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Aims and Scope

Economics, Entrepreneurship and Management Research (EEMR) is a scientific journal in the field of economics, entrepreneurship, and management. EEMR strives to follow the latest trends, analyzes, and research in these areas. EEMR will also support research in the field of economics, microeconomics, and macroeconomics, labor economics, finance, entrepreneurship theories, entrepreneurial behavior, entrepreneurial strategy, entrepreneurial ventures, family business, social entrepreneurship, international entrepreneurship, strategic management, operations management, financial management, human resources management, marketing, business communications, leadership, organizational culture, organizational behavior, and other related topics. EEMR will accept theoretical and systematic review papers, but, largely, original research papers.

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Review article

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Approaches in Researching Business Models and Business Models Innovation – A Review of the Contemporary Research

Abstract

The study of business models and business model innovation has emerged as a vital area in management and strategic management, particularly in the 21st century. Business models are broadly defined as frameworks outlining how organizations create, deliver, and capture value, focusing on value propositions, customer targeting, revenue structures, and strategic processes. Business model innovation, a related concept, extends traditional innovation processes by integrating novel approaches to processes, products, and organizational structures. This paper examines the state of current research presented at literature review scientific articles.

Recent literature emphasizes the drivers, enablers, and obstacles to business model innovation, such as technological advancements, shifting consumer behavior, and global competition. While existing research has made strides in identifying key elements and success factors of business model innovation, theoretical and empirical gaps remain. Notable challenges include the lack of an

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integrated framework, insufficient longitudinal studies on business model innovation's impact and limited exploration of its applicability across organizational levels.

This article surveys existing literature to assess the current state of research on business models and business model innovation, identifying trends, unresolved issues, and potential future directions. It supports proponents of a multidisciplinary approach to deepen theoretical understanding and for empirical studies to explore the long-term benefits of innovative business models.

Keywords: *Business models, business models innovation, strategic management, literature review, current research.*

1. Introduction

During the first two decades of 21st century, business model concepts and the newest concept of business model innovation have developed as an important element of researching management and strategic management on an academic and professional level (Spieth, Schneckenberg, & Ricart, 2014; Bouwman, de Reuver, & Heikkilä, et al., 2020). Some of the most popular definitions state that a business model defines a company's value proposition, delivery, and capture (Teece, 2010; Gorevaya, & Khayrullina, 2015; Martins, Rindova, & Greenbaum, 2015; Peric, Durkin, & Vitezic, 2017; Täuscher, 2018; Foss, & Saebi, 2018; Bock, Warglien, & George, 2021; Andreini, Bettinelli, Foss, & Mismetti, 2022; Desyllas, Salter, & Alexy, 2022; Li, Li, & Lu, 2022; Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023; Zhu, 2024). It focuses on customers, solutions, pricing, and growth opportunities. Many authors emphasize that Drucker simply stated that a business model is nothing other than an exemplification of how an organization makes (or intends to make) money, and some authors state profit instead of money. Present examinations of the literature on business models highlight the effectiveness of this concept in fields such as e-commerce, strategy, and technology management (Smajlović, Umihaniæ, & Turulja, 2019; Budler, Župič, & Trkman, 2021; Desyllas, Salter, & Alexy, 2022; Das, Hijazi, Maxwell, & Moehler, 2023). The researchers often focus on its application in different theoretical frameworks (Bashir, Naqshbandi, & Farooq, 2020). Moreover, the evolution of the business model concept itself is often explored (Gorevaya, & Khayrullina, 2015; Prescott, & Filatotchev, 2021; Li, Li, & Lu, 2022).

In addition to the basic concept of a business model, business model innovation, is developed and researched and includes innovation in processes, products and organizations (Gorevaya, & Khayrullina, 2015; Andreini, Bettinelli, Foss, & Mismetti, 2022). Nevertheless, this research subject is rapidly developing, suggesting by many authors that it is a noteworthy phenomenon that asks for its own conceptualization and theoretical consideration (Prescott, & Filatotchev, 2021; Guo, Guo, & Ma, 2022; Bashir, Naqshbandi, & Farooq, 2020). New theoretical and practical questions that are arising include the following: what are the initiators, enablers, and obstacles to business model innovation, or how can business model innovation contribute to achieving workable competitive advantage on today's fast changing markets? (Bashir, Naqshbandi, & Farooq, 2020; Prescott, & Filatotchev, 2021; Li, Li, & Lu, 2022; Zhu, 2024). Some of the authors emphasize the issue of whether business model innovation is solely associated to high-ranking management echelons or can they also arise at lower organizational levels?

