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COVID-19 – a challenge for economics and management

Editors
Agnieszka Rzepka
Paweł Bańkowski

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Introduction

The COVID-19 pandemic has been one of the most disruptive and challenging events that has occurred recently, affecting millions of lives and livelihoods around the world. Additionally, the pandemic has prompted unprecedented responses and adjustments in a number of societal sectors, including business, the economy, and education. This book aims to address the questions of how these sectors have coped with the crisis, what opportunities have emerged from it, the lessons learned, and the best practices that can be applied in the post-COVID reality, all from a multidisciplinary perspective.

This book is the result of a collaborative effort of students and professors from different countries and disciplines who participated in an international program organized by the Lublin University of Technology in Poland. Fostering academic exchange in the face of travel restrictions and lockdowns imposed by the pandemic, the participants were able to share their experiences and insights to produce original and relevant research papers on various topics related to the impact of COVID-19 on business, the economy, and education.

The book consists of sixteen chapters, each covering a specific aspect of the main theme. The first two chapters present the economic impact of pandemic on the financial and retail sectors in Spain. Chapter three presents an economic analysis of the changes resulting from the pandemic in various sectors of the economy. The fourth chapter explores the impact of the pandemic on the Spanish tourism market. And in the fifth, the authors present the effects of the pandemic on the Spanish tourism market. The sixth chapter highlights modern methods and concepts in management science and their adaptation under new conditions. The authors of the seventh chapter analyze the problems of the global and European economy during the pandemic.

The eight chapter explores the relationship between entrepreneurship and the labor market in times of pandemic, focusing on the challenges and opportunities for entrepreneurs. Chapter nine presents the effects of the pandemic on the European economy while chapter ten presents economic policies during COVID-19. In Chapter 11, the authors present what economic impact the pandemic had on the Spanish distribution channels while Chapter twelve highlights the evaluation of economic policies globally and in Turkey during the pandemic. The thirteen chapter assesses the functioning of the student scientific movement at the Lublin University of Technology, evaluating the benefits and drawbacks of international mobility as a process of academic and cultural improvement. The fourteen chapter compares the methodology of student selection processes for academic internationalization in different countries, proposing recommendations for an ideal candidate profile sought by universities worldwide. The fifteen chapter identifies the success factors in small and medium businesses, based on a survey conducted among entrepreneurs in Poland and Georgia, while the sixteen and final chapter reflects on the experience of virtual mobility as a new trend of internationalization and university management in post-COVID reality.

In addition to the responses and opportunities that arose from the COVID-19 pandemic, this book provides a comprehensive and varied overview of its effects on business, the economy, and education. Furthermore, the book demonstrates the worth and capacity of virtual mobility to promote scholarly distinction and global collaboration during periods of turmoil. Participating in the ongoing debate about how to deal with COVID-19's consequences, the book is aimed at students, researchers, and practitioners who want to learn more about the pandemic's impact and best practices for the future.

Agnieszka Rzepka
Paweł Bańkowski

CHAPTER

1

Economic impact of COVID-19 on the Spanish retail sector

Rocio Garcia Rubio | University of Murcia, Spain

Pablo López Muelas Iniesta | University of Murcia, Spain

Introduction

Retail is a type of trade that is carried out by those companies whose objective is to sell a massive stock to multiple end customers. It is gaining more and more importance thanks to the digital transformation of companies (Nicolás, 2017).

It is important to make it clear that a retailer is not exclusive or necessarily associated with a physical establishment. Based on this characteristic, we could differentiate the types of retailers such as:

Offline retailers: those whose business model is based solely on the commercial activity carried out in physical stores.

E-retailers: the opposite of the classic model, those that only use the Internet as a sales channel through eCommerce.

Brick and Mortar: this is the hybrid model in which physical stores are combined with the online store.

Due to the effects of the pandemic, retailers have to (Globalkam, 2020) act to save their business. Most retailers believe that the effects of the pandemic will be permanent.

Changes in the retail industry triggered by COVID-19

The impact of COVID-19 on the Retail industry is unprecedented. Among (Ballesteros, 2021) the main trends that the pandemic is driving highlights the following:

- Automation of processes that reduce physical contact. The increase in online sales, either with delivery to private homes or collection by consumers in stores.

- Return to sale by phone or by appointment.
- Safety in stores for employees and customers has become the absolute priority, which has forced some important investments for companies in the sector.
- There is less traffic in stores.
- Customers want to spend as little time as possible in stores and seek availability and ease of purchase, so now more than ever there should be zero tolerance for out of stocks.

COVID-19 arrives

Switch to online shopping

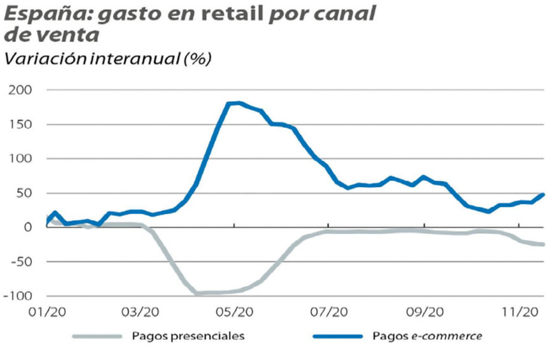
Retailers are focused on permanently switching to online sales channels. 90% of retailers believe that online transactions will continue at their current levels or increase in the coming years.

Thus, 90% indicate that supplier retention was of vital importance to their business strategy, and almost 70% have used or plan to use financial (OECD, 2020) tools and advance payment to support suppliers with their financial requirements. On the other hand, 60% of retailers plan to transform their shopping strategy to adapt to geopolitical and social factors.

Spain: retail spending by sales channel.

Grey: face-to-face payments.

Blue: E-commerce payments.

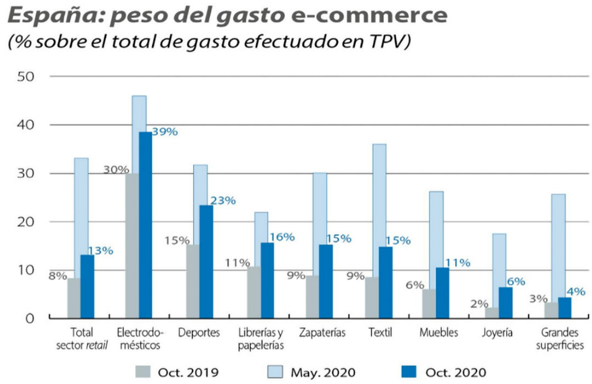


Nota: *A todas las series se les ha aplicado una media móvil simple de cuatro semanas.*
Fuente: *CaixaBank Research, a partir de datos internos.*

Global (Ibañez de Aldecoa, Llorens i Jimeno, 2021) lockdowns to stop the spread of COVID-19 have forced consumers to shop differently and develop new shopping habits and preferences, primarily digital.

Spain: weight of spending on e-commerce.

Total, appliances, sports (Ibañez de Aldecoa, Llorens i Jimeno, 2021), bookstores, shoe stores, textiles, furniture, jewelers and supermarkets.



Fuente: *CaixaBank Research, a partir de datos internos.*

Changes in consumer behavior

Now that smaller companies can enter the market more easily, brand loyalty is less important to consumers than the shopping experience. For this reason, retailers must deliver personalized experiences and remove customer pain points to get noticed. To be profitable, brands need to focus (OECD, 2020) on making ad spend more efficient, and technology can do just that.

The binary choice between physical stores and online commerce is no long-er enough for consumers. Their preference for convenience and flexibility re-quires companies to explore options such as: social shopping; buy online, pick up in store; delivery lockers; and similar alternatives.

Policies to support the retail sector

To help otherwise businesses survive (Perea, 2020) the current crisis and safeguard the jobs that go with it, governments need to help the retail sector weather the three shocks it faces: a demand shock, a supply shock, and a productivity shock. In the short term, it is necessary to support retail companies, as well as other companies in the commercial sector.

First, governments will need to make liquidity support available to retailers quickly and affordably to keep them afloat. Second: Governments will have to help essential retailers deal with labor supply shortages.

Third: governments will need to support retail businesses in implementing social distancing measures aimed at keeping their staff and customers safe. Fourth: governments need to make sure that after the crisis there is still enough competition in the retail sector. Fifth, in the long term, the retail sector will benefit from efforts to increase its resilience to shocks.

Effects of the challenges faced

Liquidity

While governments around the world have allowed companies to temporarily reduce or defer some of their operating costs, particularly with regard to staff costs and tax requirements, these measures are not going to continue (Perea, 2020) indefinitely. Retailers that have an established online presence are better able to adapt their operations and continue to generate some level of sales.

Cost management

Social distancing and increased cleaning and hygiene have created additional operating costs. Some brands simply didn't have the infrastructure to deal with the surge in orders. For stores that are or have been (Perea, 2020) closed or have large amounts of unsold stock, fixed costs are a serious issue. If they can't adapt to the online channel, these companies will need to seek help from the government, funders, or their shareholders.

Debt and restructuring

With revenues low and many retailers facing a stable period of depressed demand, finding constructive solutions to debt repayment is a major priority. It is important for companies to maintain clear communication

(Perea, 2020) with owners, shareholders, banks, and other stakeholders about their ability to operate.

Banks may be willing to reschedule debt payments, but only if companies can demonstrate the viability of their recovery strategy. The concern for financiers when agreeing to this type of extraordinary measure, or when committing to additional loans, is knowing under what conditions the retail sector will overcome this crisis.

