



Impact of COVID-19 on selected industries

edited by

Ewa Bojar

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MONOGRAPHIE

Impact of Covid-19 on selected industries

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Introduction

The COVID-19 pandemic has changed the way business is not only conducted but also perceived by business owners and customers alike. The question that immediately arises, naturally, is the issue of society's capacity to adapt to the altered economic reality and successfully apply our preexisting knowledge to the current circumstances. Backed by research, this publication offers a well-structured and market-related review of topics on the world's most recent developments, an analysis of the most important pillars of the corporate strategy that can be employed as a response, and a collection of case studies from a variety of geographical regions such as Russia, Spain, Sweden, Denmark, Poland, the Czech Republic, Italy and Brasil.

The manifold impact of the Coronavirus pandemic is the primary focus of *Impact of COVID-19 on selected industries*. The book engages in discussing selected branches of the economy; the labor market in Europe along with various aspects of employment in the European Union, a theoretical analysis of the way museums and galleries have been managed, the best and worst ways in which different countries cared for their nation's wellbeing, new ways in which human labor has been made possible, green building in times of crisis, or the use of the 5 P's method in crisis management.

The COVID-19 related economic consequences also affect the way banking technology is evolving. The focus of one of the chapters is the new digital banking institution – fintech, and the transformations that have been accompanied by its increasing market share.

On a related note, three of the chapters investigate the efforts and struggles of start-up companies during the pandemic. The major concerns these businesses have had to tackle during this period relate closely to their role on the job market, their response to the national and international pandemic-related legislation, and the areas of the economy where start-up companies thrive.

A broader outlook on the impact of the pandemic is discussed here by raising such issues as Danish and Swedish responses to the crisis. In the case of the former, we read about the confidence of the Danish people in the government's measures to deal with the crisis and the importance of the availability of information about potential disruption sources or the time required to design and implement mitigation strategies. As for the latter, it addresses a wide range of voluntary activities undertaken by Swedish companies to meet society's expectations, providing them with a legitimate public standing.

One of the topics that have been discussed in the book from a variety of angles is responsible management. In light of companies' increased emphasis on social responsibility, the book explores the small incremental changes as part of continuous improvement as a way to minimize negative societal impacts and analyzes how CSR strategies affect society in times of crisis. They also offer an

overview of a practical application of corporate social responsibility and environmental perspectives in innovation processes.

The book also tackles many other problems such as the effectiveness of digital tools used in marketing (loyalty programs aimed not only to acquire new customers but also to keep the existing ones, and build a lifetime experience with either group), the impact of intellectual capital on the economic performance of hotels, as well as the gender-related differences in management, or the importance of leveraging knowledge and intangible resources (embodied in a company's employees, routines, and social relationships).

By providing an in-depth analysis of the unique circumstances of the pandemic, this publication sets out to help to combat the various problems associated with it and may prove to be an indispensable tool in studying the COVID-19 related effects on the world economy.

The authors of this book are scientists and students from Spain, Russia, Brazil, Tunisia and India. They were participants of the XXIX International Scientific Symposium „Modern concepts and methods of management. Responsible management in crisis conditions.” Symposium was held at the Faculty of Management of the Lublin University of Technology on May 13, 2021. The organizer of the symposium was the The students' Scientific Circle of Managers. This book is the result of international scientific cooperation of the Faculty of Management of LUT with international scientific organizations. Cooperation developed thanks to the Erasmus + program and activities undertaken as part of the project to build the „Poland–Brazil–Russia Intellectual Bridge”.

Editors

1. THE USE OF LOYALTY PROGRAMME AS A DIGITAL TOOL IN THE COLLECTION OF DATA AND FORECASTING OF FUTURE SALES

The importance of using loyalty programmes

In a highly competitive environment, it is important for a business not only to attract new customers, but also to retain existing ones. To make customers come back and buy again, companies offer them rewards: bonuses, discounts and special privileges. A set of measures to retain customers and turn them into regular customers is called a loyalty programme. They are different and differ in the type of reward.

A loyal customer distinguishes a specific brand from competitors. Companies achieve loyalty in a variety of ways. They offer discounts and other bonuses to regular customers, and arrange closed sales. Or they may not use the material component at all and gain trust through charity, contribution to the environment.

To choose the right reward system, we need to research the needs of our audience and understand what reward will motivate us to buy in your case. Most loyalty programs can be divided into 6 types: discount, bonus, multilevel, affiliate, with paid membership and valuable.

Types of loyalty programmes

In the discount programme the customer receives a plastic discount card. She gives a discount on the next purchases. The discount can be fixed or cumulative: the larger the amount, the higher the percentage. In the past, discount was one of the most common loyalty programs. Now it is inferior to others, more flexible and personalized: bonus, multi-level, affiliate. The discount program is suitable for large retailers who have regular customers or small shops/services „close to home” where the same people come.

Bonus programme works like a discount one, but it encourages repeat purchases more, as it uses game mechanics. Bonus points are credited to the client’s card, and their number depends only on him. He can spend points to pay for the next purchases or save them for a specific one. Bonus programs are

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common in areas of everyday demand: food, household chemicals, gas stations. Or in areas with durable goods: electronics, clothing, household appliances, furniture. There, customers are interested in paying with points for part of an expensive purchase.

Multilevel programme contains elements of previous programs. Clients receive a starting minimum bonus (small discount, one-time credited points). In the future, the benefit depends on the volume of consumption: the more they buy, the higher the level, and hence the benefit. At the initial stage, the customer is assigned a basic status, and the progress along the loyalty scale depends only on his efforts. A multi-level program is most often used by segments in which the audience appreciates a specific brand: perfumery, cosmetics, clothing. Also used in the service sector: hotel business, airlines, medicine, beauty salons. In the affiliate programme companies unite with each other and offer customers discounts on goods / services of partners. The affiliate loyalty programme is used in different areas: products, perfumes, cellular communications. The main thing is that an „ecosystem” is formed, and customers are interested in proposals.

Paid subscription. The client buys additional privileges. Most often, this is implemented as a subscription, which provides access to a more comfortable service. This program operates as a private club with a fee. It is used in services where you can distinguish between basic and premium functions: e-commerce platform, digital services, entertainment services.

Value program. Customer loyalty can be earned not only with discounts and additional privileges. The value program does not involve material rewards. Brands that choose this path share their „worldview”, „lifestyle” with clients, that is, they form a „community” around themselves with common interests and values. This type of loyalty program is used by brands that are closely related to lifestyle concepts: clothing, sports, cosmetics.

Determination of the target audience of the construction materials manufacturing company

Our observed company is a large construction materials producer in the south of Russia – Knauf Gips Kuban (*Market of dry-packed concrete in Russia*). To define which loyalty programme will suit more, we should know more about a main Knauf’s target audience (Table 1.1).

Table 1.1. The Target Audience of Knauf Gips Kuban

Students and professors	Architects and designers	Building companies
knauf.ru & Marketplace eBook SMM Special events	knauf.ru DIM & DVG SMM Special events Internet advertisement E-mail marketing MICE	Internet advertisement BIM & DVG E-mail marketing Special media MICE
End consumers	Brigadiers	Dealers and DIY
knauf.ru & Marketplace SMM Navigator-calculator Native advertising TV sponsorship Technical consultants Retail	knauf.ru & Marketplace SMM Loyalty programme Navigator-calculator New study programmes and video-courses MICE (Wiktage)	knauf.ru & Marketplace Digital Merchandasing Landing pages and Stocks support MICE (Wiktage)

Source: Ru.Center, 2020. *Loyalty Programmes: Pros and Cons, Variants.*, Available at: <https://www.nic.ru/info/blog/loyalty-programs/> (access:15.04.2021).

According to this table, it is more reasonable to use several types of that programme. And Knauf Gips Kuban has created and implemented this loyalty programme, which is called 'K.Profi'. Due to this programme the company can suggest to regular customers direct contact with the manufacturer and competent consultations, a definite status of a customer in this programme, which gives some points equalled discount bonuses. The company can help to create and place a portfolio, teach them and give them certificates of passing special courses. And, therefore, clients receive the communication platform for discussion between the same participants that is very important and it has direct influence on the choice of the customer's finishing materials and ensures regular demand. They give preference to materials that are convenient for them to work personally and allow them to give a guarantee for the result of their work for 1–2 years. Brigadiers-bloggers on the Internet influence the formation of opinions about building materials among consumers. This type of communication with the target audience is useful because Knauf has a direct contact with the target audience and the possibility of direct communication, a possibility of increasing the share in the „Brigadier” segment due to the expansion of the Knauf assortment.

The Use of a Dynamic Econometric Model in Forecasting of Sales

We observed a place of Knauf Gips and other enterprises who specialize Marketing is a system of organization and management of production. The original table has 34 cities. We reduce this number to 17 cities and create another table, where we will chose only column of one city, where there would be the biggest number of sales. We will take data of Rostov-on-Don to make a dynamic

econometric model and use our model and formula to forecast a number of sales in the future relying on an example of Rostov (Accounting report for „KNAUF GIPS”, 2011–2018). There are several kinds of dynamic econometric models (Koyck L., 1954). We will use a dynamic model with distributed lag like on the table 1.2. Using these variables, we can make a regression analysis.

Table 1.2. Dynamic variables

Rostov-on-Don	X _{t-1}	X _{t-2}	X _{t-3}	X _{t-4}	X _{t-5}	X _{t-6}	X _{t-7}	X _{t-8}	X _{t-9}	X _{t-10}	X _{t-11}	X _{t-12}	X _{t-13}	X _{t-14}
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60375	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1291551	60375	0	0	0	0	0	0	0	0	0	0	0	0	0
849631	1291551	60375	0	0	0	0	0	0	0	0	0	0	0	0
2811755	849631	1291551	60375	0	0	0	0	0	0	0	0	0	0	0
3017215	2811755	849631	1291551	60375	0	0	0	0	0	0	0	0	0	0
2855015	3017215	2811755	849631	1291551	60375	0	0	0	0	0	0	0	0	0
3483286	2855015	3017215	2811755	849631	1291551	60375	0	0	0	0	0	0	0	0
2325488	3483286	2855015	3017215	2811755	849631	1291551	60375	0	0	0	0	0	0	0
1956487	2325488	3483286	2855015	3017215	2811755	849631	1291551	60375	0	0	0	0	0	0
2678539	1956487	2325488	3483286	2855015	3017215	2811755	849631	1291551	60375	0	0	0	0	0
1909305	2678539	1956487	2325488	3483286	2855015	3017215	2811755	849631	1291551	60375	0	0	0	0
709294	1909305	2678539	1956487	2325488	3483286	2855015	3017215	2811755	849631	1291551	60375	0	0	0
514296	709294	1909305	2678539	1956487	2325488	3483286	2855015	3017215	2811755	849631	1291551	60375	0	0
185915	514296	709294	1909305	2678539	1956487	2325488	3483286	2855015	3017215	2811755	849631	1291551	60375	0
0	185915	514296	709294	1909305	2678539	1956487	2325488	3483286	2855015	3017215	2811755	849631	1291551	60375

Source: The data was obtained during the calculations of the author.

We made a regression analysis (Table 1.3), where we pay attention to R Square.

Table 1.3. Regression analysis

Regression Statistics	
Multiple R	0.99566237
R Square	0.99134355
Adjusted R Square	0.87015318
Standard Error	428771.874
Observations	16

Source: The data was obtained during the calculations of the author.

According to regression statistics, the multiple correlation coefficient is 0.99. It means that the relationship between the parameters of the model is strong and linear. The determination coefficient is also 0.99. It is very high and shows quite strong goodness of fit. Another coefficient is the adjusted \bar{R}^2 , which equals to 0.87 and as well as the determination coefficient shows that the model is highly fit

(Dougherty C., 2016). The standard error of the regression model shows 428771.874.

Table 1.4. ANOVA table

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	14	2,1E+13	1,5E+12	8,18005	0,2681879
Residual	1	1,8E+11	1,8E+11		
Total	15	2,1E+13			

Source: The data was obtained during the calculations of the author.

Then we analyze coefficients of intercept and variables (Table 1.5.).

Table 1.5. Variables after ANOVA analysis

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Statistics</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	303187,5	303187,5	1	0,5	-3549174,9	4155550	-3549175	4155549,9
Variable X 1	1,62995424	0,866025	1,882109	0,3109172	-9,3739419	12,63385	-9,373942	12,63385
Variable X 2	-2,5705636	1,757143	-1,462922	0,3817231	-24,897183	19,75606	-24,89718	19,756056
Variable X 3	7,32833953	2,947839	2,486004	0,2434728	-30,127506	44,78419	-30,12751	44,784185
Variable X 4	-15,089504	7,238175	-2,084711	0,2847359	-107,05924	76,88023	-107,0592	76,880233
Variable X 5	29,8893922	15,63722	1,9114264	0,3068577	-168,8003	228,5791	-168,8003	228,57909
Variable X 6	-66,140856	31,54021	-2,097033	0,2832756	-466,89719	334,6155	-466,8972	334,61548
Variable X 7	138,577363	68,08515	2,0353537	0,2907287	-726,52651	1003,681	-726,5265	1003,6812
Variable X 8	-289,2656	143,9856	-2,00899	0,2940267	-2118,7762	1540,245	-2118,776	1540,245
Variable X 9	617,388671	301,2862	2,0491766	0,2890269	-3210,8157	4445,593	-3210,816	4445,5931
Variable X 10	-1301,588	639,7539	-2,034514	0,2908327	-9430,4321	6827,256	-9430,432	6827,2562
Variable X 11	2739,87697	1351,711	2,0269698	0,29177	-14435,237	19914,99	-14435,24	19914,991
Variable X 12	-5799,8676	2847,514	-2,036818	0,2905475	-41980,957	30381,22	-41980,96	30381,222
Variable X 13	12246,004	6020,077	2,0341939	0,2908723	-64246,327	88738,34	-64246,33	88738,335
Variable X 14	-25840,33	12716,34	-2,032057	0,2911373	-187416,73	135736,1	-187416,7	135736,07

Source: The data was obtained during the calculations of the author.

Variable 1 is a short-term multiplier and it equals 1,63. It shows an average monthly increase of sum in monthly sales. If we want to figure out how much the sum will increase in next month, we have to sum Intercept, Variable 1 add Variable 2: $303\ 187,5 + 1,63 - 2,57 = 303\ 186,56$. It was a middle multiplier, with which we can calculate a lag:

$$\begin{aligned} \bar{L} &= 0 \times (-0,000093) + 1 \times 0,00015 + 2 \times (-0,00042) + 3 \times 0,00086 + \\ &4 \times (-0,0017) + 5 \times 0,0038 + 6 \times (-0,0079) + 7 \times 0,0165 + 8 \times \\ &(-0,035) + 9 \times 0,074 + 10 \times (-0,156) + 11 \times 0,33 + 12 \times (-0,7) + 13 \times \\ &1,47 = 13,24987 \approx 13 \end{aligned}$$

In this case, one lag equals 13 and it is a quantity of months. It means that we can predict a total sum of sales for each future year separately using 13 variables from this formula and also intercept and a standard error. To predict future sales in different periods we have to write all multipliers in the formula:

$$y = 303187,5 + 1,63x_t - 2,57x_{t-1} + 7,33x_{t-2} - 15,09x_{t-3} + 29,89x_{t-4} \\ - 66,14x_{t-5} + 138,58x_{t-6} - 289,27x_{t-7} + 617,3x_{t-8} \\ - 1301,59x_{t-9} + 2739,87x_{t-10} - 5799,87x_{t-11} \\ + 12246x_{t-12} - 25840,33x_{t-13}$$

Our task was to predict sums of costs for next 5 years. To count a total sum of sales during the period equaled one lag, or a little bit more than 1 year, we need use all multipliers of that formula and instead of Xs write total sum of every next month and also already known standard error. We will include only 13 variables because it is quantity of month equaled 1 lag.

According to that formula, Knauf will receive a Net Profit in amount of 15669359093 rubles in 2021, 1574634,5 – in 2022, 1847786,885 – in 2023, 177365,491 – in 2024 and 1677975,529 in 2025.

We should also take into account that we have used information about sales through the application ‘K.Profi’ and we observe only such target audiences, as professionals, brigadiers, construction workers, DIY stores. And we also can take into account that the first month of an observed period = 0 because that time marketers just started to use that type of information collection and a quantity of people who know about such a ‘Loyalty Programme’ was low (Production Catalogue. Products and Technologie). At the same time, the last month of that period also cannot give full statistics, because at the moment of collecting information and analyzing it for making an econometric model information about sales during the last month, in December, was not full. It may be the reason for mistakes in the forecasting of future sales.

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Summary

The article discusses all types of loyalty programmes, explains the need for their use, analyzes the target audience of a company that produces construction materials. Based on the target audience, a unique loyalty program model for a given company is selected. The loyalty programme actually exists and the data obtained from it is used to predict future sales of this company. In this work we have analyzed the effectiveness of digital tools in marketing, comparing them with traditional types of marketing and collecting information for forming a definite type of loyal customers, their consuming behavior. We have described mechanisms of attracting new clients to use special programmes that are a part of marketing digital tools and also have made forecasting of future purchases made via a loyalty programme.

Keywords: loyalty programme, construction materials, Knauf, marketing, target audience.

2. THE MODERATING ROLE OF MANAGERIAL GENDER IN THE RELATIONSHIP BETWEEN INTELLECTUAL CAPITAL AND PERFORMANCE: AN ANALYSIS OF THE SPANISH HOTEL

Introduction

The globalisation and the faster pace of information technology development have posed a great challenge for the management of companies in the 21st century. In the late 1990's, intangible assets began to gain greater relevance in academic research and a new perspective emerged within the field of Strategic Management: the knowledge-based view of the firm (KBV). Under this approach, the firm, or manager's abilities related to the creation and management of knowledge are key elements in explaining the sources of firms' competitive advantage [Kogut & Zander, 1992]. Nowadays, business and management scholars have focused a great deal of attention on intangibles and on knowledge, which has made intellectual capital management a key task for companies [Baima et al., 2020; Costa et al., 2020; Martín de Castro et al., 2019].

Even though the popularity and awareness of intellectual capital has increased dramatically in recent decades [Serenko & Bonits, 2013], research on intellectual capital is still fragmented and far from conclusive [Martín-de Castro et al., 2019]. The purpose of this article is to explore the concept of intellectual capital in the hotel industry and to assess its impact on business performance. The relevance of the intangible management of hotel service is undeniable under complex and unpredictable environments such as the current one derived from the COVID-19. Despite not having been considered a knowledge-intensive industry, intellectual capital of hotels includes several essential elements for their right management, such as the knowledge of employees and managers, and even organisational knowledge manifested in routines, processes, customer data, and so on. However, empirical studies that have investigated the relationship between intellectual capital and hotel performance are scarce and offer mixed evidence [Babajee et al., 2020]. This leads us to believe that there is a need to examine in more depth the influence of intellectual capital in the hotel industry and the factors that could determine it.

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In addition, an ongoing trend of interest in the academic literature involves that gender has been highlighted as a key aspect in the management of knowledge and hotel intangibles, and their performance. Recently, authors such as Isola et al. [2020] have claimed that women are better drivers of intellectual capital efficiency in companies. Even in the hotel sector, authors such as Liu [2017] raised the importance of considering managerial gender differences in the study of intellectual capital on hotel performance. Specifically, the main objective of our study is to analyse the moderating influence of managers' gender on the CI-hotel performance relationship, providing evidence that those hotels managed by women lead more favourably the positive influence of CI on hotel performance.

This working paper is structured as follows. Firstly, a review of the literature covering the relationships set out in our theoretical model is offered. Secondly, the most relevant methodological aspects related to the research process that has been carried out are presented. Next, the main results obtained are analysed and discussed in order to conclude with the last point referring to the conclusions of the work and the limitations and future lines of research that can be drawn from this work.

Theoretical framework

There is an extensive academic literature which analyse the role of intellectual capital in the company, not only in the tourism industry [Sardo et al., 2018], but also from a general management point of view. Despite being considered a mature topic, research on the intellectual capital of firms has been a topic of great interest to business and management scholars in recent decades, reaching its third wave of research.

In a knowledge-based economy, the sustainable competitiveness of organisations and the economic prosperity of nations depends strongly on their intangible resources and its management. Focusing on the relationship between intellectual capital and hotel performance we can highlight different approaches of studies. There are some qualitative studies which have investigated this relationship from an exploratory perspective, finding that employees and organizational knowledge are the key elements for the success of hotel management. However, most relevant studies related to intellectual capital in the tourism industry have used quantitative approaches to know more about its influence on firm performance.

Nevertheless, many authors agree on the absence of conclusive knowledge that would allow us to go deeper into the nature of this relationship [Martín-de Castro et al., 2019]. In addition, there is a need to evaluate the key role played by the gender of the hotel manager in the deployment and management of intangible resources [Liu, 2017]. Although it was initially thought that organizations managed by women could obtain lower returns on their intellectual capital, others argue for the positive influence of women in this regard. Therefore, as we can see in Figure 2.1, we propose to analyze not only the relationship between intellectual capital and hotel performance (Hypothesis 1), but also the moderating effect of the gender manager (Hypothesis 2).

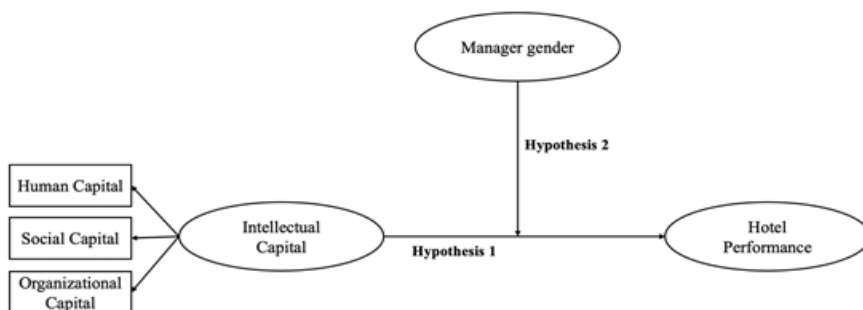


Figure 2.1 Theoretical model and hypothesis

Source: own elaboration.

Methodology

In order to provide an empirical demonstration of the theoretical approach exposed and to obtain the necessary information, a survey has been designed focused on managers of Spanish hotels. Specifically, our study population includes 3- to 5-star Spanish hotels listed on Alimarket, a database which gathers financial and commercial data on the most important Spanish hotel facilities. The final sample was composed by 212 valuable questionnaires. The contents of the questionnaire were validated using a pre-test, in which experts in strategic hotel management and some hotel managers participated. The questionnaire was then distributed via Qualtrics online survey tool.

The analysis technique used has been Partial Least Squares based on variance (PLS-SEM). This Structural Equation Model was highlighted as a „silver bullet” to estimate causal models in many theoretical models and empirical data situations [Hair et al., 2014]. In fact, the PLS-SEM field has experienced a massive development during the last decade [Hair et al., 2019]. Much of the increased reliance on PLS-SEM can be attributed to the method’s ability to handle problematic modelling problems that commonly occur in the social sciences, such as unusual data characteristics (e.g., non-normal data) and highly complex models.

The variables included in our study were mainly the gender of the manager which act as moderator variable between intellectual capital, measured as a second order construct by human capital, social capital and organizational capital, and the hotel performance, measured with a 7 Likert points. Furthermore, we have considered as control variable in our model the size (measured with the number of employees) and the age of the hotel (considering the antiquity in years).

Results and conclusions

The empirical model presents a Standardized Root Mean Square Residual (SRMSR) of $0.056 < 0.08$ [Hu & Bentler, 1998], which means that it has a good overall fit. In addition, following the recommendations of Hair, we have examined the assessment of the measurement model.

According to the assessment of the structural model, we have checked mainly the significance of the path coefficients, the analysis of the moderator variable and the level of R-square which reach 0.307. In table 2.1. we can see the path coefficients including the level of significance. Based on these findings we can supported both of our hypothesis due to the influence of intellectual capital on hotel performance is positive and statistically significant (H1). Likewise, the moderating effect of gender manager on the mention-relationship is statistically significant (H2) which means intellectual capital runs by women hotel have a higher effect on hotel performance.

Table 2.1. Main results obtained

	Coefficients Path	T Statistics	P values
Intellectual Capital	0.388	5.78	0.000
Gender manager	0.078	1.404	0.161
Moderating effect	0.148	2.615	0.009
Size	0.294	4.981	0.000
Age	-0.146	2.153	0.032

Source: own elaboration.

Our findings will be useful for managers who want to know how intellectual capital will impact the performance of their organisation. Regarding the theoretical contributions, we have increased the empirical evidence on the positive influence that has traditionally been highlighted between intellectual capital and hotel performance by other researchers. Furthermore, a revealing result has been the existence of a gender moderating effect in the relationship between intellectual capital and hotel performance. In fact, intellectual capital exerts a higher positive influence on performance in business run by women.

Concerning the practical recommendations, hotels manager, notably, the women could lead their efforts to develop stronger intellectual capital in the company in order to reinforce the hotel performance. Finally, we have justified the necessity of hotels to enhance the knowledge and intangible resources embedded in their employees, routines, social relationships, and one of their main targets in the search of strength to cope with the turbulent environments.

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Summary

In a knowledge-based society, the study of intellectual capital has established itself as a vibrant topic in strategic management. The purpose of this paper is to explore the concept of IC in the hotel industry and to assess its impact on business performance. Although hotels are not primarily seen as knowledge-intensive, they are service providers, highlight their intangibility and face unpredictable and complex environments, which has been illustrated by the current COVID-19 crisis. Therefore, firm knowledge is considered as a key element for its effective leadership and management in a turbulent environment. Empirical studies that have investigated the relationship between intellectual capital and hotel performance are scarce and offer mixed evidence. In addition, we propose to introduce the role of the company leader as a major aspect in the management of knowledge and intangibles within the hotel. Specifically, the main objective of our study is to analyse the moderating influence of the gender of hotel managers on the intellectual capital-hotel performance relationship, showing that hotels managed by women have a higher pronounced impact on the positive influence of intellectual capital on hotel performance. Our results have been obtained from questionnaires addressed to a sample of 212 hotels between 3 and 5 stars located in Spain. The analysis technique used was Partial Least Squares (PLS). The main contributions of this paper include the theoretical review of the concept of intellectual capital in a relevant sector as the hotel Spanish one, which is experiencing such an exceptional situation with the current crisis. In addition, important managerial implications emerge to make the most of the existing knowledge resources in hotels.

Keywords: Intellectual capital, knowledge, moderator, women managers, tourism sector.

3. CHANGES IN THE TRADITIONAL BANKING SYSTEM. AN ANALYSIS ON THE MARKET SHARE OF FINTECHS BEFORE AND DURING THE PANDEMIC OF COVID-19

Introduction

The world is undergoing a process of technological transformation that accelerates continuously with the introduction of new technologies. The 4th industrial revolution in the 21st century is directly linked to artificial intelligence and the Internet of Things (IOT). The technological revolution, in this way, has transformed the status quo of the economy [Schumpeter, 1968], thus causing impacts in all sectors, as well as in the Financial System.

Digital banks bring in their portfolio several products and services that differ from those provided by traditional banks, with lower operating costs. Although the sector presents a disruptive market process, the old banking structures still make up the majority of The Brazilian economic participation, but with a fall in their concentrations due to the increase in the market share of digital banks, according to data related to the study by Análise Econômica Consultoria.

The approaches of post-Keynesians and New Keynesians treat the financial system changes as disruptive and important for economic development. The similarities and differences between thoughts will be explained, having as parameter the Schumpeterian and neo-Schumpeterian evolutionary school. Innovation in the financial system is, however, owes informational asymmetries between borrowers and lenders, great uncertainty and greater risks. Thus, it is of paramount importance to make available to credit to reduce risks in the startup development process, reducing these negative impacts.

The general objective of this article is to verify how fintechs have been modifying this oligopoly scenario, increasing competitiveness over time, as in the course of the COVID-19 pandemic. The specific objectives are to comparatively analyze Nubank, Neon Payments and other fintechs with traditional banks, pointing out the existing differences; to check the progress of these digital institutions in terms of their market share, a priori, over time and, posteriori, in the pandemic period and to analyze what are the scenarios of future expectations

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for the banking sector. The work consists of this introduction, the general and specific objectives; the theoretical framework; the methodology used; analyses of the data and final considerations.

Due to the concentration of assets of more than 80%, according to Agência Brasil, with the five largest institutions: Itaú Unibanco, Banco do Brasil, Caixa Econômica Federal, Bradesco and Santander [Central Bank of Brazil, 2019], it is necessary to think about the digital sector that is resulting in the transformation of the national financial system, especially in the pandemic period, in which there is a greater dependence on technology in the acquisition of products and the realization of services, allowing a breakdown of the existing oligopoly in the country and promoting the development of the sector.

Digital Banks, Problems and Solutions

Digital banks account for about 6% of Fintechs in Brazil. This small participation demonstrates an open field of growth and development of the sector in relation to future prospects. In the three quarters of 2020 alone, with the pandemic, the sector had a significant increase of more than 30% with more than US\$ 900 million in contributions [InfoMoney, 2020]. In the case of this process, the main banking conglomerate in Brazil obtained a drop of approximately 30% of the shares, according to Revista Veja [2020]. Nubank, a digital bank, is the sixth largest financial institution in Brazil with more than 26 million customers in less than a decade of existence. An increase of 54% in transactions in 2020 compared to 2019. Financial data is a 104% increase in its financial intermediation revenues, totaling more than US\$ 350 million [Canaltech, 2020]. Neon Pagamentos, another digital institution, has its net operating revenue of more than \$4 million in 2019 according to UOL [2020], a 387.8% increase over the previous year.

The process of developing fintechs goes through a long and turbulent path, with regard to the establishment of these in the market. These institutions necessarily depend on short-term credit to establish themselves, because spending is greater than revenue in the creation process and there is credit risk for the development of the R&D area, because of long-term uncertainties. All these factors, together with state bureaucracies, favor an oligopolized, highly concentrated system, preventing the development of the banking sector as a whole. The Central Bank, in order to reach a desirable level of competitiveness and efficiency, proposed the Open Banking System. The idea, therefore, is to make a system of sharing data and information between different institutions, giving greater autonomy to customers and bringing greater less bureaucratization. According to the Diário do Comércio [2020], The Director of Marketing and Innovation of Sinqia, Léo Monte, declares that the goal of Central Bank of Brazil is to bring the promotion to innovation. In relation to long-term

uncertainties, the second phase of fintech development is the validation of the idea (MVP – Minimum Viable Product). This phase requires greater promotion of innovation and targeted investments to dilute uncertainties. In this process, it is necessary to make more state-made credit available for the consolidation of institutions.

Methodology and Data Analysis

The research is descriptive, because it seeks to understand the market share of financial institutions, investigating the concentration of banking and the process of greater participation of fintechs, accentuated by the COVID-19 pandemic. Thus, the test used was the Herfindahl-Hirschman Index (HHI), which seeks, through quantitative analysis of the database provided by the Central Bank of Brazil [2020], the Valor Econômico [2020] and the Interunion Department of Statistics and Socioeconomic Studies (DIEESE) of Brazil [2019, 2020], to measure the concentration level through the quadratic sum of the individual market share of the institutions participating in the market. The result being less than 0.1 presents a competitive market, between 0.1 and 0.18 the market presents moderate concentration and, finally, if the market has an index higher than 0.18, there is a high market concentration. The table 3.1 shows the results obtained.