Literature reviews on business model innovation are increasing in order to deliver a methodical debate of the phenomenon or the challenges it poses for researchers (Andreini, Bettinelli, Foss, & Mismetti, 2022). Nevertheless, they are still failing in producing compromise and mutual agreement on the basic characteristics of the concept and its future development. Therefore, a more inclusive analysis that narrows down and streamlines of existing knowledge is needed to conceptually contract and point various theoretical foundations (Prescott, & Filatotchev, I. 2021). Understanding business models and business model innovations, as well as their interconnections, is indispensable for successful strategic management and the competitive know-how of various organizations (Spieth, Schneckenberg, & Ricart, 2014; Smajlović, Umihaniæ, & Turulja 2019; Bouwman, de Reuver, & Heikkilä, et al., 2020; Li, Li, & Lu, 2022).

The purpose of this article is to analyze and assess the existing mostly review articles and other relevant literature on business models and business models innovation, that are making an effort to assess the field and its scope, while pinpointing possible streams for future research.

2. Literature review

It is already stated that the business models are usually defined as "the design or [organizational] architecture of mechanisms for creating, delivering, and capturing value" (Teece, 2010; Peric, Durkin, & Vitezic, 2017; Täuscher, 2018; Foss, & Saebi, 2018; Bock, Warglien, &

George, 2021; Guo, Guo, & Ma, 2022; Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023). Business model innovation is defined as a new basis for innovation that supplements or transforms the outdated capacities for innovation in processes, products, and organizations and is becoming the focus point of many research of business innovation (Bashir, Naqshbandi, & Farooq, 2020; Andreini, Bettinelli, Foss, & Mismetti, 2022; Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023). Basic elements of a business model are often represented as a 4V model, which is consisting of Value proposition, Value creation, Value capture, and Value network as presented at Figure 1.

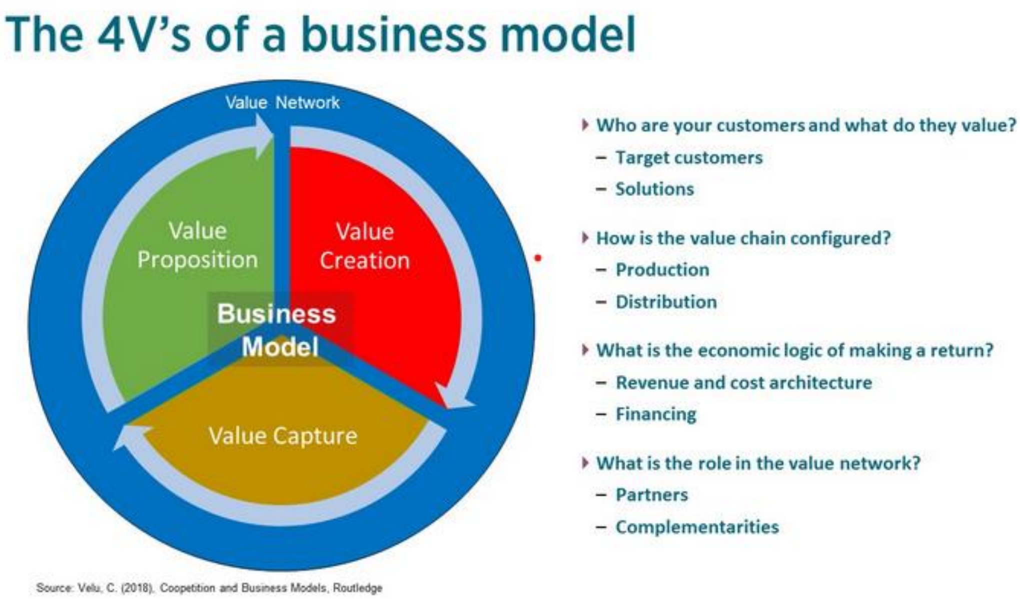

Figure 1. The 4V's of a business model. Source: https://www.ifm.eng.cam.ac.uk/research/business-model-innovation/

Business models are a significant concept in contemporary management theory and practice and in entrepreneurship, as they describe how an organization creates, delivers, and retains value (Teece, 2010; Martins, Rindova, & Greenbaum, 2015; Peric, Durkin, & Vitezic, 2017; Malmström, & Johansson, 2017; Täuscher, 2018; Foss, & Saebi, 2018; Ramdani, Binsaif, & Boukrami, 2019; Bock, Warglien, & George, 2021; Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023). This outline provides an understanding of how businesses transform resources into marketable products or services, how they interact with their customers, and how they achieve revenue and sustainability (Jabłoński, & Jabłoński, 2016; Desyllas, Salter, & Alexy, 2022; Carmo, Jerónimo, Pereira, Dias,

& Patricio, 2023). The development of business models often consists of a process of innovation, which enables organizations to respond to fluctuations in the environment, technological trends, and consumer needs (Andreini, Bettinelli, Foss, & Mismetti, 2022; Desyllas, Salter, & Alexy, 2022; Das, Hijazi, Maxwell, & Moehler, 2023; Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023; Carmo, Jerónimo, Pereira, Dias, & Patricio,(2023).