Study of the impact on Spanish companies

El Corte Ingles

El Corte Inglés has managed to alleviate the effects of the pandemic through a firm commitment to the physical store, digitization and the development of new businesses. The company ends the 2020 financial year with a positive Ebitda, although it closes with a net loss without provisions of 445 million euros due to the restrictions imposed by COVID-19; cessation of a large part of its activity during the confinement and the subsequent closures that occurred in the autonomous communities, as well as the total absence of tourism, both (El Corte Inglés, 2021) national and international.

Decathlon

Decathlon survives in the year of the pandemic: it reduces sales by only 10.8% in Spain. The company closed the year with a turnover of 1,526 million euros, which represents 13% of the group's global turnover. Ecommerce thus represented 18% of Decathlon's total turnover in Spain.

The chain is also diversifying its customer contact channels with the launch of a chat, with the aim of allowing them to make short-term video calls, and a loyalty program, which allows the incorporation of both individual and collective members, like a sports club.

Methods

The method used is deductive: it is the orientation that goes from the general to the specific. That is, the approach starts from a general statement from which specific parts or elements are unraveled. In this case, we have started from the basis that the COVID has affected the retail sector and we have investigated how and what the affected subjects have done in the face of these changes. In addition, we have studied the effect of two Spanish companies in particular

Results and conclusions

Definitively, COVID-19 changed the way the retail industry has traditionally worked. This fundamentally caused the sudden growth of online shopping, as well as encouraging the use of technology in all aspects.

Modifications in consumer behavior are already here. The fact is that brand loyalty has been strongly affected, and this has developed into a great willing of switching the brands people tend to use as soon as they are attracted to another one.

One of the big consequences of these changes caused by COVID-19 is consumer dissatisfaction, and this is a challenge organization need to face. COVID-19 has exposed the imperfection of the retail industry, and the lack of stock, the 20% of online bought items returned or the long checkout lines are symptoms the industry needs to study.

Not all news in this context is bad. Thereby, the rise in the food sector is proof that there is also a positive part. In addition, the examples of El Corte Ingles and Decathlon show that not everything in the retail industry needs to be updated, given the fact that they have been able to overcome the difficulties of the pandemic.

The main financial effects have been the serious challenge with liquidity, the cost management that has accompanied the rise of the food sector, or the need to get into debt in order to implement the required measures.

One of the vital points towards the success in facing future pandemics is the role of the governments, which need to understand that they play a fundamental part.

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Abstract

The most common feature of the retail sector is the sale to the end customer. The pattern that follows is a repetition of sales. In this sector, the most important thing is to capture the buyer's attention. With the crisis caused by COVID-19, this sector has been affected and has had to reinvent itself and change its way of working to save itself. The changes those Spanish retailers have found in the consumption patterns of their customers is leading them to the need to readapt physical stores to the new reality. The objective of this work is to analyse all these changes in both companies and consumers in Spain.

Keywords: COVID-19, economy crisis, changes, Spanish retail.

CHAPTER 2

Economic impact of COVID-19 on the Spanish financial sector

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Introduction

Spain has been one of the advanced economies most affected by the crisis due to the COVID-19 pandemic, with a drop in GDP (Gross Domestic Product) of 10.8% in 2020. As a result of this, many companies have left the country, increasing the financial vulnerability of the corporate sector.

In this article we are going to talk about the impact of COVID-19 like the need for liquidity of some Spanish companies taking into account temporary employment regulation files.

We will also study, through graphics, a simulation of what the situation would have been like without the COVID-19 pandemic, its consequent crisis and some measures.

Literature review

Evolution of financial institutions in Spain before COVID-19

First of all, we are going to start with the years prior to the pandemic in order to understand what the Spanish financial institutions were like and how they could be affected by a new crisis.

2000–2007: Economic growth – Growth and economic prosperity.

Increase in the amount of deposits by consumers, although to a lesser extent than the number of credits granted.

Great weight of the real estate sector in the Spanish economy.

2008–2012: Financial crisis – Economic crisis.
Bank restructuring.

Creation of different public bodies: MUR, MUS, FROB.

Implementation of economic, fiscal and monetary measures to solve the crisis.

2012–2018: Recovery – Economic growth.

Readjustment of installed capacity in the banking system (reduction in the number of institutions, number of employees and branches) – Improvement in the solvency of credit institutions.

COVID-19 crisis

Between April and December 2020, the 70% of non-financial Spanish companies would have presented liquidity needs, which represents 13 pp more compared to the percentage that would be obtained under a scenario in which no produced the pandemic (chart 6).

Despite the fiscal policies applied such as the Record of Temporary Employment Regulation, which helped reduce liquidity needs, these have continued to increase between the second and fourth quarters of 2020, to around €233 billion euros, 67 billion euros higher than those that would have occurred in the scenario counterfactual without pandemic (chart 7).

Digitalization of the financial sector

In 2020, most of the experts believed that the recovery from the crisis would last at least 2 years, a factor that today we can confirm and, furthermore, add that it will last even longer. Financial sector revenues will have been reduced by between 10 and 25 percent due to the impact of the pandemic.

Years ago, a digitalization process of people, companies and public administrations had already begun, but the pandemic has accelerated this process, especially in the financial field where the changes have been very intense. This has been possible thanks to the technological effort that had already been prepared for years before the pandemic with more digital customers, more sales digital and more contracts for online products.

One of the consequences of this process has been the appearance of new competitors such as technology companies (bigtech), companies technology-based finance (fintech), digital platforms credit (P2P platforms) or companies in the sector of telecommunications, which will go into business with traditional banking entities.

The high level of Spanish banking digitization, above others comparable banking sectors, has allowed them to broaden their base of digital customers during the pandemic. The sector most affected by this process has been the older sector, the rural population and the foreign nationality.

To carry out this process, there has been a significant increase in the budget dedicated to technology spending. In 2020, the percentage of spends on technological (technological expenditure or operating expenses) of the sector stood at 6.21%, unlike in 2014 which stood at 3.61%.

The result of the Spanish banking system is well above the obtained by banking sectors of your environment. The industries French, German or Italian are less advanced as can be seen in Figure 2.1.

Measures following the financial crisis

In the post-crisis period, not only concerning the restructuring of the financial system, which was indeed a measure to resolve the financial crisis, the EU introduced a series of measures to prevent, in the future, possible new crises, and not fall into the same mistakes as in the past.

The financial sector was at a very sensitive point during 2008 and 2012, reflecting that the financial system needed to improve EU regulation and supervision. The EU therefore decides to create a new financial framework called the European Banking

Union. In this new European financial framework, a strategy was proposed with a series of measures, which are framed within the Banking Union process. The three most important were:

Establishment of the Single Supervisory Mechanism (SSM): The sole objective of the creation of this mechanism is to restore confidence in the banking sector and thereby make credit institutions stronger.

Creation of the Single Resolution Mechanism (SRM): Formed by the Single Resolution Board and a Single Resolution Fund. The key objectives are to strengthen confidence in the banking sector, prevent bank panic or eliminate the division of financial services in the euro area.

European Deposit Guarantee Fund (FEGD). It is a fund that consists of improving EU regulations, with the aim of protecting depositors of deposits in the event of bankruptcy by credit institutions.

In addition, a new financial institution was established in Spain. This body was renamed: The Bank Restructuring Asset Management Company: LA SAREB. Its main function is to divest all those toxic assets that the entities had.

Finally, Spain asked the European Union for help to capitalize on the whole of the Spanish financial system so that it would have greater support and so that the financial system could be brought to fruition through the European Stability Mechanism (ESM), as well as want to do right now because of the COVID-19.

The ESM provides assistance and stability to all euro area countries that are going through a series of economic difficulties or are at high risk of being in difficulties. It is also responsible for issuing debt securities to finance loans and other forms of financial assistance to euro area countries.

With all these new measures and policies that were implemented, it can be understood that the Bank of Spain passed many of its competences to the European Central Bank.

Refinancing and restructuring in Spanish banks: impact of COVID-19

Although the COVID-19 crisis has not so far resulted in an increase in the rate of late payments in Spanish banks, due to the measures implemented to cushion its impact, there are already indications of deterioration in the quality of assets, seeing the break in the downward trend of refinanced/restructured exposures in recent years. Data from the fourth quarter of 2020 show that the refinancing ratio has increased compared to the previous quarter, so it is advisable to monitor its evolution in the coming months. The comparative results show that, although the refinancing ratio of Spanish banks had fallen more sharply in recent years than in European banks, by the end of 2020 the ratio of significant institutions (those directly supervised by the ECB) is 0.5 points higher in Spain, with Spanish banks concentrating the largest volume of refinanced exposures in the eurozone (20%). A noteworthy fact is that in Spain the percentage of doubtful loans refinanced is higher than the eurozone average (50.2%, or 11.5 percentage points more), which implies that it resorts more to refinancing in case of borrower difficulty.

For the total business of Spanish credit institutions, the most recent data from the fourth quarter of 2020 show that the fall in the refinancing ratio has been interrupted (refinancing and restructuring as a percentage of total exposure) (Graph 1), which has increased from 1.86% in the third quarter to 1.87% in the fourth quarter, a slight increase of 0.53% in the volume of refinancing (EUR 420 million).

