producers of greps meet their business ambitions. It is important to state that we do not want to explicitly specify that a large number of small wine producers is necessarily an indicator of poor market production index. The fact that smaller producers themselves bear the responsibility for marketing their products and must actively include sales system in there business plan, a wide selection of small producers may make a market advantage over foreign competition. A large number of wine producers with vineyards area less than 5 hectares open the possibility of branched market offer and

success on the market depends primarily on themselves.

The economic sector of wine production and sale operates within an open economy and the Croatian supply market allows competition between foreign and domestic suppliers. With vice versa logic Croatian wine makers can openly compete on foreign markets.

Export of wine



Import of wine

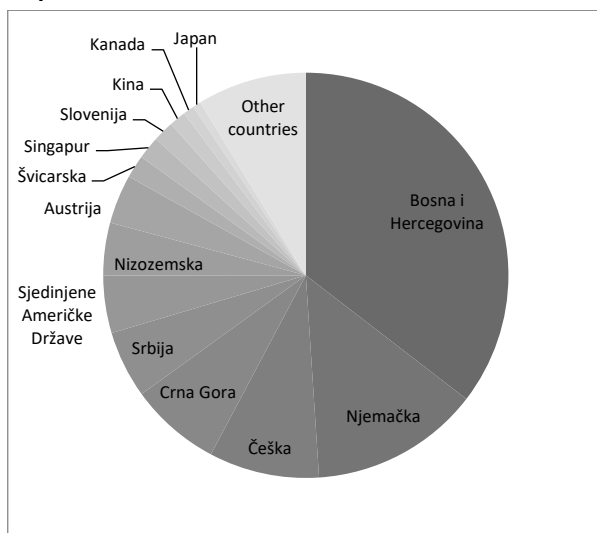


Figure 4: Export and import of wine in 2015 [4]

The external trade balance of wine made from fresh grapes in 2015 amounted to EUR -16,606,426. Imported a total of 28.920 tons of wine (29.006.754 Euro value) which makes the coverage of imports by exports 43%. [4]. According to those data, we assumed that there is widespread consumer segment for foreign wines.

About the wine marketing

Marketing is a process that begins with the idea of a need and ends with a sense of satisfaction that users achieve when their desires are fulfilled. In order to achieve its goal marketing strategy relies on the principles of its foundation. The strategy is reflected in the concept that is known as the marketing mix, and it includes elements of the marketing strategy over which the company has control [6]. Traditionally divided into the marketing of natural products that are composed based of four portion (4p): promotion, distribution, pricing and product and marketing of services that has an additional 3P: process, physical environment and people. It is not unusual that the concept of marketing is identified

only by its segment of promotion and in colloquial speech often two terms are used interchangeably. But promotion is only the fourth instrument of marketing mix which indicates activities undertaken by the company to communicate out their products and activities with a goal to lead targeted customers to them [7].

The aim of this study was to analyze promotional activities of medium and large producers of wine so we will focus only on promotion part of the marketing mix. The promotion consists of advertising, personal selling, sales promotion, public relations and publicity, which collectively called promotional mix. Accordingly, promotion aim is consumer information, product differentiation, increasing demand, highlighting the value of products and the stabilization of sales [8].

Wine as a product

Wine is an alcoholic beverage produced by fermentation of grapes. Legally defined wine belongs to agricultural food product, obtained by total or partial alcoholic fermentation of fresh grapes and grape must [9]. The possibility of dividing the wine is almost impossible to restrict. The Croatian law divides wine for example, in the narrow sense (still wines, sparkling wines, sparkling wines, sparkling wines), special wines (dessert, flavored, liqueur wines), the color (white pink, black) according to the sugar content (dry, semi-dry, semi-sweet, sweet), qualitative categories (table, quality, top). Manufacturers divides wine by sharing them by year of production, varieties, crucifixion or pairing (blend), the method of storage, the mode of production (conventional, ecological), vineyards, region, vineyard. Customers divide the wine according to their preferences such as the origin

(domestic or foreign), price class, experience. All of these divisions are only part of the possibilities for segmentation of this product and it should be emphasized that the above division intertwined with one another and can create new ways of differentiating wine. This product is an alcoholic beverage and excessive consumption leads to socially undesirable effects, however, although wine may carry a negative stigma benefits of its consumption overcome them. The consumption of the wine can influence the improvement of health, increasing experience of eating food, consumer helps in achieving cultural/social status etc. The wine is extremely complex and extremely demanding but also grateful product. The possibility of segmentation and diversification is almost countless and the potential that this product achieves in the market has the potential to achieve multiplicative effect. The development of the wine market economy can bring multiple benefits at all vertical levels: GDP, employment, development of local communities, export, import, tourism.