A business model is a systematic representation of a company's strategy and operations that includes key elements such as:

- Value propositions, the particular value that the organization offers its consumers, such as state-of-the-art products, tailored services, or affordable prices for the quality offered.
- Targeting customer groups, the market segments that the company focuses on.
- Distribution and communication channels, the methods in which products and services reach customers.
- Revenue structure, the sources of revenue generation, such as sales, orders, or certifications.
- Strategic actions, processes that facilitate value creation (e.g. production, research and development, marketing).
- Capitals and partnerships, essential resources (human, physical, financial) and strategic partnerships.
- Budget structure, costs related to the functioning of the business model (Euchner, & Ganguly, 2014; Spieth, Schneckenberg, & Ricart, 2014; Martins, Rindova, & Greenbaum, 2015; Foss, & Saebi, 2018; Bock, Warglien, & George, 2021; Yongmei, Huafei, Chuanshuang, & Chenglin, 2021; Desyllas, Salter, & Alexy, 2022; Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023).

Business model innovation is the process of redefining or adjusting a current model in order to generate added value, increase effectiveness or secure a superior position in the market (Yongmei, Huafei, Chuanshuang, & Chenglin, 2021; Foss, & Saebi, 2018; You, 2022; Zou, 2022). These innovations may consist of modifications in one or more vital components of the business model (Euchner, & Ganguly, 2014; Desyllas, Salter, & Alexy, 2022; Zou, 2022).

Many research focus on components of business model and business model innovation. Value proposition innovation component of business model innovation encompasses redefining what a business offers to consumers (Euchner, & Ganguly, 2014; Martins, Rindova, & Greenbaum, 2015;

Foss, & Saebi, 2018; Bock, Warglien, & George, 2021; Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023). For example, shifting from selling products to providing services (servitization) or personalizing products to specific customer needs (Xu, Yu, Xu, Zhang, Liang, 2021; Desyllas, Salter, & Alexy, 2022). Business digitalization component consists of the use of digital technologies, such as artificial intelligence, the Internet of Things (IoT) or blockchain, allows organizations to create new channels for delivering value (Bouwman, de Reuver, & Heikkilä, et al., 2020; Vaska, Massaro, Bagarotto, & Dal Mas, 2021; Guo, Guo, & Ma, 2022; Das, Hijazi, Maxwell, & Moehler, 2023; Zhu, 2024). For example, like the widespread development of platform business models. Changing revenue structure component shows that the companies often innovate financial models in order to create added value. Similarly organizations more often decide to focus to new consumer segments or markets (Yongmei, Huafei, Chuanshuang, & Chenglin, 2021; Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023). For example, luxury brands may develop more affordable products to cover a wider market. Similarly, introducing sustainable practices into business, such as circular or renewable models, often provides a competitive advantage (Pietrulla, & Frankenberger, 2022; Das, Hijazi, Maxwell, & Moehler, 2023).

Many researchers focus on the factors driving business model innovation, especially if it is not the consequence of chance, but rather a response to particular external factors. Key drivers include technological transformation (development of new technologies that empower altered techniques of producing, distributing, and interacting with the consumers) (Desyllas, Salter, & Alexy, 2022; Zou, 2022; Das, Hijazi, Maxwell, & Moehler, 2023); changes in consumer behavior (growth of customer wishes and anticipations that call for superior quality, personalization, and promptness) (Euchner, & Ganguly, 2014; Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023); global competition (the thrive for distinction in an progressively more multifaceted market environment) (Carmo, Jerónimo, Pereira, Dias, & Patricio, 2023); regulatory and eco-friendly requirements (compliance with regulations and sustainability standards) (Carmo, Jerónimo, Pereira, Dias, Patricio, 2023).

Focus of the part of the literature on business model innovation is often placed on internal and external factors that empower, facilitate, or motivate the business model innovation process within an organization. Crucial issues include the role of leadership, organizational behavior, organizational culture, technology, and material and human resources, as well as interactions with external stakeholders such as partners, suppliers, and customers (Ramdani, Binsaif, & Boukrami, 2019; Bock, Warglien, & George, 2021).

The other group of researchers focus on the classification and analysis of business models that are noted for the innovation, either through major modifications in the way value is generated or through disruptive alterations in industrial practices (Andreini, Bettinelli, Foss, & Mismetti, 2022). The emphasis is on exploring examples of successful innovative models and their impact on the market (Yongmei, Huafei, Chuanshuang, & Chenglin, 2021).