Already in the second quarter of 2020, refinancing increased by 2.2%, a growth that contrasts with the uninterrupted falls of previous years. However, in that quarter the refinancing ratio did not grow because of the 5.7% increase in the value of the exposures, which were partly affected by the higher volume of credit thanks to ICO's guarantees. At the end of 2020, the total amount of refinanced exposures amounts to €79.034 million, 36% lower than the figure for the first quarter of 2018 (€123.233 million).

Methods

We based our study in articles of the Bank of Spain and in other articles about the current financial crisis from where we collect information for the realization of the graphics. We also talked about the prior years to the pandemic so we can see the difference with the economic situation in the present and the consequences. Finally, we talked about the measures adopted by the government for the recovery of the economy.

Results

As a result of our study, we have recapitulated that they are suffering and will suffer the effects of relaxation in the containment of the public deficit during the last years and more specifically with the arrival of the coronavirus.

In addition, there is a certain chaos in the maintenance of productive capacity and the stimulation of demand and security. The set of measures that have been announced successively since that COVID-19 appeared generate bewilderment due to its misinterpretation which causes that a very important part of the effort falls on the business sector and individuals.

Conclusion

To conclude, after everything exposed in the article, the whole world has been affected and they have entered a great recession due to the pandemic.

In the case of Spain, it can be said that it is one of the greatest crises without precedents, because of how it has affected our way of life. We can highlight the great stagnation of the economy due to the measures adopted by the Government, but above all due to the large number of jobs destroyed and the bankruptcy of thousands of businesses.

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Appendix

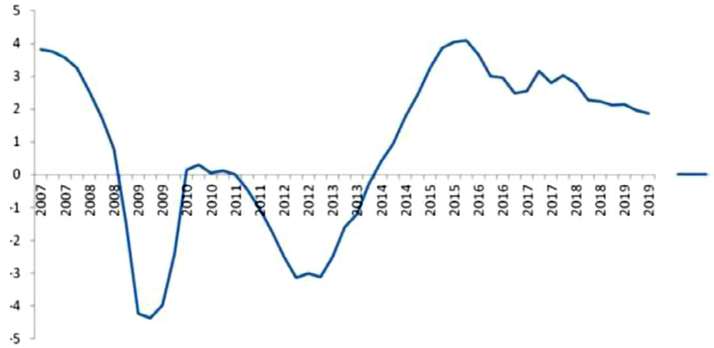

Chart 2.1. Evolution of loans to the private sector

Source: INE

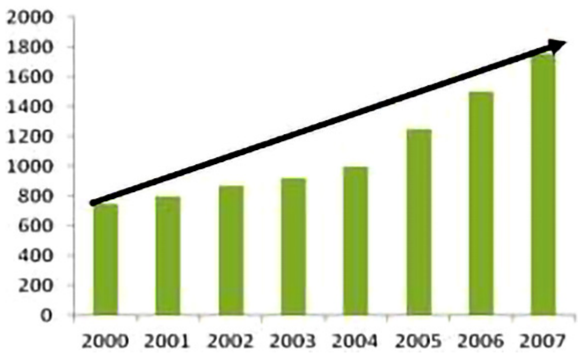

Chart 2.2. Private sector credit (mm€)

Source: Bank of Spain

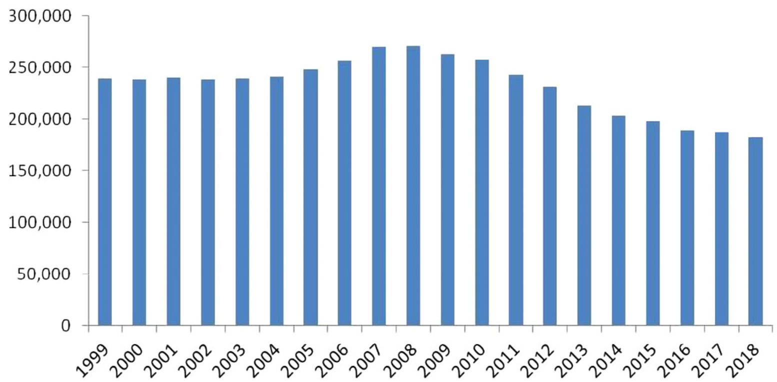

Chart 2.3. Number of credit institutions

Source: Bank of Spain

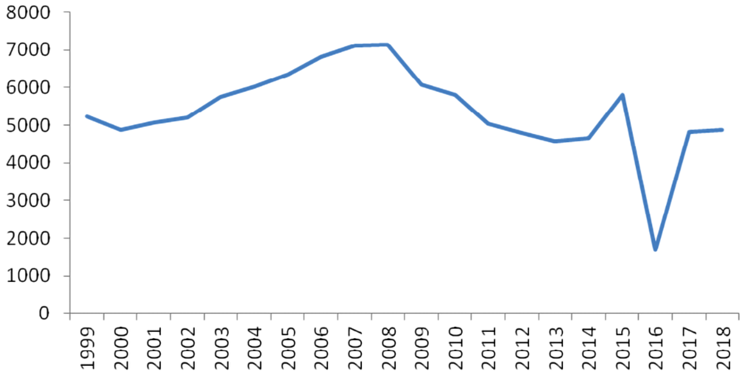

Chart 2.4. Number of employees

Source: Bank of Spain

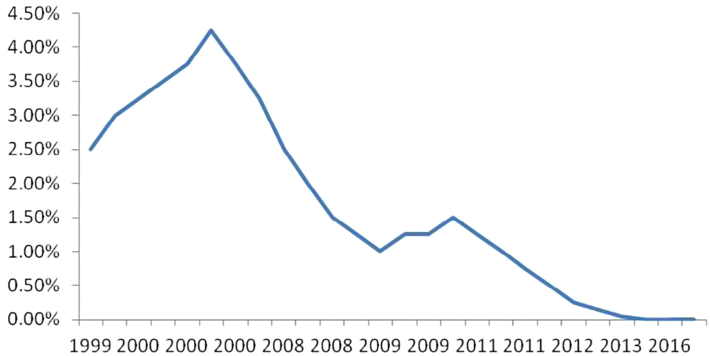

Chart 2.5. Trends in interest rates

Source: ECB

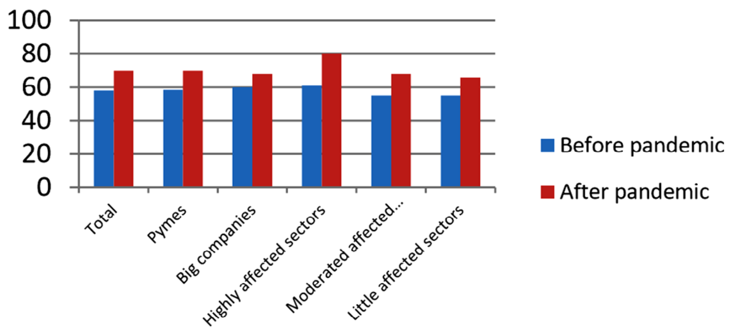

Chart 2.6. Percentage of companies in need of liquidity

Source: Own preparation based on Banco de España (year 2020)

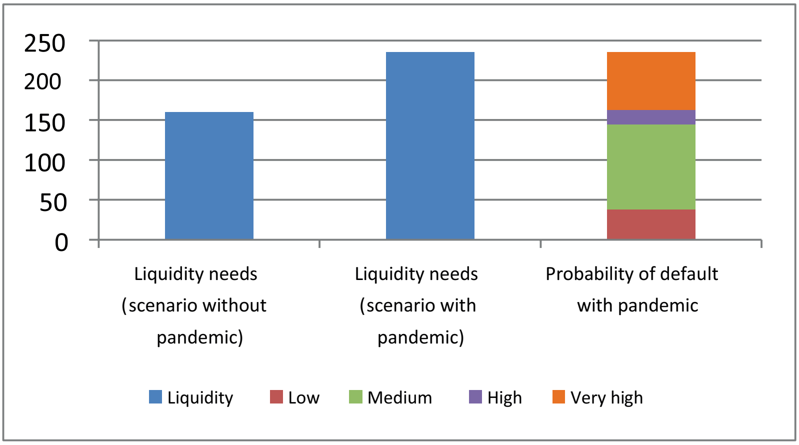

Chart 2.7. Liquidity needs of companies (in million €)

Source: Own preparation based on Banco de España (year 2020)

Fig. 2.1. Degree of digitization of the banking sector

Source: Own preparation based on Deloitte

Abstract

With this article we intend to show, expose and report on the changes experienced in the economic-financial sector of our country due to the worldwide known COVID-19 pandemic. This issue is a very important part of the current economic situation worldwide.

Keywords: COVID-19, economy, measures, Spain.

Economic analysis of changes resulting from a pandemic in various sectors of economy

CHAPTER 3

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Results

Sanitary

Spain is among the countries most affected by the global coronavirus pandemic. After experiencing one of the biggest economic contractions among the economies of the European Union, between April and June 2020, Spain has leaded the second wave of infections.

Effects on GDP

The pandemic causes GDP to fall through three mechanisms: reduced consumption and increased savings due to expectations of families, the loss of net wealth linked to the pessimistic evolution of the markets financial, which ends up transferring to the real economy, and the disruption of supply, and disruptions in supply chains, which have a direct impact on employment and productivity.

GDP losses attributable to the pandemic are due to three types of causes.