By looking on an total sum of the land units in the area of agriculture in Croatia most common grape variety is Graševina with 4.598,52 hectares (over 22% of total production), followed by the Istrian Malvasia 1.664,34 hectares (over 8%) and Plavac mali 1.650,44 ha (over 7%). The top three culture account for over 38% of the total utilization of agricultural land are under vineyards while other varieties does not exceed 1000 hectares (cumulative over the entire surface of the Republic of Croatia) [3]. Consumption of wine per capita in 2015 amounted to 24.5 liters [4]. The value of wine production represents 7.3% of the total agricultural production. According to the data available from Croatian chamber of commerce in 2015 import / export balance of the wine sector was negative.

Coverage of import by export accounts for only 43% giving a negative foreign trade balance the wine sector [4]. Although the Republic of Croatia geographically and climatically is located in an extremely favorable conditions for the production of grapes and wine, and there are several hundred years-old tradition of viticulture and wine market output still failed to achieve more exports than imports. The research that we conducted so far can give a partial answer to this problem in high costs of grape production in the domestic economy. According to the analysis of the Institute of social sciences Ivo Pilar from 2013 [10] the problems of first instance encountered by winegrowers and winemakers in the production and sale of grape and wine listed is the high price of putting wine on the market. The average price of table wine in the Republic of Croatia was 7.29 KN / l. This price is the result of data analysis of average prices in 2014 and 2015 are available from the Bureau of Statistics [2]. The average exchange rate of the euro against the Kuna in the year 2014/2015 was 7.638 Kuna for 1 EURO [11]. From this we conclude that the average price of table wine in the Republic of Croatia is the price of not less than 0.95 euros / kg while the most common import competitor offers its products at a price not less than 0.77 euro / kg.

Wine promotion

As earlier mentioned, there is a great potential of wine market segmentation in the area of promotion and sale which opens bittersweet possibility of market action. Not only multiple products division is what makes this economic segment interesting but more such is the customer segmentation. Wine is a product that cannot be sold to persons under 18 years of age but this is almost only barrier that

describes the demand of this product. Even people who do not consume wine have at least once purchased it. It turned out that this product is extremely suitable as a gift giving accessorize. Research that we conducted 2016 on a sample of 114 respondents showed that 94.74% of respondents consume wine, while as many as 99.12% when buying gifts chose wine as part of the gift. Although the possibility of market segmentation is great we have to keep in mind that the offer on this market makes almost perfect competition effect. Due to the large amount of products offered, the possibility of gaining necessary attention of customers is extremely small. Promotional activities have to be focused, concise and targeted to qualify in order to obtain maximum performance. With the expansion of the economy and the emergence of increasingly strong competition and the arrival of new educated young winemakers, the need for promotion will be all the greater but most importantly winemakers themselves are aware of this [12]. Communication with the market has to be made through all available channels. There is no obstacle that would limit the interaction with the market and winemakers have possibility of promoting in mass media channels, using elements of guerilla marketing, direct promotion, internet promotion, public relations, personal selling, and socially responsible marketing.

Research and methods

The study was conducted through a questionnaire. The objective of the analysis was to collect data of promotional activities of medium and large wine producers in Croatia and to that end we made a division of the 5 production and capacitive classis.

In order to better segment the target group we divided them to the producers:

- 100,000 liters - 250,000 liters
- 250,000 liters - 500,000 liters
- 500,000 liters - 800,000 liters
- 800,000 liters - 1,000,000 liters
- More than 1,000,000 liters

The questionnaire consisted of possible 15 questions. 9 basic questions pertained to all respondents while 6 additional questions posed in accordance with the answers to the basic questions. Respondents who do not meet the preliminary requirement of a minimum of 100,000 liters of annual production could not participate in the survey. The survey was made using Lime Survey online system for interviewing.

According to data that have been submitted by the Paying Agency for Agriculture, Fisheries and Rural Development to our earlier request it has shown that officially there are 68 manufacturers eligible for the survey. We sent four rounds of emails (with reminders) and for this survey we received 11 responses. We believe that the entire sample is too small (only 16% of the total market segment) to draw conclusions based of the overall market but usable as a guideline statistical trend. We used Microsoft Excel as a tool for computer processing of the survey and descriptive statistics as a method of data processing

Results and discussion

According to data that have been submitted by the Paying Agency subjects were grouped in a total of five production classis:

Classis	Number of producers	Producers that participate in survey
100.000 l - 250.000 l	38	6
250.000 l - 500.000 l	10	0
500.000 l - 800.000 l	6	0
800.000 l - 1.000.000 l	0	1
More than 1.000.000 l	14	4
Total	68	11

Figure 5: Producers in production classes

To the question "Do you promote your products with paid advertisements on the Croatian market? (Newspaper ads, TV ads, radio ads, internet ads ...)" 6 manufacturers responded positively. Of these, by additional analysis of the respondents it turned out that the two subjects belong to class production from 100,000 to 250,000 liters and 4 belong to the class of more than 1,000,000 liters. All 6 respondents use the Internet website at the national level (Portals, specialized sites) and its own Internet site used only as a system of promotion and communication with the market.