The literature on business model innovation accentuates the significance of the concept for contemporary organizations, especially in the context of fast market changes, advances in technology, and increasing, borderless, competition (Smajlović, Umihaniæ, & Turulja, 2019). Some crucial challenges that the new literature on business models and business model innovation is focused on are: absence of an integrated theoretical framework for analyzing business model innovation; inadequate empirical research that studies in detail the long-term effects of business model innovation on organizational performance; the necessity for a better understanding of the dynamics concerning individual, team, departmental, and organizational levels in the innovation process (George, & Bock, 2011; Foss, & Saebi, 2017; Bashir, Naqshbandi, & Farooq, 2020; Bhatti, Santoro, Khan, & Rizzato, 2021).

3. Discussion and recommendations

In the newest literature on business models and business model innovation, it is clear that there are incongruent viewpoints and methodologies. Some of the researchers studying the current research trends concluded that the combination of a cognitive approach and the analysis of business model innovation as a classification tool allows for a more comprehensive analysis, signifying the need for additional theoretical approaches and much more empirical research (George, & Bock, 2011; Massa, Tucci, & Afuah, 2017; Foss, & Saebi, 2017; Bashir, Naqshbandi, & Farooq, 2020; Bhatti, Santoro, Khan, & Rizzato, 2021; Bock, Warglien, & George, 2021; Huang, & Ichikohji, 2023).

One of the key standpoints perceives business models as cognitive devices that managers use to interpret and comprehend the world around them. In this approach, business models represent the basis for decision-making and shaping actions, including the creation of value propositions

(George, & Bock, 2011; Martins, Rindova, & Greenbaum, 2015; Massa, Tucci, & Afuah, 2017; Sund, Galavan, & Bogers, 2020; Bock, Warglien, & George, 2021; Trnavčević, Biloslavo, Bertoncel, Bagnoli, Janeš, McKenna, & Bulut, 2023). This line has a foundation-building aspect: real-world interpretations can contour managers' understanding of the model, while thinking within the model can guide their actions. In addition, business models allow for the generalization of common relational structures that decision makers can accumulate as cognitive schemes (George, & Bock, 2011; Massa, Tucci, & Afuah, 2017). This aspect accentuates the significance of business models not only as operational tools but also as structural elements for the analysis and development of business strategies (Spieth, Schneckenberg, & Ricart, 2014; Sund, Galavan, & Bogers, 2020; Bock, Warglien, & George, 2021; Huang, & Ichikohji, 2023).

On the other hand, a framework is proposed that identifies causal relationships between antecedents, moderating, and mediating factors, as well as consequences of business model innovation (Foss, & Saebi, 2017; Foss, & Saebi, 2017). Within this methodology, business model innovation is defined as designed, new, and substantial changes to vital components of an organization's business model and/or the construct that links those elements (Amit, & Zott, 2015; Bhatti, Santoro, Khan, & Rizzato, 2021; Heij, Volberda, & Hollen, 2024).

Many researchers consider that although business model innovation represents a new, universal form of organizational innovation, the existing literature often misses to meet key criteria for a worthy theory, such as undoubtedly distinct limits, identification of explanatory tools, and operationalization (You, 2022; Zou, 2022). Some of the researchers propose integrating contributions from the fields of innovation, management, and entrepreneurship, to improve theoretical considerations of the business model innovation concept (George, & Bock, 2011; Malmström, & Johansson, 2017; Sund, Galavan, & Bogers, 2020; Zhao, Yang, Hughes, & Li, 2021; Prescott, & Filatotchev, 2021).

Some empirical research indicate that innovative business models positively influence the performance of entrepreneurial businesses, even in various industries (George, & Bock, 2011; Amit, & Zott, 2015; Malmström, & Johansson, 2017; Ramdani, Binsaif, & Boukrami, 2019; Zhao, Yang, Hughes, & Li, 2021; Vaska, Massaro, Bagarotto, & Dal Mas, 2021), while traditional, well established, organizations that are able to innovate their business models improve their organizational results (Amit, & Zott, 2015; Foss, & Saebi, 2017; Ibarra, Bigdeli, Igartua, & Ganzarain, 2020; Guo, Guo, & Ma, 2022).