Table 3.1. Banking Concentration in the Commercial Segment in the Years 2017 to 2019

	2017	2018	2019
HHI - assets	0.1450	0.1390	0.1367
HHI - deposits	0.1593	0.1479	0.1456

Source: own elaboration with data from the Central Bank of Brazil website (2020).

The reports made available by the Central Bank of Brazil do not appear in 2020, so the analysis of the data takes into account until 2019. The results of this table show a moderate concentration of banking, but with a decrease observing the periods in question. Thus, it is understood that there was an increase in the participation of fintechs in the period, due to the fact that these institutions obtained a growth of 34% in 2020, attracting more than US\$ 930 million in contributions [InfoMoney, 2020]. Considering the market share of Nubank's assets in 2019 and 2020, there was a significant increase compared to traditional banks, as a percentage representing 0.0667% to 0.4676%, respectively [Central Bank of Brazil, 2020], an increase of more than 600%. Meanwhile, the five largest banks in Brazil obtained a drop in the sum of their shares, however these maintained market position, representing 66% of the banking assets, considering 250 institutions, according to the table 3.2. The process observed, therefore, demonstrates a disruptive transformation in the financial system,

accentuated in the COVID-19 pandemic. Traditional banks still have a larger share of assets, but the significant increase in fintechs in the pandemic demonstrates a greater need for the adaptability of the traditional sector through technological innovations.

Table 3.2. Market Share of Financial Institutions in 2019 and 2020

	Market Share 2019	Market Share 2020	Variation
Nubank	0.0667%	0.4676%	601%
Itaú	16.7950%	17.2651%	3%
Banco do Brasil	15.7910%	15.2329%	-4%
Caixa	13.8638%	12.8820%	-7%
Bradesco	12.2759%	12.1890%	-1%
Santander	9.1141%	8.9262%	-2%

Source: own elaboration with data from the Central Bank of Brazil website (2020).

Final Considerations

Digital banks have shown great growth and have been bringing great transformations. The majority participation remains with the old banking structures, but the increase in the digital sector is evident, accentuated by the COVID-19 pandemic. Traditional banks have realized that there is a growth space in the investment sector, seeking to adapt to new market conditions and develop a greater relationship with the customer. Thus, the future projections of fintechs are of greater mutual collaboration with conventional banks, to better meet the demands. In addition, regulations must be developed to pass greater reliability in the sector and allow an environment capable of innovating. The disruptive environment is of paramount importance to promote a constant process of growth of the financial system, developing the economy, increasing competitiveness and having as the main beneficiary of this process: the user.

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Summary

The research discusses the disruptive market process caused by fintechs, financial high technological dependence, technological transformations and the effects on the banking sector during the COVID-19 pandemic. Digital institutions have significantly increased their market share in this decade and, moreover, have great importance in the period in question. The approach will be based on the Neo-Schumpeterian theory on innovation, disruptive economics and its effects. In addition, post-Keynesian and New Keynesian thoughts will be guided in order to understand the importance of the financial system. The objectives of the research are to analyze the growth of fintechs in relation to their market share, comparing with other conventional banking structures and, moreover, to verify the progress of these institutions, especially in the period of the COVID-19 pandemic. The methodology used seeks to measure the evolution of bank concentration levels through the Herfindahl-Hirschman Index (HHI). Thus, the results obtained are the decrease in banking concentration over time, understanding that the pandemic accelerated the growth of *fintechs* during the period studied, thus changing the technological frontier of the banking sector.

Keywords: fintechs, innovation, technological transformation.

4. CRISIS MANAGEMENT IN DENMARK

Introduction

Denmark is a developed, industrialized country where the state and other public authorities exercise considerable regulatory control in the social sphere, providing comprehensive services and benefits to all citizens. By international standards, Denmark has one of the highest standards of living, and the differences between rich and poor are historically smaller than in many of the countries with which it is traditionally compared.

Whereas most other European countries are still under intensive lockdown due to the COVID-19 crisis, Denmark slowly started re-opening its society and industry in mid-April. This observation raises some interesting questions about the handling of the crisis by the politicians and citizens: How could Denmark faced the COVID-19? What are the measures taken by the Danish companies to manage the pandemic?

In May 2020, while the entire world is being hard hit by a novel emerging coronavirus, Denmark had a total of 9311 cases and 460 deaths, whereas other countries such as Switzerland, roughly similar in size and population and only 1000 km distance from Denmark, have already accumulated three times more cases and deaths. Denmark's approach to dealing with the coronavirus pandemic could be best summarized by saying „Act fast and act with force”.

The strategies taken by the Danish government to manage COVID-19 crisis

In short: speed. The first case of coronavirus was detected in the end of February in Denmark. On March 11, the Danish Social Democratic government decided to carry out several comprehensive initiatives to contain the COVID-19 virus. As seen in many other countries, this led to a partial shutdown of the country. All public employees, who do not have a core function, have been sent home and all private employees have been strongly encouraged to do the same. Education and day care facilities have been closed, and all guarantees of treatment in the health care system have been suspended. The following week, several other restrictions were taken; borders were closed, gatherings of more than 10 people

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were banned, and shopping malls, restaurants, hairdressers and several other stores were closed (except grocery stores and pharmacies).

Despite the relatively low rate of corona incidents in Denmark at that time, measures to combat COVID-19 were taken as part of a precautionary principle. The priority of the Social Democratic government has been to save lives and, in connection with this, to ensure that the health care system can cope with the situation and, subsequently, to safeguard the economy. In Denmark, the strategy has been to delay the spread of COVID-19 as much as possible to avoid overloading the health care system. The risk being that the capacity of intensive care units in Denmark could not keep up, if many Danes were infected within a short period of time. So that, in cooperation with health authorities, the Danish government has issued guidelines, such as frequent hand washing, avoiding physical contact and maintaining a safe distance between people in public space, which the Danes have managed to comply.

The COVID-19 causes great uncertainty among employees and companies [Rzepka A., 2021]. To alleviate the economic and social consequences of the COVID-19 crisis, the Danish government and parties in the Danish parliament have introduced a series of economic measures. The financial reach of the economic measures and initiatives corresponds to an estimated amount of DKK 400 billion (€ 54 billion) aimed at preventing layoffs, relieving the labor market and helping Danish companies get through the crisis without going bankrupt. To name just a few of the economic measures, the government has introduced a temporary wage compensation scheme for employees at risk of having their contracts terminated. The state pays 75% of the employee's monthly salary (up to a threshold of DKK 30,000 – EUR 4,000) and the company pays 25% of the employee's salary. A fixed cost compensation scheme has also been introduced. Companies with a loss of income of more than 40% can obtain three months of temporary compensation of 25 to 80% of their fixed costs and large companies can also defer payment of VAT and social charges in April, May and June.

Interestingly, the Danish Queen made a public appearance, and likewise gently but firmly encouraged the Danes to be rational and patient, and recommended that citizens follow these instructions for the common good. Four days before the preventive measures went into effect; Danish citizens were already applying them. By comparison, France announced the closure of schools, universities and all public institutions on March 12th, and President Emmanuel Macron also asked French citizens to respect the preventive measures. However, on the weekend following the French announcement, people in Paris and everywhere in France, enjoyed their first real sunny weekend of the year with family and friends, without attention to the request of their President a few days before. This dramatic contrast between the rapid response of Danish citizens, immediately following the rules set by their politicians, and the French citizens not paying much attention to what they were asked to do, illustrated what could be called an „Asterix the Gaul” phenomenon – where French citizens and likely citizens from other southern

European countries, have a tendency to contest government authority and not strictly follow set rules. This difference illustrates that countries with a high level of trust and a capacity to follow established rules may be better equipped to tackle the coronavirus crisis than those countries with lower levels of adherence. This demonstrates that the Danes have a strong sense of social responsibility for their community, possibly a reflection of the trust created by the extensive welfare system in the country.

The Danish economy is well equipped to cope with the temporary economic downturn caused by the corona virus crisis. Before this virus struck, Denmark was enjoying a prolonged economic recovery with record employment, a balance of payments surplus and high private savings. The Danish government is ready to use all necessary resources to protect the Danish economy and help the country's employees, workplaces and businesses during the COVID-19 health crisis. With the economic measures taken, the Danish government and its social partners have, with input from other parties represented in Parliament, reached a tripartite agreement to minimize the effects of COVID-19 on Danish jobs and livelihoods.

How Danish companies dealt with Coronavirus?

The coronavirus pandemic has caused many aspects of life to change and banking has been no exception. Actually, to maintain the principle of dealing with all customer needs at first point of contact, many banks have installed video calling equipment in some of their branches, so that customers can still have a face-to-face contact, in-branch interview experience without being at risk.

Employees have been given the option to organize their working days and weeks by themselves. For some, people can work two days from home and for others three days per week. The banks have as well equipped their staff with a range of IT kit to meet their home-working needs, and provide one-off grants for items such as desks, chairs and filing as Danske Bank did. It has invested in virtual communications tools such as Microsoft Teams, Skype and Yammer for customer support and group meetings. The banks are also looking into changing corporate facilities to focus on more team-spaces and work hubs for physical meetings and brainstorming sessions, and less on solo work stations as more employees choose to work remotely. At the same time, they have also taken other initiatives which include as an example faster payment to suppliers, compensation payment to employees with a health care or military background who want to volunteer to support authorities' fight against the coronavirus, and help to issue bonds that support the European economies during the crisis. Acknowledging that conducting face to face meetings, safely, with customers and colleagues may be a challenge for some time to come, the banks are also developing solutions for things like mortgages, private banking and personal loan meetings in the virtual world. If customers ask for appointments, they will be offered video calls and where customers arrive in branch they too may be offered a video

meeting. Adding to that, they have also created a Step by Step guide specifically for older customers to help them do their banking safely from home.

Moving to agri-food industry, many companies moved quickly to safeguard their people and operations to maintain continuity of supply to customers and meet increases in demand from retail and e-commerce customers in markets around the world. Actually, each organization has implemented strict COVID-19 related measures to secure the safety of employees and the uninterrupted production. They signed a local agreement on how work should be organized, so shifts avoid meeting each other and working time overlap, how workers must act at their workstation in term of disinfection of everything they are coming into contact with during shifts. With these restrictions and with a huge commitment from the employees and a strong internal cooperation, many companies have continued production at full capacity with very few interruptions.

If we talk about textile industry, we can mention as an example ‘Ecco’– a Danish shoes manufacturing company. It has learned that one of the most effective ways to reduce the spread of the virus is to maximize social distance. Therefore, ECCO has taken a number of steps to protect its employees and customers: Closure of the stores and maintaining its online shop open with commitment to provide the best possible service to its customers without making a delay in the shipment time.

In addition to that, distribution companies and supermarkets in Denmark managed the COVID-19 crisis by setting up those restrictions:

- wearing bandages and visors,
- putting distance markings on the floor to make sure customers stay a safe distance from each other in the queue,
- putting Plexiglas in all of the stores, which ensures a physical distance between employees and customers,
- marking signs in several places in the store that inform about good hygiene and precautions when customers are shopping,
- removing the partitions at the pay line. In this way, only one customer will be served at a time, which guarantees a better distance between customers.
- having hand alcohol at all entrances and all employees have both alcohol and hand washing as a regular routine,
- setting up screens at the end of the payment line so that customers don’t get too close when goods need to be packed,
- putting gloves in the Fruits and Vegetables department, where customers are in direct contact with unpackaged products,
- increasing cleaning in all of the stores,
- repatriation of all particularly vulnerable employees.

Finally, we will put emphasis on the maritime transport industry, more specifically on Maersk Company. „We are responding to the coronavirus with our employees’ health and wellbeing taking priority”, says Christian M. Ingerslev, CEO of Maersk

Tankers. The firm has implemented precautionary measures and continues to take an active role in limiting the spread of the coronavirus. Among the measures Maersk Tankers has taken to limit the spread of COVID-19 is the implementation of travel restrictions globally and the temporary closure of its offices with employees working from home. Initially, 4,000 employees worked remotely. In a matter of weeks, the company had to multiply this capacity by more than 10 to reach 44,000 people working from home. To accomplish this, Maersk called on the expertise of Orange Business Services, its trusted partner, to add network capacity and evolve self-managed Cisco remote access VPN. They therefore set up virtual teams that worked 24 hours a day to meet the needs of employees around the world during the spread of the pandemic.

Building on the leading digital competencies of Maersk Company, all the team has quickly ramped up new technologies and started to work in virtual teams onshore, which has led Maersk to invest heavily in cybersecurity and cloud collaboration technologies and this investment proved to be very useful during the pandemic and allowed users to telecommute while remaining connected to Maersk networks.

At the beginning of the spread of the pandemic, the dedicated COVID-19 task force has been working 24/7 to make sure that Maersk operate their 22 offshore drilling rigs safely and efficiently through this crisis. In close cooperation with the customers, the company has implemented a significant number of barriers offshore to reduce the risk of transmission and the employees have gone the extra mile to navigate the increased complexity related to crew change, supply chain and logistics.

Conclusion

In general, Denmark is a safe society with well-functioning infrastructure and a high degree of security in critical fields. Although relatively few major extraordinary incidents do take place, they require an extraordinary and a rapid response. Some incidents are so severe, extensive, prolonged, or complex that they require a strong crisis management but not only this. The presence of visibility and control are always required because if companies lack supervision, they will be driven into a permanently reactive state where they struggle to coordinate their response to disruption and scramble to manually estimate the impact and take last-minute corrective action to prevent a full-force hit. When companies have access to knowledge on potential sources for disruption and its impact, they have time to design and implement avoidance and mitigation strategies. COVID-19 was an unpredictable event with severe economic, health, and humanitarian consequences, those companies which run into this unprecedented scenario will be ill-equipped to meet the challenges that the global pandemic will leave in its wake, hence the need to put into practice the crisis management principles.

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Summary

Denmark, a Scandinavian country of 5.8 million people has weathered the COVID-19 crisis with a relatively low rate of infection and death. Denmark has also become one of the first European countries to partially re-open its society. The overall goal of this paper is to get a preliminary idea of how the rapid response from the government, trust and a high level of confidence in government by Danish citizens contributed to the effective management of the coronavirus crisis. This article investigates and provides as well tentative explanations about the way in which Danish companies have managed COVID-19 crisis and what are the main measures taken by them.

Keywords: Crisis, Crisis management, COVID-19, Restrictions.

5. SOCIAL RESPONSIBILITY IN MANAGEMENT CRISIS IN SWEDEN

Civil society in Sweden: Organizations, states and corporations

The Swedish political tradition is marked by an evidently mysterious paradox. Many historians have realized the early emergence of a modern, centralized state in the sixteenth century. Indeed, Sweden is at times viewed as one of the first and most fully realized examples of an absolutist state. But also Sweden is often celebrated as an open, democratic society in which citizens enjoy easy access to political leaders and the political process.

Sweden has a long tradition of state support for free and independent organizations with a democracy deeply rooted in popular movements and in a strong tradition of involvement and organization.

Sweden aspires to be a clear voice for human rights around the world not just in words but also in actions. The respect of human rights is not just a foreign policy goal in itself, but also a means for global development, peace and security. Sweden is also working on women's rights internationally, by being rooted in the national plan on gender equality as a field where Sweden has traditionally been strong. Swedish state gained her population trust which is a very important point that shows a big honest between the government and the citizens.

Sweden had been known for many famous international corporations, we cannot talk about Sweden without talking about IKEA, H&M, Spotify, Ericson etc. which are learders not only in Sweden but in an intenational way. These companies are a very strong competititors worldwide. Such international companies can only be a sign of a big encouragement from the part of the government behind. (Chart.5.1).

* Lublin University of Technology, Lublin, Poland

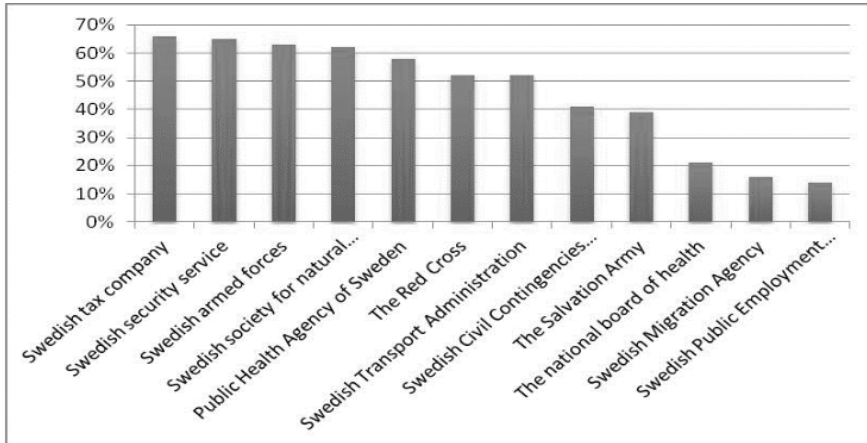


Chart 5. 1. Trust in public authorities and charitable organisations in Sweden in 2021

Source: Statista Research Department, Mar 31, 2021.

Corporate Social Responsibility (CSR) has been a major issue for Sweden in recent decades. CSR is about companies active and systematic work with environment, labour, human rights and anti-corruption issues which means they take responsibility for the impacts on society and the environment (1).

Swedish companies successful sustainability work enhances the image of Sweden and also the competitiveness of Swedish companies. Enterprises are key players in the development of poor countries, and through an active and innovative work they can be drivers in environmentally, economically and socially sustain-able development. Collaboration with the private sector is seen as an important way to reach the Swedish development cooperation's goal of improving the living conditions of people in poverty.

Swedish companies have a long history of active CSR work and Sweden is viewed as a pioneer within the field. In 2013, Sweden topped the RobecoSAM Country Sustainability Ranking, which ranks 59 countries based on 17 environmental, social and governance indicators. The scope of the term CSR has expanded dramatically over the years and now covers aspects of business operations as diverse as corruption in supply chains and local environmental efforts, gender equality, and human rights.

Social Responsibility in crisis management

CSR activities could be seen as activities undertaken by companies that go beyond enhancing the objective of shareholders to that of society. CSR activities increase company's expenditures thus sacrificing companies profit for the society. CSR activities adversely affect the financial performance, many authors see CSR activities as a real investment activity. Many studies shows that there is a correlation between CSR and profitability, these studies made on 14 firms deemed to be socially responsible, they saw that socially responsible firms are

a good investment risk. In other studies made on 602 companies including companies that have received both high and low rating shows that the share price performance of the companies between December 13, 1999 and October 27, 2003 (calculated by Morgan Stanley) leads to conclude that sustainability performance is positively correlated with share price performance since the share prices of companies with high CSR performance outperformed the share prices of their counterparts with low CSR performance.

Table 5.1. Industry Sector and Means of Social PIs (Performance Indicator)

S/N	Sectors	No. Companies	Total Sore	Mean Score
1.	Machinery	12	145	12.1
2.	Household Durable	2	27	13.5
3.	Telecommunication	3	34	11.3
4.	Services	7	78	11.1
5.	Forest product	3	35	11.7
6.	Energy	2	32	16
7.	B&C	4	48	12
8.	Real estate	2	27	13,5
9.	Education	1	11	11.0
10.	Financial service	7	58	8.3
11.	Alcohol	1	15	15.0
12.	Tabaco	1	6	6.0
13.	O&G	1	15	15.0
14.	Pharmaceutical	1	13	13.0
15.	Transportation	2	26	13.0
TOTAL		49	570	11.6

Source: Ownership Structure, *Industry sector and Corporate Social Responsibility (CSR) practices - The case of Swedish listed companies (2009)*.

The above table (Tab. 5.1.) depicts the mean social score of the various sector of our sample and the total mean score. Sectors with mean higher than this were seen as better CSR social performing companies. From the table, we consider the following sectors better performing: Energy with a mean score, Alcohol, Household durable, Real Estate, Pharmaceutical, Transportation, Machinery, B&C and Forest Product. The activities with the highest frequencies are education, training and career development, health of employees and their family, gender equality and nondiscrimination (FOR LABOUR), human right and child labour issues (HUMAN RIGHT), nature, scope and effectiveness of programs to society and the mitigation of corrupt practices (SOCIETAL ISSUES), product liabilities, product and service information, practices related to customer satisfaction and programs of adherence of laws and standards. These are voluntary activities initiated by companies irrespective of the sector to meet a host of mandatory expectations of society thus enabling them to gain a legitimate position in the eyes of the public.

Many of the responsible actions implemented by companies are, as The Economist [2008] pointed out, good management practices. The recurring actions in accountability reports published by organizations are of this type:

- optimization of the production chain to limit incoming resources (energy, materials) and waste produced,
- control of the supply chain both for greater efficiency and to avoid reputational damage from unscrupulous suppliers,
- implementation of human resources policies promoting employee motivation and investment,
- systematic analysis of the results of actions implemented for continuous improvement.

All of these actions contribute to continuous improvement of the company. They might have been implemented without thinking about corporate responsibility. CSR contributes to the progress of the company, either by stimulating continuous improvement, or by catalyzing innovation, or in both directions. The lack of alignment between CSR and current and future business goals places responsibility alongside core business activities. It is a conception of responsibility that confines it to good actions without direct connection with the company.

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Summary

The high-tech companies whose reports we looked at do seem to feel that CSR should be part of their business. For some, this means taking into account radically new opportunities, while for others, it means tinting the firm's innovations with a responsible color. On the other hand, the link between responsibility and improvement seems clearer in the various reports. Considering on the one hand the more or less successful integration of CSR in the company's strategy and, on the other hand, the degree of innovation of responsible actions, we have proposed a responsible behavior in connection with innovation. However, the different types of behavior should not be seen as mutually exclusive. Company reports studied show that each type is generally present with a different weight depending on the company. An analysis of behavior in the field would be useful not only to validate this typology, but also to associate a dynamic with it by studying the way in which a company possibly evolves from one behavior to another economically and ethically.

Keywords: Social Responsibility, corporations, international organizations, PI.

6. EMPLOYMENT IN THE EU. THE IMPACT OF COVID-19 EXAMPLE OF: POLAND, CZECH REPUBLIC AND ITALY

The impact of the COVID-19 epidemic on the Polish labour market

Poland is the eighth largest economy in the European Union and one of the fastest growing economies in Europe. Its 38-million sales market is one of the largest in the European Union. Convenient location in the centre of Europe and at the crossroads of its main communication routes makes it possible to export goods from Poland to all European countries, thus reaching over half a billion consumers. Poland's main trading partners include Germany, Russia, China, France, the United Kingdom, Italy, Hungary, Ukraine and Spain. Poland provides a variety of investment benefits to foreign companies. Investing in a Special Economic Zone is one of the many choices available (SEZ). In Poland, there are 14 such regions. There are distinct areas where businesses can operate under unique, preferential conditions. SEZs provide new investors with lucrative tax relief, job opportunities, and well-prepared investment areas.

Poland is one of the EU-28 Member States that reached a level of jobs in the 20–64 age group that is aligned with the European Commission's 2020 goals, with a result of 73 percent (in 2019). In general, the key metrics representing Poland's labor market situation improved year after year, and we were slowly approaching the EU average.

In 2019, 674 800 new jobs were created in Poland, the vast majority of them (89.9%) in the private sector. Most new jobs were created in the smallest enterprises, employing up to nine persons (43.8%), and the least in enterprises employing more than 49 persons (26.7%). In 2019, the average number of job vacancies in Poland was 142 100.

The highest number of job openings were recorded at the end of the second quarter of that year (151 800). The automotive sector had the largest number of job openings in 2019. (31 300 job vacancies). Construction (24 500), trade and motor vehicle repair (24 200), and transportation and storage (24 500) all had a disproportionately large number of work openings.

The outbreak of the COVID-19 epidemic affected the level of registered unemployment in Poland. The registered unemployed rate at the end of July 2020 was 6.1%, an increase of 0.9% compared with the previous year. It should be added that a comparison between the unemployment level at the end of July 2020 and the number

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of persons registered at the end of February 2020, before the state of epidemic was declared in Poland, shows that the unemployment level increased by 11.9% and the registered unemployment rate increased by 0.6 percentage points. At the end of July 2020, 51 900 persons made redundant for reasons related to their establishments were registered at labour offices compared with 35 100 in the previous year.

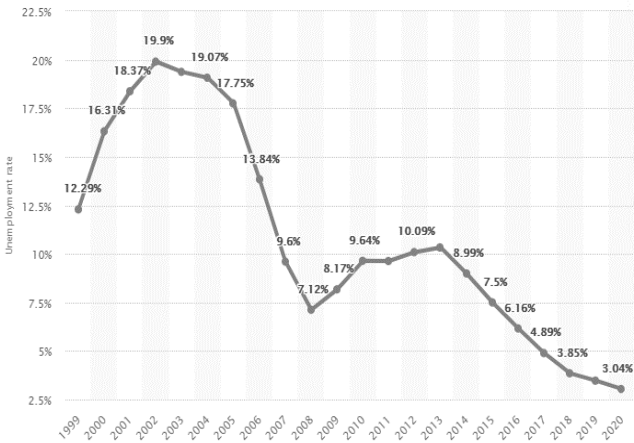


Chart 6. 1. Poland: Unemployment rate from 1999 to 2020

Source: Own elaboration.

The impact of the COVID-19 pandemic was also evident in data on places of work. In the second quarter of 2020, the number of persons who usually work from home was 2 124 000 (which represented 13.1% of all employed persons), double what it was in the first quarter of 2020 (an increase of 1 077 000 persons) and in the same period in the previous year (an increase of 1 262 000 persons). Out of all the persons working from home in the second quarter of 2020, 72.5% worked from home because of the COVID-19 pandemic (1 493 000 of them performed their professional duties remotely).

After a period during which the Polish economy was frozen and the resulting restrictions, the situation on the labour market seems to be heading towards stability. Employers’ initial, alarming reactions and announcements of redundancies have clearly subsided. Measures proposed by the Polish government as part of the ‘Anti-Crisis Shield’ have undoubtedly contributed to that situation. As a result, the dynamics of registered unemployment growth have slowed down, although the number of unemployed persons is likely to increase once periods of notice are over.

The impact of the COVID-19 epidemic on the labour market - Italy

Italy has an open economy and is a founding member of the EU. It is also a member of major multilateral economic organizations, such as the World Trade Organization and the International Monetary Fund. Italy is the eighth largest economy in the world, the fourth largest in Europe, and one of the main export countries worldwide. In 2019, 3.72% of the workforce was employed in agriculture, 25.62% in industry and 70.66% in services. The basis of Italy's economy is processing and manufacturing goods, primarily in small and medium-sized firms. Micro firms, many family-owned, are particularly important, providing 44.9% of the employment compared to the EU average of 29.7%.

But in the first quarter of 2020 Italy's unemployment rate almost reached 9.1%. The regions with the highest unemployment rates were situated in the South. Sicily, Calabria, and Campania registered rates from 15.6% to 19.2%, a large difference when compared to the Northern regions.

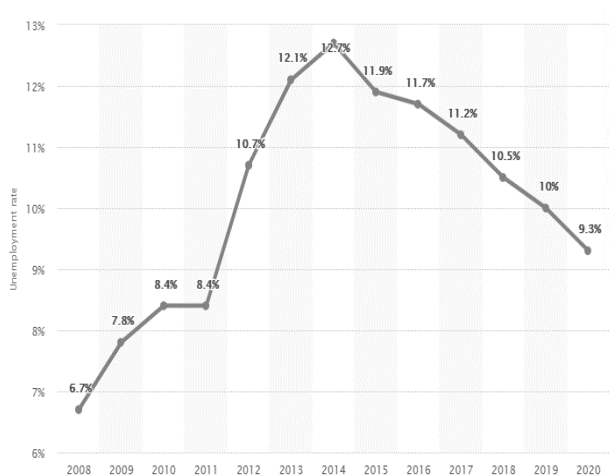


Chart 6.2. Italy: Unemployment rate from 1999 to 2020

Source: Own elaboration.

The impact of the COVID-19 epidemic on the labour market - Czech Republic

The situation on the labor market in the Czech Republic is special due to its great regional disparities. This peculiarity is particularly obvious when comparing the northern and eastern regions of the country, for example, to the region of Central Bohemia or the city of Prague. As of 04/30/2020, the lowest unemployment rate was recorded in Prague (2.40%), Pardubice region (2.53%)

and Hradec Králové (2.82%). Prague is strongly represented by the presence of investors and services, especially in the field of real estate and tourism. According to the Ministry of Labor and Social Affairs, the share of unemployed in the Czech Republic was close to 3.4% as of 30.4.2020, which is overall an increase in the number of unemployed people compared to last year.

According to statistics on the employment of European Union nationals, the majority of workers clearly come from neighboring states. Nationals from Slovakia and Poland, as well as Romania, are among them.

Overall, employment fell significantly in the first quarter of 2020. Job vacancies have decreased in the wholesale and retail trade sectors, as well as in manufacturing and motor vehicle repair. On the contrary, there is a growing interest among employees in social services, information technology, and health care.

The unemployment rate in the Czech Republic stood at 2.8% in August, according to new figures from the Czech Statistical Office. This is an increase of almost 1% from the beginning of 2020. However, compared to other EU Member States, the Czech unemployment rate is still the lowest.

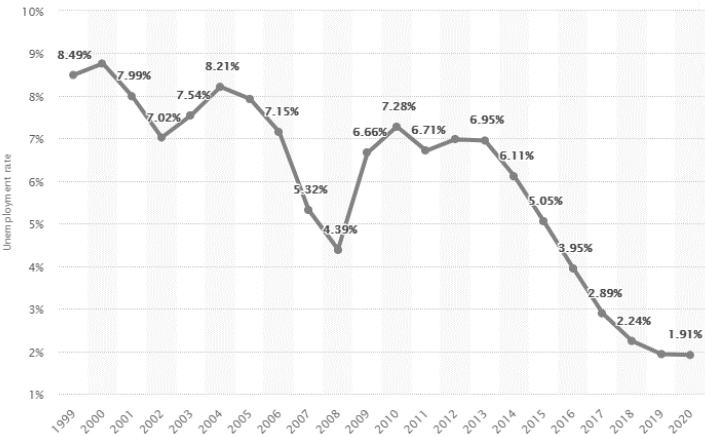


Chart 6.3. Czech Republic: Unemployment rate from 1999 to 2020

Source: Own elaboration.

Conclusion

As the number of job vacancies has greatly decreased under the impact of the economic shock caused by the COVID-19 crisis, in 2020 we observed a change in the behavior of professionals and job applicants. While many current candidates, for example, remained open to opportunities until then, today they are waiting for the storm to pass, while job seekers find themselves facing increased competition for many positions.

Summary

Social and jobs topics are common in national public discussions, and they are also an integral part of European policy. Efforts are currently being made to encourage social harmonization and jobs in order to implement a true social Europe. In terms of jobs and civil rights, Europe is at the forefront of the world, but there are significant differences between member States. These are primarily explained by the fact that European institutions do not have broad powers in these areas and that economic conditions differ greatly from country to country. The EU's average unemployment rate stood at 6.2% in January 2020, before the COVID-19 pandemic. But after the pandemic and the economic crisis that followed it was a big game-changer. After declining steadily for several years, unemployment has started to rise again, averaging the European Union at 7.5% in September 2020. Yet the contrasts between countries are marked, so in this report we will study the situation of three different states.

Keywords: employment, labour market, unemployment.