Only two respondents promote their products with paid advertisements abroad using TV and radio ads, Internet ads and their site. Both subjects additional promotion carried out by specialized festivals and fairs. Foreign markets of Polish, Bosnia and Herzegovina and Serbia proved to be the place if additional promotion of those subjects.

A total of 5 respondents reported that in the last five years did research their market segment and used the services of an independent partner. Two

respondents who made segmentation study have made research themselves.



Figure 6: Participation in specialized fairs and festivals

All participants that were analyzed in this survey take part in specialized fairs. This proved to be most important way of promotion and communication with market. For much of this fact, we can connect with the answer to the question how do you make the analysis and prediction of future trends? On which total of 9 participant stated that they rests on the free assessment of future trends and 5 respondents monitor trends abroad and by using the benchmarking method seeks to predict future trends on market. As a self-trendsetters in the market considered to be five of business in survey. All of those that participate in specialized fairs for purpose of forecasting of future trends can get information benefit from participation in specialized fairs and festivals. Compound profession, markets and external stakeholders can only facilitate the process of gathering information and ultimately making decisions.

Usage of their website for all of the respondents serves as the system of promotion and communication with the market. Since this way of communication and presentation has become standard in the economy, not surprisingly, the interviewed group of business declared to use this

way of promotion. However, it is interesting that even 63.64% respondents do not use online tools for tracking their promotion on the Internet. It turned out that there is no interest for this kind of analysis, setting position on search engines, analysis of number of visitors.

As a last question we were interested in the way in which they make decisions what to promote. Given the earlier answers not surprising that 10 subjects reported using the method of free assumption. Two promote only new products, one respondent is promoting only the best-selling product. Rest promote only award-winning products. This question had the possibility of more answers so that the total number surpasses the number of surveyed companies. Through the preparation of studies it was shown that the system of decision making when deciding what promote not always one-sided.



Figure 7: Decision making for promotional efforts

Conclusion

The wine offer market is extremely complex. Multiple segmentation and classification of wines and a wide range of competitors (domestic and foreign

production) reduces the time customers give for a single manufacturer when selecting a product. In order to maximize the short time attention of buyers, manufacturers need to position their products to enable more transparent and more adequately from competition. Promotional efforts, as a means of communication with the market should be presented as precisely as possible to the target group. The market is constantly changing, customers are becoming more educated, more informed and more selective. Consumers can chose form a large offer of products that almost alike and can almost equality satisfy their needs so that the producers are forced to find more advanced ways to highlight their products and attract the attention of the buyer.

The sample od survey is too small, and we are not able to draw conclusions that can be based on the market as a whole but it is big enough to get the statistical trend in the analysis of promotional activities of medium and large wine producers in Croatia. Through the answers from the questionnaire it can be concluded that all of participants use some kind of promotion and market analysis. Research has shown that participation in specialized trade fairs forms the basis of analysis and perception of competition. Also, specialized fairs are an opportunity to present and promote advantages in operations and products which makes the additional value of this kind of interaction with stakeholders.

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EUROPEAN INSTITUTIONAL FRAMEWORK FOR GENETICALLY MODIFIED ORGANISMS

Abstract:

The aim of this paper is to present the composition and functioning of the EU institutions involved in receiving, analysing, approval or rejection of the application for the use of genetically modified organisms. The manner of participation of each institution is presented by using the comparative and historical method, as well as the method of analysis. The advantage of these methods is a detailed analysis of the rights and responsibilities of all participants in the approval process for genetically modified organisms.

The paper analyses all the EU institutions that are directly or indirectly associated with the approval procedure, and those are: European Food Safety Authority, European Parliament, European Commission and Court of Justice of the European Union. The problem of the whole institutional framework is an insufficient contribution of the constituent activity of the EU member states and their national authorities and whole process should be based more on the principle of subsidiarity.