According to the thorough literature analyses, various researchers suggest that future research should focus on theoretical integration, namely, developing a rational theoretical framework that will amalgamate various features of business model innovation, including enablement, carrying out, and effects on organizational performance (George, & Bock, 2011; Bashir, Naqshbandi, & Farooq, 2020; Heij, Volberda, & Hollen, 2024). Various researchers suggest multidisciplinary approach that is applying organized knowledge from economics, management, organizational psychology, leadership, organizational behavior, and information technology to deepen the understanding innovative business models, especially in terms of Industry 4.0 (Budler, Župič, & Trkman, 2021; Desyllas, Salter, & Alexy, 2022). Researchers also suggest broadening the field of empirical studies, concentrating on longitudinal research investigating in which ways innovative business models contribute to creating competitive advantage for the organizations implementing those models (Foss, & Saebi, 2017; Bhatti, Santoro, Khan, & Rizzato, 2021; Heij, Volberda, & Hollen, 2024). Academics also suggest future extensive exploring of best practices that can function as a guidance for managers at all levels for implementing innovative business models (Bhatti, Santoro, Khan, & Rizzato, 2021; Heij, Volberda, & Hollen, 2024).

4. Conclusion

Business models and their innovations are often considered as the foundation of competitive advantage and sustainability of organizations in today's dynamic environment. Through constant analyses and reworking of models, organizations can safeguard their market position, profitability and enable being in line with technological, economic, social, and ecological developments. Further research and practical implementation of the concepts of business models and business model innovation will be able to clarify and explicate the effectiveness of the s that can be included into new organizational strategies for creating and retaining value. Further analysis of business model and business model innovation will facilitate building wide-ranging theoretical framework that bonds the fundamental, cognitive and innovative elements of business models.

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Review article

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Effectiveness of Competition Protection Policy in Global Business

Abstract

In contemporary business conditions, large and financially powerful economic systems seek to limit or entirely eliminate other market participants in order to maximize profits for themselves. On the other hand, this goes against the interests of other market participants: a large number of smaller companies, consumers, and the state, which through their institutions and penalty policies seek to establish equal and fair market conditions for all market participants. Only under conditions of fair competitive struggle do new entrepreneurial ideas and innovations develop, leading to progress and social development. Since 2005, the Republic of Serbia has accepted modern EU regulations by adopting laws in the field of competition policy, creating conditions for fair market competition in our area.

Keywords*: competition policy, economic efficiency, market, economic entity.*

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1. Introduction

In contemporary global economic environments, competition policy holds a significant position in achieving economic and political objectives such as: increasing the economic efficiency of enterprises, promoting research and development within them, efficiently allocating resources, maintaining equal conditions for all market participants, strengthening the competitiveness of domestic enterprises in the international market, which consequently reflects on the standard of living of all citizens. It is essential for this policy to be supported by appropriate institutions and legal regulations, as well as the economic policies of the creators of a country's economic development. Economies of underdeveloped and developing countries are particularly vulnerable to competition distortion, considering the level of institutional development within them as well as the limited possibilities for the full implementation of legal regulations in this area.

Competition policy and law in the Republic of Serbia are fully linked to competition policy and law in the EU, and the process of building a modern legislative framework in the field of competition protection began only in 2005 with the adoption of the first law in this area. The three pillars common to all modern competition protection systems relate to: restrictive agreements, abuse of dominant position, and concentration control. European countries also have a fourth pillar, known as state aid control. The first two pillars concern competition violations when they occur, so their nature is ex post. On the other hand, competition control and state aid control are carried out before the violation occurs, with the aim of preventing it.

2. Development of Modern Competition Policy

The roots of modern competition policy were formed in the nineteenth century in the territory of the United States as a response to the growing fear of companies forming trusts with the aim of consolidating market power. Trusts exhibited all the characteristics of monopolistic consolidation as they eliminated any competition among their members, who voluntarily placed themselves under the control of the trust's joint administration. Trust members were formally independent market participants, although by joining the trust, they accepted a relationship of mutual trust and firm interconnectedness that excluded competition.

The elimination of competition within trusts was aimed at monopolizing the markets they operated in, thereby creating or strengthening a dominant position in the market. With the aim of limiting the operations of trusts, the Sherman Antitrust Act was enacted in 1890, which is considered the first modern law in this area and the beginning of the modern era of competition policy. The formation of trusts was preceded by significant advances in transportation and communication (railway transport, telegraph, and telephone services), which significantly improved the connectivity of market participants and created large and unified markets for many economic sectors.

The expansion of market scopes imposed on companies the need to take advantage of economies of scale, which encouraged the growth of firms motivated to efficiently utilize their capacities. In order to achieve full capacity utilization, companies often engaged in destructive price wars, a trend that forced them to join cartels and trusts. The goal of such associations was to maintain high prices and high profit margins. The result of companies joining trusts and cartels led to the detriment of consumers of final products, whose welfare was reduced due to paying higher prices. Additionally, it endangered small producers who paid a high price for inputs originating from sectors where cartels and trusts were present (Ristić, Trifunović, 2022.).