7. STARTUP ACTIVITIES IN THE ERA OF COVID-19 PANDEMIC

Condition and Challenges for Startup activities

Startups are backbone for the economy and for any country to grow and prosper, it is important for their citizen to think creatively, grow professionally and run local innovative business. It helps any country to be less dependent on outer world and be self-sufficient. WhatsApp, Zoom and Slack are among the best such examples who proved their worth to reach to wider audience beginning from scratch. But the story never remains joyful, it is difficult task for every startup company to sustain in initial days of business to prove themselves and it becomes a lot more difficult where there is unexpected situation like COVID-19. Covid has affected every possible sector of business and it impacted startup activities as well. There are many young creative minds who have plenty of time nowadays to focus on ideas and innovations but, at the same time, unavailability of enough resources is the road blocker in their path for success. It can be validated by analyzing the existing Startup companies who are in extreme danger due to lack of cash flow, drop in customer demands, lack of access to capital for recovery, and several other face problems related to federal assistance and infrastructure.

Cash Flow

Cash flow remains one of the prominent concerns for Startups during pandemic. Due to multiple known reasons such as economic shutdown and prolonged lockdowns, there is shortage in demand through customer and less revenue. It results into decrease or lack of cash flow for many small startup companies who reached at the stage of shutdown completely. According to survey, it is found that nearly 41% of startup companies have less than 3 months to go completely out of cash. To compare it with pre-pandemic scenario, there were around 29% of young startups which were in danger of running out of cash in next few months and it increased to 40% during pandemic [Gauthier, 2020]. Thus, it is a clear example where the impact of COVID-19 can be seen on startup activities. Below is the graph representing the situation of startups in terms of cash flow backup.

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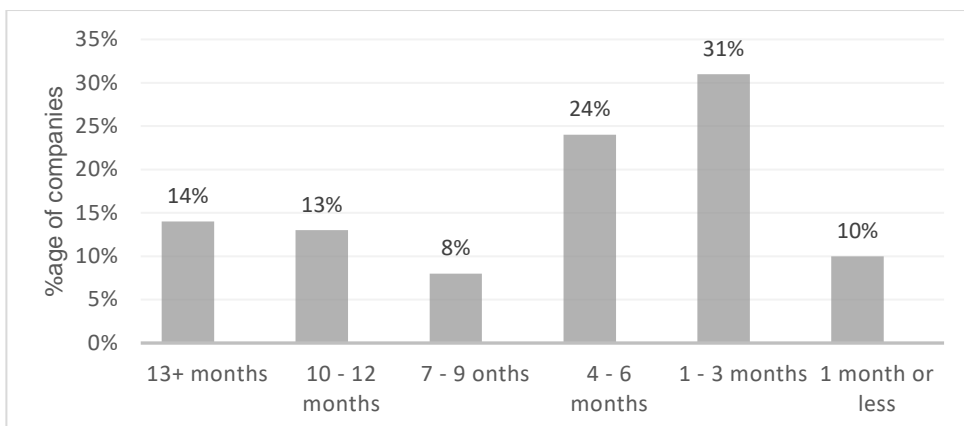


Chart 7.1. Months of Cash Runway

Source: Startup Genome, <https://startupgenome.com/> (26.04.021).

Lack of Access to capital investment

COVID-19 has brought the sense of fear in investors as well and as a result, they are more conscious in investing money further in any company and chances of investment is far less when it comes to new and young startups. Such situation has caused major dropdown in startup activities. Due to lack of sufficient funding and capital investments, startups are not able to function well. As per Startup Genome report, 53% of startups are experiencing lower fundraising whereas 28% continued to run smoothly. Below is the chart depicting the status of fundraising for Startups mentioning the reasons of backing out.

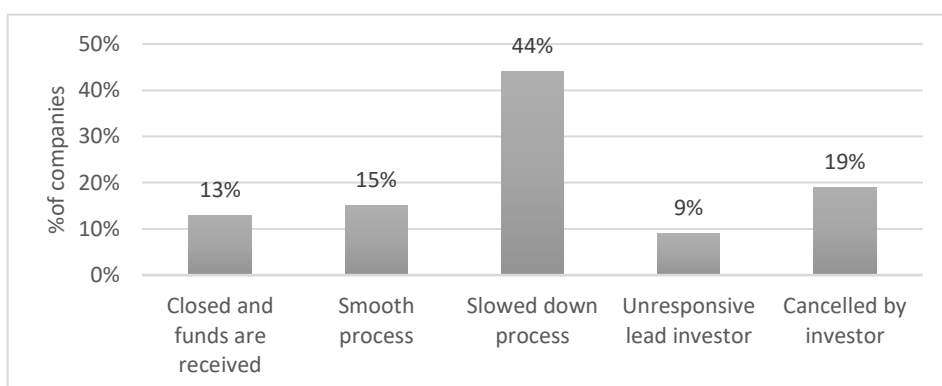


Chart 7.2. Status of Fundraising for Startups

Source: Startup Genome, <https://startupgenome.com/> (26.04.2021).

Impact on employee jobs

This is not hidden that pandemic has impacted the business which results into worsening the life condition for many employees. Due to the known reasons such as lack of revenue, less business demand, lack of cash flow, companies were left with no choice but to cut the resources and head counts. Including the major MNC, startups also had to go through such transition and laid off majority of their employees depending on requirements. As per Startup Genome report, three out of four startups took the decision to lay off their employees. In April 2020, the United States lost a record of 20.5 million jobs which is one of fastest drop in history. In addition to it, North America is included as one of country who contributed to decreasing the headcounts followed by Asia. Below is the chart depicting the termination of full-time employees by the companies.

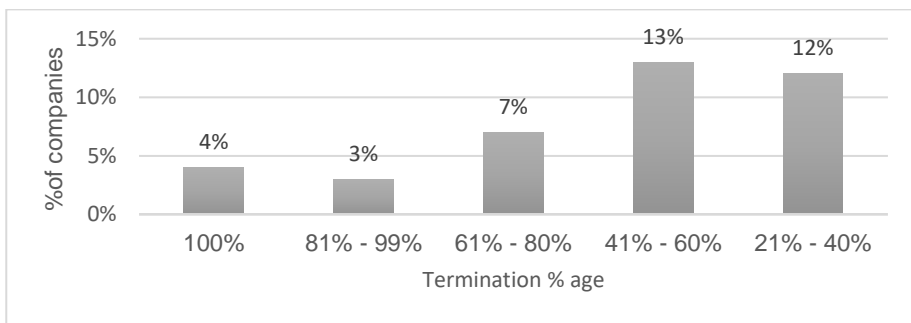


Chart 7.3. Termination of full-time employees

Source: Startup Genome | <https://startupgenome.com/> (26.04.021).

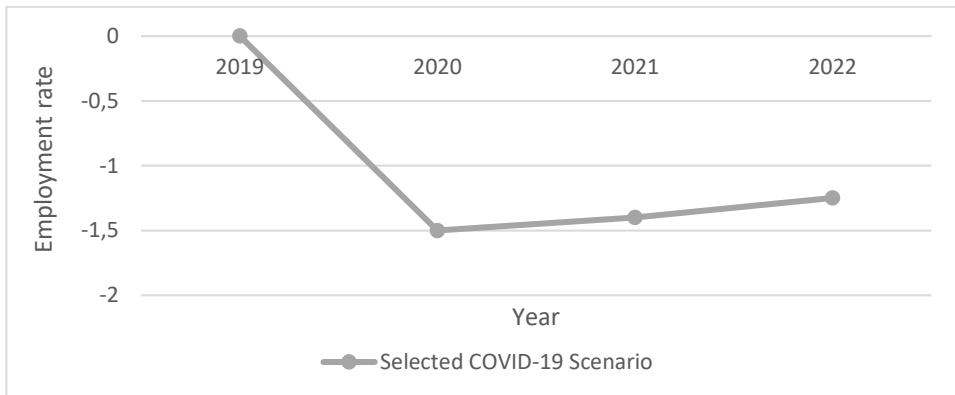


Chart 7.4. Termination of full-time employees, Aggregate Employment (million of jobs)

Source: <https://voxeu.org/article/startup-employment-calculator-COVID-19> (26.04.021).

Infrastructure

Infrastructure also remains an issue for Startup's pre-pandemic and during pandemic as well. Most of the startups do not have enough resources to provide infrastructure to employees as compared to big MNC(s) and COVID-19 has worsened the situation [Gauthier, 2020]. COVID-19 has shifted all the employees to remote work and it became obligation for employer to provide all required equipment, resources etc. to perform the smooth functioning of project or task but all Startups are not ready for such transition. They do not have enough capability to provide all the equipment(s) to the employees and this is the reason they are not able to cope up with situation very well. But, at the same time, it is also right to say that there are multiple illustrations where startups helped the government and other sectors to shift to digital world smoothly and it can be the case more frequent if specific measures are taken by government to support Startup activities.

Decline in Market demand

COVID-19 has impacted the supplying power of customers which results into lesser demands and lesser revenue for companies. As per Startup genome report, three out of every four start-ups work in industries are severely affected by the COVID-19 crisis. Although most have experienced a modest decline in revenue, a notable number of companies i.e., 16% have lost more than 80% of revenue. Below is the chart depicting the revenue generation for companies during COVID-19.

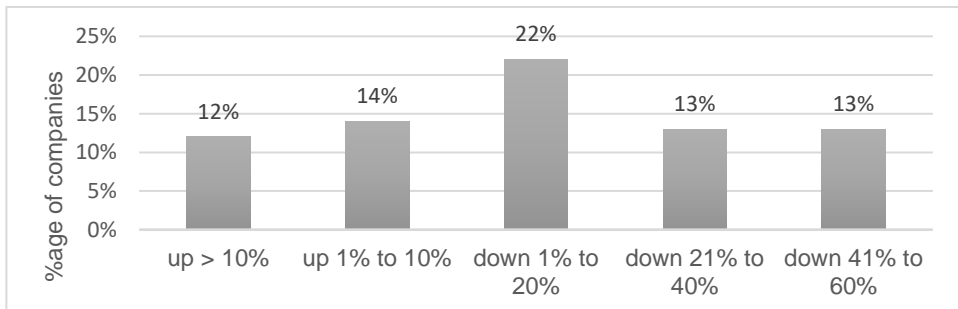


Chart 7.5. Change in revenue

Source: Startup Genome | <https://startupgenome.com/> (26.04.021).

Response to COVID-19

It is well known that Startups are not only the source of innovations in the country [Calvino et al., 2016], but it is also main source of job opportunities (OECD,

2020). Startups remain open to new, young, creative talent and there are numerous engineers, professionals and students who do not mind working for young company to brush up their skills in place of working monotonously for big MNCs. In such situation, it is very important for any country to promote the growth of Startups and especially, in times of COVID-19 pandemic when already top MNC are proving themselves to be a job destroyer. There is huge recession being seen during pandemic which has left many employees dissatisfied and unemployed. The United States recorded unemployment insurance requests hit 3.3 million people in a single week which is the highest number recorded since 1967. In addition to low jobs and cutting headcounts, economy is dropping, and Startup companies can be one of source to boost the economy, provide job opportunities and help the public through innovation. COVID-19 has taught number of alternatives to perform day to day activities in different ways, it has changed everyone's life to greater extent. People moved to digital world, medical sector is experimenting a far more from expected capacity, new business coming into picture, school kids are learning technology far sooner than thought etc. So, it is the need of time to promote Startup activities, young startup companies to cope up with the current situation.

Support of government

During unpreventable crisis times when every business is at stack, it becomes important for government to come forward and support local business. To tackle ongoing situation when no-one can travel, physically cut from outer world, the opportunity to focus on creativity and innovation evolves for talented pool of people. There are many countries where government took good measures to promote start-up activities. One of such examples is set up by UK government who has launched a £1.25 billion rescue package to help start-ups, emphasizing support for activities focusing on „firms driving innovation”, „the technology success stories of the future” and „the unicorns of tomorrow”. In addition to it, it is also recorded that government in many countries are helping the employer and founders directly in these difficult times by offering considerable percentage of salaries for companies who do not cut head count. To name few, Denmark, government offers 75% of salaries and Germany is offering to cover 60% of the new salaries for employees reduced from full to part-time [Kuckertz, 2016]. Following is the table representing the potential actionable measures for Startup activities:

Table 7.1. Potential measures announced and implemented by government

Sr No.	Challenges	Startup Options
1.	Avoid immediate startup failure. Drop in sales and mounting operating costs drive illiquidity. Entrepreneurs perceive existential fear.	Effective use of resources at hand to create solutions to new problems. Activate network resources (e.g., flexible payment options, flexible staff rotation).
2.	Continue startup growth against all odds. Reservations about innovation experienced through a hostile climate for innovative products and services (except solutions to crisis-response) along with additional hurdles in startup funding.	Discover opportunities creating value in solving consequences of the crisis (e.g., developing hygiene or digital work solutions). Proactively engage in broader opportunities that may arise in the aftermath of the crisis (e.g., shifting trends and behavior after crisis – boost in digitization).
3.	Respond to mismatch of initial policy measures. First policy support services experienced as not being meant for startups („we are stuck in the middle”). Additional barriers in the application for and implementation of policy support services specifically for startup.	Gather information and best-practice through entrepreneurial networks (e.g., exchange information in online crisis groups, learn about the application and implementation of support services from similar startups). Support lobbying initiatives of (trade) associations to be included in policy decisions and programs.

Source: <https://www.sciencedirect.com/science/article/pii/S2352673420300251> (26.04.021).

International policy responses to Covid19

There are numerous places where government took immediate measures to deal with COVID-19 pandemic. Namibia is considered as one of countries where fewer than 100 cases were recorded at one point of time which was the outcome of attentive policies led by stakeholders and government on time.

In addition to it, there are many other countries also where mature, timely and supportive actions were taken by government to support local business i.e., Startups. The timely efforts do make an impact and helped startups to sustain. Below graph illustrates an overview of the number of countries announcing the various measures to protect SMEs and startups where most measures are termed as short-term aid. The most effective and popular policy measure introduced by government worldwide is to enhance a firm’s financial capital by reducing loan interest rates or improving loan availability.

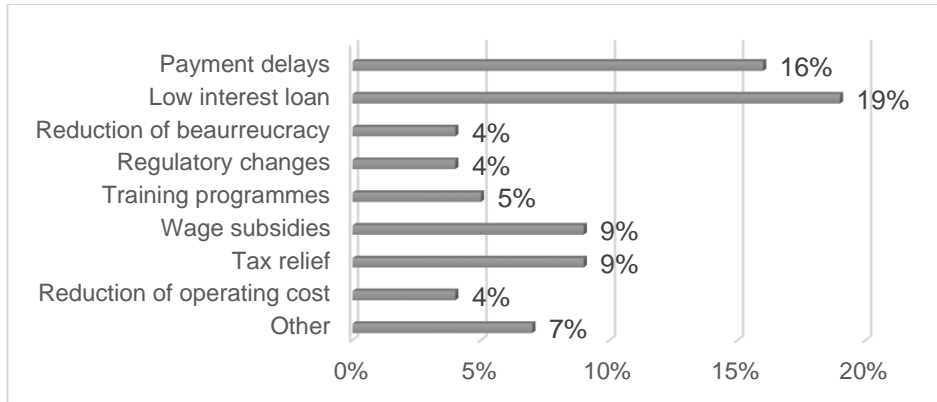


Chart 7.6. Change in revenue

Source: Startup Genome, <https://startupgenome.com/> (26.04.2021).

Conclusion

As we are progressing through each day, we encounter multiple drastic and unexpected changes occurring around the world where social distancing, work from home becomes the new normal. To deal with it, Startups are continuously developing innovative technology solutions which helps public to be able to get best possible medical services on time, being able to cherish lazy days at home, being able to comfortably work from home etc. Such new normal also becomes reason for the rapid growth of many startups or organizations related to services like online meetings, scheduler etc. Thus, it is right to say that innovations are nick of time and government should fully support local communities to prosper and grown and at the same time, Startups are also required to be agile, flexible to adapt the new changes.

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Summary

An article describes the condition of startup activities during COVID-19 pandemic. COVID-19 which is also known as SARS-CoV-2 and coronavirus has brought the unimaginable, disturbed and ever-lasting experience and forced every individual to take extreme steps in day-to-day life. Besides the public, it has led governments also to take drastic steps which results into lockdown of large parts of society and economic life. The article also combines the actions taken by government to alleviate the crisis impact, and possible outcomes to protect startups from the consequences of the current lockdown and to suppress the effects of future crises. It is seen that Start-ups have emerged as key drivers of economic growth and job creation and are often a catalyst for radical innovation. In spite of recorded as source of 20% of employment, young firms create almost half of new jobs on average across OECD countries, and innovation by young firms significantly contributes to aggregate productivity growth, accounting for half of it in the United States. This is validated during coronavirus (COVID-19) crisis as well where start-ups have continued to play a critical role for economies by taking fast and flexible measures towards the pandemic and have been played a pivotal role in helping many countries shift towards fully digital work, education, and health services, and have provided innovations in medical goods and services.

Keywords: metaphor, capital investment, entrepreneurial ecosystem, unicorns.

8. RESPONSIBLE MANAGEMENT

Introduction

The extant responsible management discussion has looked for Convergent answers. Attempts to answer have been derived from, for instance, syntheses of Students' perspectives, responsible managerial practices, and responsible management education practices, Responsible management has also been conceptualized as emerging A new from every manager's moral reflexive practice, and by Delineating it from other fields and discussions, what All of these attempts have had in common is that they are looking for a one-size-fits-all Integrative conceptualization and definition of responsible management.

Responsible Management as responsibility management

In recent years, the topic of corporate social responsibility (CSR) has been reframed by some to focus on „Responsible Management” (RM). It is easy to argue that this newer focus is intended to help interpret and translate what managers ought to be doing to fulfill an organization's CSR. Thus, RM addresses the specific strategies, tactics or actions managers thought to pursue to address business's accountability, obligations and duties to society and stakeholders. In the literature, RM is a term used mostly by academics but increasingly by practitioners as well. RM is not a recent idea, as it has been around in one form or another since business enterprises began. To consider the seeds of the idea of responsible management, it should be noted that it has gone through a number of stages.

Responsible management as responsible leadership

My appreciation of responsible management and responsible leadership is grounded in some of the earliest framings. The triple bottom line: practices need to be good for people, good for profits, and good for the broader society and environment. The triple bottom line emphasizes that there can never be just one entity as the benefactor. That early triple bottom line conceptualization is still true. Some people, including some management professors, push back on profits being included in the triple bottom line. There are a number of questions that can

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help leaders lead responsibly. Number one is the question to what end? What am I, as an individual leader, trying to achieve? What is my company actually trying to achieve? What am I, as an individual leader, trying to achieve? If your primary focus is on getting a promotion and a salary increase, or simply keeping your job, then you are not within the domain of responsible leadership.

Responsible management as response-able situation management

It has to respond to the kind of challenges that they are facing, especially when there are questions of ethics at stake and when managers have to deal with a situation where stakeholders are involved and a stand on the specific issue has to be taken. I think a responsible manager is someone who will not hesitate to respond to what he or she is supposed to respond to. Of course, you might have a situation where you could say, well, that's not my concern. That's out of my hands, or there's nothing I can do. In some contexts, I guess it could be acceptable as a response. But a responsible manager is really someone who is able at least to reflect on his or her capacity to respond to a specific situation. But you also have to listen to everything that might matter in a given situation. You have to be open, or to be as open as possible, to the complexity of a situation. This also means that you have to communicate, of course, that is, you cannot just imagine by yourself what the situation might be.

Responsible Management as human(e) management character

Ongoing commitments to honesty, justice, fairness, trust, love, compassion, equality, human dignity, safety of the individual. Responsible management as a commitment to those ontological givens of human value. You know the economists don't have any difficulty in defining these ontological givens in terms of individual self-interest, but I think there's an alternative argument out there. So, in a very long-winded way I would say that responsible management is in developing this notion of institutional character, which is commitment to value that's beyond issues of technical efficiency.

Examples of Corporate Social Responsibility in Action – Brands Doing it Right

1. **Innovation: Johnson & Johnson.** An excellent example of CSR is global giant Johnson & Johnson. They have focused on reducing their impact on the planet for three decades. Their initiatives range from leveraging the power of the wind to providing safe water to communities around the world. Its purchase of a privately-owned energy supplier in the Texas Panhandle allowed the company to reduce

pollution while providing a renewable, economical alternative to electricity. The company continues to seek out renewable energy options with the goal to procure 35% of their energy needs from renewable sources.

2. **Google.** Google is trusted not only for its environmentally friendly initiatives but also due to their outspoken CEO Sundar Pichai. He stands up against social issues including President Donald Trump's anti-Muslim comments. Google also earned RI's highest CSR score much in part due to their data center using 50% less energy than others in the world. They also have committed over \$1 billion to renewable energy projects and enable other businesses to reduce their environmental impact through services such as Gmail.
3. **Coca-Cola.** Coca-Cola's massive fleet of delivery trucks contributed 3.7 million metric tons of greenhouse gases to the world. They have made major changes to their supply chain practices including investing in new alternatively fueled trucks. Their initiatives are intended to create a 25% reduction in their carbon footprint by 2020.
4. **Ford Motor Company.** Ford plans to reduce their greenhouse gas emissions using their EcoBoost engine to increase fuel efficiency. It also plans to introduce 40 electrified vehicles (electric and hybrid) by 2022, in an investment of \$11 billion. According to Ford: „We're all in on this and we're taking our mainstream vehicles, our most iconic vehicles, and we're electrifying them. If we want to be successful with electrification, we have to do it with vehicles that are already popular.” In addition, American Ford dealerships rely on wind sail and solar PV systems to power their locations greatly reducing their use of electricity.
5. **Netflix & Spotify.** From a social perspective, companies such as Netflix and Spotify offer benefits to support their employees and families. Netflix offers 52 weeks of paid parental leave, which can be taken at any time whether it is the first year of the child's life or another time that suits their needs. This compares to 18 weeks at other tech companies. Spotify offers a similar program, although for a shorter duration of 24 weeks of paid leave.
6. **Pfizer.** Pfizer uses the term corporate citizenship to coin their CSR initiatives and believes it is a core part of their company and 'simply how they do business'. Across the globe, the company drives initiatives that raise awareness for non-infectious diseases as well as providing healthcare for women and children who otherwise would not have the care they need. One example of this is the reduction in the price of their Pevonar 13 vaccines (for pneumonia, ear and blood infections) for those in need and in situations such as refugees and emergency settings.
7. **Wells Fargo.** Wells Fargo donates up to 1.5% of its revenue to charitable causes each year. which has raised \$286.5 million in 2017 alone to more than 14,500 nonprofits through philanthropy such as food banks and incubators to hasten the speed to market for start-ups. They also provide employees two paid days off per year to volunteer and give back to the charity of their choice.
8. **Bosch.** Half of Bosch's research and development budget is invested in creating environmental protection technology. By 2021 the company will have invested €50

million to support universities and research programs that are focused on the environment, energy and mobility in Germany, India, the U.S and China through Bosch Energy Research Network, otherwise known as BERN.

9. **GE.** It's been more than a decade since General Electric launched Ecomagination, its renewable business strategy with a mission to double down on clean technology and generate \$20 billion in revenue from green products. In those ten years, it has manufactured its Evolution Series Tier 4 Locomotive, which will reduce emissions by more than 70% and launched the Digital Wind Farm which can boost a wind farm's energy production by 20%.
10. **Starbucks.** With an eye to hiring, Starbucks is looking to diversify their workforce and provide opportunities for certain cohorts. By 2025 it has pledged to hire 25,000 veterans by 2025 as part of their socially responsible efforts. This hiring initiative will also look to hire more younger people with the aim of „helping jump-start careers by giving them their first job'. While globally the company has joined with the UN Refugee Agency to scale up the company's support and efforts to reach refugee candidates to hire 10,000 refugees by 2022.
11. **New Belgium Brewing Company.** This brewing company owned entirely by its employees through a stock ownership plan is focused on sustainability. Its Fort Collins brewery produces 18% of its own electricity through solar panels and wastewater. It also contributes to bicycle and eco-focused organizations. According to their Director of CSR, Katie Wallace: „We consider social and environmental well-being to be intricately intertwined.”
12. **The Walt Disney Company.** Disney is committed to reducing their carbon footprint with goals for zero net greenhouse gas emissions, zero-waste, and a commitment to conserve water. They are actively ensuring that they set strict international labor policies to protect the safety and rights of their employees.

Why is responsible management important?

Being a socially responsible company can bolster a company's image and build its brand. Social responsibility empowers employees to leverage the corporate resources at their disposal to do good. Formal corporate social responsibility programs can boost employee morale and lead to greater productivity in the workforce.

Companies are increasingly ramping up their focus on social responsibility, whether its championing women's rights, protecting the environment, or attempting to obliterate poverty, on local, national, or global levels. From an optics perspective, socially responsible companies project more attractive images to both consumers and shareholders alike, which serves to positively affect their bottom lines. Key takeaways:

- being a socially responsible company can bolster a company's image and build its brand,
- social responsibility empowers employees to leverage the corporate resources at their disposal to do good,

- formal corporate social responsibility programs can boost employee morale and lead to greater productivity in the workforce.

Conclusion

The resources needed to implement aspects of sustainability reporting can be significant. Therefore, many of the concepts in this chapter are most relevant for medium and large businesses and can be particularly challenging to smaller organizations. Many of the tools and processes discussed in this chapter are geared toward small, incremental change as a part of continuous improvement. All businesses, small or large, new or mature, can implement aspects of sustainability reporting into their organization to achieve improved operating results while minimizing negative societal impacts and emphasizing positive societal impacts

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Summary

The responsible management field so far has been looking for a convergent one-size-fits-all answer to this question. Conversely, we choose to ask the grammatically incorrect, but generatively paradoxical question of „What are responsible management?“ In response, this chapter features a rich potluck of six academic pioneers' distinct conceptualizations of responsible management: Responsible management as responsibility Management. Each conceptualization is followed by a brief stylized interpretation of each pioneer's perspective that links it to the extant responsible management literature. Finally, these responsible management conceptualizations are juxtaposed along the four categories of managerial agency, responsibility managed, sphere of responsibility, and management process.

Keywords: responsible management, responsibility, leadership.

9. SOCIAL RESPONSIBILITY IN CRISIS MANAGEMENT: THE CONTEXT OF THE STRATEGIES APPLIED

Introduction

Much research has emerged taking into considers CSR from different perspectives. Like CSR, crisis management also attracts the attention of researchers from different perspectives, such as, for example, chaos theory; organizational learning; organizational performance. Even if CSR is currently a field of research experiencing considerable growth and which can easily influence the path of the crisis phenomenon within organizations, in a way more direct. In other words, this article tries to find out a bit more about what works on CSR can learn about crisis management. To do this, we will first try to identify the links between the CSR strategies adopted by organizations and their influence on crisis management organizational. To better understand this relationship, we would like to refer to the work of Martinet and Payaud and Clarkson who presented the different forms of CSR strategy and their functionalities. In a second part, we will analyze the typologies of crisis and the strategies in terms of CSR that can be applied. Our main goal is to analyze the link between CSR and times of crisis and to assess the essential role of CSR in managerial resolution in times of crisis.

CSR in times of crisis

CSR to assert itself at the strategic level, to come out of the closet, to be an integral part of the reflection on the company's transition. To finally truly transform it and develop a sustainable business model. While in terms of crisis the effect of CSR will be more effective. Several theoretical hypotheses are evoked to explain the sign of the link between financial performance and social performance. According to Friedman from 1970, managers must work in a single direction, that favorable to shareholders, any social expenditure is thus perceived as reducing profitability. From the point of view of its relations with its stakeholders, an organization can have two reasons for establishing itself in socially responsible actions. Some companies expect that the development of its intangible assets (in terms of resources and skills), will create a good relationship with its stakeholders, will lead to increased financial returns. Others engage in socially responsible

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and promote them in order to comply with the standards and expectations of its stakeholders. Regardless of its motivations, when a company engages in social responsibility actions, these practices can bring it certain competitive advantages, having an important influence in the creation or even in the reduction of the intangible resources of the company. For these reasons, there is now a great interest on the part of companies to invest and commit themselves in one way or another to so-called responsible practices. From the previous indications we can confirm that the financial and economic crises are rewriting the relationship between business and the society. CSR today is synonymous with how we can rethink the economy. „Everything in today’s society makes us realize that fundamental changes are needed. The health crisis has played an accelerating and revealing role. We have seen with the COVID-19 that lean management, the lack of stocks and supply to the other side of the planet posed serious problems. This invites us to reflect in mirror on the other considerable challenges we face, such as climate change, the polarization of wealth, heightened social tensions, or even the aging of our population. These are all issues around which companies, whatever their size, are faced. They are called upon to respond by playing a major role in defining a new model of sustainable and inclusive growth,” explains Guillaume Bigot. A company’s CSR approach aims to reconcile profit and the general interest. This involves, for example, the management of diversity. „In practice, HRDs are faced with increasingly diverse collaborators, a symbol of a very fragmented society. A responsible company acts to reconcile these differences towards a common goal”. Organizations can also rely on the individual action of employees to create collective commitment. „For example, more and more companies are giving employees ½ day per month, paid, to become involved in an association”, explains Mr. Bigot. In fact, CSR is found at all levels of the company: recruitment, responsible purchasing, social dialogue, but also management techniques based on benevolence and socio-organizational justice. „It’s not about giving yourself a clear conscience, but about creating adhesion, pride and strengthening the collective bond. „This explanation of CSR leads us to understand much better the degree of influence of CSR in a time of crisis. Socially responsible actions can be seen as an investment, a popular way for the organization to secure an organizational position. In such a context, organizations even manage to create a reputation as an honest and trustworthy company.

In some cases, CSR can even serve as a parameter for companies considering critical issues where their legitimacy is at stake. On this subject, Lindblom suggests four strategies that could be adopted in a crisis in order to try to minimize the effects: (1) inform stakeholders about improvements in terms of performance, planned by the organization, to manage the event; (2) seek to change the stakeholders’ perception of the facts; (3) distract stakeholders from the topic in question; (4) change external expectations regarding the performance of the organization. These proposals, which may be effective, are not sufficient actions for CSR to be seen as a practice capable of managing threats to the legitimacy of the company. Instead of seeing CSR as a simple crisis management tool, it would be more beneficial to understand it as an ongoing means of strengthening the legitimacy of organization and to control its reputation.