Exogenous to the country, according to the global epidemiological evolution and specifically in the countries, economically more interdependent, for example a high incidence in countries that sending tourists to Spain would almost automatically reduce tourism revenues.

Causes related to the evolution of the epidemic but beyond the control of the governments.

Fall in GDP caused by "avoidable" restrictions on economic activity, that is, by suboptimal interventions and restrictions. In any case, it is worth noting that there is evidence of a negative association between mortality from COVID and the drop in GDP.

Rescue funds and their distribution. Tax spending and the role of the EU

Part of the rescue funds injected in 2020 to the health system are to face the direct health costs of the pandemic, some 9,000 million euros, including the financing of the test, trace and isolation strategy.

The General State Budgets for 2021 include 2,423 million € for health of European aid plus 522 financed by the mechanism of recovery and resilience, representing around 11% of the nearly 27,000 million € of European funds incorporated into the PGE. The 7.33 billion € allocated to health and health with centralized allocation represent an increase in 75.3% compared to 2019 and reflect the budget effort for primary care and community (€1,089 million), to finance the vaccine against COVID-19.

Hospitality

The crisis caused by COVID-19 is having an unprecedented impact on the world economy, and on the Spanish economy in particular.

The strict confinement measures in force during much of 2020 and the restrictions on international tourism led to a historic drop in Spain's GDP, which decreased by 17.8% quarter-on-quarter (21.5% year-on-year), the largest decrease observed since 1995.

The new forced closure of bars and restaurants has once again shaken the hospitality sector, which is one of the most important in Spain and is experiencing its worst year, and by far. COVID-19 has implemented new models of social relations, with restrictive measures in which distances between people prevail, reduced capacity, outdoor meetings and a decrease in the number of people with whom interpersonal contact can be maintained, with the objective of curbing infections and ensuring the health of citizens. A new protocol that changes the business model of hoteliers and the social customs of the Spanish.

During the months of April to June, dates in which the country was in a situation of total confinement, the hotel industry had 400,000 fewer workers than at the same time of the previous year.

Food sector

The impact of COVID-19 in the food and beverage sector has been a huge challenge for an industry that already assumes, on a regular basis, a high sense of responsibility towards society. The pandemic has posed challenges and has brought much learning, both in the field of consumer and in strategic decisions.

In this context of an exceptional drop in activity, the agri-food sector has shown a very favorable evolution, even countercyclical. Thus, the gross value added of the primary sector grew by 3.6% quarter-on-quarter (6.3% year-on-year) in the second quarter of 2020, a quarter marked by the confinement of most of the Spanish population during which the consumption of staple goods rose sharply. In this way, the primary sector gained weight in the economy as a whole in the second quarter: it contributed 3.8% of GDP, compared to the contribution of 2.7% registered in 2019. The agri-food industry has also evolved favorably compared to the manufacturing industry as a whole, much more affected by the confinement. Specifically, while total manufacturing production fell by 26.7% year-on-year during the months of April to June, the drop in the production of food products was less pronounced, down –9.4%.

International trade

The pandemic caused a sharp drop in international trade and tourism in 2020, leading to a significant contraction in exports of goods and services. Nevertheless, the Spanish current account balance remained positive and ended the year with a surplus of 0.7% of GDP.

In 2020, both exports of goods and services as well as imports fell sharply, by 20.9% and 17.8% respectively, but there were disparate underlying trends.

On the one hand, the services sector ended the year with an erosion of its external balance of around 38 billion €. This fall almost entirely reflects the annus horribilis endured by tourism, the external surplus of which fell by some 37 billion euros (from 46 billion in 2019 to 9 billion in 2020). Nevertheless, not all was bad news: non-tourism services managed to maintain a positive (albeit somewhat lower) balance, also reflecting the growing consolidation of their international competitiveness over the past few years.

On the other hand, the balance of goods behaved quite differently and offset part of the collapse in tourism services, while the energy balance managed to reduce its deficit by some 11 billion euros bringing it to levels not seen since 2004, mostly due to the fall in the price of oil.

Education

Spain is one of the member countries of the Organization for Economic Cooperation and Development (OECD) that has closed educational and training centers for the longest time due to the pandemic, which can take its toll on a social and economic level in the future. This is indicated by the Education at a Glance report. OECD Indicators 2020, which this year includes an additional publication on the impact of COVID-19 on education systems.

The OECD has recalled that the closures of Spanish schools and universities began in some regions on March 11 and lasted until the 16th of that month throughout the country due to the coronavirus. Although some centers partially reopened on June 2, at the end of that month the country registered almost 16 weeks of face-to-face teaching inactivity, while the average of the 46 countries analyzed in the report was 14.

Each week that Spanish centers have been closed means the loss of 23 hours per week of teaching in Primary and 30 in Secondary, according to the agency. In days of schooling lost, Spain registers 31.5 in all educational stages, compared to 17.4 in Lithuania, for example. Although face-to-face education was replaced by online education, not all students were able to access it, thus increasing existing educational inequalities.

The study highlights some aspects in which the Spanish education system has been most affected by COVID-19 and in which it must improve.

Allocate more public funds to education.

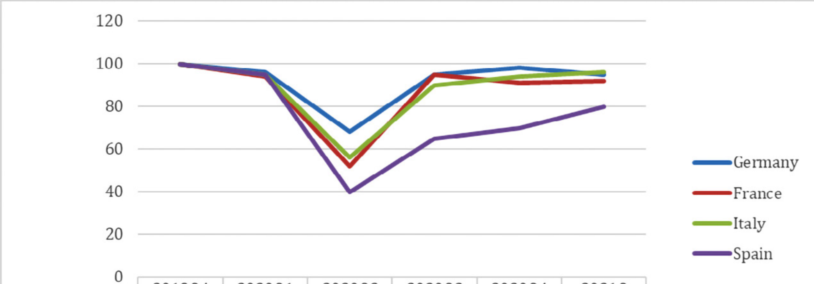
The report acknowledges that there is uncertainty about the impact that the pandemic may have on education spending, but recommends that Spain allocate more resources to the education system, since it needs it to function better and, for now, most of the Government's investment it is taking place in the economy and in the health sector.

Conclusion

The COVID-19 pandemic has had an enormously negative effect on the different Spanish economic sectors.

Desperate measures have had to be taken to stop the pandemic without forgetting economic activities. This has meant a huge human and economic effort for the country.

Appendix



	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q
Germany	100	96	68	95	98	95
France	100	94	52	95	91	92
Italy	100	95	56	90	94	96
Spain	100	95	40	65	70	80

Chart 3.1. The pandemic hits the Spanish economy hard

Additional information. This graph compares the impact of the pandemic on the GDP of different European countries. This shows how Spain is the most affected country, where it suffered especially in the middle of 2020 and from there began its recovery slowly, although it did not reach the level of its neighboring countries.

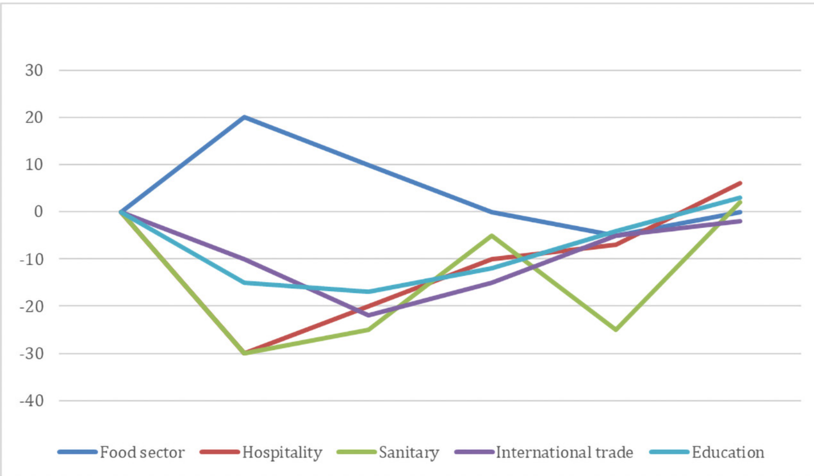


Chart 3.2. Recovery by sector from the coronavirus crisis

Additional information. This is a sectoral analysis of the percentage variation of the previous year, taking as a reference from February 2020 to February 2022. This graph shows the economic recovery of the sectors in Spain that we have studied. All sectors suffer a similar behavior, except the food sector, which was favored at the beginning of the pandemic.

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Abstract

Aim: This article aims to show how the COVID-19 pandemic has economically affected the main sectors of the Spanish economy, as well as the solutions proposed to recover economic stability. Results: The outbreak of COVID-19 pandemic has caused profound consequences on world economy. In order to explore the impact of the pandemic on economic growth and the effects of different policy responses, this article combines some data that shows the decline of the Spanish economy during the two years of the pandemic, as well as the solutions that are the most appropriate to correct the economic disaster and the consequences of these corrections. The main sectors that we have studied are the health sector, the hospitality sector, the food sector, foreign trade, the education sector and the construction sector. All these sectors are negatively affected by the pandemic. Although not all of them are affected in the same way.

Keywords: pandemic, economy, international trade, education.

CHAPTER

4

Economic impact of COVID-19 on the Spanish tourism

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Introduction

The current COVID-19 pandemic, caused by a mutant strain of the SARS-CoV-2 coronavirus, has generated a severe economic, social and health crisis worldwide in the 21st century that has never been seen before. It started in China at the end of December 2019, in Hubei province (Wuhan city) where a cluster of 27 cases of pneumonia of unknown aetiology was reported, with seven severe patients. It is a kind of illness which is very contagious and it is transmitted quickly from person to person through cough or respiratory secretions; and by close contact. Because of the not isolation of China when COVID-19 started, it has been propagated without delay worldwide.