Keywords:

European Union, genetically modified organisms

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Introduction

Genetically modified organisms (GMOs) are still unknown term in the world. Or they are simply unknown to some final consumers so as not to cause further panic among the population. Every now and then we have a chance to read about the genetically modified organisms and their consequences. The predecessors of genetically modified organisms, in the harsh sense of the word, are cloning and eugenics because the basic meaning of both is an artificial effect on life. So, we can say that a man is dealing with this issue for many years. With all the numerous approaches to genetically modified organisms, the focus of this paper is on EU institutions that are involved in the approval procedure. As an independent institution that participates in the approval procedure is the European Food Safety Authority (EFSA). The EFSA is crucial for risk assessment of food and feed and its safety. As an independent body, the EFSA provides scientific advices and it is a centre of information exchange. The European Parliament participates in the legislative procedure and through that legislative procedure it affects the position of GMOs. The European Commission has an important role because it is consisted from various institutes and research centres specialized in studies on food and the impact of GMOs on food. The last institution regarding the GMOs regulation is the Court of Justice of the European Union. The Court of Justice of the European Union with its concrete, life action creates the case-law, and thus forms the status of genetically modified organisms.

European Food Safety Authority

The purposefulness of activity of agencies is in fact of creation of a special body whose function is to perform regulatory and other tasks from the relevant

areas. Regulatory agencies came from the US regulatory independent commissions and agencies. The characteristics of them are: activities are performed independently of political influence; employees of the same agencies reflect professionalism, quality, reliability; this way of functioning ensures more detailed regulation and knowledge of the individual parts of the system; provides better control and better legal protection of users and consumers. In the field of genetically modified organisms the European Agency Food Safety Authority appears.

"The European Food Safety Authority (EFSA) is key agency in the European Union (hereinafter referred to as: EU) for risk assessment of food and feed. In close collaboration with national authorities and in open consultation with its stakeholders, EFSA offers independent scientific advice and clear communication on existing and future risks. "[1] The purpose was to form an independent body that would be a source of scientific advice and communication on risks when it comes to food for both human and for animal consumption. As for legal status, EFSA has legal personality and acts independently of the institutions of the European Union. The founders are the European Parliament and Council via Regulation 178/2002.

One reason for creation of this agency is a series of food scandals which have occurred during the 1990s. It is necessary to protect consumers, improve food safety and to retain existing and restore lost confidence in the food supply in the EU. Since the risk assessment is carried out separately from risk management, the EFSA, with its scientific opinions and advice, constitutes the basis of European policies and legislation and support to the European Commission, European Parliament and Member

States in order to make appropriate decisions in risk management. Areas of action EFSA are: food and animal feed safety, nutrition, animal health and welfare and plant protection.

The role of EFSA is to point out all the risks in the food chain. The basis for EFSA action is self-initiative, but it also acts at the request of the European Commission, European Parliament and Member States. It is not included in the decision making or management, for example in the process of adoption or revision of EU legislation on food and animal feed safety, the process of approval of certain additives, pesticides etc., "but aims to provide appropriate, consistent, correct and timely information on food safety to all interested parties and the public at large on the basis of their own risk assessment and scientific expertise". [1] The EFSA has so far issued over 450 scientific opinions on, for example, bovine spongiform encephalopathy (BSE), transmissible spongiform encephalopathy (TSE), safety of many food additives (GMO, wild and farmed fish, etc.). In addition, EFSA works and on its own initiative, so-called self-tasking, especially in the areas where the risks are still emerging, and where scientific approaches and knowledge are still at the starting levels. In order to ensure complete "scientific integrity and to stay informed", EFSA is working with other Member States in order to collect the appropriate scientific data.

Article 22 of Regulation 178/2002 states the mission of EFSA, which, in that sense, is: to provide scientific advice and scientific and technical support in all situations that have points of contact with food or feed; taking care of the system of protection of people and their health, animal health and welfare, plant health and the environment; collect the

necessary data to be able to properly monitor the risks associated with food and feed etc.

The task of the EFSA is to:

"Provide the Community institutions and Member States with the best possible scientific opinions in all areas provided for by Community legislation or any other question within the mission;

enhance and coordinate the development of uniform risk assessment methodologies in all areas within its mission;

provide scientific and technical support to the Commission in all areas of the mission and, when prompted, interpretation and consideration of risk assessment opinions;

carry out their scientific studies necessary for the achievement of the mission;

search for, collect, collate, analyse and summarize scientific and technical data in the fields within its mission;

take action to identify and characterize emerging risks in the fields within its mission;

establish a system of networks of organizations operating in all areas of the mission and be responsible for their work;..." [2]

Regulation 178/2002 lists the individual principles that mark EFSA actions and effects:

1. the first principle that is mentioned is the principle of independence, according to which the members of the Board, the Advisory Forum and the Director shall act in the public interest. They are required annually to, in writing, sign a declaration of commitment and a declaration

- of the absence of any direct or indirect interests that could affect their independence.
2. Transparency of the EFSA is ensured by the following actions: publication of agendas and minutes of the Scientific Committee and Scientific Council and opinions of the same immediately after acceptance; the publication of information that make up the opinion; publication of the annual interests statements of members of the Board of Directors, Advisory Forum, Scientific Committee and Scientific Council and the Director General; publishing the results of their scientific research; the publication of annual reports on their activities; publishing requests from the European Parliament, the Commission or Member States when scientific opinion is rejected or changed and stating the reasons for rejection or changes.
 3. regarding confidentiality, all the information needed in order to ensure public health shall be published while other information is confidential and shall not be disclosed to third parties.
 4. the principle of communication by which EFSA communicates in a way that all interested parties receive reliable, objective and accessible information.
 5. access to documents has to be greatly emphasized.
 6. EFSA maintains contacts with representatives of consumers, producers and other interested parties.

EFSA is composed of the following bodies: Board of Directors, Director with his staff, the Advisory Forum and Scientific Committee and Scientific Council. The board consists of 14 members appointed by the Council in cooperation with the European Parliament and on the basis of a list drawn up by the European Commission, with one member being a representative of the European Commission. They

serve for four years and their mandate can be reappointment once. They meet on the proposal of the President or at least a third of its members. The meetings are attended the Board and Director, but without voting rights. Board shall appoint the Director General for a term of five years with the possibility of reappointment. The list of candidates published by the European Commission after a public competition in the Official Journal of the European Union and elsewhere, depending on the needs. Before appointment, the candidate nominated by the Board will be invited to the European Parliament to give a statement and answered questions. The Director may be removed by the Board of Directors by majority of its members.

Next body, according to Regulation 178/2002, the Advisory Forum consists of representatives of Member States, or their competent authorities which perform similar tasks as the EFSA. Each Member State sends one representative. But that representative cannot be a member of the Board of Directors. Advisory Forum has the following powers:

advises the Director General regarding his/her obligations under Regulation 178/2002, and in particular on the draft of EFSA work program and the priority of the applications submitted for scientific advice;

is a mechanism of exchange of information on potential risks and ensure close cooperation between EFSA and the competent authorities of Member States.

The last bodies in the line are the Scientific Committee and scientific councils, which are responsible for providing scientific opinions according to their competences and have the ability to, when needed, organize public hearings. The

Scientific Committee is responsible for ensuring overall coordination when it comes to consistency of scientific opinions procedures. It consists of the president of the scientific council and six independent experts who may not be members of the scientific councils.

The Council for genetically modified organisms (hereinafter referred to as: the Council) studies GMOs and GM food and GM feed. Members of the Council are appointed by the EFSA and the Board of Directors for three years with the possibility of reappointment. Appointments are made on the basis of open competition and after strict assessment of candidates. Council members sign the declaration of interests to ensure their independence during operation. In terms of procedure, the Council is of great importance because the Commission shall forward the request and ask EFSA for a scientific risk assessment. The Board performs a detailed risk assessment on the safety. Detailed analysis consists of 21 independent experts in the Council for the following areas: biochemistry, microbiology of food and organic food, soil microbiology, molecular biology, genetics, toxicology, pathology animal, immunology, biotechnology, food science, ecology, biology of plants, agronomy, entomology and statistics.

There is a situation when different scientific opinions arise and where there is a disagreement between the EFSA's scientific opinions and the scientific opinions of other bodies performing similar tasks, and in such situations a cooperation between them is organized.

In order to ensure faster and easier communication, exchange of information, theoretical and practical knowledge EFSA promotes European networking of organizations participating in the areas of EFSA's

mission. List of competent authorities of the Member States which take part in EFSA's mission is drafted by the Administrative Committee on a proposal from the Director General. EFSA Networks consists of a number of organizations and experts from Member States, led by EFSA and supported by its appropriate units.

European Parliament

The European Parliament is a representative of the citizens, and is elected every five years in a direct way. Its main functions are: adopts European laws together with the Council of Ministers; cooperates with other institutions in order to check the democratic nature of action; together with the Council of Ministers discusses the budget and adopts the same. After the Lisbon Treaty, the position of the European Parliament is greatly changed. Namely, it cooperates with the Council of Ministers in the ordinary legislative procedure, i.e. co-decision procedure in the field of consumer protection, the environment, etc., but after the Lisbon Treaty Parliament's influence spread to some other areas, such as agriculture, energy policy, immigration and EU funds. The seat of the European Parliament is in three cities: Brussels, Strasbourg and Luxembourg, with administrative offices based in Luxembourg, plenary sessions are held in Strasbourg and Brussels, meetings of the Committee are held only in Brussels.