Mainly companies seek to promote a brand and therefore their image, and when their image is damaged, they use CSR as a refusal. They try to position themselves by implementing CSR practices in order to reduce the negative effects of a crisis. The objective of our research is to understand the effect of the company's CSR strategy on a specific crisis. We paid attention to the following factors: the proactive or reactive nature of CSR communication and the thematic link between the CSR communicated and the crisis. Cause-linked marketing is CSR communication which remains an indirect management tool for companies. Indeed, logically the level of confidence and the attitudes of consumers decrease sharply after exposure to the crisis. In view of the importance of the consequences of a crisis, we discover the indispensable role of CSR. When timing is considered (proactive-reactive CSR strategy), the reactive strategy is better perceived by consumers than the proactive strategy and therefore benefits from better attitudes. When you take timing into account the link to CSR and the crisis, the best protection against negative consumer attitudes is to communicate your CSR on a different topic than the crisis. However, there is no effect of the CSR-crisis link on confidence. However, when we compare consumer confidence based on different strategic combinations (timing and link between CSR and crisis), there are some strategies that protect confidence better than others. From these concepts, companies can be classified according to four forms of social responsibility strategy „cosmetic” CSR, which is illustrated by a light practice of CSR; „annex or peripheral” CSR, which demonstrates an involved CSR but that does not have a direct relationship with the organization; „integrated” CSR, where the dimensions of CSR are integrated into the table of company edge; finally „BOP” (bottom of the pyramid) CSR based on the studies and recommendations of C. K. Prahalad concerning very poor countries. In this work, the taxonomy of Martinet and Payaud, resulting from their recent work, will be used as a basis for the analysis of CSR strategies. The table below summarizes the main characteristics of this proposal:

Table 9.1. Classification of companies according to their different forms of CSR strategy: characteristics, peculiarities and examples

Strategies CSR	Characteristics	Main features	Examples
Cosmetic	Lightweight CSR practice	Minimum response to the requirements of law: no desire to build long-term projects with the parties stakeholders	Partnership with a association for one One-off event
Annex or peripheral	Involved practice of CSR	CSR actions have no direct link with the company's activities and do not depend on its skills	Sponsorship actions

Strategies CSR	Characteristics	Main features	Examples
Integrated	CSR practices integrated into the dashboard the company	Financial indicators are counterbalanced by indicators „Social”	Directly linked actions with the activities of the company
BOP	Companies engaged in practices of CSR	Socially responsible actions of the company are essential to redesign the system of activities of a community and make them viable in their context to very poor purchasing power	Entrepreneurial actions which report social transformations and local ecosystems of wealth creation

Source: Own elaboration.

The involvement of CSR in the strategy of the company is a solution to be reviewed by several companies. Let us take the example of the COVID-19 crisis: the strategies of the most responsible and sustainable companies are already paying off. It is therefore the companies engaged in CSR that are able to profit from this crisis. They will adapt to post-Covid demands and thus more easily overcome future disruptions. It influences even if the culture of the company in internal term the slowdown of the professional and personal activities offers a moment to reflect on the current company and these actions. It engages a moment of awareness, favorable to the change of habits. Let's mention teleworking employees need to be united. Gathering a team around a CSR project is an opportunity to unite it and show it recognition! It convinces us that CSR is a tremendous lever for development and which gives awareness to the current difficulties that companies encounter, and even helps employees to help be an actor of change.

CSR strategies and their positioning in times of crisis

In this part, we try to link the practical aspect to CSR at the time of crisis. Several authors such as Martinet and Payaud and Clarkson have shown the relationships between the CSR strategies adopted by firms and their positioning. Crises are delicate events and can be accelerated by the combination of certain aspects, such as technological complexity, environmental sensitivity and increased mistrust. In addition, this is a situation where all attention is paid to the organization and its actions are much more publicized, thus coming out of the entourage of closer stakeholder. In order to deal with these critical events, crisis management considers the particularities of the company and is presented as all the methods allowing the organization to have the means to control a difficult situation and to cope with it. get out of it in the least traumatic way possible. The main objectives of crisis management are „prevention of potentially crisis-causing events, preparation to manage threatening situations for the company, „knowing

how to react” when critical events occur and „knowing how to capitalize” on these events in order to improve. These methods can also allow managers to have a reaction of quality in the crisis, which allows them to confront dynamic and complex situations with a more in-depth analysis of the environment and acceptance of the change in mentalities and behaviors. The question that arises is what the CSR strategy differs depending on the crisis? Crises develop every day and are present in the routine of people and businesses. Classifying them is the first step in controlling them, since it allows them to be identified and analyzed. This approach offers managers a framework reference point for their judgment and helps them to identify such uncertain and evolving phenomena. The crisis classification can be based on the decision to be taken. According to these authors, crises can be of two types: 1) a sudden discontinuity in the activities of the organization, easily identifiable, which leads to a reorganization of the cognitive structure of the individuals concerned in order to react in a disorganized environment; or 2) the emergence of unfavorable information concerning vital activities of the organization, which are not always immediately identified and which leads the company to try to find favorable answers in order to try to neutralize negative speeches. The explanations and the points of view and the analyzes of the researchers are multiple analysis from several angles. we find the classification of Roux-Dufort which categorizes crisis events according to the triggers: the origins of the crisis, which can be of a technical / economic or social / human; and its impact, which can be external or internal to the organization. among other categories of we find legal (eg fraud, „white collar” crimes), ethical, organizational (eg. kidnapping or death of a manager) and informational (e.g. leaks confidential information). According to Muller, crises can be classified according to their impact on people as well as organizations. They come in four forms: a) the crisis of turbulence, with a low impact and low risk and which concerns an anomaly or series anomalies in organizational processes; b) the mutation crisis, with an impact and a sensitive risk that arises when systems fail or processes and the methods are no longer adapted to changes in the business environment; c) the rupture crisis, a major crisis that forces the organization to radically change its practice; and d) the disappearance crisis, a crisis with a very strong impact and a vital risk for the company, in which the managers’ room for maneuver is the most limited.

Relative to our field of research, intractable crises are characterized by very serious consequences, the danger of which is well known. This type of crisis is strongly related to CSR. Accidents in nuclear factories, such as the Chernobyl disaster in 1986, earthquakes or even global warming exemplify this type of event. This crisis context seemed the most suitable for carrying out our analysis, because that it has as main characteristics two points that could be directly linked to CSR: predictability and influenceability. Unlike conventional crises and fundamental, considered as extreme cases; and unexpected crises, which are quite, intractable crises have this duality of being an event predictable and difficult to manage at

the same time. A business will tend to experience the crisis rather than control it. A company that leads a strategy „annex”, with a defensive posture will face much the same difficulties. The latter will have more resources to anticipate the crisis, however, it will not be able to also to find a long-term solution. From the point of view of the „integrated” CSR strategy, and a resigned positioning according to the typology of Clarkson, the predictability of the crisis will be done more easily than in the two cases mentioned above. This company cares about the well-being of its stakeholders and will do its best to meet their requirements in times of crisis. Finally, regarding the „BOP” strategy, whose positioning is proactive, the organization has the necessary resources to predict the occurrence of the critical event. In addition, in this case, it will be able to properly manage the crisis and even exceed the expectations of the stakeholders in order to better satisfy them. Table following presents the different CSR strategies and their positioning in the face of a crisis intractable.

Table 9.2. The management of an intractable crisis according to the different CSR strategies and them Positioning

CSR strategies	Positionings	Managing an intractable crisis
Reactive	Cosmetics	<p>Predictability: The company would not be able to prepare for this type of crisis since it finds itself very closed in on itself. There is very little visibility and interaction with its surroundings.</p> <p>Influenceability: The company would probably not have the resources to deal with such an event; his reactive posture used in everyday life will serve to control the crisis in the short term.</p>
Defensive	Annex	<p>Predictability: the company would probably have the means to predict events, but will not be able to prepare sufficiently because of its socially responsible activities which are not closely related to his field of activity.</p> <p>Influenceability: the company could control events, but this will be difficult because of his defensive posture, which concerns more An immediate response to crisis events as a long-term solution term.</p>
Integrated	Resigned	<p>Predictability: the company would be able to predict events in the extent to which it will set up its resources and its monitoring system which are closely linked to its internal and external environment.</p> <p>Influenceability: the company would tend to control events crisis by considering its stakeholders. She will be able to exceed even considerations limited to one’s own well-being. She will have a more global and more protective vision towards its stakeholders. Proactive BOP.</p>

CSR strategies	Positionings	Managing an intractable crisis
BOP	Proactive	<p>Predictability: due to its proactive posture, the company would be able to perceive the signs of crisis well in advance, so as to develop a plan action and thus be able to respond to these events. She will not only satisfactorily but, more than that, so as to capitalize on long-term crisis management.</p> <p>Influenceability: when managing the crisis, the company would have tendency to think more about the effects of their anti-crisis actions with a more long-term vision, to take into account its repercussions on its stakeholders as well as on its environment.</p>

Source: Own elaboration.

Conclusion

The goal of this work is to determinate the relationship of CSR closer to the time of crisis in terms of management. We have analyzed the CSR strategies and their positioning in relation to a crisis. We have identified actions that serve the practical plan managerial, in order to help managers, identify critical situations and have some elements that can help them to manage. By following this approach, we have tried to further strengthen the debate on the links between crisis management and CSR. We have focused on a situation of panic or crisis where an organization or a leader can find from the literature an effective practical solution. Regarding avenues of research, a lot of subject can be developed through empirical approaches. It would be interesting to think about examples of intractable crisis, underlined by Gundel, and to see how some companies have done to face it. and other types of crisis (e.g. the crisis linked to the processes of decision) can be faced. another research debate can be initiated from the analysis of this work, indicating the limits of CSR and its negative impact. To finish this work a question of scientific debate can be asked, is the CSR a credible management tool which is sincere as an element which belongs to the culture of the company?

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Summary

The CSR is a tool that often becomes usable in the previous years in the world of managing organizations. Several authors have analyzed the phenomenon of CSR in order to identify the relation of the latter to such a crisis. In the same way as crisis management, the Corporate Social Responsibility (CSR) is a field of research that is attracting attention by several researchers. Several researchers have studied the relationship between these two concepts. The primary objective of this report is to study the degree of influence of CSR strategies in times of intractable crisis. To do this, we want to identify in a first section the role of CSR in a crisis and in a second section we want to evaluate the CSR strategies adopted by the firms as well as their positioning. This managerial article aims to analyze, clarify and understand how to manage a crisis in a societal framework.

Keywords: Corporate social responsibility (CSR), Crisis, crisis management, CSR strategies.

10. GALLERIES AND MUSEUMS IN THE ERA OF THE COVID-19 PANDEMIC

Transforming Museum Governance During a Pandemic

Quarantine has become for everyone - and for the art world too- a very bizarre time: either a pause, or an opportunity to remember everything (with the display of archives), or an attempt to pretend that a disaster is not happening. While in the world the doors of museums are locked, in the eyes of curators, gallery owners and artists there is anxiety. Recalling the hackneyed truth that a crisis is not only a time of trials, but also of new opportunities, we tried to find out whether new perspectives had opened for cultural institutions and how they took advantage of this forced respite.

A study by UNESCO and the International Council of Museums found that nearly 13% of more than 85,000 museums around the world were closed. Worse, due to the isolation of COVID-19, social distancing and the resulting loss of funding, they may never open up. This is more than every tenth museum, an unacceptably large loss [Artforum, 2020]

Due to the coronavirus pandemic, many museums will be forced not only to make all kinds of cuts, but also to close altogether. It will not do without painful cuts – be it the number of exhibitions or the number of employees. And this means losses: the reduction in income and salaries will affect all museums, but especially – private or public museums, the existence of which depends on their income. It is also regrettable that many people will have to do without museums as a public space.

So, the museum sphere cannot exist on its own without the support of the public and private sectors. It is imperative to mobilize funds for emergency relief and put in place a policy to protect professionals and self-employed workers in non-standard contracts.

The common phrase of this pandemic is that during a crisis, the tendencies that existed before it are exacerbated, and that which already existed at the end of the day is dying. For the art market, this phrase has become especially true. In recent years, the fairs seem to have exhausted themselves. And online art sales have grown from an experimental format into a separate trend.

This led to the fact that gallery owners and auctioneers of the old format, accustomed to working with an enthusiastic and serious-minded public, now feel not quite confident.

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Yes, almost all galleries have painlessly moved online, and even the March Art Basel was held in this format, and the Sotheby's auction actively provides its Internet platform to large sellers, not forgetting to take a percentage of the transaction, but the artworks themselves are getting cheaper.

„Cheap art” is one of the most important and most controversial quarantine trends. In the closed Facebook group „Ball and Cross” gallery owner Maxim Boxer, Aidan Salakhova's drawings are sold with might and main for 5–8 thousand rubles (approximately 100 euros), as well as works of less eminent artists for even less money. This, of course, has a downside. Lena Krylova, founder of the Cubed art store, does not hide her concern: „In the situation of non-working galleries, artists sell their works for cheap, and this is used by those who were involved in the process before and could potentially pay a fair price. This is what I consider devastating for business: almost none of the gallery owners were given a rental vacation, taxes were also only postponed, so it is highly likely that after the quarantine we will not see all the players in the art market, and artists will have to continue selling things at indecently low prices.

If we talk about the situation in Europe, then museums that have become accustomed over the years to a „frantic exhibition race” (for example, the Moscow MAMM in 2019 showed 134 exhibitions – and not only in Moscow) [Blueprint, 2020], in full swing faced a new cultural and economic reality. The Union of Museums in Europe (NEMO) estimates that museums have lost 80% of their income due to the coronavirus pandemic. We are talking about 650 museums from 41 countries – 92% of them are closed, while the largest of them like the Rijksmuseum in Amsterdam and the Kunsthistorisches Museum in Vienna lose up to 600 thousand euros a week. And the director of the Pushkin Museum. Pushkina Marina Loshak estimates the financial losses of the museum at 2 million rubles daily. But if „Pushkinskiy” can count on state assistance, then, for example, the Van Gogh Museum in Amsterdam is 90% financed through ticket sales. No sales – no money for salaries. It is not for nothing that seven out of ten European museums have transferred part of their staff to a project-based method of work. A serious minus is expected in the museums' budget at the end of the year. But many museums don't have any financial cushion. And if the local authorities now raise the issue of reducing their – voluntary – spending on culture, then such cost savings will be a mistake. Because after the crisis, a discussion will flare up about how to bring life back to cities. And the key word here is culture. So investing in culture is a must. Further, we propose to consider the above-described changes in the structure of museums and the transformation of their work on a specific example.

Experience of Transformation of the Tretyakov Gallery during the Coronavirus Crisis

The coronavirus epidemic has greatly affected the Tretyakov Gallery. Since 2019 was the most successful year in the history of the gallery: the expositions were visited by 2,832,000 people, the share of extra-budgetary funding was 64%, of which 42% the

museum earned independently, thanks to the sale of entrance tickets, excursions, lectures, educational programs, film screenings; 22% – funds from sponsors. And it was with this money from the sponsors that the gallery organized its most large-scale exhibitions in recent years.

At the beginning of 2020, the Tretyakov Gallery lost about 2.7 million rubles in daily income [rbc.ru, 2020]. Considering the fact that it is also necessary to pay for the maintenance of the building, utilities, this figure was already more than 3 million a day.

Therefore, the museum, which is used to developing very actively, dynamically and effectively, suddenly felt that the planning horizon was very much narrowed, and all planned projects need to be reviewed very quickly in connection with the lockdown. That is, to rebuild your work and go online.

Back in 2019, the Tretyakov Gallery gradually began to develop its digital platforms, but for some reason, the management did not make any decisive steps in this direction. However, it was the COVID-19 epidemic that became the biggest push to increase the audience in online formats.

Looking at the experience of European and Asian colleagues, the museum management sent some of the employees who were not involved in the reception of visitors, were transferred to a remote mode of work with the payment of 2/3 of the salary. It was very important to transfer many office and research staff who continued to work intensively at home to online work. That is why serious scientific texts about art were written during the quarantine. It should be noted that the entire staff of the museum was completely preserved, all remained at their jobs.

All services, including accounting, were transferred to electronic document management systems. Salaries were accrued from the employees' homes, payments were made, and contracts were concluded and signed.

It should be noted that the transition to online platforms was very successful. Facebook Instagram – about 500,000, YouTube – about 160,000, Facebook – about 130,000, and the number of subscribers to the Tretyakov Gallery by the end of 2020.

The museum has developed an unusual format of video tours. The head of the gallery-Zelfira Tregulova invited the most unexpected guests to shoot the film „Tretyakov Gallery”. For example-a rock musician-Sergey Shnurov, who is known for his outrageous performances. The film is presented to the viewer as a dialogue of people with different points of view on one topic: a painting, an artist or a historical period, which move from hall to hall. This makes viewing extremely interesting and dynamic. And the numbers confirm this: this issue has collected more than 1,000,000 views on YouTube. Every day, the official website of the museum is visited by more than 2 800 000 people, and the YouTube channel is visited by more than 4 600 000 people. The Tretyakov Gallery opened in offline format on July 3, 2020, but with some restrictions. Now, at the entrance to the museum, each visitor is measured in temperature, asked to put on masks and disinfect their hands. The gallery is visited by sessions (the session format is described in Table 10.1.). This organization of work allowed the Tretyakov Gallery to enter the hundred most visited museums in the world

in 2020 and take the 13th place (68% of the drop in attendance, 894.4 thousand visitors, was closed for 124 days) [The Art Newspaper Russia, 2020].

Table 10.1. Activities and related activities in the Tretyakov Gallery in connection with the COVID-19 epidemic

Destinations	Activity
Employee awareness and training	Regularly informing employees about the current situation in the museum, the country, and the world. Training to work in the conditions of coronavirus: maintaining a distance, wearing personal protective equipment, and so on. As well as learning to work remotely from home.
Organization of physical distance	Visiting the Tretyakov Gallery takes place in sessions. The session is a 30-minute interval when you can go to the museum, the recommended viewing time is 2 hours. The number of visitors in the halls is limited. You can visit the Tretyakov Gallery exhibitions with an organized tour group of no more than 5 people. They are also asked to keep 1.5–2 meters and follow the designated route.
Hygiene measures and organization of cleaning	Several times a day, the gallery conducts a full processing of all the rooms: all the exhibition halls, storage rooms, wardrobes, and so on.
Provision of personal protective equipment	At the entrance to the museum, everyone goes through the temperature measurement procedure. The gallery provides its employees and visitors with a sufficient amount of personal protective equipment: masks, gloves, the opportunity to disinfect their hands with antiseptics, which are located at each entrance

Source: compiled by the authors.

Conclusion

The new format of interaction in the online format has proved to be extremely popular, and statistics confirm this. Thus, there was a significant increase in involvement in museum projects posted on social networks, in some cases - up to 330%. There is a new type of excursions, which are podcasts and whole series of scientific and educational films. A large number of master classes and other training programs have been created in the same form. We have gained good experience in conducting contests, quizzes and festivals in the virtual mode.

Many planned exhibitions are not canceled, but open and operate online. In almost all cases, it should be noted that these events are noticeably „globalized” and attract a foreign audience. And the museum community itself very quickly rallied and began to exchange experiences.

However, we want to say that even though museums, galleries, and exhibitions have entered the online format, they will not remain there. In the course of our research, a lot of information was analyzed, and our opinion is that Visiting museums is a certain way of life. You can't replace it by looking at photos on the couch. In addition, in the online

format, museums have to compete with such giants as, for example, Netflix, which is difficult. Visitors to museums are most often tourists, for whom it is important to immerse themselves in the culture of the country. With an online museum, he will not be able to leave a unique impression of the country, so he will look for new places to visit if the museums go online.

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Summary

This article looks at the impact of the coronavirus pandemic on the museum field. The main transformations in this direction, as well as the consequences, have been studied. Since the topic did not gain popularity in writing research scientific papers, the authors used the data of information portals, as well as statistical data. The studied theoretical data were examined in detail on the example of the Tretyakov Gallery.

Keywords: museums, pandemic, revenues, loss, online format, digitalization, gallery.

11. ECONOMETRIC MODELING AND FORECASTING OF CONSUMERS' PREFERENCES ON THE WINE MARKET

Panel Data. Set of factors that influence consumer wine preferences, individualizing their most and less important correlation

One of the best ways to create the Panel Data Set is make up a questionnaire. The questions we include in there are related to the fullest extent what criteria prevail choosing a wine in consumers' view. According to the task, 85 respondents were surveyed. There were totally ten questions; each of them pertained to a consumer's wine preferences.

By way of example and as a dependent variable, there was chosen the sixth question asking about the consumer preferences concerning a variety of white wine. All respondents were suggested to choose their gender as well as their age group. As a result, in the poll took part: 33 men, 52 women; age groups – 33 votes (from 18 to 30 years old), 29 (from 31 to 50 years old), 23 (51 + years old). Concerning the other independent variables, first of all, it's worth mentioning the following factors: place where a consumer buys wine, the main factor which influences consumer choice, consumer choice of local/foreign producer, consumer choice in wine according to foreign producer, and, finally, how much a respondent is ready to pay for a bottle of wine.

Based on the obtained results, the method of correlation matrix was chosen. The choice is attributable to the vast availability of qualitative data which, in turn, was translated into quantitative by way of dummy variables. According to the poll there was acceptable for some variants to make a multiple choice so that the author summed the number of respondents' answers in the questions mentioned above to reach the amplification of the average result.

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Table 11.1. The summary of correlation of the factors pertaining to the sixth factor

Factors	Correlation, (r)	Influence on y, %	Interpretation
x ₁	-0.16	-16	Unimportant factor
x ₂	0.04	4	Low-importance factor
x ₃	0.16	16	Low-importance factor
x ₄	0.34	34	Medium importance factor
x ₅	0.56	56	Important factor
x ₇	0.68	68	Important factor
x ₈	0.07	7	Low-importance factor
x ₉	0.43	43	Medium importance factor
x ₁₀	0.22	22	Relatively medium importance factor

Source: compiled by the author.

Hereafter, we can conclude the above-indicated spreadsheet. Due to the negative value of the correlation factor x₁ that was the age of responders, it results to be an unimportant factor towards the preferences that don't make sense. All people who have taken part are already supposed to be consumers, „targeted audience.”

Describing the obtained results, we can make the following conclusions. Due to the negative value of the correlation factor x₁ that was the age of responders, it results to be an unimportant factor towards the preferences that don't make sense. All people who have taken part are already supposed to be consumers, „targeted audience.”

The next group of factors x₂ (the gender), x₃ (general preferences in wine), x₈ (local/foreign producer priority) are of the low-importance. It can be put down to too generalized character of the suggested questions and barely relate to the dependable variable. The medium importance factors are x₄ with 34% (where wine is purchased), a consumer's preferences concerning the foreign country producer which is x₉ with 43%. In this group, we can also relate the price for the bottle that a respondent is ready to pay – x₁₀ (22%).

As for the most important factors, it turned out to be x₅ with 58% (what a consumer considers the most important aspect buying a wine) and surprisingly x₇ with 68% which are the preferences in the choice of red wine. In the author's viewpoint, it can be attributable to the similar nature of the questions.

Forecasting of consumers' choice in the next several forms

The author decided to forecast the answers in the following three surveys with the help of a system of simple linear equations. For this purpose, each time was chosen two columns, namely the relation of y dependable variable with each x independent variable

which, in turn, was expressed in scatterplot backed up by the linear trend line. The first factor is the age of a presumably following respondent.

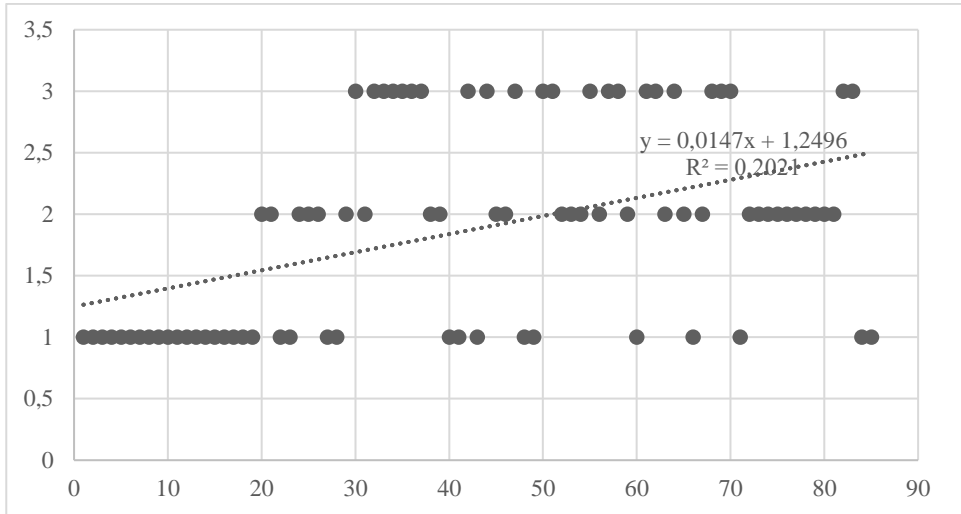


Chart 11.1. Answers on question 1

Source: compiled by the author.

Having got the equation $y = 0,0147x + 1,2496$, we insert the number of the next 86th respondent – $0,0147 \times 86 + 1,2496 = 2,5138$ which is closer to the option 2. Then, we put in that equation 87th and 88th prospective respondents and obtain the results of 2,52 and 2,54 [OECD, 2020]. That means that the next three respondents are likely to be in the age range from 31–50 years-old. By analogy, we take the same actions with the following nine independent variables. When we have our forecasting done, we can create the table with our results.

Table 11.2. Prediction of the respondents' answers

Y	X ₁	X ₂	X ₃	X ₄	X ₅	X ₆	X ₇	X ₈	X ₉	X ₁₀
86	2	1	2	1	4	3	3	1	4	2
87	2	1	2	1	4	3	3	1	4	2
88	2	1	2	1	3	3	3	1	4	2
R ²	0.202	0.02	0.009	0.011	0.022	0.006	0.02	0.004	0.031	0.048

Source: compiled by the author

It's worth mentioning if the number of respondents increases by 1%, the percent of regression increases as well when: x_1 ; the other cases there is a tendency to decrease. Further on to perform the forecasting of consumer preferences we address the multiple

linear regression model. In linear regression, each observation consists of two values where one is for the dependent variable and the other one is for the independent variable. In the simple model, a straight line approximates the relationship between these different variables. The example of the formula for Multiple Linear Regression is:

$$y_i = \beta_0 + \beta_1 x_{i1} + \beta_2 x_{i2} + \dots + \beta_p x_{ip} + \epsilon_i \quad (1)$$

where, for $i=n$ observations: y_i = dependent variable; x_i = explanatory variable; β_0 = y-intercept (constant term); β_p = slope coefficients for each explanatory variable; ϵ = the model's error term (residuals).

Having processed our set of data, we have got the regression coefficient table or the table ANOVA of results. β_j , in our model, denotes the coefficient of the j th regressor (intercept, all independent variables x). Column „Coefficient” gives the least-squares estimates of β_j . Column „Standard error” gives the standard errors (i.e. the estimated standard deviation) of the least squares estimates regression line β_j of regression model β_j . Column „t Stat” gives the computed t-statistic for $H_0: \beta_j = 0$, against $H_a: \beta_j \neq 0$. This is the coefficient divided by the standard error. It is compared to a t with $(n-k)$ degrees of freedom where here $n = 85$ and $k = 11$. Having got the column „P-value” in our regression coefficient table, we can make two kinds of test: one-sided (we shall divide p-value for each case by 2) or two-sided equaling to $\Pr \{ |t| > t\text{-Stat} \}$. We check the sign of T-Stat in both cases. Columns „Lower 95%” and „Upper 95%” values define a 95% confidence interval for slope coefficient β_j . Thus, in our data set confidence intervals for the β_1 is $(-0,015, 0,031)$, β_2 $(-0,74, 1)$, β_3 $(-1,283, 0,931)$.

Having constructed our model in MS Excel, we've also got our table of outputs:

Table 11.3. Regression statistics of MLRM

#	Indicator	Volume
1	Multiple R	0.74
2	R – Square	0.55
3	Adjusted R – Square	0.49
4	Standard Error	2.25
5	Observations	85

Source: compiled by the author.

where multiple R is the square root of R^2 (coefficient of determination) which is equal to 0,55. Hence, multiple R is equal to 0,74. Turning to the evaluation of the overall goodness-of-fit measures, the adjusted R^2 has the overall number of regressors which is 11 in our case and number of observations (respondents) which is 85. The adjusted R-squared is a modified version of R-squared that has been adjusted for the number of predictors in the model. It can be expressed with this formula:

$$\text{Adjusted } R^2 = R^2 - (1 - R^2) \times \frac{(k-1)}{(n-1)} = 0,55 - 0,45 * \frac{11-1}{85-1} = 0,497 \quad (\text{the same value), (2).}$$

The standard error here refers to the estimated standard deviation of the error term u or ϵ . We can calculate it with the following formula:

$$\text{Standard error} = \text{sqrt} \times \left(\frac{SSE}{(n-k)} \right), (3)$$

Thus, we can conclude that according to the data obtained, our regression corresponds to the basic rules of the model's construction. The next step is the ANOVA table which is meant variance analysis:

Table 11.4. ANOVA variance analysis

#	Indicator	df	SS	MS	F	Significance F
1	Regression	10	474.49	47.44	9.34	8.14641E-10
2	Residual	74	375.92	5.08		
3	Total	84	850.42			

Source: compiled by the author

The ANOVA table splits the sum of squares into its components.

Total sums of squares = Residual sum of squares+Regression sum of squares.

$$\text{Thus, } \sum_i (y_i - \text{ybar})^2 = \sum_i (y_i - \text{yhat}_i)^2 + \sum_i (\text{yhat}_i - \text{ybar})^2, (4)$$

where yhat_i is the value of y_i predicted from the regression line and; ybar is the sample mean of y . The column labeled F gives the overall F-test of $H_0: \beta_2 = 0$ and $\beta_3 = 0$, versus H_a : at least one of β_2 and β_3 does not equal zero. Aside: Excel computes F this as:

$$F = \frac{\left[\frac{\text{Regression SS}}{k-1} \right]}{\left[\frac{\text{Residual SS}}{n-k} \right]} = \frac{\left[\frac{474,49}{11-1} \right]}{\left[\frac{375,92}{85-11} \right]} = \frac{47,449}{5,08} = 9,34, (5)$$

The column labeled significance F has the associated P-value. Since 8,14641E-10 (significance F) > 0,05, we do not reject H_0 at significance level 0,05.

The coefficient of x_1 has estimated standard error of 0,011, t -statistic of 0,68 and p -value 0,498. It is therefore statistically insignificant at significance level $\alpha = 0.05$ as 0,498 > 0.05. There are 85 observations and 11 regressors (intercept and x) so we use $t(n-k) = 74$.

In conclusion, we can check our multiple regression models with obtained forecasted results:

$$y_{86} = -0,766 + 0,007 \times 2 + 0,130 \times 1 + (-0,176) \times 2 + 0,092 \times 1 + 0,090 \times 4 + 0,164 \times 3 + 0,530 \times 3 + (-0,226) \times 1 + 0,157 \times 4 + 0,143 \times 2 + 2,25 = 5,02$$

$$y_{87} = -0,766 + 0,007 \times 2 + 0,130 \times 1 + (-0,176) \times 2 + 0,092 \times 1 + 0,090 \times 4 + 0,164 \times 3 + 0,530 \times 3 + (-0,226) \times 1 + 0,157 \times 4 + 0,143 \times 2 + 2,25 = 5,02$$

$$y_{88} = -0,766 + 0,007 \times 2 + 0,130 \times 1 + (-0,176) \times 2 + 0,092 \times 1 + 0,090 \times 3 + 0,164 \times 3 + 0,530 \times 3 + (-0,226) \times 1 + 0,157 \times 4 + 0,143 \times 2 + 2,25 = 4,75$$

As we can see from our multiple regression models, the value of y for 88th respondent also decreases. In view of the fact that for the 86th and 87th a row of respondents' answers remains the same; hence, we get the value of y the same.

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Summary

The relevance of this topic is attributable to the fact that the consumer preferences on the wine market are constantly changing and it turns out quite often it's not so easy to trace consumers' behavior. The primary goal of this article is to analyze and forecast average consumer preferences in accordance with multiple independent factors concerning wine consumption culture. The study based on questionnaire through which the panel data set factors are collected. The main methods the author resorts to are correlation matrix and multiple linear regression. They both explain the patterns of consumer behavior and how they influence each other. This article will be useful to those companies which are trying to enter the market so that they could better understand the main current trends and define its „targeted audience”.