Spain has been one of the most affected countries by Coronavirus, just after the United States of America, Italy, France and others, like Germany, England and, of course, China. Not just affected, but also a country with the most number of deaths caused by this pandemic.

Spanish politicians decided not to interfere until we had something clear about this unknown disease, and that is why the economy, politics and demographics changed significantly and it continues to do so as time passes.

In this article we will like to explain how this has affected Spain, as the whole world, and delve deeper into the problem, getting to the root of it. AT the same time, we are interested, first and foremost, in seeing the reach and the depth of COVID-19’s impact on the economy of Spain.

After a 2020 that will be difficult to forget, Spain began 2021 with official figures of almost two million COVID-19 infections and 51,000 deaths due to this disease, declared a global pandemic by the WHO (World Health Organisation) in March.

The relationship between the Economy and Health has been revealed during the unprecedented crisis that COVID-19 has generated, most of the countries have been affected, within these sectors of the economy have been damaged in a general way. Decisions made by the economy of a country have an impact on the health of its population, just as the health of the population influences the development of the country's economy. The health sector has become one of the most important ones for the development of the national economy during the pandemic.

Talking about the economy, we could highlight that the World Trade Organisation has predicted a reduction of world trade by between 12.9 and 31.9%. Production has been affected, supply chains and the market, exports, amongst others. As well, foreign direct investment has been decreasing by about 40%.

The absence of fully effective treatments and vaccines to deal with coronavirus, much of the actions taken to control the pandemic have been focused on restrictions on the people's movement. Measures taken by each country have closed borders between them, have required quarantines and they have been asking for a lot of documents, including vaccination certificate, PCR or antigens. Due to this, World Tourism Organisation has declared that tourism has decreased by about 30% because of the pandemic.

Air traffic and tourist arrivals plunge

The restrictions on mobility that were approved at different times of the year to curb the advance of the pandemic caused an unprecedented drop in air passenger traffic in Spain. After six straight years of increases, 2020 saw a total of 76 million passengers, down from 275 million in 2019. The upturn from July onwards was not enough to cushion the blow. In fact, scheduled flights originating in Spain continued to fall until the end of the year.

Among the most affected major Spanish airports, the falls of almost 80% at Palma de Mallorca and the drops of more than 75% at Barcelona-El Prat and Elche-Alicante stand out.

Year 2019 was a record year for tourism. Spain received 83.5 million tourists, who spent more than 90 billion euros on their trips. Catalonia, Andalusia, the Valencian Community and the archipelagos were once again the most popular destinations among, above all, the British, French and Germans. In 2020, however, the pandemic soon put an end to any hope of improving or coming close to those records. Among the most important outbound markets, the drop in tourists from the United Kingdom stood out: 82.4% less than in 2019.

Hotel industry and little companies

In the particular case of hotels, some remained open during the confinement. They were declared essential for the provision of lodging services to workers performing essential tasks in the fight against the virus. The Balearic Islands were once again the hardest hit, with losses of more than 70% compared to 2019. In addition, hundreds of thousands of workers lost their jobs and many others had to take ERTE.

On the other side of the economy, we have the little enterprises that have been negatively affected by COVID. Many employees of these companies saw their working conditions and employment deteriorate, others lost their jobs and sources of income and some others had difficulties maintaining their companies on their feet.

Methods

In order to provide an empirical demonstration of the impact of the coronavirus, we have accessed statistical data to verify the real impact. To do so, we have chosen important references such as tourism GDP, the fall in turnover in the tourism sector in Spain in 2020 (according to activity). We also wanted to reflect how the Coronavirus crisis affected different elements of Spanish tourism.

In order to offer more visual information, we will show graphs that reflect this data. The data presented are the most recent we have found and will be specified in each graph as well as the variables used.

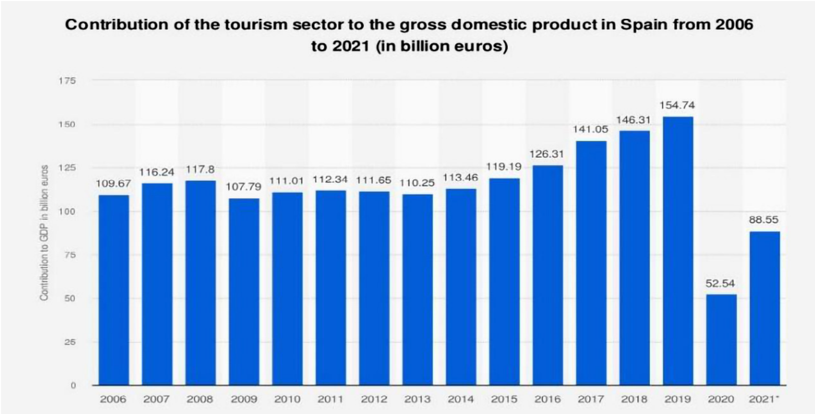

Chart 4.1. Contribution of the tourism sector to the gross domestic product in Spain from 2006 to 2021 (in billion euros)

Source: Instituto Nacional de Estadística, www.ine.es

This statistic presents the annual evolution of the gross domestic product (GDP) of tourism in Spain between 2006 and 2021. In 2020, according to the Satellite Account of Tourism in Spain, the total contribution of the tourism sector to the country's GDP was close to 55 billion euros (current prices), less than half that of the previous year. In the last year, a significant improvement has begun.

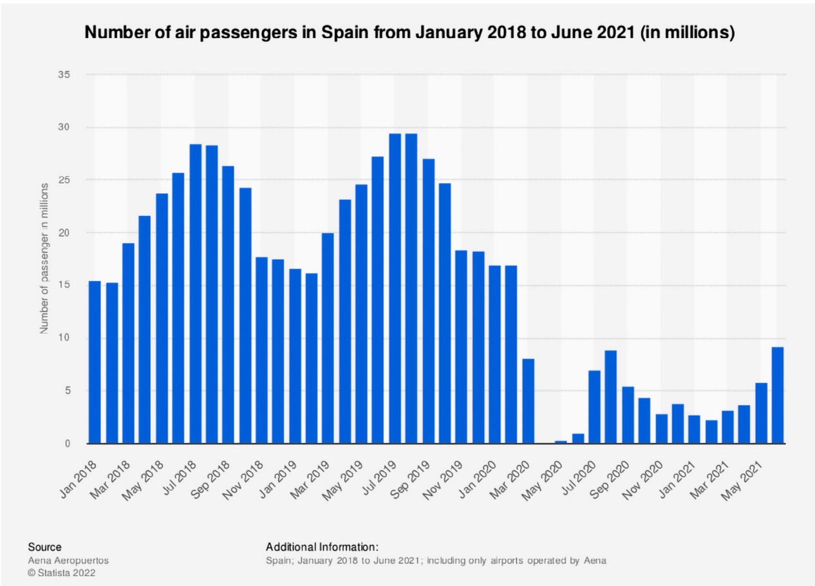

Chart 4.2. Number of air passengers in Spain from January 2018 to June 2021

Source: AENA aeropuertos www.aena.es

After almost no air passengers during COVID, in 2021, air passenger traffic in Spain started to increase, especially from April onwards, although it has not yet reached the figures prior to the COVID-19 pandemic. August was the month in which the highest number of passengers was recorded, around 18 million. This was a marked improvement on the almost nine million recorded for the same month in 2020.

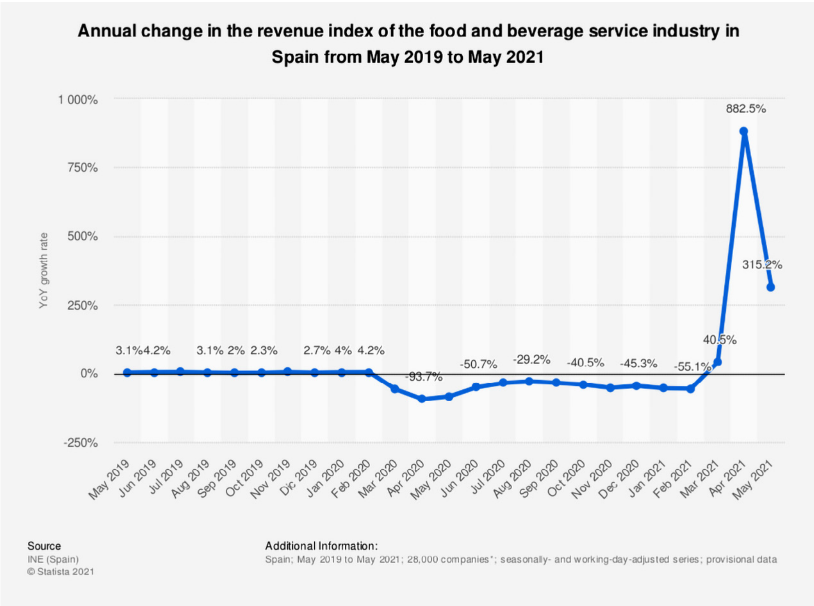

Chart 4.3. Annual change in the revenue index of the food and beverage service industry in Spain from May 2019 to May 2021

Source: Instituto Nacional de Estadística, https://www.ine.es

In April 2021, the revenue index of the food service industry in Spain recorded a growth of more than 880 percent in relation to the same month of the previous year. Between March 2020 and February 2021, the year-over-year variation of this index fell into negative numbers due to the impact of the coronavirus (COVID-19) pandemic.