The legislative process is also significantly amended by the Lisbon Treaty. The legislative procedure or co-decision procedure was introduced by the Maastricht Treaty in 1992 and amended by the Treaty of Amsterdam. The entry into force of the Lisbon Treaty the same is called ordinary legislative procedure, but also has become the main legislative procedure in the European legal system. The ordinary

legislative procedure in a number of policy equates legal power of the European Parliament and the Council of Ministers, i.e. a number of laws are adopted together by the European Parliament and the Council.

European Commission

The European Commission represents the interests of the EU and constitutes one of the fundamental institutions. Its main task is to implement policies and channel the funds from the European funds. Within the Commission acts Directorate General for Health and Food Safety (hereinafter referred to as DG SANTE) whose main goal is "to make Europe a healthier, safer place where consumers can be assured that their interests are protected. „The fact is that it is impossible to establish a zero risk to consumers or society as a whole, but in any case, DG SANTE operates in terms of risk reduction and management. The objectives of DG SANTE are:

1. "to protect and improve public health
2. ensure that European food is safe and healthy,
3. protect the health and welfare of farm animals,
4. protect the health of crops and forests." [3]

In terms of methodology, DG SANTE has planned the following activities: monitoring (monitoring regulations, and their implementation at national, regional or local level that are related to food safety, consumer rights and public health); listening (this implies involvement of all stakeholders in the process); action (action depending on the particular circumstances, and taking into account a number of laws, regulations, projects, etc.).

Joint Research Centre, (hereinafter referred to as JRC) is a Directorate General of the European Commission. It is based in Brussels, and its function is to provide a number of scientific and technical

information in areas of EU policy. It was founded by the Founding Treaty of 1957, or the Euratom Treaty. Since the role of Euratom agreements promoting nuclear safety and security in general in Europe, the JRC's own scientific and technical support is focused in this direction. However, over time the JRC has expanded its areas of activity in other domains including life sciences, energy, security and consumer protection. Institute for Health and Consumer Protection (hereinafter referred to as: IHCP) is one of the seven institutes of the JRC and is responsible for protecting the interests and health of consumers by providing scientific and technical assistance to assessing the risks and benefits and by controlling traceability. The activities are focused in the following areas: GMOs, nanotechnology, health and the environment, consumer products and nutrition, alternatives in situations involving animal testing. The JRC has for years worked on the creation and adaptation of funds and tools used for tracking GMOs that are put on the market, and also to prevent the "entry" of unapproved GMOS. IHCP plans to, on the basis of Reference Laboratory for GM Food and Feed (hereinafter referred to as: EURL-GMFF) introduce a uniform method that would be applied in all laboratories and would allow detection and determination of quantities of GMOs in food and feed. Today's role and importance of EURL-GMFF was established in 2004 by defining the status of the European GMO legislation. Its duties and responsibilities are as follows: assessment of the validity of methods of detection of GM food and feed and scientific risk assessment; preparation and distribution of the control samples to the competent laboratories; competence in solving potential disputes between the laboratories of the Member States when it comes to different results in detecting GMOs; to help the national reference

laboratories. All data on all phases of the discovery, validation, etc., are available on the Internet (description of the event, a unique identifier of GMOs, information about the applicant, check the status of the validity of the required methods). The same information is reported to the EFSA and published on its website. In addition, it acts as a coordinator when it comes to national reference laboratories and their detection methods. It is important to emphasize that, for the purpose of standardization out cooperation with the European Network of GMO Laboratories (hereinafter referred to as: ENGL) is carried out. ENGL is a collection of European experts who play a significant role in the development and harmonization of testing methods, detection, identification and quantification of GMOs. It was opened on 4th of December 2002 in Brussels and currently consists of more than 100 national reference laboratories of all Member States and also from Norway and Switzerland.

When it comes to other areas, or the area of health and the environment, IHPC examines the risks associated with: air pollution, chemicals, pesticides, noise, etc. In order to provide high quality in this area, IHPC collaborates with other departments of the European Commission, other organizations in the European Union, the World Health Organization and other parties. In the area of consumer goods and food, IHPC assess the benefits and risks of food products with respect to human health.