Sections 1 and 2 of the Sherman Antitrust Act expressly prohibit 1) agreements among market participants that distort competition and 2) unilateral conduct by market participants that monopolizes or attempts to monopolize the market. The Sherman Act imposed a ban on price-fixing agreements among market participants, a principle that is still upheld today. This particularly applies to horizontal agreements, such as cartels. Additionally, this law explicitly does not penalize the possession of a monopolistic position but rather its abuse, which manifests in restricting trade and business of other market participants.

Competition, by its nature, is a dynamic process, a procedure aimed at achieving what others are simultaneously striving for (Hayek, 2016.). Although competitive pressure is the fundamental product of competition, it is not the sole aim of competition but rather an instrument for achieving economic efficiencies, which are a prerequisite for maximizing overall welfare in that market. Thus, a chain is established that competition initiates: competitive pressure - economic efficiency - maximization of welfare (Ristić, Trifunović, 2022.).

Types of economic efficiencies relevant to competition protection are: a) allocative, b) productive, c) dynamic, and d) selection efficiency (Begović, et al. 2019.). Allocative efficiency in a market is achieved with the optimal use of societal resources, at a price equal to marginal costs, where supply equals demand, thereby maximizing overall welfare as the sum of consumer and producer surplus. Products are produced without excess supply or demand in the market, thus achieving efficient resource allocation.

Productive efficiency is achieved when products are produced at minimum average (unit) costs given a certain technology. Market productive efficiency depends on the productive efficiency of each individual participant in the market. Productive efficiency can be achieved through economies of scale, economies of scope, and realizing external growth synergy. Economies of scale are achieved by firms striving to optimally utilize their production capacities, reaching the minimum efficient scale of production where average costs are minimized.

Dynamic efficiency refers to long-term cost savings resulting from improving the quality of existing products or offering entirely new products that consumers were not previously aware of, arising from an innovative process within the company. Competitive pressure stimulates entrepreneurial efforts of companies to continuously innovate to enhance their position in the market. The entrepreneurial process is driven by the entrepreneur, and the result of successful innovation is positive economic profit - where total revenues exceed all opportunity costs (Stojanović, 2021.).

Competition leads to selection efficiencies. It forces inefficient firms to exit the industry they operate in and release inefficiently used resources for alternative and more efficient uses. Surviving market participants are those that are productively efficient, innovate, or successfully imitate others' innovations. The exit of inefficient firms from the industry opens up space for the entry of new and more efficient firms into the market. From this, it follows that selection efficiency is linked to productive and dynamic efficiency - less productively efficient and less innovation-prone firms exit, while more efficient and innovation-prone firms enter the market.

In the EU, the competition protection system is organized at two clearly defined levels: national and supranational. For example, a cartel whose impact does not exceed the borders of the national markets of an EU member state falls within its jurisdiction, and if the spill-over of that impact on the markets of other countries becomes significant, the jurisdiction becomes supranational. The beginning of supranational history of competition protection is associated with the first treaties signed by European countries after World War II. The purpose of these treaties, among other things, was the intention to create a single market within the European territory.

The emergence and development of any form of competition protection cannot be viewed independently of the social, economic, and political environment in which it originated. The three common pillars for all modern competition protection systems relate to: restrictive agreements, abuse of dominant position, and concentration control. European countries also have a fourth pillar, known as state aid control. The first two pillars concern competition violations when they occur, so their nature is ex post. On the other hand, competition control and state aid control are conducted before the violation occurs, with the aim of preventing it.

In 2005, the Republic of Serbia adopted the Competition Protection Act (Official Gazette of RS, No. 79/2005), which envisaged the establishment of the first modern body for overseeing this legislation, the Commission for Protection of Competition, which began operating in 2006. State aid control is regulated by a separate law, the Law on State Aid Control (Official Gazette of RS, No. 51/2009.). The Commission for Protection of Competition, among other responsibilities, decides on competition violations and permitted concentrations, imposes administrative measures to remedy these violations, participates in the drafting of regulations in the field of competition protection, issues instructions and guidelines for the implementation of legal and sublegal regulations, and provides opinions on the application of these regulations, among other duties.

The Competition Protection Act of the Republic of Serbia, in Article 1, states that competition protection is carried out: "...in order to achieve economic progress and societal welfare, particularly benefiting consumers." According to this Law, market power "of market participants is determined in relation to relevant economic and other indicators, especially: 1) the structure of the relevant market; 2) market share of market participants whose dominant position is established, especially if it exceeds 40%; 3) actual and potential competitors; 4) economic and financial strength; 5) degree of vertical integration; 6) advantages in supply and distribution access; 7) legal or factual barriers to market entry by other participants; 8) buyer power; 9) technological advantages, intellectual property rights."