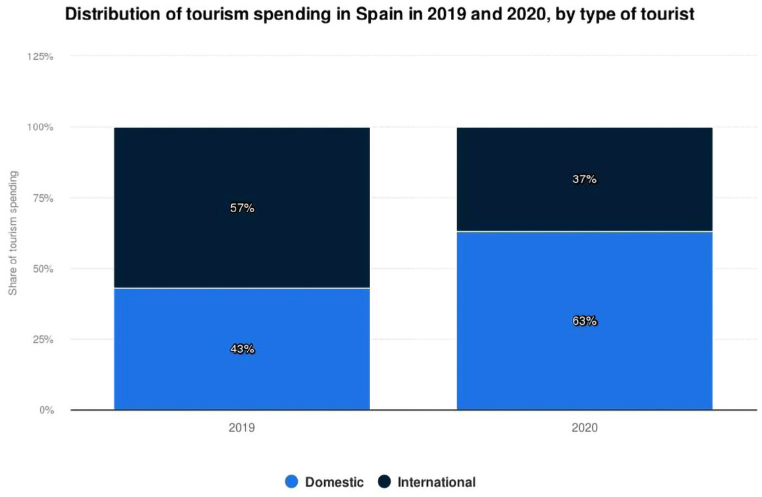

Chart 4.4. Distribution of tourism spending in Spain in 2019 and 2020, by type of tourist

Source: WTTC, https://wttc.org/Research/Economic-Impact/moduleId/704/itemId/206/controller/DownloadRequest/action/QuickDownload

Domestic tourists accounted for over 60 percent of the total tourism spending in Spain in 2020, flipping the results recorded in 2019. This can be explained by the measures implemented by the Spanish government for the entry of foreign tourists, and people's fear of travelling abroad.

Conclusions

To conclude, it can be seen that after all that has been explained in this paper, countries all over the world have entered into a major recession due to this serious disease. In the specific case of Spain, we can talk about it being one of the biggest unprecedented crises, this is due to how the pandemic has affected people's lifestyles and above all the economy, which has suffered a strong stagnation due to the different measures adopted by the Government at the beginning of the problem and due to the large number of jobs that were destroyed and the bankruptcy of thousands of companies.

At the present time, it seems that everything is trying to return to normal with the arrival of vaccines, but the virus is adopting new forms and variants that are producing serious consequences in the population, all of which directly affects the economy, so we do not know how long the replicas of the virus will continue to hit the different economic activities.

But just as important as the footprint of the coronavirus during the quarantine is the footprint it leaves for the future: a scenario of imminent crisis in the short and medium term – when the country had not yet fully recovered from the previous one – and a politically divided society, with conflicting views on the management of the situation.

To conclude, it can only be added that governments and citizens must act in the same direction in order to try to return to normality, always taking into account the new reality, and to reactivate the economy and make it function efficiently, since the future is full of uncertainty.

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CHAPTER 5

Effects of the pandemic on the hospitality industry in Spain

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Introduction

COVID-19 is an infectious disease that is caused by the SARS-CoV-2 virus. It was discovered for the first time at the end of 2019 in Wuhan, Hubei Province, China. On January 30, 2020, the World Health Organization issued a state of sanitary emergency due to the exponential growth of the situation. On March 11, exactly one month and a half later, when the disease had surpassed the threshold of an epidemic, a state of pandemic was declared.

Due to the fact that both the virus and the disease were unknown at the time, neither established antiviral medications nor vaccines existed to prevent the illness. As a result, public health authorities focused their principal initiatives on promoting physical separation and social isolation. Following its discovery, COVID-19 disseminated rapidly across the globe, impacting millions of people and causing hundreds of thousands of fatalities in virtually every country. The ongoing tally indicates that as of March 25, 2022, COVID-19 had affected in excess of 500 million individuals and resulted in over six million fatalities.

The intensity of the virus's spread in affected nations has varied, resulting in an uneven spread. With a significant gap separating India, Brazil, Russia, and Colombia in terms of the number of cases, the United States currently holds the lead as of the specified date. In terms of fatalities caused by COVID-19, the United States ranks first with more than 900,000 cases.

Preventive measures such as maintaining a safe distance, isolating oneself socially, and imposing rigorous transportation restrictions have inexplicably instigated an economic crisis with worldwide repercussions that are incalculable. Whether a nation is directly inflicted with the virus or is merely enduring the economic repercussions caused by the pandemic's effects, this crisis has far-reaching consequences. Tourism, out of all the economic sectors impacted, encountered the most immediate and protracted setbacks as a result of these restrictions; consequently, it is anticipated that its recovery to its "new normal" will be lengthy.

Spain finds itself in a distinctive predicament due to its profound reliance on tourism as a foundational industry of its economy and its status as a preeminent international tourist attraction. Because of the COVID-19 pandemic's negative impacts, Spain is in an especially precarious position because of these two factors. Therefore, a clearly articulated plan for recovery is critically necessary, with a focus on this vital industry and its related companies. As of now, there has been a scarcity of research examining the repercussions of previous crisis situations, with the majority of existing studies on epidemics concentrating on Asia. Due to its inexperience in effectively managing pandemic-related situations, Europe is confronted with uncertainties concerning the ramifications of such crises.

This crisis is affecting the tourism industry in an unprecedented scale. Currently, there is a clear lack of research on how crises affect this sector. To study this gap, a spatial and temporal analysis of the impact of COVID-19 on tourism across the Spanish regions has been carried out in the present paper. The main goal is to study if the spread of the virus throughout different regions has impacted differently to their economy and tourist flows. This question is particularly relevant, given its importance. In this article, we will talk according to data from the final of 2020.

Literature review

Organizations in the hospitality industry are compelled to modify their operational strategies in response to crises like COVID-19. These occurrences cause considerable degrees of uncertainty and typically necessitate prompt reactions in order to mitigate adverse consequences. Nonetheless, prior research has demonstrated that the hospitality industry is ill-equipped to handle a crisis, primarily due to a dearth of dedicated resources, inadequate knowledge, and insufficient experience regarding appropriate approaches.

Prior studies have primarily examined the response and recovery of destinations, with limited attention given to responses and recovery strategies within the hospitality industry. However, the limited body of research that does support the notion that crisis situations have a significant impact on the hospitality industry is unanimous. The immediate consequences include a significant decline in the number of visitors, occupancy rates, average daily rate, and revenue per available room. Other immediate effects, including workforce reductions, operational modifications, and service discontinuations, pose a threat to the hospitality industry's recovery. Over the medium to long term, challenges related to loan collection, deferred future investment plans, or debt repayment may expedite the return to normal activities. Overall, the main response strategies include lowering costs, pushing and relaunching the local market, lowering prices, making backup plans, and establishing policies for human resources.

The crises caused by natural disasters and pandemics last longer, so they take longer to recover from than economic crises. Some authors summed up the most important things that need to happen for a crisis recovery to happen. The factors, according to these authors, are human resource management, a crisis management and recovery plan, market segmentation, recovery promotion, and recovery collaboration.

The limited empirical research that has been published thus far on the effects of COVID-19 has documented significant declines in hotel occupancy and revenue per room. Indeed, the foremost concerns of the hospitality industry in relation to COVID-19 are financial constraints, unpredictability surrounding the duration of the pandemic, and apprehension among tourists. As a result, modifications to revenue generation strategies, post-lockdown plans, and health protection protocols are advised in an effort to regain the confidence of tourists.

The subsequent segment will provide a more comprehensive analysis of the challenges that the Spanish hospitality sector is encountering as it adjusts to the "new normal" following a time of virtually no tourism.

Methods

Regarding the working materials for the development of this analysis, the first task is to illustrate the relationship between the tourism sector and the outbreak of COVID-19 in Spain. For this purpose, the regions with more confirmed cases were selected to study if there was any relationship between the impact of confirmed cases and the most tourist regions. The study aims to evaluate the impact on the supply side and demand of tourist services, which implies estimations not only on the impact that mobility restrictions may have caused on tourists movements, but also the contraction in the tourism services supply. From data obtained from the 17 Spanish regions located in the Iberian Peninsula.

Daily data from 31 January until November 2020 has been collected, selected, and organized from various official sources provided by national and international level institutions: mainly, the Survey of Tourist Movements at Borders (FRONTUR), he Spanish National Institute of Statistics (INE) and the National Epidemiology Center (CNE). Available data was raw and unclassified, therefore, in order to make the data available for the study required sorting, purge and classifying them. 31 January 2020 has been chosen as the starting point for this evolution study since it was the first case identified in Spain.

The overall impact of the pandemic on the environment, society, and the economy has been considered from various sources, all of them secondary. In the case of the impacts on the environment, on which there is still a scarce literature, five papers published in high impact scientific journals have been taken into consideration.

Regarding the social impact of COVID-19, the sources used are based on a large volume of statistical information, obtained directly from national and international organizations or from other secondary studies. Up to 18 different references have been consulted on these issues, such as the effects of COVID-19 on human development levels, addressed by the United Nations Development Programme (2020). Regarding the labor market and working conditions, the information provided by the International Labor Organization stands out, in addition to other references that we will collect throughout this work. To analyze the impact of the pandemic on the tourism sector, we have resorted to the ILO and the International Monetary Fund. Regarding the effects on education, the UNESCO report has been analyzed, referring to the reasons why learning should be strengthened, and education funding protected, in the current pandemic situation.