The practice of the Court of justice of the European Union on genetically modified organisms

After principles, legal rules and organizational forms it is necessary to mention the "last cog in a wheel", i.e. courts that participate in application of laws. Courts "give life" to a rigid legal rule and

separate judgments of the Court of Justice of the European Union are stated on the issues of GMOs.

The Court of Justice (there is a controversy regarding the translation and the use of the term "justice" in the terminology of the Court. For example, the term is used in English, French, Italian system while the Germans omitted that term of the official name) of the European Union has three judicial authorities: the European Court of Justice), the General Court and specialised courts. The Lisbon Treaty also changed the name of the Court of First Instance into the General Court. The seat of the Court is in Luxembourg. Within the European Court operates one judge from each member state and 11 independent lawyers. The General Court is also made up of one judge from each Member State, and the composition of the specialized court is defined by the founding act, i.e. a decree. The choice of judges and prosecutors is done at the national level, and they are elected by the governments of the Member States via mutual agreement. However, the novelty brought by the Lisbon Treaty is the establishment of the Committee (Article 255 of the TFEU), whose function is to give opinions on the suitability of the candidate. Change came with the Charter of Fundamental Rights of the EU. The status of the Charter is legally binding, so a question arose regarding the emergence and regulation of individual rights, for example "ban on the creation of human body or parts that would be a source of financial gain" [4] , "ban on cloning of human beings" [4]. The application of the Charter is limited and difficult because the same does not apply to regulations of Poland and Great Britain.

The Lisbon Treaty introduced significant changes in some procedures. So, the novelty refers to the system of direct judicial review or submission of a

claim for annulment of: legally binding acts of the European Council, offices and agencies (so far the ability to control depended on the legal nature of the legal act) and other bodies. Active legitimation is also expanded in terms of the individual as the applicant (Article 230 of the EU Treaty, and in terms of procedural legitimacy of individuals, stated: "Any natural or legal person may, under the same conditions, institute proceedings against a decision addressed to that person or against a decision which, although in the form of a regulation or decision addressed to another person, is of direct and individual effect on the last." However, in Article 263/4 of the Treaty on the Functioning of the European Union applicant's status is changed to read as follows: "Every natural or legal person may, under the conditions set out in the first and second paragraphs, institute proceedings against addressed to that decision or that the same person of direct and individual concern, and against a regulatory act which is of direct interest to them, and not require any implementing measures." There are differences in those interpretation (for example the deletion of certain expressions, defining the regulatory act, implementing measures etc.) and the meaning depends on the Court's interpretation of the Court of the EU, and the Committee of the Regions (based on Article 263/3 of the Treaty on the Functioning of the European Union: "The Court has jurisdiction under the same conditions in actions brought by the Court of Auditors, the European Central Bank and the Committee of the Regions for the purpose of protecting their prerogatives." In addition, Article 8 (2) of the Protocol on the application of the principles of subsidiarity and proportionality clearly emphasizes the following: "... The Committee of the Regions can take such actions against legislative acts for the adoption of

which the Treaty on the Functioning of the European Union provided for consultation", and indirectly to the national parliaments (apart from changes envisaged in the Lisbon Treaty, the Protocol no. 2 on the application of the principles of subsidiarity and proportionality in Article 8 (1), which stipulates: "The Court of Justice of the European Union shall have jurisdiction in cases of violation of the principle of subsidiarity, the legislative acts adopted in accordance with Article 263 of the Treaty on the Functioning of the European Union by Member States, or is notified in accordance with their legal order by the national parliaments or their houses."

In addition to these changes, the Court has given the power to control the validity and interpretation of acts of agencies, bodies and offices. The novelty of the system is the introduction of an emergency preliminary ruling procedure when prompted by the national court before which the action is being taken for a person who is in custody. Emergency preliminary proceedings were initiated on 1st of March 2008, relating to the third pillar of the EU and Title IV, Part Three of the EC Treaty, that is thematically focused on the areas of visa, asylum, immigration and other policies related to free movement of persons (from Article 61 to 69). Thus, the effect of the Court, in regard to the previous procedure, is focused on preliminary issues related to the area of freedom, security and justice, and situations in which a persons before the national courts of the Member States is in custody.

Several rulings by the Court that are highlighted which are, in fact, indicators of the practical application of legal rules. If you start from the newer verdicts, the first in the series refers to the judgment of the Court (Grand Chamber) of 6th of September 2011 (Case C-442/09 Karl Heinz Bablok and Others vs.