Keywords: Wine, competitiveness, economics, wine market, methods of evaluation, crisis management.

12. CRISIS MANAGEMENT IN GREEN BUILDING INDUSTRY

Current state of crisis management in green building

In the context of the global financial crisis, the strategic goals and tactical objectives of the organization are changing. The development strategy of a construction organization should be focused on smoothing cyclical fluctuations, leveling the development trajectory, including the stages of recession, business activity, stabilization and recovery.

The stronger the strategic and financial position of an organization, the more likely its strategy is well thought out and well implemented. The effectiveness of the chosen strategy is determined by the increase in financial stability, solvency, liquidity and business activity of the enterprise.

Crisis management has become widespread in areas such as telecommunications, informatization, logistics and finance. This is because in these areas there is a certain common feature, namely, focused on different resource flows. The occurrence of a failure or error in the operation of any site of an enterprise often exceeds direct.

In modern conditions, effective company management is impossible without special methods of analysis, which are based on the theory and practice of risk management. In order to grow and expand, we are constantly forced to change. The reasons for the changes can be different: the demand for a product has decreased, consumer preferences have changed, new technologies have appeared, etc. To achieve success and win the competition, you have to introduce new products into production, offer new technologies, as a consequence of this, dealing with risk.

The innovative development of the economy of developed countries, more and more attention is paid to such a direction as «green construction», the formation of which was based on the concepts of energy and resource conservation, technical and economic efficiency. The main goal of this type of construction is to minimize the negative impact of the building on humans and the environment. This is achieved through the development of new materials in construction, environmental safety management, the introduction of innovative technologies, alternative energy sources, modernized equipment and other solutions based on energy and resource conservation.

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Also, the term «green building» is often understood as landscaping of an urbanized area, complex remediation of areas, the purpose of which is to harmonize the environment and urban development, a high degree of use of renewable energy sources and minimization of harmful anthropogenic impact.

Green building is the practice of building and operating buildings, the goal of which is to reduce the consumption of energy and material resources while maintaining or improving the quality of buildings and the comfort of their internal environment. Today, construction is one of those areas of activity where the risks are most tangible. Anti-crisis management is a system of management processes for diagnosing, preventing, neutralizing and overcoming crisis phenomena [Buhvalov, Buhvalova, Idelson, 2001 pp. 302].

There are various definitions of „risk”. So, in the most general form, risk is understood as the likelihood of losses or loss of income in comparison with the predicted option. By the nature of risk accounting, one can distinguish:

- external (such risks do not depend on the commercial activities of the construction company. Their level is influenced by the region where the construction company is located, the level of education of the residents potential employees of the company, as well as many other demographic, geographic, social, political and natural factors);
- internal (these types of risks are a derivative of the economic activity of a construction organization. Their level is influenced by the commercial activity of the enterprise itself, the choice of the optimal marketing and advertising development strategy, as well as the possibilities of production potential, technological equipment and labor productivity). Green construction is a new trend in the construction industry, which is gaining momentum every year. By introducing green construction technologies, on the one hand, there is a chance to get high profits, but, on the other hand, there is also a risk of being at a loss, since this industry is at its inception in Russia. In recent years, one of the important issues has been the impact of climate change on economic development, which has led to the development and implementation of global policies. In addition, more and more attention is paid to the analysis of corporate strategies to reduce risks and adapt to the effects of climate change. Without large-scale business investments in green innovative technologies and the introduction of corporate standards for reducing greenhouse gas emissions, it is impossible to achieve the established long-term targets for reducing global climate risks [Fathutdinov, 2001, pp. 448].

Crisis management in the field of green construction

In these conditions, a commercial enterprise needs constant monitoring of its financial condition. This requires improving the work of analytical services,

as well as the information support system in order to improve the quality and speed of information processing for making operational management decisions.

In a market economy, the activity of an organization is associated with a change in its organizational states called life cycle stages. Being in the stage of crisis, the organization must develop a certain strategy for getting out of this situation - a set of measures that will allow, at least, to survive, and as a maximum - to strengthen its position in the green construction market.

When analyzing external factors, it is necessary to single out the factors of the microenvironment and the macro environment. The influence of the microenvironment, that is, the external environment with which the enterprise directly interacts, is determined by the choice of suppliers and intermediaries, the presence of competitors in a certain market segment, and the financial capabilities of investors and buyers. The macro environment includes factors that the firm is not in a position to control, but must take into account when developing a crisis management strategy.

The main external reason for the emergence of crisis situations in the activities of enterprises is the high instability of the conditions of the economic and legal environment in which they operate.

Crisis management presupposes a prompt response to ongoing changes in the external environment, the development and use of alternative options that take into account possible transformations in the economic, political, social, demographic and other spheres. Crisis management implies the development of a strategy that regulates internal factors, takes into account the factors of influence of the microenvironment and provides possible risks associated with its changes.

The most important factors to be monitored in the construction industry are [Muharramova 2003, pp. 203]:

1. Object (project), its characteristics, scale, conditions of implementation, features of the production and life cycle, changes in the implementation process.
2. Material resources - costs, quality, conditions of use.
3. Information-reliability, timeliness of receipt and processing, completeness.
4. Time-limitations of the work schedule, delays in terms of deliveries, works.
5. Labor resources-professionalism, competence, productivity, staff shortage.
6. Costs - cost estimate, compliance of actual costs with planned ones.
7. Relationships in the supply chain - degree of alignment, bottlenecks and constraints, power of the chain.

Historically, the first type of crisis management was emergency management, i.e. aimed at getting out of an unexpected crisis situation, when delay is fraught with serious consequences. Emergency crisis management is coordinated actions aimed at preventing the development of a crisis, mitigating its severity and eliminating negative consequences.

The effectiveness of this type of crisis management directly depends on the level of professionalism, strong-willed and organizational abilities of the manager,

therefore, in many cases, a new leader, called a crisis leader, is engaged in saving the collapsing system.

A crisis manager is a temporary manager who carries out a set of measures to withdraw the system from a rapidly developing crisis process.

A crisis manager begins his work with an express analysis of the state of the system, after which he develops an approach and implements measures to stabilize the situation. At this stage, all available resources (administrative, financial and labor) are mobilized, and special attention is paid to increasing the loyalty of the staff to the activities carried out. When the critical situation has been successfully stabilized, detailed diagnostics are carried out in order to identify the key problems and causes of the crisis, based on the results of which the best way to overcome the crisis situation as a whole is determined.

The activity of a crisis leader is always temporary and stops as a result of a favorable overcoming of the crisis, or vice versa, - the destruction of the system. Therefore, the criterion for the success of a leader in an emergency crisis management is performance as an absolute measure of the presence or absence of a result – it either exists or it does not.

In project work, the result of an activity is assessed according to the triad of restrictions „time – cost – quality”. Crisis management offers an alternative version: „time – finances – resources”, where any two elements are sufficient to solve any problem, and the third should not be equal to zero.

Since an emergency crisis management is an activity that has a beginning and an end in time, aimed at achieving a predetermined result (goal) with given resource and time constraints, it means that it is nothing more than a project and the methods and tools of project management are fully applicable to it. (project management).

Crisis management includes the following stages: diagnostics of financial condition; business valuation enterprises; marketing research; organizational and production management; personnel management; financial management; anti-crisis investment policy; risk management.

The risk management system, which covers all aspects of the company’s work, includes a wide variety of risk management methods, which boil down to three main approaches [Aleksandrova, 2005 pp.201]:

- risk financing, that is, insurance, as well as the creation of financial reserves,
- reduction of the likelihood of the realization of risks, and this is the limitation of risks, as well as the transfer of risks,
- mitigation of measures to implement risks, or crisis management, that is, a certain set of measures that reduce risks precisely as a result of the onset of various events.

In Russia today you can find a small number of companies that have been insured against business interruption. For the most part, these are enterprises with foreign capital. The simplest, simplest risk size is insurance.

I would like to note that risk management is effective only with the integrated use of these three approaches. So, crisis management, insurance, sets the key goal of reducing the negative consequences of the crisis, and not at all the exclusion of its causes.

In general, crisis management today is implemented using two key mechanisms, and these are:

- providing a certain level of preparedness for various adverse events,
- implementation of an integral set of measures that lead to a decrease in the consequences of the onset of a crisis situation.

Depending on the goal of anti-crisis management, there are two main groups of crisis measures [Korotkov, 2006, pp.620]:

1. Activities aimed at maintaining the achieved level of production.
2. Measures to develop production and increase the competitiveness of the enterprise.

The prevalence of one or another group of activities depends not only on the goal set, but also on the possibilities of its implementation. This is primarily determined by the development of the theoretical foundations of anti-crisis management and the presence in the state enterprises of qualified managers.

The traditional and most popular measures for overcoming the crisis are the following:

- cost reduction,
- all-round cost reduction,
- restructuring with reorganization of the management structure,
- aggressive marketing policy, etc.

In practice, many leaders, instead of developing a crisis development strategy, taking into account the analysis specific economic situation and resource potential of the enterprise, limit the range of crisis measures by reducing staff and reducing wages. While crisis management requires non-standard, urgent, forced measures, taking into account significant changes, changes in the environment of business entities and the uncertainty of the further development of the situation.

The incentive for the application of crisis management is the threat of bankruptcy. To this end, measures are being developed for financial recovery of a crisis enterprise. However, in our opinion, crisis management should be „proactive” and become part of the general financial and economic policy of the enterprise.

Crisis management is characterized by a specific system of control and early detection of signs of an impending crisis. In these conditions, there is a need for special methods of motivation for more hard work in order to overcome temporary difficulties, in new, sometimes extraordinary reward systems and leadership styles.

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Summary

The article examines the features of anti-crisis management in green building organizations at the present stage. Crisis management has become widespread in areas such as telecommunications, informatization, logistics and finance. This is because in these areas there is a certain common feature, namely, focused on different resource flows. The occurrence of a failure or error in the operation of any site of an enterprise often exceeds direct.

Keywords: crisis management, risk management, green building, risks.

13. 5 P'S METHOD IN CRISIS MANAGEMENT

Introduction

In 1987, the Canadian management scientist Henry Mintzberg distinguished five visions for strategy for organizations. He calls them the 5 P's of Strategy [Mintzberg, 1987, pp. 11–24]. They stand for Plan, Pattern, Position, Perspective and Ploy. These five components allow an organization to implement a more effective strategy.

A strategy is aimed at the future, concerns the long term and involves different facets of an organization. Competition is always a factor, but it would be a mistake to develop strategies only aimed at competitors. The strategies should also take into account the organizational culture and the other possibilities and developments within an organization. Along with the severe health and humanitarian crisis caused by the corona virus pandemic, executives around the world face enormous business challenges: the collapse of customer demand, significant regulatory modifications, supply chain interruptions, unemployment, economic recession, and increased uncertainty. And like the health and humanitarian sides of the crisis, the business side needs ways to recover. Ad hoc responses won't work; organizations must lay the groundwork for their recoveries now. The management theorist Henry Mintzberg famously defined strategy as 5 Ps: plan, ploy, pattern, position, and perspective. We have adapted his framework to propose our own 5 Ps: position, plan, perspective, projects, and preparedness. The following questions can guide you as you work to bounce back from the crisis.

Using 5P's method to face the pandemic COVID-19

Along with the severe health and humanitarian crisis caused by the coronavirus pandemic, executives around the world face enormous business challenges: the collapse of customer demand, significant regulatory modifications, supply chain interruptions, unemployment, economic recession, and increased uncertainty. And like the health and humanitarian sides of the crisis, the business side needs ways to recover. Ad hoc responses won't work; organizations must lay the groundwork for their recoveries now.

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The management theorist Henry Mintzberg famously defined strategy as 5 Ps: plan, ploy, pattern, position, and perspective. We have adapted his framework to propose our own 5 Ps: position, plan, perspective, projects, and preparedness. The following questions can guide you as you work to bounce back from the crisis.

1. What position can you attain during and after the pandemic?

To make smart strategic decisions, you must understand your organization's position in your environment. Who are you in your market, what role do you play in your ecosystem, and who are your main competitors? You must also understand where you are headed. Can you shut down your operations and reopen unchanged after the pandemic? Can you regain lost ground? Will you be bankrupt, or can you emerge as a market leader fueled by developments during the lockdown?

We hear of many firms that are questioning their viability post-pandemic, including those in the travel, hospitality, and events industries. We also hear of firms accelerating their growth because their value propositions are in high demand; think of home office equipment, internet-enabled communication and collaboration tools, and home delivery services. Because of such factors, firms will differ in their resilience. You should take steps now to map your probable position when the pandemic eases.

2. What is your plan for bouncing back?

A plan is a course of action pointing the way to the position you hope to attain. It should explicate what you need to do *today* to achieve your objectives tomorrow. In the current context, the question is what you must do to get through the crisis and go back to business when it ends. The lack of a plan only exacerbates disorientation in an already confusing situation. When drawing up the steps you intend to take, think broadly and deeply, and take a long view.

3. How will your culture and identity change?

Perspective means the way an organization sees the world and itself. In all likelihood, your culture and identity will change as a result of the pandemic. A crisis can bring people together and facilitate a collective spirit of endurance — but it can also push people apart, with individuals distrusting one another and predominantly looking after themselves. It's crucial to consider how your perspective might evolve. How prepared was your organization culturally to deal with the crisis? Will the ongoing situation bring your employees together or drive them apart? Will they see the organization differently when this is over? Your answers will inform what you can achieve when the pandemic ends.

4. What new projects do you need to launch, run, and coordinate?

Your answers to the questions above should point you to a set of projects for tackling your coronavirus-related problems. The challenge is to prioritize and coordinate initiatives that will future-proof the organization. Beware of starting numerous projects that all depend on the same critical resources, which might be specific individuals, such as top

managers, or specific departments, such as IT. With too many new initiatives, you could end up with a war over resources that delays or derails your strategic response.

5. How prepared are you to execute your plans and projects?

Finally, you need to assess your organization's preparedness. Are you ready and able to accomplish the projects you've outlined, particularly if much of your organization has shifted to remote work? We see big differences in preparedness at the individual, team, organization, and national levels. The resources at hand, along with the speed and quality of decision-making processes, vary greatly, and the differences will determine who achieves and who falls short of success.

We have created a worksheet around the five strategic questions. It can help you plot your current and future moves. Be aware that consumers will remember how you reacted during the crisis. Raising prices during a shortage, for example, could have a significant effect on your customer relationships going forward. The corona virus has had unprecedented impacts on the world — and the worst is yet to come. Companies must act today if they are to bounce back in the future. Doing so will help the world as a whole recover — and, we hope, become more resilient in the process.

The 5P's Model of Strategy Implementation

We are advocating for an implementation model that incorporates the various functional areas involved from a strategic and tactical perspective. When correctly applied, such a framework would require decisions and actions that are strategic in nature but also behavioral and tactical, requiring specific elements to be in place and aligned throughout the organization to create efficiency and effectiveness. Moreover, the model should be of a universal depiction, applicable to the management of an entire organization across industries. Consistent with this perspective, Pryor et al initially offered the 5P's Model as a process for strategic quality management [Pryor, White, Toombs, 1998].

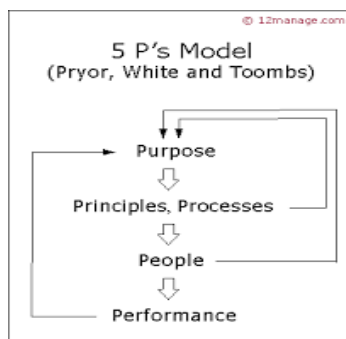


Figure 13.1. The 5 P's Paradigm

Source: M. G. Pryor, J. C. White., and L.A. Toombs, *Strategic quality management: A strategic, systems approach to continuous improvement*, Thomson Learning: Mason, OH, 1998.

The arrows in Figure 13.1 have depicted the connection between strategy (Purpose) and structure (Principles as internal structures and Processes as external structures) and the influence of structure on employee behavior (People) and corresponding results (Performance). As reflected in this graphic, strategy drives structure; structure drives behavior; and behavior drives results. The arrow from Performance to Purpose represents the feedback mechanism for guiding an organization toward its objectives. This consistent and continual feedback connection is essential to successful implementation and management of organizational strategies. The primary motivation of this framework was to guide an organization toward performance excellence, world-class status, and long-term survival. As such, metrics and measurements were vital to strategic control and shown.

The 5 P's of Creating a Crisis Management Plan

In today's dynamic business environment, one of the few certainties is that organizations of all types and sizes are likely to confront an enterprise-defining crisis at some point. Despite the high probability of this occurrence, such an incident will still come as a shock for some. A crisis is generally defined as a critical event or point of decision that, if not handled in an appropriate and timely manner, can turn into a catastrophe with the potential to harm people or property, seriously interrupt or completely halt business operations, damage an organization's reputation with stakeholders, adversely affect overall enterprise value, spark employee departures, and/or create new opportunities for competitors [Mintzberg, 2000].

Accepting the reality that a crisis will occur and rejecting the oft-repeated „we'll handle it when it happens” or „there's nothing we can do now since we don't know enough” is the critical first step in constructing a durable strategic crisis preparation and response protocol. Organizations that use „peacetime” wisely will be much better positioned to curtail the severity and duration when a threat does materialize. A battle-tested framework for effective crisis preparation and response includes:

Planning and preparation: At the outset, developing a written crisis plan requires a candid assessment—best led by independent experts—of the organization's vulnerabilities. This analysis should consider all possible scenarios, from those perceived as likely to so-called „black swans.” The process to identify these risks includes interviews with the organization's executives and operations-level leaders, review of its past crises (and how they were handled) along with peer or industry incidents, and open source research such as sell-side analyst reports, relevant federal and state regulatory filings, and macro-industry analysis.

Next, develop tiered and prioritized threat classifications outlining the ideal response approach and the follow-on tactical implementation appropriate for each tier. This should incorporate agreed-upon criteria including objective metrics such as the number of customers or external parties involved, potential financial impact, feedback/input from regulators, expected duration, and relation to other current high-profile issues. The

resulting escalation and de-escalation matrix can accommodate the real-life situations in which most crises occur, especially by incorporating new information that changes the dynamics [Pedersen, Ritter, 2020].

The organization's response should be similarly flexible. Preparing materials mapped to each vulnerability discovered above is also essential. Done outside of the pressure of an evolving crisis, drafting everything from holding statements to deeply researched FAQs to potential social media communications will enable the organization to customize and, as needed, issue these communications quickly.

People: A small group of senior executives designated as the organization's incident management team will provide the oversight and speed necessary in a crisis. Given the enterprise-wide scope of a potential crisis and the need to draw on a wide breadth of internal and external resources to manage it, the general counsel or the chief risk officer often leads this team on a day-to-day basis. The CEO and, when appropriate, the board of directors ultimately have the final say. The incident management team should comprise a range of members of the organization's senior ranks representing each of its major stakeholders, from investors to employees to the media. Every team member should also have a backup.

Additionally, it is useful to identify a series of subject matter experts to advise the team. For example, in the event of a data breach, outside technology, forensic and potentially legal expertise would be immediately available. It is also important to institute a tested system for internally reporting a potential crisis to the designated crisis responders, as well as a clear pathway for communications and direction from the team to be transmitted and implemented across the organization.

Practice: Organizations are best served when they „pressure test“ the crisis plan and protocols through the implementation of crisis response drills or table top exercises that simulate the pace, multiplicity of issues, and potential landmines that require deft navigation. Conducted by outside counselors (who alone know the full parameters and extent of the exercise), the results can be illuminating and provide the foundation for briefings to management and members of the board of directors. It can also be helpful to validate the details and implications of this exercise with a designated member of the crisis team (often the general counsel).

Post-Event Evaluation and Review: Whether a real or simulated crisis, the organization must incorporate lessons learned from any incident and address all demonstrated gaps in the crisis plan. Driving this information into the continuous improvement of the process, planning, and materials will enhance organizational preparation to successfully overcome future challenges.

In 2019 and beyond, time is the enemy for any organization in crisis. As response windows continue to shrink, organizations and their leaders are newly empowered through the creation of advanced planning and preparation capabilities to help them thoughtfully protect their people, assets, brands and even their personal reputations. Brands that perform well in trying times can minimize the negative impact, speed their reputational recovery, and stand out from competitors who may not have been as well prepared.

Conclusion

In conclusion, we would like to emphasize the important role of the 5P method in organizations. It is a field method, easy to implement to solve multiple problems. The main technique is to consider the cause by lover of such a phenomenon while looking in depth in order to find the main cause. The question that arises is why the 5Ps ? According to our analysis in the theoretical part the 5 Ps help us to detect the problems and correct them. In times of an unexpected crisis the detection of the source will be easier. If an organization is in a critical situation. Preparation is essential, as is how and when your organization reacts, here it is the role of 5p that plays out. The Five Ps are an idiography-based framework that provides clinicians with a systematic and flexible way to address substance use and abuse that can be used in conjunction with standard substance use and abuse interventions. Additionally, her holistic and creative style provides opportunities to address concerns at various times with a variety of strategies and interventions that will best suit clients' unique situations. It can help both novice and experienced clinicians working with clients who come forward for counseling on substance use and abuse. After a discussion on the five Ps, a brief illustration of a case will demonstrate the impotence of the latter in a management crisis. In particular and without a doubt, the 5 P is a managerial management tool to be applied in all small, medium and large organizations. The Five Ps framework promotes a very clear and systematic approach to case formulation or assessment that potentially provides a wealth of data. It also provides opportunities for a variety of interventions and strategies targeted to clients and their substance use and abuse or contributing factors especially in a crisis setting. However, a potential limitation is that the five Ps may not particularly exist. The main disadvantage of the 5 Whys is that it does not uncover causes that you cannot detect. In order to ensure that all the causes have been identified, it is possible to combine the 5 Why method with that of the 5 M (Labor, Medium, Method, Material, Medium). A final word, at a time of managerial crisis it is very important as a professional manager to focus on the 5ps method. But sometimes there are circumstances inside or outside of the business that a professional manager must take into account in applying the 5P's method in sound practice.

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Summary

Corona virus has impacted the world at an unprecedented level — and unfortunately, the worst has yet to come. Companies need to act today in order to bounce back successfully in a post-corona marketplace. The authors suggest executives ask themselves the following five strategic questions: 1. Which position can you achieve during and after the coronavirus pandemic? 2. What is your action plan to bounce back? 3. How will your culture and organizational identity be changed by the crisis? 4. Which new projects do you need to launch, run, and coordinate? 5. How well prepared are you to carry out your plans and projects?

Keywords: crisis management, 5P, Plan, Pattern, Position, Perspective, Ploy.

14. FORECASTING THE IMPACT OF COVID-19 ON THE COMPUTER GAME INDUSTRY AND THE GLOBAL ECONOMY DURING THE PANDEMIC

The current state of the field of video games

The computer game industry (also known as the interactive entertainment industry) is a sector of the economy associated with the development, promotion and sale of computer games. It includes a large number of specialties that employ tens of thousands of people around the world. The digital content market is a market for information and entertainment materials distributed digitally through communication channels intended for use on digital devices, such as a computer, mobile phone, specialized devices, etc.

The computer game industry was created in the mid-1970s and continues to develop to this day. The computer games industry is one of the fastest growing branches of computer technology and at the same time the global entertainment sector. The number of gamers is growing and gaming itself is becoming a highly paid profession. In addition, companies from related markets – electronics manufacturers (for example, Apple, Microsoft) or Internet corporations (for example, Google), which have the resources to bring promising gaming solutions to the market, also want to occupy their niche in this area.

For several years now, computer games have been integrated into social networks. There is also a re-verse trend-they themselves become a kind of social networks. The popularity of cybersports is growing. esports tournaments can already be compared to championships in traditional sports in terms of prize money. For example, the prize pool of The International 2020 Dota 2 tournament reached \$34,330,500. It exceeded the figure of all previous years.

The field of computer video games is growing and developing very quickly. The entertainment industry has been closely linked to our lives for many years. A lot of people spend time playing games to relax or find friends. Also, games help to cope with stress and depression. Thus, according to the current trend, the number of gamers in the world during the COVID-19 pandemic increased by almost 50%. At the same time, the number of users of mobile games increased by 17%. „More and more people are starting to play computer games, and spend

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more time in them every day – at the level of the weekend before the pandemic” Unity Technologies said in a report [Unity Technologies, <https://unity.com>].

The global market for computer games is becoming deeper and larger. In the past five years, Newzoo [Newzoo, <https://newzoo.com/>] estimates that it has grown at an average rate of 11% per year and in 2019 reached the level of \$152 billion, overtaking a number of other competitive content markets, in particular, we are talking about the film and music industries, whose total market volume was only \$62 billion. Catalysts for rapid growth were the availability of the Internet and computerized devices, primarily smartphones, as well as the expansion of distribution channels. COVID-19 pandemic has made its own adjustments, acting as a kind of factor in the fall of the market in some areas and vice versa a sharp development in others. Nevertheless, analysts fear that in a difficult economic situation, users will begin to cut back on entertainment spending.

In addition, esports has become a catalyst for the development of such areas as streaming-online broadcasts of the game in real time, placed on special sites (for example, Twitch). Users are ready not only to play, but also to watch others play. In order to reach new market segments and find new sources of income, a number of industry participants are moving to material markets. In particular, we are talking about sales of products with brand symbols (T-shirts, bracelets, cups, etc.), theme park organizations (Angry Birds, Super Nintendo World parks in Japan, etc.), etc.

Regionally, the Asia-Pacific region continues to be the largest market (over \$70 billion in 2019). China and Japan are also the leading countries. In second place, according to Newzoo, is North America, the main position is occupied by the United States (about \$40 billion in 2019). At the same time, Eastern Europe (\$4.2 billion), which includes the Russian Federation, is the most underdeveloped gaming market in the world. However, according to experts, it is the Russian market that is most promising both on a regional and global scale.

At the same time, the largest segment of the global computer games market is mobile games (45%, or \$68.4 billion). According to analysts, this direction will only grow. In second place in importance is the segment of games for consoles (32%, or \$ 48.6 billion). Desktop solutions occupy a total of 23% of the market (\$34.9 billion), of which 2% are browser-based online games, and the remaining 21% are downloadable or physical (disks, boxes, etc.) versions.

The choice of monetization model for computer games (sales of physical and digital copies, microtransactions, subscription fees, etc.) depends on the region and platform – console, smartphone/tablet or personal computer. In some countries, consoles are not popular, in others, the population is not ready to pay for original digital products due to the high level of Internet piracy. Also, most modern games use a hybrid approach to monetization: combined methods form a flexible model, where the disadvantages of one monetization method can provide opportunities for another [Denisova, 2010].

According to analysts, the income of large gaming companies or corporations that have powerful gaming assets, is from 6 to 18 billion dollars per year.

Analysis was based on three factors that most affect: average price of a PS4 game in the European Union expressed in euros (€), number of active video gamers worldwide ex-pressed in billions, mean and median income in European Union expressed in euros (€). The data were taken for the period from 2015 to 2020. (Table 14.1)

Table 14.1. The main indicators affecting the demand for the video game market

Indicator	Years						Growth rate 2015 to 2020, %
	2015	2016	2017	2018	2019	2020	
Average price of the game, €	69.99	69.99	69.99	69.99	69.99	69.99	0%
Number of active video gamers worldwide, (in billions)	1.99	2.11	2.26	2.42	2.55	2.69	35%
Average salary in the European Union, €	16138	16530	16891	17441	17819	18025	12%

Source: Eurostat.

Since the price growth rate for the game is 0%, it means that the price remains unchanged for 5 years, despite the rise in the cost of game development. Also, based on the data in the table, the number of gamers is growing every year and the overall growth is 28%. An important part is taken by the data from the table on the average salary in the European Union, because thanks to the purchasing power, the number of players is growing.

From all this, the conclusion about study area industry with main trends that in general, the video game industry maintains a high rate of growth in popularity every year but without changing its pricing policy [Danyluk, Shpakovsky]. And the growth of players highlights the fact that the average price per game remains acceptable for players. According to the data, the number of players is growing every year, this is reflected in the bar chart:

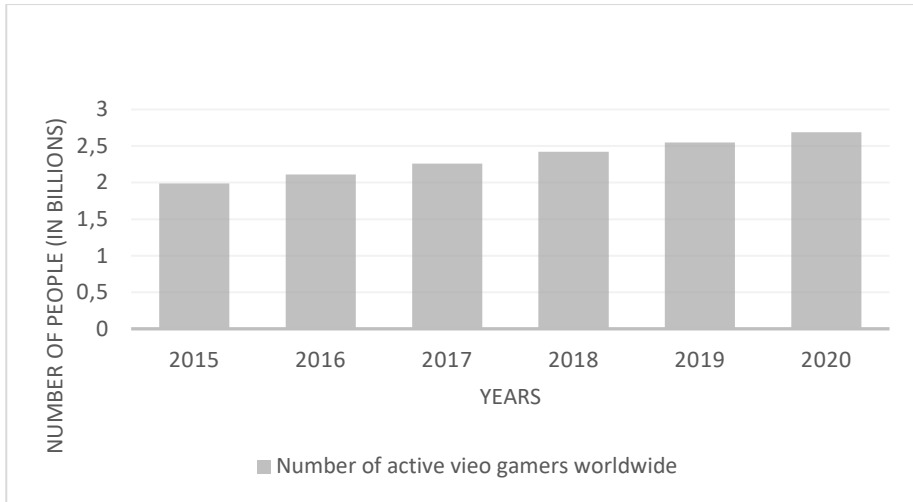


Chart 14.1. The number of active video games worldwide in billions for 2015-2020

Source: Online resource Statista www.statista.com.

The impact of various factors of Covid-2019 on the video game industry.

The coronavirus pandemic is driving the development of not only remote work and online trading services, but also the video game industry. This sector, which was actively developing even before the introduction of quarantine measures in different countries, is now growing even faster and attracting more and more attention from large companies [Schreier, 2017]. During the quarantine, people began to play computer games themselves more often, and watch esports competitions more often, which now partially replace the canceled competitions in traditional sports.

During the period from March 16 to 22, 2020, gamers purchased 2.74 million copies, which is almost 53% more than a week ago. In France, sales of video games in marketplaces increased by more than 180%, in Spain by 142%, in Italy by 175% during the first week of quarantine. Due to such a large influx of players, Sony had to reduce the download speed to ensure the stability of the online infrastructure. In the UK, sales rose by 67% (before the quarantine), in Germany by 60%, in Australia by 25%.

The desire of people to occupy their leisure time with video games gave an impetus to the purchase of video game consoles. During the week, almost 260 thousand devices were sold, which is an increase of 155%. The trend has spread evenly between the PS4, XBOX One, and Nintendo Switch [Salnikova, 2014].

In recent years, large companies have begun to invest more and more in the development of esports-back in 2017, BMW became the official partner of the final of the European tournament in League of Legends in Paris. Intel Corporation invests \$10

million annually in the esports league of Overwatch players, and sportswear manufacturer Nike has allocated \$8 million for a partnership with the Chinese league for the game League of Legends-Nike supplies players with clothing and shoes, develops a training program for them, etc. Now, this area is becoming an even more attractive destination at a time when many other areas are experiencing a decline. The same can be said for game developers — their shares have become more attractive due to declines in most other sectors.