COVID-19 data corresponding to the provinces of Spain was downloaded from official sources of epidemiological information (World Health Organization, National Center for Epidemiology (CNE) which allowed to assess the trends across regions. Health information for each region like number of daily accumulated cases and confirmed deaths were updated weekly. Nevertheless, due to the exceptional situation caused by the pandemic, the Spanish health system was not prepared to deal with this crisis and some regions were not able to give accurate daily data.

Regarding the methodology, we have applied a comparative analysis, given that the objective is to carry out an analysis of the different Spanish regions or Comunidades Autónomas, which constitute the existing administrative division in Spain. This has been the objective pursued in the organization of the data and their presentation through tables, illustrative graphs, and maps.

Cartographic representation is of particular interest when the impacts have territorial and management consequences, as is the case of Spain in the present study. The procedures for comparison operations are quite varied. In the case of data representation by thematic maps, we have used geographic information systems for their representation in thematic cartography, with automatic classifications by means of natural breaks in the data.

We, therefore, consider that the use of the comparative method is an effective tool when it comes to describing complex events, which are important from a social, economic, or political point of view, and which have differentiated impacts in the different areas or territories.

Results

The Spanish economy has suffered a severe hit due to the pandemic. According to the National Institute of Statistics the GDP in the last quarter of 2019 was 2%, while on the first quarter of 2020 Spain already showed negative figures, −5.24%, due to the state of alarm imposed on 12 March and the strict confinement measures. The consequences left the economy activity on halt, with limitations to only essential services for more than three months at the national level . This resulted in a temporary layoff, decline in private consumption, companies closed, and with hospitals at their limits, which brought a contraction of −18.5% on the second quarter and is currently in recession.

Due to the reduction of mobility measures that were taken in Spain during the state of alarm, April and May were the worst months of the year for tourism, as airports and borders were completely closed to international tourists until June 30 during the first wave. The entire hospitality industry was also closed during these months, with exceptions for those hotels that were offered as medicalized accommodations. It was only during this period that the borders remained totally closed to foreign travelers in Spain. Subsequently, there has not been a total closure again, but both tourist activity and the possibility of travel to Spain for foreigners from outside the European Union have been considerably restricted, especially since the state of alarm was re-declared on 25 October 2020. These restrictions are still in force today.

The fact that during the first wave the closure of tourist activity and borders was total, while it has been only partial during the second wave, constitutes one of the main differences for the evolution of the sector in both periods. In addition to this, we must clarify that during the first wave the restrictions were the same for all regions of the country, since the anti-COVID measures were adopted in a centralized manner by the Spanish government. However, during the second wave, the central government has taken a step back in decision-making, ceding more autonomy and responsibility to the Autonomous Regions, so that they can make different decisions regarding the restrictions to be imposed on the different sectors of economic activity, especially in the case of hospitality activities and the tourism sector in general. This will imply differences in economic and tourism activity during the third and fourth quarters of 2020 in Spain, but the absence of data for this entire period prevents us from addressing such analysis here.

The restrictions may affect economies in a different way just because their productive structure is not the same. When a certain economic activity is closed in a sector like hospitality, working is not possible. Countries who are specialized in these kinds of activities, like Spain, will suffer more from capacity and mobility limitations with enormous economic and social repercussions

An economic and health analysis is particularly important to understand the impact of changes in tourism at a national level, but it also necessary to study the regional components in order to understand the Spanish case. From January until July 2020,

Spain received 13,249,637 international tourists, −72.4% fewer visitors compared to the same period 2019. Only in July, Spain received 75% fewer tourists in comparison to the same period last year.

From the six most touristic regions, the Canary Islands shows a decrease of 61.4% in the first seven months of 2020 in comparison to the same period of 2019. Catalonia is the second region with almost 2.8 million tourists and had a decrease of 75.6%. Andalusia, with more than 1.9 million in third place, shows a 72.3% decrease in 2020.

The number of international tourists fell by 69.7% in the Valencian Community, and 67.1% in the Community of Madrid. The Balearic Islands have been the community most affected by the crisis in terms of decrease in tourist visitors – 87%.The first quarter shows that the 89.7% of the trips made by the Spanish residents were inside the Spanish territory, with a decrease of 30.7% compared to same period last year. In the second half of March, 370,000 trips were made, in comparison to the 8.5 million of the same period in 2019. The main destinations chosen are Andalusia (17.2%), Catalonia (12.9%), and the Community of Madrid (9.4%). On the other hand, trips abroad, which represent 10.3% of the total, decreased by 25.2%.

Conclusion

In summary, it is possible to argue that the COVID-19 epidemic stands out as the most significant global pandemic in the past century, unleashing devastating effects on both the world economy and individual nations, particularly in the tourism sector. The negative consequences can be attributed to two primary elements: (a) the stringent mobility limitations initially enforced by governments across the globe, which brought about a significant shutdown of service-oriented and productive endeavors and impeded transportation and international tourist travel; and (b) the reduction in disposable income for numerous households, resulting in prolonged income losses or reductions that subsequently affected the ability to spend on tourism while also constraining the economy.

Confronting this challenging scenario, supranational institutions, with the European Union taking a prominent role, have responded with unprecedented vigor. The European Union has actively engaged in revitalizing economic activity within its sphere by allocating significant financial resources to countries most affected by the pandemic, comprising both non-repayable grants and repayable credits. Simultaneously, nations globally have made substantial commitments to overcoming the crisis through a combination of labor, financial, and fiscal measures.

In the context of tourism, the repercussions for Spain, a leading nation in terms of tourism competitiveness, visitor numbers, and inbound visitors, are expected to be monumental.

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Appendix

Tab. 5.1. Regions most impacted by the COVID-19 crisis

	Unemployment	Unemployment Service Sector	GDP Q1 2020	GDP Q2 2020	COVID-19 Cases
Andalusia	980.096	648.584	−5.25%	−15,6%	19.279
Catalonia	485.019	360.556	−5.19%	−22%	77.43
Valencian Community	456.796	309.153	−5.11%	−22.1%	17.298
Community Madrid	417.199	334.354	−5.33%	−18%	78.056
Canary Islands	261.714	204.2	−5.45%	−21%	2.726
Balearic Islands	74.293	58.581	−5.55%	−26.4%	2.849
TOTAL	2675.117	1915.428	−5.24%	−18,5%	197.638

Source: Own elaboration from SEPE, INE and CNE data

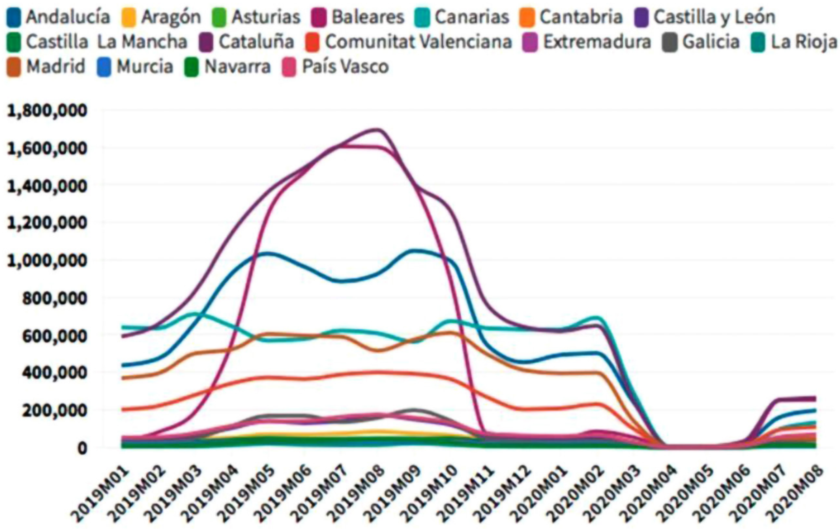

Fig. 5.1. International tourism hotel occupancy

Source: Own elaboration from INE data

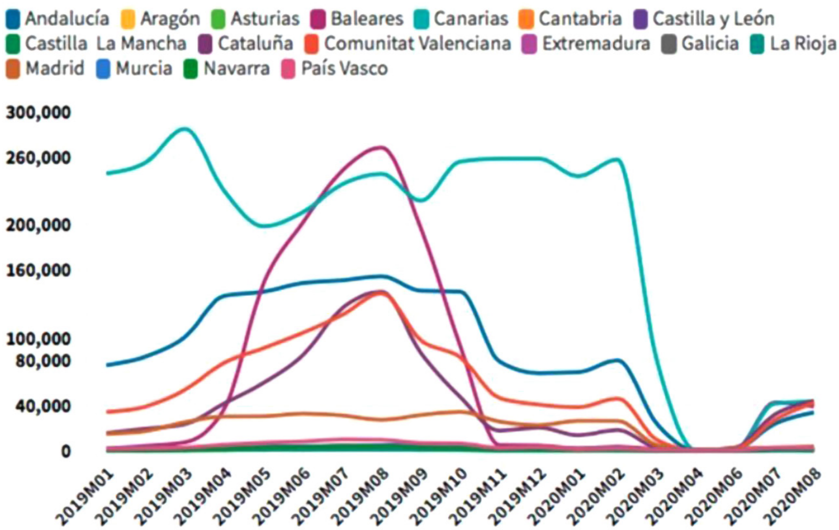

Fig. 5.2. International tourism apartments occupancy

Source: Own elaboration from INE data

Abstract

The magnitude of the health crisis precipitated by the COVID-19 pandemic has resulted in a significant decline in economic and tourist activity across the majority of countries. Consequently, an economic crisis has emerged, with the precise ramifications remaining uncertain. This study examines the genesis and development of the coronavirus pandemic, as well as its repercussions on the Spanish hospitality sector.