The most significant indicators of market power (Bishop, Walker, 2002) include:

- Price elasticity of demand;
- Market structure indicators;
- Entry barriers and potential competition;
- Growth barriers (expansion);
- Product differentiation;

- Buyer market power;
- Nature of oligopolistic interaction.

3. Key Areas of Competition Policy in the Contemporary Market

Cartels represent one of the most severe forms of competition violation. Instead of competing with each other, market participants agree to eliminate mutual competition, inevitably leading to price increases and a reduction in consumer surplus. Therefore, it is important to distinguish between a monopoly and a cartel. The path to a monopoly is often paved with innovations and may employ new innovations to prevent potential competition from entering (Harrington, 2008). Cartels are horizontal agreements "resulting from agreements - explicit or tacit agreements through which they agree, generally speaking, to stop controlling each other, to stop competing with each other, and to agree on all essential parameters of their operations" (Begović, et al., 2019). When it comes to essential parameters of operations, this primarily refers to price or offered quantity, but also includes geographic market division, customers and sources of supply, as well as circumventing public competition in auction markets (which often boils down to price-fixing agreements).

There are numerous market factors that influence the stability of cartels. The emergence and survival of cartels are favored by market concentration, which typically coincides with a small number of true rivals. High entry barriers prevent potential competition from entering the relevant market. The market growth rate increases the stability of cartels, which is also influenced by the degree of product homogeneity or differentiation (Pepall et al., 2014). Generally, a cartel will be more stable in the case of product homogeneity than in the case of product differentiation because it is easier to agree on prices and easier to monitor deviations from prices.

The application of the most-favored customer clause, competition clause, and greater market transparency regarding price information availability increase the stability of cartels (Motta, 2004). Additionally, the exchange of information on prices and quantities of individual products solidifies the stability of cartels, both with information from the previous period and planned sizes.

Competent competition authorities can reduce the stability of cartels by increasing the likelihood of initiating an investigation, especially if the investigation is successful. Additionally, these authorities have the power to determine the amount of fines for each cartel agreement they uncover. It is expected that stricter punishment reduces the stability of cartels, but for a cartel to be penalized, it must be detected, which requires high-quality evidence.

Modern competition protection policy is based on leniency programs, which allow a cartel member who voluntarily reports to the competent authority to receive a reduction in penalties (provided they are not the cartel leader). This mechanism is particularly effective if it allows reporting even after the initiation of an investigation, especially in situations where the competent authority does not have sufficiently strong evidence of the cartel.

Vertical agreements can be either price-related or non-price-related. In vertical price-related agreements, the manufacturer or distributor sets a fixed, minimum, maximum, or recommended price for the resale of their product. These agreements are beneficial for consumers when they eliminate double markups and encourage non-price aspects of competition. The most common forms of non-price-related vertical agreements include agreements on territorial exclusivity, exclusive distribution, after-sales services, and franchises.

Possessing a dominant position, and even a monopoly itself, is not prohibited by competition law, but practices leading to the abuse of such positions are prohibited. Two different groups of such practices are identified in European jurisdictions - the first are aimed at exploiting consumers, and the second at squeezing competitors out of the market. Consumer exploitation typically occurs through the imposition of excessive prices, while predatory behavior, tying arrangements, price discrimination, and price scissors are some of the most significant practices for squeezing competitors.

The ultimate consequence of squeezing competitors, both existing and potential, is the exploitation of consumers.

Mergers, acquisitions, or takeovers, whether horizontal, vertical, or conglomerate in competition law, represent concentrations from which numerous positive effects can be expected. Primarily, these are economic efficiencies that can arise from better utilization of economies of scale and scope, important synergistic effects, all of which can be a stimulus for innovative activity and dynamic efficiencies. However, the negative effects of concentrations on competitive conditions are the reason for implementing a concentration control policy. Concentrations can lead to unilateral and coordinated actions that can significantly restrict, distort, or prevent effective competition in the markets where they take place (Ristić, Trifunović, 2022).

Concentration control is by its nature ex ante - predicting the competitive conditions that will arise if the concentration is approved. It is a test that serves to indicate whether the concentration meets the conditions for permissibility. Different jurisdictions apply different legal standards, but three tests are crucial: the dominance test, the significant harm to competition test, and the significant limitation, distortion, or prevention of effective competition test.