The example of China, where quarantine measures were introduced as early as January 2020, is particularly illustrative in this regard. According to a report prepared by the Chinese Game Developers Association and research company IDC, in the first quarter, the revenue of the video game market in China increased by 25.2% compared to the fourth quarter of 2019, to 73.2 billion yuan (\$10.3 billion). Mobile games showed particularly strong revenue growth – in this sector, it increased by 37.6% in the quarter. According to the company Sensor Tower, the number of downloads of games in the Apple AppStore in China since the beginning of the epidemic has increased by 27.5%, and revenue from them – by 12.1%.

At the same time, analysts also note the fact that the video game industry is unlikely to completely avoid the negative consequences of the general deterioration of the economic situation in different countries [Donovan T., 2010]. But it is already clear that the global pandemic has hit the finances of not only video game development companies, but also gamers themselves.

In quarantine, the popularity of video games in general is also growing, with calls to stay at home and play games there even coming from the World Health Organization (WHO). The WHO, which in 2018 included the addiction to computer games in the list of addictions, now advises them as a suitable activity for the duration of quarantine. At the end of March, WHO, together with almost two dozen game developers, including Activision Blizzard, Riot Games, Zynga, Twitch, YouTube Gaming, launched the #PlayApartTogether campaign. As part of this campaign, people are encouraged to stay at home during the pandemic, follow WHO recommendations on social distancing, hygiene measures, etc. and instead of going outside to play computer games at home, which, among other things, can make up for the lack of real communication during the quarantine period. WHO's Global Strategic Affairs Ambassador, Ray Chambers, said: „I thank the gaming industry for helping to bring the COVID-19 pandemic to an end. We hope that the #PlayApartTogether campaign will encourage even more people to stay safe and healthy (while at home) and help smooth the curve and save lives”.

Representatives of the development companies working with WHO promised to offer players a variety of „special events, exclusive offers, activities, rewards” and much more to encourage them to play and stay at home. Even the developers of a game like «Pokemon Go», one of the goals of which has always been to encourage people to walk more, have introduced their own quarantine changes: some tasks that previously required walking down the street and approaching certain objects

there can now be performed remotely from home. Sony Entertainment also launched the „Play At Home” initiative and has been giving players games for free every month since the beginning of the pandemic. All these measures are aimed at ensuring that people stay at home and are safe. According to the growth of active online players, these measures work very well.

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Summary

In the last decade, the video game industry has been developing at a tremendous rate. Every year, the profit and the number of new players increases. Games are increasingly integrated into our lives and become an important part of it. For the modern generation, video games are not only a hobby and entertainment, but even sports and work. The moment of COVID-19 and mass isolation served as a catalyst for the development of video games. Thanks to video games, people can continue to keep in touch and this is very important at the moment. Video games bring people together and allow them to share their emotions.

Keywords: Forecasting, computer game industry, video games, COVID-19.

15. A PRACTICAL APPLICATION OF THE STRATEGIC CLUSTER MODEL: THE CASE OF JUMILLA (SPAIN)

Introduction

The Spanish agri-food industry combines maturity, the predominance of small companies and territorial roots, with a growing process of internationalization, technological innovation and development of distribution. The wine sector occupies a prominent place in this industry as a whole, both for the quality and variety of its production, being characterized by a strong presence of cooperativism and business agglomeration. In fact, the study of the wine industry has mostly been addressed under the cluster approach. The interest in winery agglomerations has been transversal between the countries belonging to the Old and New World. On the one hand, the Old World countries in which wine clusters have been analyzed are: France, Italy, Spain, Portugal, Romania, Bulgaria. On the other hand, research carried out in New World countries on wine clusters are: United States, Chile, Brazil, Australia, New Zealand, Mexico, Argentina, South Africa.

This research focuses specifically on the analysis of the wine activity in Jumilla, given its economic importance for Spain in general and for the region of Murcia in particular, since it represents the main source of income for the region directly (through the cultivation of the vine, its transformation into wine and the different forms of commercialization) and indirectly through the appearance of auxiliary industries (barrels, glass, cork, labeling, etc.) and complementary services (wine tourism). The Jumilla cluster is located in the southeast of Spain, specifically between the provinces of Murcia and Albacete. Coinciding with the cluster is the Jumilla Protected Designation of Origin (PDO), which is made up of 7 municipalities: 2 of them belonging to the Region of Murcia (Jumilla and Fuente Álamo) and 5 to the province of Albacete in the autonomous community of Castile la Mancha (Hellín, Tobarra, Montealegre del Castillo, Ontur and Albatana). The objective of this research is to carry out a practical

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application of the strategic cluster model to find out whether the agents that make up the Jumilla wine industry are organized according to this model. In this way, we intend to fill a gap in the academic literature, since no research has addressed the study of the Jumilla wine cluster. To this end, after this brief introduction, section 2 analyzes the different agents that make up the Jumilla wine cluster and section 3 presents the main conclusions drawn from the research carried out.

Structure of the Jumilla wine cluster

Supplier companies

From the moment a vine grower plants the vine until the end consumer can enjoy a glass of wine, a whole series of transformations of the raw material take place, as well as economic relations between different socio-economic agents. In this sense, the first activity in the wine industry value chain is viticulture, which is based on the cultivation of vines through a set of agronomic practices and techniques. In the municipalities that make up the Jumilla PDO there are 4 companies dedicated to vine cultivation located in the municipalities of the Jumilla PDO, which represent 10% of all the vine-growing companies that exist in the region of Murcia (20 vine-growing companies) and Albacete (20 vine-growing companies).

Production companies

After the cultivation of the vine (viticulture), the production and ageing of the wine takes place. The PDO Jumilla is made up of 39 wine producing companies, which represent 25% of all wine producing companies in the region of Murcia (84 wine-producing companies) and Albacete (95 wine-producing companies). In addition, alongside the wine-producing companies, there is a great diversity of cooperatives, which bring together the production of their cooperative members, ranging from small cooperatives to second-tier cooperatives, which in turn integrate other cooperatives and are more market-oriented.

Distribution companies and channels

With regard to distribution, wineries can sell directly to the end consumer or indirectly through wholesale and retail channels, among which the following stand out: stockists, the Horeca channel and the retail trade. On the one hand, the stockists are owners of wine and must, but not producers, and may carry out a wholesale trade in beverages. Specifically, there are 32 wholesale beverage companies in the territories that make up the Jumilla PDO, which represent 11.3% of all wine-producing companies in the region of Murcia (202 wine distribution companies) and Albacete (81 wine distribution companies). On the other hand, according to information provided by the Spanish Wine Market Observatory (Spanish acronym, OEMV), the Horeca channel accounts for more than half of the value of wine sales in the Spanish market. With regard to the retail trade, within this channel, the weight of the large distribution chains (supermarkets and hypermarkets) stands out, as they account for more than 80% of sales. Likewise, the conception of wine

as a product with high added value has led to an increase in its presence in specialised channels, such as wine clubs, wine shops and gourmet shops.

Industry support institutions

There are various support institutions, associations and training centres that provide support to the municipalities that make up the Jumilla PDO. On the one hand, the Murcian Institute for Agricultural and Food Research and Development (Spanish acronym, IMIDA), the National Technological Centre for Preserves and Foodstuffs (Spanish acronym, CTNC) and the Segura Centre for Soil Science and Applied Biology (Spanish acronym, CEBAS) aim to promote the development of the agri-food industry through actions aimed at boosting R+D+i. On the other hand, the Association of Canners and Food Companies of Murcia, Alicante and Albacete (Spanish acronym, AGRUPAL), the Association for Agri-Food Promotion (Spanish acronym, ASPROAGRO) and the Food Business Grouping (Spanish acronym, AGRUPAL) have cross-cutting objectives, among which the following can be highlighted: the establishment of links between people and groups dedicated to food activity, the formulation of strategies for the national and international promotion of products directly or indirectly related to the agri-food industry, and the promotion of fairs and events in the food sector. Finally, the Integrated Centre for Agricultural Training and Experiences (Spanish acronym, CIFEA) in Jumilla offers training in the wine sector, with the following training courses: Higher Technician in Viticulture, Technician in Olive Oils and Wines and Higher Technician in Processes and Quality in the Food Industry.

Related industries

In addition to the supplying and distributing companies and the different support institutions, there is the Jumilla Wine Route, whose objective is to promote inland tourism in the Region of Murcia, as well as the monuments and tourist resources that the municipality has to offer. The Jumilla Wine Route was certified in 2005 by the Spanish Association of Wine Cities (Spanish acronym, ACEVIN), being the first one certified in the Region of Murcia. Of the 39 wineries belonging to the Jumilla PDO, 13 have joined the Jumilla Wine Route, which aims to promote tourism as an alternative to the sun and beach tourism characteristic of the Murcian coast, exploiting the long wine tradition of the municipality. On the other hand, the culture and leisure industry has a strong link with the territory, given that the tradition of vine cultivation and wine production have left their mark on the cultural and heritage legacy, which is reflected in various local festivities, including the Jumilla Grape Harvest Festival, which has been declared a Festival of Regional Tourist Interest. In addition, the hotels and spas that surround the municipalities that make up the Jumilla PDO take advantage of the properties and benefits of wine to improve the skin of their clients using the vinotherapy technique. Finally, in addition to the activities of the wine industry value chain, there are other companies in the region that provide inputs or services for wine production. These include cork companies for the manufacture of stoppers, wood companies for the

manufacture of barrels, glass companies for the manufacture of bottles and fertiliser and pesticide companies, which are essential for the production and winemaking processes.

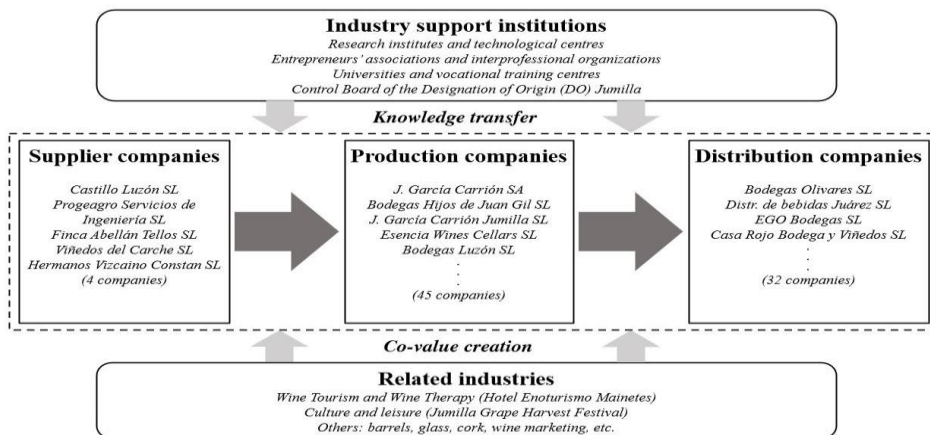


Figure 15.1. Main agents of the Jumilla wine cluster

Source: own elaboration.

Conclusion

The value chain of the wine sector in the Jumilla PDO encompasses from the wine grower to the wine marketer, as well as a whole series of supplying activities. Moreover, there is a good combination between the wine industry and tourism, cultural and leisure activities and even health and beauty, among others. Specifically, the Jumilla PDO includes all the agents that make up a cluster, namely: companies engaged in the same activity, companies located both upstream and downstream of the full cycle of exploitation of the main product, various types of institutions that provide information and specialised technical support, and companies in related sectors. Therefore, after analysing the strategic model of the cluster for the case of the Jumilla PDO, it is possible to affirm that this model is indeed fulfilled, since the companies that make up the designation of origin represent a large group of related companies and institutions, linked to the same economic activity (the wine industry) and located in a specific geographical environment (in the regions of Murcia and Albacete).

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Summary

This research focuses its analysis on the wine activity of Jumilla, given its economic importance for Spain in general and for the region of Murcia in particular. Thus, the aim of the research is to carry out a practical application of the strategic cluster model to find out whether the agents that make up the Jumilla wine industry are organized according to this model. The results reveal that the agents that make up this industry are organized according to the strategic cluster model.

Keywords: cluster, wine, wine tourism, Jumilla, Spain.

16. STARTUP ACTIVITIES IN THE ERA OF THE COVID-19 PANDEMIC IN GERMANY

Introduction

Germany has one of the most vital startup scenes in Europe, and according to our annual research on startup cities, Berlin is actually Europe's 2nd biggest startup hub, right behind London and that Berlin is the primary center of Germany for startups. The city has the highest rate of fundamental activity (16.1% of the German startups found there), their startups take 37% of the financial laps and receive 59% of the euro invested. In fact, Berlin is between the top three-business hotspots in Europe along with London and Paris according to a number of financial rounds and volumes.

Germany reaction in pandemic

The Coronavirus pandemic, however, had a comprehensive impact: a survey found that 91.1% of commercial activities of German startups were affected and among them, 69.7%, expect their existence threatened in the next six months, unless, Measures are not taken. Given the terrible potential of startups to maintain innovation, it is important that players find intelligent possibilities in the beginning of the ecosystem and government to successfully navigate through the crisis. For that Germany focused in ecosystem's startup. As we saw already a lot of innovation from 2020 driven by government policy and that he had found the German government has become faster in creating opportunities and passing legislation related to the crisis — something which drives a lot of new innovative European business models. Therefore, the COVID-19 pandemic has prompted policy responses from German federal and state governments. In April the federal government announced a 2 billion Euro relief package specifically targeted to startups, resting on two pillars. The first pillar is called the „Corona Matching Facility”, whereby investment subsidiaries of state-owned development banks (i.e. KfW Capital, IBB Beteiligungsgesellschaft) and the European Investment Bank offer venture capital investors the opportunity to co-invest. In order to ensure continued funding for promising startups,

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investments are topped up with public funding by up to 70% of the value of a financial round. The instrument is based on the idea that investors, based on their in-depth market expertise, can best determine which investments are worthwhile. In return, public investment bodies receive convertible loans (Wandeldarlehen), whereby they can benefit from expected increases in value later.

The second pillar addresses startups which are not financed through venture capital and thus have no access to the Matching Facility. In collaboration with state institutions (in particular, state-owned development banks), the federal government provides money via loans to expand existing initiatives such as Berlin's „GründungsBONUS” and „Start-up Stipend” programs. The eligibility criteria of the first program have been relaxed and startups are granted advance payments and an additional Corona bonus of 5,000 Euro. The latter program allocates funding to startups centers and incubators to extend their business support. Both programs focus on startups with technological innovations as well as those that promote ecological and charitable goals.

In addition to the major package introduced by the federal government, Berlin has two further emergency aid programs in place, which are also open to startups. They are administered through the state-owned Investitions-bank Berlin and their aim is to help companies overcome liquidity shortages caused by the pandemic. One program provides SMEs with „Corona rescue loans” that have a maximum value of 500,000 Euro and help them pay their rent, personnel expenses and other liabilities. The second program allocates „Corona grants” to self-employed people and smaller businesses. The amount of the grant, which aim to cover personnel costs and salaries as well as operational expenses, depends on the number of employees and lies in the range between 9,000 and 25,000 Euro.

In addition to the policy responses injecting liquidity, many startups are using the short-time working instrument (Kurzarbeit) whereby employee working hours are reduced, while the government replaces some of the employees' lost incomes.

This is to avoid companies having to lay off their employees during the economic downturn.

To sum up, the exchange of information and best practices, as well as the provision of liquidity are the most crucial elements of startup support during the pandemic period. Financial support tailored to the needs of different startups in order to be effective, and public funds provided in a targeted manner to help startups with promising business models. Thereby, the situation toked an opportunity to specifically support startups, which developed social innovations and innovations that promote climate protection and sustainability. Ultimately, startups also have potential to contribute to fighting the pandemic, as the initiative „Startups against Corona” (a crowdsourcing platform that connects incumbent firms as solution - seekers for Corona-related problems and startups as solution-providers) demonstrates. Example: from 2020 it start a lot of digitalization of the food industry following restaurants being obliged to do contact tracing and digital menus Germany did in the pandemic .

Germany launches platform (by the German government in a partnership with the leading German industry group) for coronavirus-inspired business ideas, A business promotion platform wants Germans to pitch their ideas and plans developed amid the current COVID-19 lockdown. Germany launches platform for coronavirus-inspired business ideas they designed the platform as an open process in which they aspire to make all business ideas public as quickly as possible and, and they are checking all entries to see if they are serious enough.

Apart from that, they are interested in social initiatives that help people cope with their daily lives. From the top startups that it evaluate in the pandemic period.

The pandemic it was a big opportunity for many start-ups as:

- Sharpist – The Berlin-based start-up Sharpist began to create „AHA moments” on the scale. Founded in 2018, the young company offers a mobile platform that helps professionals pursue their career with greater commitment, focus and productivity. Their turnkey learning and development solution combine 1: 1 video training sessions with continuous micro-learning exercises. In short words, SHARPIST organizations covered by WorldClass Executive education for all their workforce leave. In February, the 2020, the launch reached 4.8 million euros in financing seed
- As another example there is the Coachhub: Founded in 2018, Coachhub is the „Mobile Coaching Cloud” and makes personalized coaching possible for employees of all career levels. A group of main coaches around the world and the available applications for access from the web and the smartphone can live the live coaching sessions via video conference. In this way, the beginning in Berlin prepares managers for better leadership, teams for better group actions and employees for personal and professional growth. The coachhub team has around 150 people. In total, the beginning of rapid growth has been increasing more than 18.9 million euros in venture capital.
- And also the Cues start up is a quick start-up based in Munich, creating an electronic software solution to strengthen the hardware production teams to easily build built-in systems, without depth knowledge of electronics. The CUIIN software automatically generates forms, circuit board regulations (PCBs), the material invoice (boom) and the source code integrated by automation and artificial intelligence. Thanks to this radically new approach regarding electronics Celus cut development times and know-how barriers. Celus was founded in 2018 and increased 1.7 million euros in February 2020
- Medloop – Founded in 2018, Berlin-based Medloop offers thousands of patients intuitive self-service features that enable them to navigate their own healthcare pathway and to communicate effectively with doctors. Furthermore, the app provides online appointment bookings, electronic

medical results, prescription refills, as well as an interactive chat functionality. The startup aims to shift healthcare from reactive to preventative and has secured €6 million in January of 2020 to enhance its product offering and continue expansion across Germany and the UK.

Conclusion

As we explained in our report that the COVID-19 caused big changes in the world and also the states of startups and their decadence and also the innovation of some startups and their development as the example of the cases that we have presented from Germany and that there is also several startups that they have participated in improving the state of the pandemic But on the other hand that the disappearance of the projects is more than the evolutions. The COVID-19 situation still influencing in our life in all the eras. We still believe in ourselves and in the voluntary of humanity. It will end soon.

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Summary

The effects of the pandemic are shaking up global socioeconomic structures. The impacts are estimated to be astronomical in terms of the number of lives and jobs lost and in other side Start-ups play a key role in OECD countries in terms of job creation, innovation, and long-run growth, but the COVID-19 crisis is reducing their creation, challenging their survival, and limiting their growth but there is many europien countries that they tried to manage this situation for exemple Germany.

Keywords: startup, organization, COVID-19.

17. CRISIS AS A STIMULATING FACTOR OF THE MOSCOW EXCHANGE DEVELOPMENT

Crisis as a stimulating factor

Despite the pandemic the stock market showed a phenomenal rally in 2020. The rise in stock prices has continued even this year. Some people believe that the coronavirus will soon be defeated and the world will rest from the turmoil. But the situation is far more deceptive than it seems to be. At the beginning of 2020, the situation on both the global and the Russian stock market was stable and favorable. However, the rapid spread of the coronavirus infection paralyzed China's production and, subsequently, its economy. A similar phenomenon has affected the economic recession of all countries. A kind of domino effect worked. There has been a decrease in prices and indices in the stock market, primarily due to fears of investors and the withdrawal of their funds from securities, especially in countries with emerging markets, since their economies are less stable and more sensitive to global economic changes. At the end of 2019, most of the stock indices have a positive trend, but at the beginning of 2020, the situation began to change rapidly and the dynamics are negative. In order to reduce the negative impact of the pandemic on the economy, governments of different countries took some measures. First of all, the authorities have adopted massive stimulus packages for the economy, lowered key rates and distributed money to people. This caused a record liquidity inflow to the stock market. People have shown a greater appetite for risk by taking money out of cheapened bank deposits and investing in stocks. What is more, even old and trustworthy corporations turned out to be risky assets. Therefore, investors changed their attitude towards risky assets. Stocks soared in value, surviving only one month of a bearish cycle. „Bullish” markets are also rising in 2021 on „steroids”, by the stimulating programs. With the start of the COVID-19 pandemic in 2020, stock market indices have plummeted, with shares of all companies without exception falling in value. The bottom was reached by mid-spring. At this time the whole world was hit by lockdowns. J. P. Morgan estimates that the market lost more than 30% of its value [Investfunds, 2021].

Authorities began to cut key rates and adopt anti-crisis programs as quickly as it was possible. In the US itself, more than \$4 trillion was allocated for stimulus measures, and ordinary Americans received „helicopter” money several times.

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Stock prices began to rise and soon exceeded pre-crisis levels. This was accompanied by a huge influx of private investors. Several factors contributed to this:

- quarantines and reductions in daily spending,
- lower bank deposit rates,
- a strong rebound after the March plunge in all stock markets,
- the development of mobile investment apps.

On the Moscow Exchange itself, 5 million people opened brokerage accounts in 2020 – more than in all previous years. The number of private investors on the Moscow Exchange has reached 10 million people. According to the trading floor, individual investors accounted for 42% of total share trading volume [FAS, 2021].

The National Association of Stock Market Participants estimates that Russians' investments in the stock market will reach RUB 6 trillion in 2020, twice as much as in 2019. The beneficiaries of the pandemic have been many high-tech companies, especially from the IT sector, in whose great future the younger generation believes. The most prominent examples are the shares of video conferencing start-up Zoom. Their share price has risen by more than 400%. Video service Netflix is in second place, with its stock up 62% [World Bank, 2021]. This phenomenon is due to the isolation feature of the pandemic. Despite the need to stay home for extended periods of time, people needed communication and entertainment. Even cryptocurrencies were not left out and bitcoin rose in price to \$60k. Paradoxically, the stock markets are not benefiting from a rapid economic recovery right now. The faster the real sector recovers, the more liquidity it draws from exchanges. As effective demand for goods and services grows, prices start to rise, and this is inflation. The outcome is always the same an increase or decrease in the key rate. An increase in the key rate inevitably leads to a correction and collapse on the stock exchange.

Analise of the Moscow stock exchange

Today the Moscow Exchange is the main platform for attracting capital to the national economy. Against the background of unfavorable external factors, investments are becoming almost a determining factor in maintaining GDP growth. The Russian stock market is very young compared to international stock markets. It is characterized by high volatility, instability, and other features:

- low investment activity of companies and private investors,
- insufficient development of regional equity markets,
- close positive relationship between the Russian and foreign markets,
- high dependence on commodity prices.

However, Russian stock market has a great potential and if some problems solved, it can become very attractive for many foreign and domestic investors. In order to see the strengths and weaknesses of the Moscow Stock Exchange, a SWOT-analysis was carried out, taking into account the changes of 2020.

Table 17.1. SWOT-analysis for Moscow Exchange Group

Strength	Weaknesses
<ul style="list-style-type: none"> • size and growth rate of Russian Economy, • exclusive vertically-integrated platform offering chain of services, • biggest venue in the region, • cycle-protected business model steady performance during financial crisis, • central Securities Depository, • expected management team, • Central Bank leading role in shareholding and transaction monetary policy through exchange. 	<ul style="list-style-type: none"> • unfavourable investment climate, • inconsistency of post-trading infrastructure with world best practice, • switch of issuers to the foreign ventures, • corporate governance standards not compliant with international practice, • disintegrated tariff model.
Opportunities	Threats
<ul style="list-style-type: none"> • development of local investors base, • increase in number of instruments, • participation of government in development of financial market, realization of IFC plan, • listing and admission to trade securities of Russian and CIS issuers, • execution of government privatization plans leads to growing free float, • increase in government borrowings and bonds issuance, • exclusive Yuan trading. 	<ul style="list-style-type: none"> • next wave of financial crisis, • inadequacy to meet competition challenges from the side of major exchanges, • invasion of OTC trading platforms, • delay in legislation reforms.

Source: Official site of the Moscow Stock Exchange: <https://www.moex.com/> (30.04.2021).

According to the work and SWOT-analysis of the Moscow Stock Exchange, the trading platform should be made more convenient to use, and reduce restrictions between residents and non-residents of the Russian Federation. It is possible to use close interaction with the CIS countries to create a single trading platform that will attract more investors.

For the time being, investors are already starting to put the onset of a new rate hike cycle into money market instruments. When the prospects for a rate hike are clear and bond yields start to rise, the relative investment attractiveness of equities will start to decline. Long-term bond rates have already moved higher this year.”

Financial bubbles are occurring in many sectors of the equity market. Central banks around the world have already pointed this out publically, suggesting that sell-offs and sell-offs in equities are imminent. Volatility has already begun to emerge in the markets due to rising inflation. Regulators have begun raising key interest rates to rein in prices. Analysts believe that the most tangible corrections in the markets will start when the US Federal Reserve announces a rate hike.

Inflation in Russia is also accelerating. In January this year it reached an annual rate of 5.2%, in February 5.4% and in March 5.8%. This is considerably higher than the Central Bank’s forecasts. On 19 March, the Bank of Russia therefore raised its key rate from a record low of 4.25% to 4.5% per annum. This was done for the first time since December 2018. It is not ruled out that the rate will be raised more than once more in 2021[Bank of Russia, 2021].

A separate risk for Russia is sanctions, which could severely affect the value of securities and currencies. The worst possible scenario is if Western countries impose restrictions on Russian sovereign debt, the basis of which are federal loan bonds (OFZ). Another blow to stock markets could be a tax hike. The Biden administration has already announced its intention to do so because of the need to close the budget deficit created by the stimulus measures, including the distribution of „helicopter money” to the public. Tax hikes will affect the payment of dividends on shares and the profits of many companies.

Forecasting trends on the Moscow Stock Exchange

The main indicator of an attractive investment state is the stock index, which determines the stability of the market, and the volatility of the stock index reflects the state of the market as a whole. Since the stock index is the most important indicator of a stock exchange’s performance, it is this indicator that has been taken as a forecasting tool. Least Squares Method is the method by which a forecast model can be built for the future. It is very easy to use and has a small error. Least Squares Method is used to predict our future values of IMOEX Index. Let’s use the formulas to predicted values for the next 4 years.

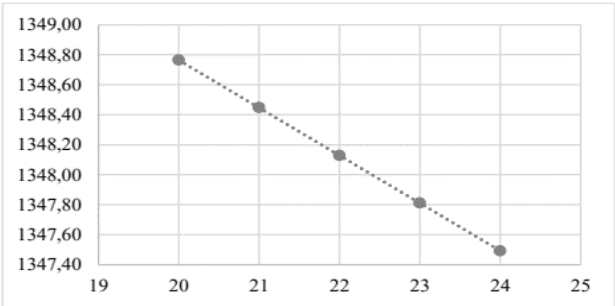


Chart 17.1 – Forecast the MOEX Russia Index

Source: own elaboration.

Since it is very difficult to do any analysis during crisis times, especially with the use of least squares, we will analyze the pre-crisis time period, so it implies that we have a normal economy. With a forecast for the next 4 years from 2021 to 2024, we can interpret them graphically to visualize the upward or downward trend in the MOEX Russia Index

According to our chart, we have a downward trend in the stock index. This means that in the next four years we will observe an imperceptible decline in the Moscow Stock Exchange Index. These conclusions were obtained after conducting a regression analysis using the least squares method to find the predicted value. In that case we can conclude that in times of crisis the stock market gets developed and in times of stable economy there is a huge number of difficulties that reduce the performance of the stock market.

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Summary

The article is devoted to the topic crisis as a stimulating factor of the Moscow exchange development. The relevance of the topic reveals that the crisis is one of the states of the economy which cannot be avoided. various measures can be used to prevent it and to control it but sooner or later the crisis situation will come. Although many authors see the crisis as a negative state, some believe that the crisis can also have a positive effect on the organization's development. In this article, the author looks at the Moscow Stock Exchange during a pandemic. The paper analyses the state of the Moscow Stock Exchange over the last two years and 2021. It considers the strengths and weaknesses of the exchange and the changes that have taken place recently. The forecast of Moscow Exchange trends for the next three years is also provided. In the article, the author answers the question of why the stabilization of the economy could have a detrimental effect on the Moscow Stock Exchange. in order to answer this question more intelligently and accurately, the author has considered the counter-crisis policies of Russia and the USA, as America is the leading country in the stock market

Keywords: Crisis, Moscow Stock Exchange, stock market, inflation, pandemic, SWOT-analysis, helicopter money, financial bubble, Least Squares Method.

18. COLLABORATIVE INNOVATION FOR SUSTAINABLE DEVELOPMENT INCORPORATING THE ENVIRONMENTAL PERSPECTIVE IN INNOVATION PROCESSES

Collaborative innovation for socioeconomic development

Today technology advances at a frenetic pace, the generation of new useful knowledge that can be used in the development of innovations is a key competence for the economic growth and competitiveness of companies, regardless of their location. The process of research, development, and commercialization, which translates into the capacity to create technological and scientific advances of various kinds and to commercialize them, is often the result of coordination and cooperation between various research entities, industrialists, and government agencies. In this regard, Etzkowitz and Leydesdorff developed the „Triple Helix” model, with which they attempt to analyze the interactions that take place between universities (generators of knowledge from education and research), companies that produce and market goods and services, and the government, which regulates and encourages the practices of economic agents. This vision incorporates some characteristics of developed countries that are not present in certain underdeveloped regions, such as the existence of intellectual property rights, an adequate legislative framework, the presence of market economies or social market economies, and the conviction that the development of knowledge is positively related to economic development. Etzkowitz and Klofsten proposed that the interaction between industry, universities and government could be a key factor for the economic development of territories, and that its application makes it possible to analyze innovation patterns, using the nation as the unit of analysis. The Triple Helix model is thus proposed as the dynamics derived from an adequate degree of interaction between university, industry, and government, which are three fundamental pillars of the economy. The cooperation between the established „helixes” favors the generation of synergies and the improvement of business results. The triple helix develops in response to the new demands of market demand, which pressures companies to

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continuously increase their competitiveness, being necessary, in most cases, to boost their innovative performance. The collaboration between industry and academia in an appropriate legislative and regulatory context allows improving the innovative performance of companies and favors the socioeconomic development of regions. For their part, Audretsch et al. determine that collaborative networks contribute to increasing the competitiveness of countries and regions by pooling valuable resources and capabilities. The triple helix model is open to new proposals that expand the number of helixes involved in the innovation process, representing a potential source of valuable ideas, information, and knowledge. Due to this, a fourth helix has been developed, representing potential consumers of products and services offered by companies, which is a key stakeholder in the innovation process. According to Arnkil, in the quadruple helix model the user acquires a central role in the innovation process. Thus, all those features belonging to the community, such as culture, art, values, as well as mass media, are implicitly integrated into the innovation process. A proper execution of the quadruple helix model allows establishing a fluid communication between companies and their stakeholders at the regional level in terms of innovation, and thus favoring the transfer of valuable knowledge. Through the application of the quadruple helix model, a key connection is established between companies and their main stakeholders at the regional level, through which to obtain important feedback regarding potential customer needs, which can drive innovation projects suited to demand requirements. This form of cooperation can foster the sustainable economic development of regions, as this is one objective shared by the four propellers of the model.