Freistaat Bayern [2011] ECR Page 00000) which refers to Regulation (EC) No. 1829/2003 (Articles 2 to 4 and Article 12), Directive 2001/18 / EC (Article 2), Directive 2000/13 / EC (Article 6) of Regulation (EC) No. 178/2002 (Article 2). The judgment refers to the presence of pollen from GM plants and side effects when put on the market, the definition of “organism” and “food for human consumption containing ingredients produced from genetically modified organisms.” According to Article 2.5 of Regulation (EC) No. 1829/2003 the definition of GMOs does not include pollen derived from a variety of GM maize, which has lost the ability to reproduce and is totally incapable of transferring the genetic material which it contains. In accordance with Articles 2.1, 2.10 and 2.13 and Article 3 (1) (c) of Regulation 1829/2003, Article 2. Regulation 178/2002, Article 6 (4) (a) of Directive 2000/13 / EC the following matter is not considered to be GMO: pollen containing genetically modified DNA or genetically modified protein; products such as honey or food supplement containing such substances that represent “food ... containing ingredients produced from [genetically modified organisms]”. Furthermore, Articles 3 (1) and 4 (2) of Regulation 1829/2003 imply an obligation of authorization and supervision of food and the tolerance on the labelling, provided for in Article 12 (2) of the same Regulation cannot be applied analogously to the previous articles.

The following case T-139/07 (Case T-139/07 Pioneer Hi-Bred International vs. Commission) refers to appear before Court of First Instance between the “Pioneer Hi-Bred International” against the Commission on 4th of September 2009 on the approximation of laws during the deliberate release of genetically modified organisms into the environment. The applicant was “Pioneer Hi-Bred International”, and respondent was the Commission of the European Communities.

The aim of this action was towards the harmonization of rules on release of genetically modified maize 1507 to the market, but the Commission has failed to fulfil its obligations provided for in Article 18 (1) of Directive 2001/18 / EC. Since there has been a failure, there is no need for court ruling and the Commission shall reimburse its costs and expenses of the applicant.

Ruling of the Court of First Instance (Fourth Chamber) of 5th of October 2005 is a dispute between Land Oberösterreich and the Republic of Austria and the Commission of the European Communities on the harmonization of legislation and national provisions on the derogation from harmonization measures, ban on use of genetically modified organisms in Upper Austria and the conditions for the application of Article 95 (5) of the EC Treaty (Joined cases T-366/03 and T-235/04 Land Oberösterreich and Republic of Austria vs. Commission of the European Communities [2005] ECR II-04005) which reads: “... after harmonization measures are adopted by the Council or the Commission, and a Member State deems it necessary to adopt new national provisions based on new scientific evidence relating to the protection of the environment or the working environment based on problems specific to a Member State, provided that the same occurred after the adoption of the measures, the duty of a Member State is to inform the Commission of the implementation thereof and the reasons for the implementation”. The verdict was in favour of the European Commission. On appeal (Joined Cases C-439/05 P and C-454/05 P) a verdict was issued on 13th of September 2007, also not in the favour of the Republic of Austria.

Conclusion

The system of genetically modified organisms (GMOs) is contradictory to the principle of subsidiarity. That principle, in the harsh sense of the word, is the basic setting and the starting point in relation to European and national. Namely, the member states in the current situation can only ask questions and look for reasons, as well as they can hope that the mentioned system is not just a "pass" for multinational companies. The current approval system is well designed, but only for the purposes of international trade. Only in that scenario, the uniform and centralised system can be justified. But, there must be awareness that it is difficult to establish a uniform system at the global level. That is because of different interpretations and approaches to a number of terms, problems and uncertainties due to the diversity of all member states. The evidence of centralization is also the fact that the risk assessment and final decision perform EFSA and European Commission Standing Committee on Plants, Animals, Food and Feed. The self-organization of the mentioned institutions, their activity, and the way of relating to the member states should be focused on the principle of subsidiarity. The member states have already indicated their freedom of decision making and acting, on their biodiversity which is different from one to the other. They pointed difficulties that arise by adopting a centralized system of approval of GM food and feed. They also referred on national orientation of that matter and editing system in accordance with national regulations and needs, with mandatory participation of the public, while respecting the provisions of environmental and consumer protection. Therefore, the organization should focus on self-organization and autogenesis theory, with reference to natural laws as a starting point. The

starting point of every action should be the lowest level of activity, including the participation of citizens. Whereat, each part of the system has its whole, its subjectivity, and again represents a coherent whole with other systems. The system was not created by the method of induction but by the method of deduction. The criticism of the system of genetic engineering is that, when designing regulations, the integral social development is not taken into account. The individual "development" and a contribution were bypassed because the participation of citizens in policy-making of genetic engineering did not come to the fore. The centre of mission should be the system of action "from below", the so called "bottom-up" approach.

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