The competition policy in the Republic of Serbia should be based on the following elements (Djekić, 2009):

- Incorporating EU standards into the national legal system for competition protection.
- Further enhancing competition protection in cases of violations such as prohibited agreements, abuse of dominant position, concentrations, as well as improving the functioning and independence of the Competition Commission.
- Establishing an independent and functional body for monitoring state aid, as well as establishing an adequate legal framework for controlling state aid.
- Developing awareness and informing market participants about the importance of competition protection – deepening the knowledge of all involved in the process, particularly creating a pro-competitive public opinion.
- Increasing consumer welfare, which increases with the level of competitiveness in a particular industry. This primarily involves working to increase the competitiveness of economic entities and the national economy as a whole, through the protection of functional competition.
- Enhancing consumer protection in the following areas: product and service safety and quality, as well as achieving lower levels of their prices through market mechanisms.
- Protecting small and medium-sized enterprises, which does not mean protecting incompetent economic entities, but rather increasing their number is desirable from the standpoint of competition protection policy.

4. Conclusion

An effective competition policy is extremely important for developing countries like the Republic of Serbia. It can contribute to creating an adequate economic environment for the development of small and medium-sized innovative enterprises, which are the backbone of growth, employment, and increasing international competitiveness. The creation of monopolies and dominant positions of companies, cartel agreements, concentrations, and other forms of competition infringement will certainly have negative effects on the domestic economy in the long run. Therefore, adequate support for competition protection bodies is needed, both from state institutions and from the professional community, civil society organizations, increased coverage of this topic in the media, and in higher education programs.

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    b) Reference list – Marković, D. (2017). Etička dimenzija ekonomske krize u svetu 2008-2009. *Ekonomski anali*. Beograd,Vol. 65. No. 3 (Journal article). For electronic issues doi number should be provided.
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The Editor-in-Chief, in consultation with the Section Editors or Editorial Board, and, when appropriate, further consultation with a small group of experts should make any decision regarding the course of action to be taken using the evidence available. The possible outcomes are as follows (these can be used separately or jointly):

- Publication of a formal announcement or editorial describing the misconduct.
- Informing the author's (or reviewer's) head of department or employer of any misconduct by means of a formal letter.
- The formal, announced retraction of publications from the journal in accordance with the Retraction Policy (see below).
- A ban on submissions from an individual for a defined period.
- Referring a case to a professional organization or legal authority for further investigation and action.

When dealing with complaints and appeals, the editorial team will rely on the guidelines and recommendations provided by the Committee on Publication Ethics (COPE): https://publicationethics.org/guidance/Flowcharts.

Retraction Policy

The infringement of the legal limitations of the publisher, copyright holder or author(s), the violation of of professional ethical codes and research misconduct, such as multiple submissions, duplicate or overlapping publication, bogus claims of authorship, plagiarism, fraudulent use of data and data fabrication, undisclosed use of tools based on large language models and generative AI, honest errors reported by the authors (for example, errors due to the mixing up of samples or use of a scientific tool or equipment that is found subsequently to be faulty), unethical research or any major misconduct require retraction of an article. Occasionally a retraction can be used to correct errors in submission or publication.

For any retracted article, the reason for retraction and who is instigating the retraction will be clearly stated in the Retraction notice. Standards for dealing with retractions have been developed by a number of library and scholarly bodies, and this practice has been adopted for article retraction by ***Economics, Entrepreneurship and Management Research (EEMR)***: in the electronic version of the retraction note, a link is made to the original article. In the electronic version of the original article, a link is made to the retraction note where it is clearly stated that the article has been retracted. The original article is retained unchanged, save for a watermark on the PDF indicating on each page that it is "retracted."

Research data policy

Journal encourages authors to share research data that are required for confirming the results published in the manuscript and/or enhance the published manuscript under the principle 'as open as possible, as closed as necessary. We accept supporting software applications, high-resolution images, background datasets, sound or video clips, large appendices, data tables and other relevant items that cannot be included in the article.

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If data access is restricted for ethical or security reasons, the manuscript must include:

- a description of the restrictions on the data;
- what, if anything, the relevant Institutional Review Board (IRB) or equivalent said about the data sharing; and
- all necessary information required for a reader or reviewer to apply for access to the data and the conditions under which access will be granted.

Data protection issues

Where human data cannot be effectively de-identified, data must not be shared in order to protect participant privacy unless the individuals have given explicit written consent that their identifiable data can be made publicly available.

In instances where the data cannot be made available, the manuscript must include:

- an explanation of the data protection concern;
- any intermediary data that can be de-identified without compromising anonymity;
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In addition, data should be linked to from a Data Accessibility Statement within the submitted paper, which will be made public upon publication. If data is not being made available within the journal publication, a statement from the author should be provided to explain why. When depositing data for a submission, the below should be considered:

- The repository the data is deposited in must be suitable for this subject and have a sustainability model.
- The data must be deposited under an open license that permits unrestricted access (e.g., CC0, CC-BY). More restrictive licenses should only be used if a valid reason (e.g., legal) is present.
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