Quintuple helix: in search of a balance between socioeconomic development and environmental sustainability

The quintuple helix model incorporates the environmental perspective in innovation processes. Sustainable development is a challenge that must be faced jointly by all agents in society. In recent decades, there has been a significant increase in the need to develop new formulas to increase the sustainability of human actions, reducing their impact on the environment. At the same time, civil society has become aware of the environmental impact of maintaining the current lifestyle and development and, consequently, of the need to correct this trend. This has led to an increase in consumer demand from companies for new products, resources, and innovative sustainable solutions, as well as for actions to mitigate the negative externalities they produce in the environment.

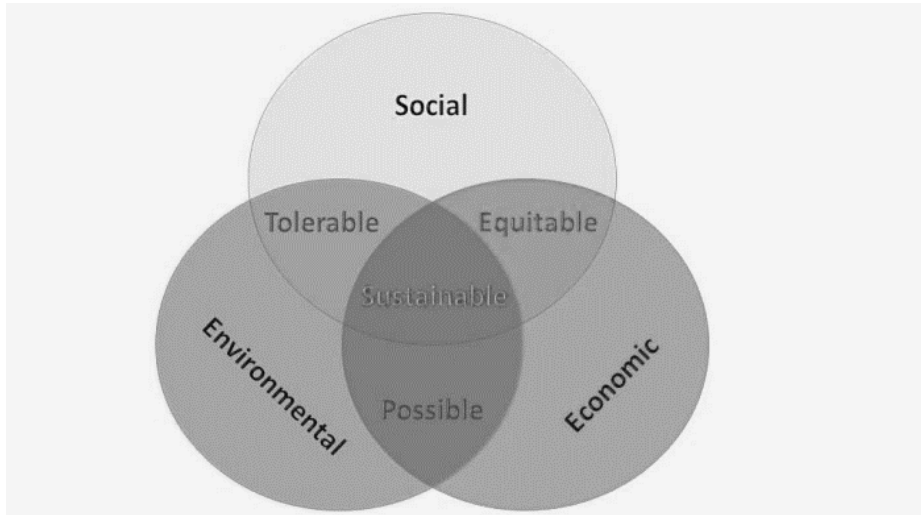


Figure 18.1. Quintuple helix model

Source: Own elaboration based on Theis and Tomkin.

The fifth helix developed in this model represents the need to incorporate in all phases of the innovation process the new requirements of the demand and the environment in environmental matters, with the aim of developing ecological alternatives that allow boosting economic development with a minimum impact on the natural environment. According to Carayannis and Campbell, the five-helix model is simultaneously inter- and transdisciplinary. Interdisciplinary since it takes into consideration both the needs of the natural environment (the natural sciences), as well as those of society, economics and politics (social sciences). It is transdisciplinary in that it allows the development of an overall vision of needs, based on the analysis carried out in each of the areas taken into consideration, and thus provides decision-makers with a holistic perspective from which to develop solutions in line with the real needs of the socioeconomic, cultural, and natural environment. It should be noted that to develop business models that reduce the environmental footprint, in many cases it is not necessary to apply the latest technologies or develop knowledge-intensive products or services. A good example of this is the work carried out by a Kenyan conservation group called „Ocean Sole” which, using plastic flip-flops discarded by their owners as raw material, designs and builds works of art. Through this initiative, biologist Julie Church has managed to reduce unemployment and pollution in the region (Kiunga National Marine Reserve). The group currently employs more than 90 workers in Kenya and has managed to recycle more than 1,000 tons of discarded flip-flops [<https://oceansoleafrica.com/>]. Entrepreneurship that is partially or totally motivated by social and environmental (as well as economic) purposes can favor the sustainable economic development of regions, as well as

reduce the ecological impact generated by current lifestyles and economic development. In this regard, it can be stated that environmental sustainability is one of the main drivers of today's business environment. According to these researchers, the three pillars on which sustainable development rests are social progress, economic growth, and environmental protection. One of the main consequences of this idea is that research in the field of sustainability should essentially emphasize three areas of knowledge: environmental, economic, and social. Thus, to favor sustainable development, their effective integration is necessary. In addition, there are other far-reaching initiatives developed by international entities, to which numerous governmental bodies are added. This is the case of the „2030 Agenda for Sustainable Development”, adopted by the United Nations General Assembly. This Agenda includes 17 „Sustainable Development Goals” and 169 targets that cover the areas of the quintuple helix (economic, social, and environmental) in an integrated manner, and which set 2030 as the date for their achievement. Although it is likely that many of them will not be achieved within the established timeframe, their high degree of acceptance (the agreement has been signed by 193 countries) favors a transition towards new models of sustainable development [<https://sdgs.un.org/2030agenda>].

Conclusions

Due to the nature of companies, the actions they take must ultimately be linked to maximizing their profits. It would be naïve to think that they will carry out actions altruistically, with no other purpose than to promote sustainable development. However, this situation should not be a problem if it is possible to increase the attractiveness of sustainability for companies in both economic and strategic terms. To this end, it is crucial to raise society's awareness of the importance of reducing the environmental impact of human activity, since, in this way, consumers' appreciation of companies would be conditioned to a large extent by their actions in favor of environmental sustainability. In this respect, companies should include them as a strategic element of success, which would allow them to differentiate themselves from the competition and increase their profit margin and/or market share. In short, social awareness of the importance of reducing the environmental impact of human activity is a key factor in driving change towards a new model of sustainable socioeconomic development. Consumer appreciation of business action in the environmental sphere, and its link with consumption decisions, would place sustainability at the pinnacle of business strategy, influencing all decisions and actions carried out in the course of business. In this respect, the new information and communication technologies can favor consumer awareness of the actions carried out by companies in this area, as well

as product traceability throughout the company's value chain and even throughout the entire value system of an industry or sector.

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Summary

20. In recent decades, the world has experienced socioeconomic development unprecedented in history. However, this development model, although it has allowed companies to create value, is having a negative impact on the environment. It is therefore necessary to promote a change of perspective towards new, more sustainable development models, so that the artificial environment can coexist with the natural environment, allowing its survival and development over time. To achieve this transition, the involvement of the whole society is necessary. In this respect, innovation is postulated as a fundamental tool, as well as the pooling of resources and capabilities by different agents and individuals, in favor of the successful achievement of the innovation processes undertaken. It is concluded that social awareness is essential to promote a change of paradigm, which allows laying the foundations for a new model of sustainable socioeconomic development.

Keywords: Innovation, Cooperation, Sustainability, Development, Awareness.

19. IMPACT OF CHANGES IN ECONOMIC SITUATION ON THE STATE OF CRIMES IN RUSSIA UNDER INFLUENCE OF THE COVID-19

Study of changes in macroeconomic indicators in the position of crime activity economy in the state

Macroeconomic indicators characterize the development of the economy, indicate economic growth or recession. In general, the scientific economic literature has developed one approach to the term „macroeconomic indicators”. A macroeconomic indicator – is a numerical indicator used in macroeconomics to reflect the economic state. The concept of a macroeconomic indicator is directly related to the concept of economic cycles in economic theory [Abel, Bernanke B, 2008).

As such, the term „Change in macroeconomic indicators” is not spelled out in economic science. You can logically derive this term. Changes in macroeconomic indicators are the process of growth or decline of macroeconomic indicators.

Since this indicator covers a large number of different types of crimes, including crimes against the person, when you get the results of modeling, you can talk about the total unit of crimes. If you consider more detailed modeling, you can take a certain type of crime as the output parameters of the model, and build a model based on the new variable and interpret the results.

Based on the analysis carried the following factors were selected as explanatory variables, reflecting the most significant impact on the crime rate.

In this chapter, the exogenous variables will be:

1. Permanent population (in millions), data for this indicator were taken from Eurostat.
2. Number of immigrants (data taken from national statistical agencies). This indicator is expressed in thousands of people. As it is known in recent years, many crimes have been committed by immigrants, as a result of which their entry into some countries has been restricted. Migrant crime is a type of crime that is distinguished on the basis of such characteristics of the criminal's personality as his participation in migration processes: movement from one territory to another, including a temporary or permanent change of residence.

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In the modern world, migration caused by such negative social phenomena as discrimination on the basis of nationality, armed conflicts, extreme poverty, often becomes a factor of crime. The commission of crimes by visitors is also often associated with their involvement in organized criminal activities.

The high percentage of criminals among migrants is caused by socio-economic factors, punishments for violations of migration legislation, as well as racial and ethnic discrimination by law enforcement agencies and the judicial system. The link between immigration and terrorism is poorly understood, but existing research shows that it is weak and that harassment of migrants increases their risk of radicalization.

1. The level of GDP. (in billions of dollars). This indicator indicates the well-being of the population).
2. Average salary level. Data for this item are taken from national databases, and converted into dollars for ease of calculation. This indicator has a direct relationship with the crimes committed, because if the salary level allows people to buy only the most necessary products and nothing more, and even this does not allow, then the crime rate will be higher.

Illegal activity in the state is a type of activity that includes all types of crimes and offenses, as well as activities that are not provided for by permissive acts. Elizabeth Papp Kamali [2019] says this about felonies. Felonies are serious crimes, such as murder, rape, or arson, for which the typical consequence is capital punishment or imprisonment for over a year [Baizulaev, Shumakhova, 2020]. Etymologically, the word felony originally connoted wickedness or evil. The category of felony derives from the English Common Law, in which a felony conviction traditionally resulted in forfeiture of land and movables, as well as the death penalty. The possible consequences of a felony conviction continue to be monumental today, including disenfranchisement, termination of parental rights, and ineligibility for jury service. Some jurisdictions have done away with the felony/misdemeanor distinction, opting instead for more neutral categories such as indictable and summary offenses.

The legal definition of the term crime under Russian law is given in the Criminal Code of the Russian Federation, a crime is recognized as a culpably committed socially dangerous act prohibited by this Code under threat of punishment [Criminal Code of the Russian Federation, 1996]. The dependent variable is the total crime rate for individual countries, which includes the following indicators, according to the above articles of criminal regulations:

Table 19.1. Type of crimes and its content

Indicator	Content
Murder	Violent and non-violent, intentional
Grievous bodily harm	Severe and moderate harm to health
Against life and health	Here it is taken as a basis as a complete section of the criminal code, all crimes of this nature are included here
Against property	Theft, robbery, fraud and other crimes included in the national codes in this category
Financial crime	Crimes in this group differ in their composition in different codes, but the essence is the same, these are acts aimed at the financial and economic structure of society

Source: Criminal Code of the Russian Federation.

Since this indicator covers a large number of different types of crimes, including crimes against the person, when you get the results of modeling, you can talk about the total unit of crimes. If you consider more detailed modeling, you can take a certain type of crime as the output parameters of the model, and build a model based on the new variable and interpret the results.

Based on the analysis carried out in the first chapter of this paper, the following factors were selected as explanatory variables, reflecting the most significant impact on the crime rate. The relationship between the macroeconomic indicators of a particular country and the level of crimes committed is directly related. The higher the level of the economy, the higher the level of GDP and GNP, the higher the level of wages and lower unemployment, the less crimes will be committed. After all, most of the country will be busy at work, will receive decent pay for their work, and they will not need to go to extreme steps with crimes. And vice versa, if the country is bad with the economy, then the number of crimes will increase. Mexico is an example of this. The country is not the most developed economy, with a low GDP, and therefore with a very large amount of crime.

This section discusses the basic terminology used in this paper. Several positions of different authors on approaches to the definition of macroeconomic indicators and felonies were considered. The main indicators and types of crimes that will be involved in the dissertation were considered. And also the main purpose of the work was defined - the relationship between crime and the economy. Next, the data of three countries will be analyzed as an example.

The first is Switzerland, one of the most economically developed, progressive countries and statistically with a low crime rate. The second country is Russia, with fairly average indicators both in economic development and in the level of crime. The third country is Mexico, with an extremely high crime rate and rather low economic development.

Switzerland has the smallest number of people among the three countries. However, its level of GDP is several times higher than in the same countries. It is 43% higher than in the Russian Federation and 56% higher than in Mexico, for illustrative purposes you can plot the distribution of GDP per capita. However, the level of its GDP is several times higher than in the same countries. 43% higher than in the Russian Federation and 56% higher than in Mexico, for clarity, you can plot the distribution of GDP per capita.

The level of GDP in Switzerland, according to statistical data, exceeds the other two analyzed countries by 7 times. Hence the high standard of living in the country. The same can be said about the average level of salaries, in Switzerland they exceed 7 times other countries (7000 dollars against 800 and 600 in Russia and Mexico, respectively). The main macro indicators that were freely available were the population of the country, the level of migration, GDP, and average wages. And although there are few basic indicators, this is enough to draw conclusions about the correspondence of the level of economic development and the commission of crimes. The analysis shows the relationship between exogenous and endogenous factors on the crime rate in a particular country. So, we clearly see the difference in all indicators. The standard of living is GDP, the average wage is much higher in developed Switzerland. These indicators are directly related. After all, the better the standard of living of a particular citizen, the higher his salary and employment level, the lower the chance of committing a crime. It will be uninteresting and unprofitable for a banal person. We see an inverse relationship in other countries, where it may be more profitable for a person to commit a crime from an economic point of view than to go to work, because his salary does not reach the minimum wage.

The analyze shows important socio-economic factors that influence the growth of crime. We can see how different the level of wages in individual states is, how large the gap between the GDP of the two states is hence, there will be a big difference in the level of crime in these countries.

Impact of changes in economic situation on the state of crimes in Russia under influence of the COVID-19

The COVID-19 pandemic has had a negative impact on the Russian economy, but has caused a reduction in many types of crime both in this country and around the world. In the first quarter of this year, the number of rapes, robberies and thefts in Russia decreased compared to the same period last year. This is reported on the website of the Ministry of Internal Affairs of Russia.

The number of rapes and attempted rapes during this period decreased by 31.1%, and robberies-by 20.9%, the ministry said. In addition, the number of thefts fell by 11.2% and robberies by 9.9% [Papp Kamali E., 2019].

The department noted that there were also fewer crimes on the streets, including in parks and squares. Their number decreased by 3.3%, „contrary to the forecasts made by some experts about the growth of street crime, allegedly associated with the consequences of the introduced restrictive measures”, the report says. It also became safer in transport, where crime fell by 10.9%, they added.

For this and subsequent years, economic growth in Russia was planned at the level of 2% or more. The growth rate of real disposable income of the population was expected to increase by 2.2-2.4%. The average annual exchange rate was calculated at 63.9 rubles/per dollar. The average annual price of the Urals brand for 2020 was estimated at 57.7 dollars per barrel.

However, everything changes dramatically. The impact of the coronavirus on the Russian economy manifests itself in different directions, in different forms, with different severity of consequences, but it captures all spheres of activity, the entire population [Maksimova, Ryabtsev, Sazonova, 2020).

It all started with a reduction in the tourist flow of Chinese tourists, which affected the income of the entertainment economy, air travel, and spending by non-residents in Russia [MED of Russia, 2018]. Further, the export of raw materials to China – both mineral and non–raw materials (food, wood) – began to decline. At the same time, imports also decreased – from infected territories and stopping enterprises, which affected Russia’s trade balance and the availability of a number of imported Chinese goods.

However, despite the decline in individual elements of the crime, this can be explained by the fact that the lockdown was observed, people left the house only in certain cases, so such crimes as murder, rape have nowhere to go. But some other species have only grown. This is due to the fact that the economic situation has changed dramatically. The level of fraud has increased, citizens received calls to their phones every day with clearly fraudulent schemes. There were new types of cybercrime, hacking of citizens ‘ databases, leaking passport data to the darknet. One of the main reasons for this development is precisely the economic downturn, people, including criminals, who previously had a legal job, suddenly found themselves without work, in many cases without wages.

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Summary

In 2020, Russia, like most countries in the world, faced one of the biggest shocks of recent decades – the coronavirus pandemic. The rapid spread of the disease and forced quarantine measures have led to the temporary closure of borders and the suspension of the work of a number of enterprises. At the same time, the collapse in oil prices in the spring had a negative impact on federal budget revenues and the dynamics of the national currency. How did this situation affect the changes in crime? How have the changes in the economy affected the scope of the Criminal Code?

Keywords: crime, economic, COVID-19, macroeconomic indicators.

20. CHALLENGES AND PROSPECTS FOR RUSSIA DEVELOPMENT IN MODERN GLOBAL ECONOMIC REALITIES

Introduction

Over the past year, the international community has faced new challenges. One of them is the COVID-19 pandemic, which undoubtedly has affected everyone. Researchers approaching this topic are interested in the possible reflection of the pandemic, and its challenges, on the prospects for the development of the Russian economy and its place in modern global economic realities. This problem in one form or another has always attracted the views and minds of Russian scientists. Very often, and fairly, in the works one can find pessimistic views on the present and melancholy forecasts for the future, provided that the current course of development is stayed the same.

Some Russian economists have been criticizing the general direction of economic policy and long-term strategy for quite long time. Vladislav Inozemtsev's forecast in his article *Return to normalcy: how to accelerate the growth of the Russian economy*, which examines the problems of Russian economic growth: in ten years since 2008, GDP growth will most likely amount to no more than 4.8% – and not a per year, but as an cumulative total.

Boris Titov in his article: *Economic growth in the world and in Russia: „The new normal”* came up with the opinion that not only of an economic, but also of a geopolitical position of Russia can be in trouble, pointing out the fact that even taking into account the global trend: „Russia is faced with a ‘new normal’, in which not only developing countries, but also the world economy as a whole, and developed countries are growing faster.” B. Titov makes a distressing conclusion: „the implementation of the inertial scenario of economic development is unacceptable, because it restricts freedom in security actions, economics, social policy...” Viktor Timofeevich Ryazanov, carried out in the article *Unstable Economic Growth as a „New Normal”*. The author examines the global trends and patterns that developed during and after the crisis of 2008–2009, coming to the conclusion that „it is important for Russia not to limit itself to a course towards

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financial stabilization and lower inflation. The disadvantages of the raw material export model...require its radical restructuring” [Ryazanov, 2020].

Main part

As can be seen from the graph, the volume of foreign direct investment (FDI) and world trade is steadily declining, despite the jump in world trade in 2010 since 2007 and 2008 accordingly. Generally, the data, as well as the forecast until 2025, show a tendency towards a long-term decline. According to Global Trade Alert, in the period from 2009 to 2020 countries legislated more than 11.5 thousand policies aimed at regulating foreign trade, cross-border capital flows and migration. 3/4 of them were of a protectionism nature. This also can be attributed to the growth of protectionist and isolationist sentiments after the global crisis of 2008–2009. A further decline in the observed indicators and the strengthening of ideas of protectionism in 2019–2020 can be explained by political and economic fragmentation between states. Also, according to forecasts of the UN conference on trade and development, COVID-19 will reduce the flow of foreign direct investment by 30-40% more.

The rapid increase in the number of sick citizens, high mortality rates and the lack of an effective vaccine in the early stages influenced the decision of the authorities to introduce a lockdown as soon as possible. Business was under threat, raising the risks of unemployment among citizens to maximum. In the first quarter of 2020, the number of court decisions on recognizing citizens, including individual entrepreneurs, as bankrupt increased by 68% compared to the same period in 2019, and the unemployment rate increased from 4.6% in February 2020 to 5.8% in April 2020. In case of global trends, it can also be noted that on the background of the epidemic, countries continued to follow the isolationism policy, primarily closing borders for the entry of foreign citizens: in the spring of 2020, 175 new restrictive measures, 111 of which are still valid in January 2021 (Chart 20.1.).

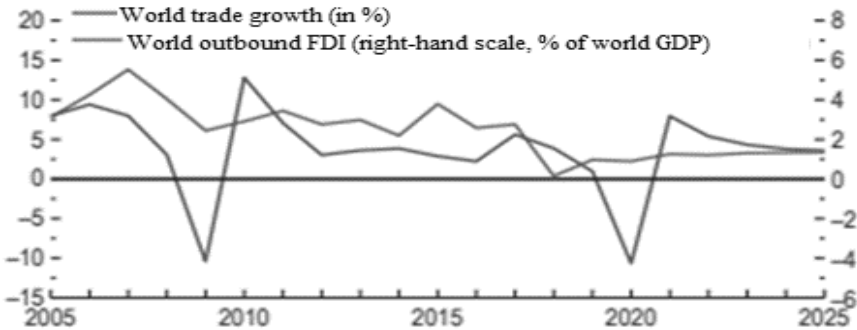


Chart 20.1. Global Trade Growth and Global Outward FDI
 Source: Russia in a New Era: Choosing Priorities and Goals for National Development, 2020.

These data once again prove that the processes of increasing de-globalization of the world economy may be associated not only with the pandemic and imposed restrictions, but also with other, more fundamental processes, which is confirmed by the article of the Economist journal: „when the virus had just begun spread in Wuhan, US tariffs have been at the highest since 1993, and the US and China have begun to divide high-tech industries between themselves.” Thus, The Economist notes the growth of isolationist sentiments against the backdrop of the global pandemic. Since the beginning of 2020, the factories, shops, companies has been closed everywhere, suppliers have reduced communication channels with customers, and demand has dropped extremely. Some industries are not only afloat, but also in high demand (such as food products, household and computer equipment), but the overall observed and expected future impact of the pandemic on global trade is assessed highly negative. Based on the 2020 TNCs survey, about 30% of international companies expect to diversify their global supply chains, and 15% expect them to become less dependent on Chinese suppliers as a result of the pandemic. International travel is also severely limited, with passenger traffic declining by an average of 60%. Labor mobility fell to an all-time low. At the same time, the US government announced the adoption of new measures to regulate the labor market, making proposals to reduce immigration in order to reduce unemployment (Picture 20.1).

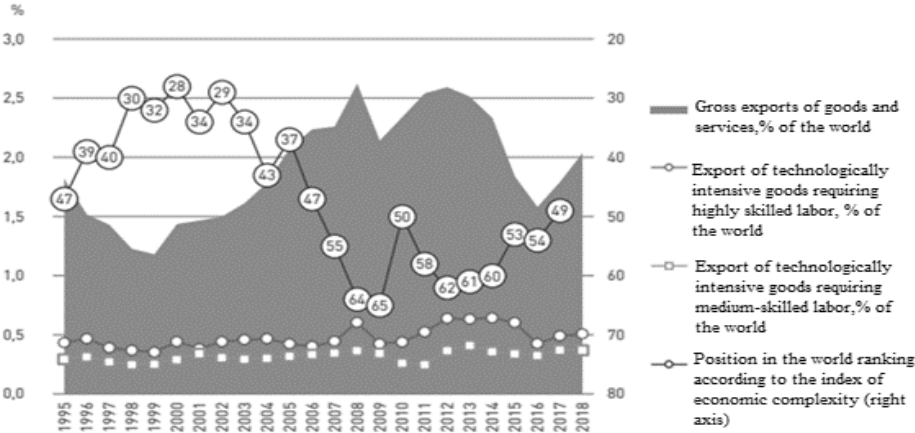


Figure 20.1. Positions of Russia in the world economy, 1995–2018
 Source: Center for Structural Policy Research, National Research University Higher School of Economics, based on UNCTAD data, Atlas of Economic Complexity.

The global competitiveness of the Russian economy is strongly limited by the low level of labor productivity - in this respect Russia is 2–3 times inferior to the economies of most industrialized countries. At the same time, the gap in labor productivity between Russia and the leading countries by 60–65% is caused by a lower total factor productivity, which is traditionally associated with the general

level of technologies and production organization, by 30–35% - lower capital-labor ratio; at the same time, the technological factor plays an even more significant role in the non-resource sectors of the Russian economy.

With the intensity of innovation spending comparable to leading countries (share in total sales, 2.1% in 2018), the effectiveness of innovation in Russia remains low. Thus, the share of innovative goods and services in the total sales volume amounted to only 6.5% in 2018. Due to the undeveloped competitive environment, weak participation of Russian companies in global value chains, there has been a long-term stagnation of innovation activity. Even in industry, the share of enterprises engaged in technological innovation has not exceeded 10% over the past 10 years. Its relatively high values are recorded mainly in the sectors of the traditional „high-tech” (production of vehicles, machinery and equipment, etc.), that contribution to GDP is only about 1% (Chart 20.2.).

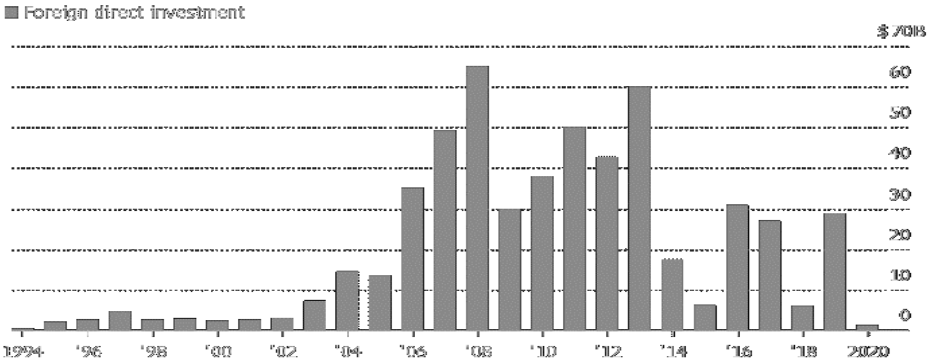


Chart 20.2. Foreign direct investment inflow in Russia
 Source: Bank of Russia

One might expect that the investment flow followed by modernization would help remedy the situation, but the data show that Russia is not currently attractive country for investment due to its political position, legislation and bureaucracy.

Conclusion

In general, there is currently a long-term decline in such important for the global world economy indicators as FDI flows and world trade. It proves the growth of protectionist direction among countries’ governments. In the case of Russia it is complicated by the geopolitical agenda. However, protectionism has its positive effects. There is undoubtedly, the negative impact of the coronavirus on the economy and business, as well as on the movement of labor migrants and tourists. Nevertheless, the coronavirus cannot be called the main cause of the observed processes; rather, it is better to conclude that the restrictions and negative consequences caused by the pandemic have strengthened the trends that already

were gaining power in the global and Russian economies. Unfavorable effect of external factors associated with the sanctions and geopolitical pressure, the slow growth of the Russian economy and the weak diversification, exhaustion of the resource for the development of the used export-raw material growth model and the policy pursued on its basis also turned out as the significant factors.

In this regard, the main economic goals of Russia at the moment are: the diversification of the economy, the search for an alternative to the resource-raw material model and the development of national industries. Globally, there are two ways to achieve these goals, both of them require adequate policies and reasonable actions and transformations from the authorities at all levels. The first way is to develop investment attractiveness for potential foreign investors through structural reforms, softening the bureaucratic apparatus, probable provision of incentives for investors, and the creation of special economic zones. Despite the global trend, investors are showing a strong interest in Russia, and there is a chance of achieving growth, with certain risks and disadvantages inherent in this method, such as market capture and monopolization of the industry in which an international company operates; the absence of serious modernization at all or the absence of positive effects from the transfer of technologies and a decrease in productivity in national companies, since foreign companies pull the most qualified labor force, and the technological level of national companies is at such a low level that it does not allow effective use of companies' with FDI advanced technologies. The second way, on the contrary, suggests strengthening protectionism, protection of national industries and subsidies with limited inflow of investments in order to grow national industries, both for subsequent international trade and for providing the domestic market.

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Summary

The research revealed a current long-term decline in FDI and global trade flows, reflecting an increase in protectionism among countries. There is a negative impact of the coronavirus on the economy, however, the coronavirus is not the main reason for the observed processes; rather, it reinforced tendencies that were gaining strength in the global and Russian economies, which are complicated by incorrect policies. All this leads to the need to adjust the economic course of Russia towards diversification in combination with competent regulation of foreign investment.

Keywords: foreign direct investments, COVID-19, world trade, transport connection, economic growth, international relationships.

21. SOCIAL RESPONSIBILITY IN CRISIS MANAGEMENT

Introduction. Crisis management

Crisis management is the process by which an organization deals with a disruptive and unexpected event that threatens to harm the organization or its stakeholders. The study of crisis management originated with large-scale industrial and environmental disasters in the 1980s. It is the most important process in public relations. Three elements are common to a crisis: a threat to the organization, the element of surprise, and a short decision time. Venette argues that „crisis is a process of transformation where the old system can no longer be maintained”. Therefore, the fourth defining quality is the need for change. If change is not needed, the event could more accurately be described as a failure or incident. In contrast to risk management, which involves assessing potential threats and finding the best ways to avoid those threats, crisis management involves dealing with threats before, during, and after they have occurred. It is a discipline within the broader context of management consisting of skills and techniques required to identify, assess, understand, and cope with a serious situation, especially from the moment it first occurs to the point that recovery procedures start. Crisis management is a situation-based management system that includes clear roles and responsibilities and process related organizational requirements company-wide. The response shall include action in the following areas: Crisis prevention, crisis assessment, crisis handling and crisis termination. The aim of crisis management is to be well prepared for crisis, ensure a rapid and adequate response to the crisis, maintaining clear lines of reporting and communication in the event of crisis and agreeing rules for crisis termination. The techniques of crisis management include a number of consequent steps from the understanding of the influence of the crisis on the corporation to preventing, alleviating, and overcoming the different types of crisis.

Crisis management consists of different aspects including:

1. Methods used to respond to both the reality and perception of crisis.
2. Establishing metrics to define what scenarios constitute a crisis and should consequently trigger the necessary response mechanisms.

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3. Communication that occurs within the response phase of emergency-management scenarios.

A crises mindset requires the ability to think of the worst-case scenario while simultaneously suggesting numerous solutions. Trial and error is an accepted discipline, as the first line of defense might not work. It is necessary to maintain a list of contingency plans and to be always on alert. Organizations and individuals should always be prepared with a rapid response plan to emergencies which would require analysis, drills and exercises. The credibility and reputation of organizations is heavily influenced by the perception of their responses during crisis situations. The organization and communication involved in responding to a crisis in a timely fashion makes for a challenge in businesses. There must be open and consistent communication throughout the hierarchy to contribute to a successful crisis-communication process. The related terms emergency management and business continuity management focus respectively on the prompt but short lived „first aid” type of response and the longer-term recovery and restoration. Crisis is also a facet of risk management, although it is probably untrue to say that crisis management represents a failure of risk management, since it will never be possible to totally mitigate the chances of catastrophes’ occurring. During the crisis management process, it is important to identify types of crises in that different crises necessitate the use of different crisis management strategies. Potential crises are enormous, but crises can be clustered.

Types of crises management

1. Natural Crisis: Disturbances in the environment and nature lead to natural crisis. Such events are generally beyond the control of human beings: Tornadoes, Earthquakes, Hurricanes, Landslides, Tsunamis, Flood, Drought all result in natural disaster.
2. Technological Crisis: Technological crisis arises as a result of failure in technology. Problems in the overall systems lead to technological crisis. Breakdown of machine, corrupted software and so on give rise to technological crisis.
3. Confrontation Crisis: Confrontation crises arise when employees fight amongst themselves. Individuals do not agree to each other and eventually depend on non-productive acts like boycotts, strikes for indefinite periods and so on. In such a type of crisis, employees disobey superiors; give them ultimatums and force them to accept their demands. Internal disputes, ineffective communication and lack of coordination give rise to confrontation crisis.
4. Crisis of Malevolence: Organizations face crisis of malevolence when some notorious employees take the help of criminal activities and extreme steps to

- fulfill their demands. Acts like kidnapping company's officials, false rumors all lead to crisis of malevolence.
5. Crisis of Organizational Misdeeds. Crises of organizational misdeeds arise when management takes certain decisions knowing the harmful consequences of the same towards the stakeholders and external parties. In such cases, superiors ignore the aftereffects of strategies and implement the same for quick results. Crisis of organizational misdeeds can be further classified into following three types:
 - 5.1. Crisis of Skewed Management Values: Crisis of Skewed Management Values arises when management supports short term growth and ignores broader issues.
 - 5.2. Crisis of Deception: Organizations face crisis of deception when management purposely tampers data and information.
 - 5.3. Crisis of Management Misconduct: Organizations face crisis of management misconduct when management indulges in deliberate acts of illegality like accepting bribes, passing on confidential information and so on.
 6. Crisis due to Workplace Violence: Such a type of crisis arises when employees are indulged in violent acts such as beating employees, superiors in the office premises itself.
 7. Crisis Due to Rumors: Spreading false rumors about the organization and brand lead to crisis. Employees must not spread anything which would tarnish the image of their organization.
 8. Bankruptcy: A crisis also arises when organizations fail to pay its creditors and other parties.
 9. Crisis Due to Natural Factors: Disturbances in environment and nature such as hurricanes, volcanoes, storms, flood; droughts, earthquakes etc. result in crisis.
 10. Sudden Crisis: As the name suggests, such situations arise all of a sudden and on an extremely short notice. Managers do not get warning signals and such a situation is in most cases beyond any one's control.

Social responsibility in crisis management

A company may minimize the negative impacts of a crisis if it engages in CSR initiatives before a crisis occurs and recognizes CSR as an asset. Vanhamme and Grobbsen [2009] studied that the CSR history of a company may have a positive impact on crisis management. The authors emphasize that consumers then perceive a company's CSR claims to be more credible if their intention for CSR practice was conveyed genuinely and evidently prior to the crisis. Furthermore, CSR may also help companies to steer clear of crises altogether as it could serve as an early warning system in two respects. First, internally: A thorough CSR is integrated in a corporation's strategies and supports the firm's compliance

management system, into which employees are encouraged to feed by reporting on emerging problems rather than being deterred from doing so – as seen in recent crises in the automotive industry. For example, in the Volkswagen emission scandal, the culture of fear has often been described as one the reasons that the whole case could reach these dimensions. Second, externally: A company's proactive CSR approach involves the various stakeholders including representatives of institutions such as political parties, trade unions or NGOs and should be manifested in regular communications with all those who have a 'piece of the pie'. Such an exchange may lead to a better understanding of the stakeholders' perceptions of the company's strategies and provides them with the opportunity to address concerns and controversies.

Nestlé and Shell are examples of corporations that had gone on the offensive with social responsibility campaigns right after crises occurred. In the case of Shell, Corporate Watch described the crisis as a turning point, which meant that the corporation developed from a social responsibility laggard towards a social responsibility frontrunner.

Companies that were hit by a crisis may view it as a unique window of opportunity that could enable the responsible managers to change their practices sustainably. Shell described their crisis as the „the best thing that ever happened to us”, as there was the consensus that major changes need to be made. However, it needed the Brent Spar crisis and incidents in Nigeria to reach a consensus within the corporation that CSR and sustainability must be integrated in the company's processes. However, to learn from a crisis requires a thorough analysis of the situation and a critical reflection of the organization's culture, as sustainable change within a company will only work if the corporate culture and identity changes. These are aspects that are often very difficult to observe from the outside. Changing the corporate culture is a long-lasting process, which takes more time than changing structures by, for example, creating a task force dedicated to developing and implementing a crisis prevention strategy, adapting the company code of conduct, increasing training for employees, etc. However, the underlying behavior and mindsets that might have led to a crisis cannot be changed overnight.

Corporate governance as 'a set of relationships between a company's management, its board, its shareholders and other stakeholders' [OECD, 2015] and CSR become a vital combination to effectively prevent emergency situations or to quickly respond when such threatening events occur. A company needs to implement crisis management initiatives by taking into consideration the integrity of its managers, board, shareholders and all the stakeholders. When a crisis emerges, these sets of relationships are affected; thus, a business should strive to ensure that all policies underpinning its systems and operations are fairly, correctly and effectively implemented in order to avoid severe business disruption. Both small-medium enterprises and large companies should adopt formal measures to prevent crisis management and to manage them effectively

should they occur despite efforts. These policies should be constantly revised and audited, given the rate at which our institutional environment changes.

Case of study

In Switzerland, L'EPOQuE is a model of Corporate Social Responsibility (CSR) used by Small and Medium-sized Enterprises (SMEs). During the financial crisis, this model was successfully tested in the Swiss business environment and the results proved that even during financial scarcity the ethical features were important ingredients for the success of small business. The Swiss model is culturally embedded and driven by intrinsic and implicit motives, while the CSR agendas of Swiss SMEs are coming from corporate cultures that nurture a „raison d'être” beyond profit-maximization. It appears that the social capital and institutional pressures are powerful drivers for CSR in the case of Swiss firms⁷. Thereby, the Swiss model is culturally embedded and it is not exposed to often expensive CSR activities and not influenced by difficult economic situations. The other conclusion is related to the „Valais case” that proved that CSR is linked to the geographical presence and the size of companies. Companies with local imprints should develop local CSR practices that are different from other SMEs with regional or national reach.

In the United States of America (US), the government is an important factor in developing corporate social responsibility policies, environmentally-sustainable behavior and particular corporate citizenship procedures and expectations. This regulatory position is imposed by the individual approach of CSR by US entities, including bureaus, agencies and non-governmental organizations (NGOs). In this case, the US government as the main driver of CSR policy promotes responsible business practices and provides support and guidance on areas of corporate conduct and sustainable behaviors. Therefore, the U.S. secretary of state's agenda is to ensure effective coordination and partnerships with individual bureaus and offices in order to harness global economic tools that advance U.S. foreign policy goals on responsible initiatives. The weaknesses of U.S. leaders regarding CSR policies consist on the fact that many businesses are characterized by their unsustainable practices such as linear flows of materials, the heavy dependence on fossil fuels, a disregard for renewable resources, and resource use, and the reforms on social and environmental responsibility have not implemented adequate. Therefore, the US CSR policies are based on sound theoretical arguments and tackle the economic, legal, ethical, and discretionary dimensions. As a conclusion, organizations have to be urged to find alternative ways for sustainable energy generation, energy and water conservation, environmental protection and greener transportation systems. Corporate citizenship policies should be promoting socially-responsible investing (SRI), responsible supply chain management and the responsible procurement of sustainable products.

Conclusion

Social responsibility is an invaluable tool in business-focused risk mitigation: It builds business or organizational mission in the best of times, it protects you through the worst of times, and it gives you the benefit of the doubt while you are galvanizing your resources to react to any situation.

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Summary

Managing crises within a company is complex and requires various tools and frameworks in order to infer legitimate conclusions once a crisis has occurred as well as develop a crisis prevention strategy. Social responsibility is a framework that is adopted often to repair the damage within an organization following a crisis. However, to ensure an organization does not reach breaking point in the first place it should establish this concept as an important tool in its crisis prevention strategy too, rather than using it as a way to hastily pick up the pieces in the aftermath. It may not come as a surprise, but, crisis management and social responsibility are closely linked. However few companies adopt this as an approach in their crisis prevention strategy. CSR has often been considered as an approach that contributes to minimizing the effects of a crisis (Coombs and Holladay, 2015), yet companies have been using CSR more so to rebuild reputations rather than minimizing the risk of a tarnished reputation in the first place. This article discusses how an organization can behave in a socially responsible way to help minimize reputational risk and improve local and global continuity. Research is provided that shows that CSR programs improve a company’s ability to bounce back more quickly and effectively following a crisis.

Keys words: Social responsibility, crisis, organization, management, corporation, risks.

22. STARTUP ACTIVITIES IN THE ERA OF THE COVID-19 PANDEMIC

Why to train at home?

Some gyms and fitness centers are continuing to work but with a number restriction and different rules customized for the epidemic era. Train with the mask or maintain the security distance can be difficult in a place dedicated to the sport.

So which are the benefits of train at home?! Working out at home for few minutes not only keeps you fit, but it gives you that much-needed breakout time from the monotony of staying indoors or in closed spaces. Staying at home during this kind of epidemic also helps to decrease the transmission of germs and decrease the virus expansion.

Another benefit for this kind of training is **THE SCHEDULE FLEXIBILITY**. Virtual workouts allow you to follow a sweat session at your own comfort and time. It allows fitness freaks exercise at any time time of the day, according to their ease. Workout sessions are often a gateway for live group fitness classes. But for those who don't like the idea of exercising in a large group class, virtual classes are an excellent way of building your confidence in a more private environment. One of the most important benefits for the costumers is that online courses are cheaper than paying gym courses. Training online you can also spend your time in a different mood and you can break the routine.

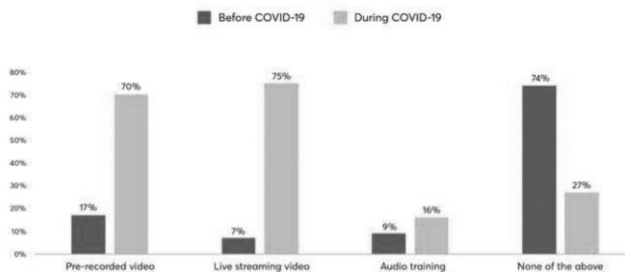


Chart 22. 1. Video workout types before and during COVID-19

Source: <https://www.mindbodyonline.com/business/education/blog/virtual-workout-trends-during-shelter-home>.

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In the diagram we can see the growth of video workout types during COVID-19. Statistics show us that during the pandemic era: Pre-recorded videos and live streaming videos had a high growth. Also the audio trainings had a growth of 16%.

If you choose the online workout you can find different kinds of sports and training. It can also help you to finally try new sports that you never tried because you were scared or not sure about this.

What about the benefits for the trainers?

During the COVID-19, a lot of trainers lost their work. How to survive if you have no place to work?! Virtual workouts are the „anchor of safety” for all the trainers which lost their workplace. If you have certificates that you are a trainer, you can apply for work of virtual trainer, calling or sending mails to gyms and fitness companies, or you can work by creating a private workout company.

If you choose the second option you have to advertise your business using social medias, asking to your friends to tell about this service to their friends or family members. At first probably you will not have a lot of costumers but if you work good you will see that your clients will advise your service to other people and your business activity will grow day by day.

Your activity can also grow at international levels. So you can be known in all the world thanks your online classes. This can offer you opportunities to collaborate with other companies and to broad your job opportunities in the future. If your work is good is performed well, you will have more opportunities to have work in the post-pandemic era.

Workout app’s growth

Fitness apps grew by nearly 50% during the first half of 2020. In this diagram we can see that the biggest increase of downloads was in India (157%), the Middle East and North Africa (MENA) region saw the second highest growth in downloads, at a 55% increase, followed by Asia-Pacific with a 47% increase.

Table 22.1. Growth of number of downloaded workout app`s

Region	Download Growth
India	157%
MENA	55%
Europe	25%
Asia-Pacific	47%
Rest of the World	43%
Americans	21%

Source: <https://www.weforum.org/agenda/2020/09/fitness-apps-gym-health-downloads/>.

Summary

At the end we can see that this kind of bussines brings benefits to workers, costumers and big companies. Continuing running your bussines, helps also in the development of the country`s economy during these difficult times of the pandemic era. How?! If you run your activity you will continue to pay taxes and other payments (like electricity payments , internet service payments and others) from which the state and other companies will benefit.

Train at home help you to maintain your health and keep your gained results during the years. For the trainers the online training allow to work even during lockdowns and the pandemic era. Thanks the online workouts, the industry of fitness can still work and develop their bussines.

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Summary

During the pandemic era of COVID-19, a lot of gyms and sport places have been closed. Sports and health lovers are no longer able to go to train and probably they are scared to lose the results obtained over months and years. During the COVID-19 we saw how much is important to maintain physical health and immune systems. The coaches` response to these needs was to create special training and exercises online. What is an online training? By online training we mean a workout realized by the help of internet or realized by using social platforms (like

youtube or others). Entrepreneurs with a passion for fitness, workout and training techniques can translate their skills into virtual classes and one-on-one sessions with the work out from home crowd. An overwhelming majority of consumers have been accessing prerecorded fitness videos and livestreamed classes during the pandemic, so there's plenty of demand for this type of content.

Keywords: Virtual workout and training, startup, COVID-19.

23. THE USE OF MODERN MANAGEMENT METHODS IN THE ERA OF THE COVID-19 PANDEMIC

Impact of the COVID-19 on the automation

Automation has been integrated already in various sectors such as mobility, education, manufacturing, communication, health, insurance, finance, and many others. The outbreak of COVID-19 is having an important impact on almost every industry, and the automation sector is no exception. Since millions of people infected with the virus and continues to rise across the world, uncertainties around global economic growth increase. The pandemic may have an extensive effect on many enterprises as well as economic and education, etc.

During the pandemic, automation has demonstrated its benefits as a crisis management tool when it helped many countries to identify patterns from big data, support their health systems and control the spread. One good example of its success was in China in speeding the diagnosis of large numbers of patients with the novel Coronavirus. We can't ignore the impact of artificial intelligence and automation on basically every industry, from automating simple and repetitive tasks to performing specific and high complex functions that humans find difficult or even impossible to complete especially during the COVID-19 period when people must respect social distancing.

In order to defeat the pandemic, major automation suppliers focus their technologies in the fight against COVID-19. The crisis, which has led the world to turn to automation technology, is not just stimulating the transition to automation but will boost investments powering that change. Since much of the world lives under lockdown to prevent the contagious virus spread, manufacturing has been hit hard with closures of production plants, warehouses and mines worldwide. The restrictions over movement due to the novel coronavirus not only caused businesses and productions to pause operation but also forced several automation and manufacturing conferences to either schedule to the next dates or cancel. Furthermore, the interest in automation rises not only to substitute humans but also to support them in their daily life. The majority of office employees can work from home. This „pushed” digitalization of the workplace which will probably bring a new trend of Work From Home culture, with new needs.

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Moreover, students were pushed to study from home and pass their exams online to avoid wasting time during this sensitive period.

Impact on Manufacturing Automation

As COVID-19 affected deeply the manufacturing businesses, producers of items such as disinfectant wipes, hand sanitizer, and preventative products that can help combat the pandemic are increasingly ramping up production and mass-producing products to meet the growing demand from both healthcare and customers. Moreover, the panic-buying of products by consumers is making manufacturers look at digital transformation, automation and robotics technologies to meet the demand. The current global situation due to COVID-19 is pushing the development of robots and the improvement of artificial intelligence and automation to save lives and reduce human exposure to the COVID-19 outbreak. It could lead to a new era of robotic human helpers. Examples:

- a hotel in China makes use of robots to deliver food to people placed under quarantine,
- in Spain, a fleet of robots is being prepared to assist with the country's coronavirus testing,
- delivery drones are also under development and improvement by companies like Amazon and UPS to reduce the need for human labor,
- companies want to be able to keep producing and selling during an unstable situation and to be able to do so, manufacturers will need to look closer than ever into AI & Automation. In the end, it's quite clear that the coronavirus pushed and will continue pushing the improvement and further development of AI & automation, from their core-tech to their applications in all sectors.

The evolution of the use of Microsoft Teams during the Pandemic period

Table 23.1. Microsoft Teams overview

Launch date	14 March 2017
HQ	Redmond, Washington
People	Satya Nadella (CEO), Jeff Taper (CVP of Office)
Parent company	Microsoft
Industry	Business communication

Source: Self elaboration.

Table 23.2. Microsoft Teams revenue

Year	Revenue
2017	\$ 0.01 billion
2018	\$ 0.2 billion
2019	\$ 0.8 billion
2020	\$ 6.8 billion

Source: Self elaboration.

Microsoft does not break out revenue of individual units in its Productivity and Business Processes Division. This division includes Microsoft 365, Dynamics and Teams. As Teams comes as part of the Microsoft 365 package, it is difficult to ascertain how much revenue is individually created by it. We have estimated based on Microsoft 365 revenues and how many of those subscribers used Teams each year.

Table 23.3. Microsoft Teams users

Year	Users
2017	2 millions
2018	8 millions
2019	20 millions
Q2 2020	75 millions
Q4 2020	115 millions

Source: Self elaboration.

Table 22.4. Microsoft Teams organizations

Year	Organizations
2017	50,000
2018	200,000
2019	500,000

Source: Self elaboration.

Table 23.5. Microsoft Teams meetings

Date	Meeting Minutes
March 12, 2020	0,56 billion
March 16. 2020	0,9 billion
March 31,2020	2,7 billion

Source: Self elaboration.

The need for modern management techniques

These „big system” aspects are one reason for the trend in countries to look to methods of management that have been developed in recent times to cope with similar complexity in other sectors. The very existence of these methods is one good reason to consider how to exploit them to the best advantage of the health services. The methods referred to include: the „systems approaches” of operational research; systems analysis; program budgeting; computer based information systems, etc.; techniques concerned with the productive use of resources such as work study, network analysis, and cost analysis; and organizational and behavioral methods concerned with personnel selection, training, motivation, communications, adaptation to change, working in groups, the design of organizations, The background to this discussion is the conviction that there is a many need for such modern techniques in the management of health services even where there may be little demand for them. The nature of this need varies from country to country and especially according to the state of development of that country’s health services. Thus for countries whose health services are already extensive and complex, the need may be to try to ensure that they become truly comprehensive; that the massive resources the country is already prepared to commit really make their full contribution to the achievement of a healthy population; that wise choices are made (at all levels) among the wide range of options open; that the health system works equitably and is available to all. For those countries whose present health facilities are minimal, the need is more in terms of an adequate diagnosis of those problems that merit the highest priority, having regard not simply to the state of health as an end in itself, but also to the contribution that reduction of disease can make to the general socioeconomic development. Where the health system has few resources the need is to establish the justification for more, to be ingenious in obtaining them, to apply them to a few clear objectives of high priority, and to manage this application to maximum effect.

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Summary

Today's organizations have to remain alert and adaptive to unforeseen events, such as external crises, which create increased uncertainty among their workforce and pose immediate threats to the organizations' performance and viability. However, with the recent COVID-19 pandemic, organizations suddenly have to navigate the unprecedented and thereby find new solutions to challenges arising across many areas of their operations. In this chapter, we discuss some of these challenges, focusing on the implications COVID-19 has for human resource management (HRM) as organizations help their workforce cope with and adjust to their newly altered work environment. In addition, we propose several avenues for future research and advocate for an integrated research agenda for tackling the challenges discussed.

Keywords: COVID-19, Management, Pandemic.

24. RUSSIAN HOUSING MARKET IN THE ERA OF COVID-19 PANDEMIC

At the end of 2019, the coronavirus epidemic began to spread rapidly around the world. It has had an impact on almost all economic activity, from consumer purchases to the production of goods and services. In countries, against the backdrop of extensive coverage of the new coronavirus infection, the Government is introducing various restrictive measures of enterprise activities, which will produce a sharp drop in production and a decrease in profits, and, consequently, a decrease in the number of employees, leading to unemployment and loss of income in the population. The housing market and its sustainable development, because of the specifics of the goods it applies, is very important for the development of any country and is very sensitive to any changes in the macroeconomic environment. This market has a number of distinctive features, in particular its demand depends on a combination of factors such as the dynamics of buyer income, the value of the objects themselves, the accumulated wealth of buyers, interest rate and other indicators [Rodionova, 2009].

The housing market is one of the indicators of economic and social processes, not only at the national level, but also at the regional and municipal levels. The dynamic development of the housing sector demonstrates some progress of the territories, the development of the construction industry, the solvency of the population, the level of investment activity, entrepreneurship and social sphere. The assessment of the housing market includes a number of indicators – the quality of the housing stock, the volume of housing construction and the level of investment in housing, the value of real estate and solvent demand of the population. The housing market is one of the indicators characterizing the development of economic and social processes, not only on a national scale, but also at the regional and municipal levels. The dynamic development of the housing sector demonstrates a certain progress in the territories, the development of the construction industry, the solvency of the population, the level of investment activity, entrepreneurship and the social sphere. The assessment of the housing market includes a number of indicators – the quality of the housing stock, the volume of housing construction and the level of investment in the housing sector, the cost of real estate and the effective demand of the population. At the same time, real estate prices, formed by the general demand, which reflects the population's ability to pay, and by the supply,

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which characterize economic activity, are an important indicator of the population’s income and the prospects for the development of cities and regions [Sanina et al., 2017].

The housing market is most sensitive to changes in macroeconomic indicators in the country and the world, as it is closely related to such sectors of the economy as construction, investment, income of the population and solvent demand. The housing market is the first to be affected by this negative impact of economic crises. In the spring, during the first wave of the pandemic, in a number of regions where the epidemiological situation was particularly difficult, construction was suspended, developers had to adapt to the new realities of the market. The restrictions on construction of buildings were imposed to varying degrees in 51 regions of Russia, and the bordering lasted from April 13 to May 18 [FSS, 2021]. A significant drop in demand and a decline in sales occurred in the second quarter of 2020, during the introduction of restrictions and self-isolation. In order to support the construction industry, the government launched a mortgage benefit program in April with an unprecedentedly low interest rate of 6.5% per annum. The concessional mortgage has certainly affected demand, it has become a significant stimulant factor, but not the only one. Also, the increase in the number of transactions was caused by an uncertain economic situation: customers, frightened by currency fluctuations and falling interest on deposits, preferred to invest savings in real estate as the most liquid asset. According to experts, demand for new buildings not only recovered, but also significantly increased compared to the previous years. Customers rarely can afford buying new apartments without borrowing money from a bank. The volume of issued loans is significantly influenced by the interest rate on housing loans which is regulated by the Central Bank and strongly dependent on macroeconomic indicators in the country. Let us consider the dynamics of the volume of mortgage loans issued in Russia from January 2020 to January 2021 (Chart 24.1.).

This chart shows the dynamics of the number of mortgage loans issued in the Russian Federation during the pandemic. We see that the number of loans issued starts to grow sharply in June and reaches its peak in November 2020.

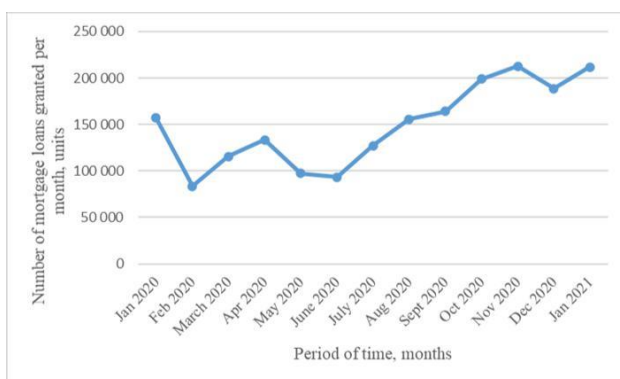


Chart 24.1. Dynamics of the number of mortgage loans issued in the Russian Federation in the period from January 2020 to January 2021

Source: The Central Bank of Russian Federation.

Indeed, the largest number of loans issued was recorded at that time – 212,595 units. Of course, one of the most important reasons for this growth was the government’s low-interest-rate concession program. This chart shows the dynamics of the number of mortgage loans issued in the Russian Federation during the pandemic. We see that the number of loans issued starts to grow sharply in June and reaches its peak in November 2020. Indeed, the largest number of loans issued was recorded at that time – 212,595 units. Of course, one of the most important reasons for this growth was the government’s low-interest-rate concession program. The number of loans issued directly affects the amount of debt of the population on loans. We can see how the increasing number of mortgage loans issued contributed to the increase in mortgage debt on Chart 24.2.

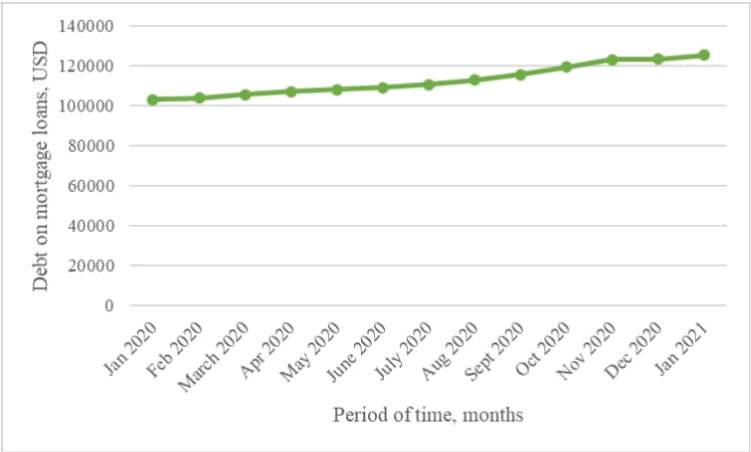


Chart 24.2. Dynamics of debt on mortgage loans issued by Russian banks during the period of pandemics

Source: The Central Bank of Russian Federation.

The graph shows us a gradual increase in mortgage debt. We see that this figure began to grow from June 2020, which coincides with the increase in the number of mortgage loans issued in Russia. The increase in the level of credit arrears is an indicator of the decline in the solvency of the population. This situation has been aggravated by the unfavourable epidemiological situation in the country. In the forecast period, this figure will increase even more and will indicate the increased creditworthiness and inconsistency of incomes of the population situation in the housing markets.

With the introduction of preferential mortgages in the primary residential real estate market in Russia, demand increased, which provoked an increase in prices by an average of 11%. Analysts note that the background of a sharp increase in demand for housing has significantly stolen the supply of e in the primary market. The introduction of preferential mortgages has also affected the secondary real

estate market in Russia. In this market, demand increased by 30% compared to 2019. At the same time, the price ratio in the primary and secondary housing markets has also changed [Tass.ru, 2021]. During the pandemic in the Russian real estate market certain trends.

- Buyers began to pay more attention to the infrastructure of the area where they plan to purchase property. The need to spend a lot of time at home during the pandemic has led to increased demand for homes in green areas of cities. It is also important that the residential complexes have playgrounds, restaurants, cafes, pharmacy shops – all this helps to make life more comfortable.
- Buyers are now interested not only in square meters, but also in added value. They expect a well-designed layout and new architectural solutions from the housing.
- Another trend that was established in Russia in the real estate market during the pandemic was the digitization of supply. Spring lockdown forced sellers to introduce remote sales channels. As a result, the share of online real estate sales has increased significantly.

Many developers have already added to their sites 3D models of lived complexes, now especially popular was the use of VR and AR, so that the buyers could see with their own eyes the size and layout of the apartment, even if the house is not yet completed.

Experienced companies are already preparing for a possible market stagnation and a return to market indicators that were before the pandemic. The situation with spread of coronavirus infection is still subject to constant changes, and how long the real estate market will last the plateau, it is difficult to predict. Therefore, professionals are trying to adapt to possible changes now. For example, form databases, including even those buyers who are seemingly not yet ready to make a deal. It is with this audience that it will be possible to work further and bring the process of real estate acquisition to its logical conclusion. In the context of the pandemic, the solvency of the population has gained negative dynamics, and prices - stable growth. As a result, purchasing activity has been shifted towards affordable primary and secondary market of the standard segment. Over the past 1.5-2 years, purchasing activity has decreased in the elite and business segments, which has become especially noticeable in the current conditions. It can be assumed that in the conditions of the pandemic, falling oil prices, currency volatility, depreciation of citizens' incomes and increasing unemployment, the recovery of the Russian housing market should be expected at least two years.

In order to maintain the level of sales at the required level, sellers will have to reduce the average cost per sq meter of real estate, even in spite of such constraints as cost, bank financing, financial models.

The situation with secondary housing is ambiguous and can be much more difficult, especially in the remote subjects of the Russian Federation, where the

pace of construction is lower. Perhaps, due to the forced return of the population from the center to the periphery, the demand for secondary housing will increase, but it is unlikely to be supported financially.

Today, the state mortgage program with a rate of 6.5% is one of the largest programs to help the housing sector in the history of its development. In other words, there has been no simultaneous support for supply and demand before. However, all the legislative initiatives adopted are aimed primarily at supporting the primary housing market, which is usually built in the metropolitan areas, while regional housing markets have largely been left without support.

In order to support regional housing markets and effectively distribute financial aid from the state that stimulates the development and coverage of all the subjects of the Russian Federation, it is necessary:

- State subsidy of interest rate not only for the purchase of real estate in new buildings, but also on the secondary market;
- Raise the standard of living, income and employment of the population;
- Implement various targeted programs to improve the housing conditions of the population, taking into account regional specifics.

Implementation of the proposed measures to support the housing market will allow to cover most of the subjects of the Russian Federation and, most importantly, to develop further strategic solutions to support this industry.

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Summary

This chapter considers the current situation in the Russian housing market in the era of COVID-19 pandemic. The article represents the results of the analysis of Russian housing market, identifies its main trends and processes occurring in a market during the difficult epidemiological situation. In order to conduct market analysis, the data from Federal State Statistics Service and The Central Bank of Russian Federation were analysed. A key role in the research was assigned to the study of demand and supply of the Russian housing market and factors influencing it. Based on the analysis performed, some prospects for the development of the Russian real estate market have been identified.

Keywords: real estate market, housing market, crisis, demand, supply, pandemic, COVID-19.

Conclusions

The final impact of COVID-19 on the various sectors described in this publication is still to be comprehensively studied as the pandemic has not ended. Yet, we can observe an intense strain on health systems, mayhem on financial markets, a global economic malaise, and a surfeit of misinformation. With massive shifts in virtually every aspect of daily life and economic changes causing continually greater financial stress, the pandemic necessitated a different approach to all areas of our economy. As shown in this book, in the context of a global financial crisis, the strategic goals and tactical objectives of the organization are changing. To bounce back successfully in a post-pandemic marketplace, each business must face the challenges of the collapse of customer demand, significant regulatory modifications, supply chain interruptions, unemployment, economic recession, and increased uncertainty.

A crisis of such global proportion will always affect individuals, groups, or societies. The negative changes in human or environmental affairs occur abruptly with little or no warning. Crisis management is, therefore, a necessity and may be understood as the art of making resolutions to mitigate the effects of an incident that hampers society's capacity to function properly and having to face radical uncertainty and difficult trade-offs.

On the other hand, one must not forget that there are several areas in which the pandemic has brought positive consequences, such as the banking sector and the emergence of fintech companies that offer a suite of easily accessible products and services that differ from those provided by traditional banks at a lower operating cost. Another area being driven by the pandemic is the development of remote work and online trading services. Additionally, we can observe a shift in society's awareness of the importance of reducing the environmental impact of human activity. Consumers' appreciation of activities undertaken by companies in favor of environmental sustainability and social responsibility translates directly onto the customers' purchasing decisions and therefore draws greater attention to sustainability as the pinnacle of business strategy for numerous businesses worldwide.

By providing a variety of strategies and interventions tailored to the unique circumstances of the pandemic, this publication will assist the reader in combating the manifold problems sparked by the closure of the economy, making it a valuable tool in spreading knowledge in the region discussed so enthusiastically worldwide.

Drawing on how businesses around the world have managed to survive the crisis only to emerge as some of the most crisis-resilient entities, *Impact of COVID-19 on selected industries* allows us to enrich our corpus of knowledge and to come up with successful solutions to deal with crises in the future.