Spain dominates the list of countries that attract international tourists. A comprehensive examination is conducted of the impact that the pandemic has had on the Spanish tourism sector, with a particular focus on its hospitality industry. Furthermore, this paper examines the primary endeavors implemented at the international, European, and domestic levels to assist the tourism and hospitality industry. It concludes with a discussion of the recovery and response strategies employed by the five largest hotel chains in Spain to ensure that their guests have a COVID-19-free experience while they engage in accommodation activity recovery.

Keywords: COVID-19, pandemics, crisis.

Modern methods and concepts in management sciences during the COVID-19, responsible management in new conditions

CHAPTER

6

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Introduction

The COVID-19 pandemic makes us vividly aware of the major global imbalances and challenges that we collectively face today. As we witness too that it affected whether the economic, political, environmental or social sectors.

The consequences of the coronavirus disease outbreak are unprecedented and felt around the world. The world of work is being profoundly affected by the pandemic. In addition, the pandemic is heavily affecting labour markets, economies and enterprises starting from the new ones ending by the largest and most known ones, including global supply chains, leading to widespread business disruptions.

Since its outbreak in December 2019, COVID-19 has had a great impact on the global economy. One in four companies worldwide has seen sales drop by at least 50%; on average, sales have dropped by 27%. Still, for most world regions the pandemic is the biggest threat to domestic growth.

More than half of all businesses worldwide, or approximately 436 million organizations, are involved in industries like retail, manufacturing, automotive repair, food services, entertainment, and transportation, according to the International Labour Organization (ILO). These industries are thought to carry a high risk of spreading diseases, which may require a short-term or long-term suspension of operations. As such, the COVID-19 pandemic poses substantial social challenges for organizations, including the possibility of spreading, the need to protect the health of staff and clients, the need to put in place health protocols, and the possibility of layoffs. Moreover, organizations encounter substantial economic challenges, including reduced operational activities, potential insolvency, the oversight of financial consequences, and the adaptation to evolving market conditions.

In addition to these immediate concerns, the COVID-19 crisis has resulted in new expectations being introduced among the various stakeholders. Organizations are now expected to actively participate in collective efforts to combat the pandemic, shoulder responsibility for preventing illness in particularly affected sectors, and contribute to the mitigation of rising unemployment. The pervasive and ongoing mutations of COVID-19 have introduced volatility, uncertainty, complexity, and ambiguity into the operational landscape of organizations. This is because COVID-19 is the most significant global health challenge. As a consequence of this, businesses have been confronted with a wide variety of challenges, which include ensuring the continuity of their operations and addressing low employee motivation, as well as navigating the complexities of remote work and coping with unemployment.

So, we can clearly note the drop and growth rates in some fields of activity that the crisis has knocked off out of balance.

Therefore, managers are looking for innovative, creative, and effective ways to solve these kinds of problems.

The objective of this study is to identify difficulties that have not been encountered before, contemporary approaches, and unconventional choices that were made in relation to management sciences during the COVID-19 crisis and its effects.

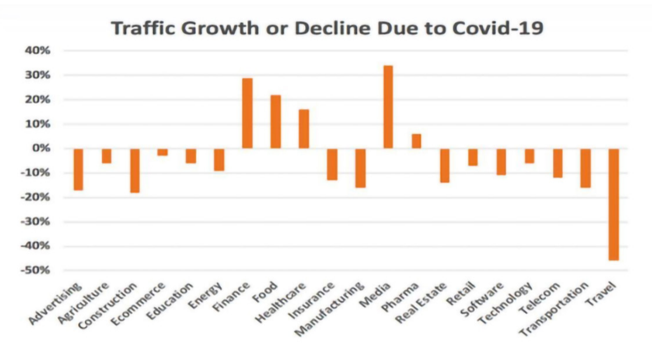


Chart 6.1. Traffic Growth or Decline Due to COVID-19

Source: M. Tanveer, H. Shafiqul, A. Bhaumik (2020). COVID-19 quarantine and consumer behavior that change the trends of business sustainability & development, Academy of Strategic Management Journal 19(4), p. 577.

Modern methods and concepts in management sciences during the COVID

During periods of crisis marked by extreme uncertainty and significant threats to the future of organizations, there arises a crucial need to reassess practices, acquire new capabilities, and implement innovative measures to navigate the challenges presented by an increasingly uncertain and volatile environment. The primary objective for every organization in such circumstances is to identify effective and current practices, aiding leaders in better managing crisis situations.

Digital innovations swiftly emerged as a defense mechanism for both personal and professional life in the face of the COVID-19 pandemic. Connected digital devices have facilitated remote and online work, offering flexibility in the face of disruptions. Chatbots play a pivotal role in providing instant, life-saving information to customers, ensuring quick and reliable answers through robust data security systems. Geolocation information systems contribute to the tracking and control of resources for workers, managers, and researchers.

Recognizing the urgency of the situation, firms and governments are rapidly designing and piloting initiatives related to emerging technologies. These initiatives span areas such as data policy, digital trade, the Internet of Things (IoT), drones, autonomous vehicles, blockchain, telemedicine, and environmental innovations. This proactive approach is essential for organizations and governments to adapt to and effectively cope with the challenges posed by the crisis.

For many of our economic authors, COVID-19 is an unforeseen exogenous shock which is reinforcing and accelerating some ongoing trends (flexible work arrangements; e-commerce; digitalization). Added to that, consumer behavior has changed and its ways of consumption have changed. For that reason, companies have worked hard to meet their needs during the quarantine period until nowadays by changing their strategies and adapting the modern techniques such as resorted to the online sales, setting new websites (34% of companies have increased the use of the Internet), the use of teleworking, choosing flexible working days, installing IT control systems, referring to technology (16% of companies have invested in hardware and software).

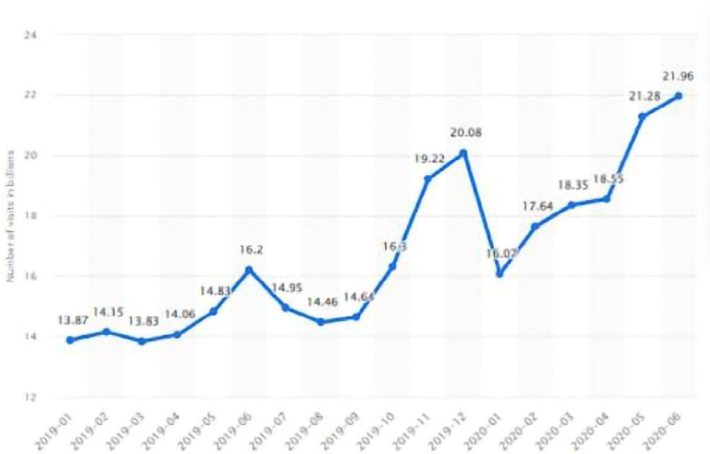
Among the most successful companies around the world in that period, we find Facebook, Amazon, Google. Along with that they have now found that rapid change offers amazing opportunities and advantages to adapt your strategies.

While other firms have totally reversed (traditional forms which it reflects physical movement of people), so some of them have simply shut or scaled down their operations.

The pandemic situation, has also intensified the need for rapid response, agility and adaptation. Therefore, organizations contract, pivot, re-invent themselves, and redeploy resources sometimes in a radical, sudden and potentially disruptive fashion (Ahlstrom and Wang, 2021). At the global industry level, we see this in the disruption of supply chains and executive mobility patterns, in particular they rapidly convert from face to face to online business models.

Relatedly, the exogenous shock provided by COVID-19 created winners and losers, which explains who took advantage of the situation to succeed and there are ones who just shut down, undermining many traditional face to face businesses while rewarding 'virtual' or 'networked' business models (George et al., 2020). As an example, the digital subscription services such as Netflix which has increased its share of releases and viewers relative to traditional operators. Of course, some of these trends were already in train but they were certainly further accelerated by the pandemic.

This has generally cemented the dominance of a handful of global players in technology, retail, finance and other industries but in some instances, it has also facilitated disruptive processes by favoring 'challengers' over 'incumbents' in a number of fields. As one example, Airbnb enjoyed an advantage on traditional hotels and tour operators as it was better positioned to service the increasing demand of families and groups who wanted to meet in remote locations and relative isolation, by providing longer term rentals and residential style self-catered accommodation.



Source: The future of marketing after COVID-19 (2021).
https://digitalmarketinginstitute.com/blog /the-future-of-marketing-after-covid-19

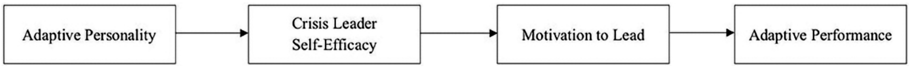
Impact of COVID on the responsible management and its new conditions

Disruptions in the economy and the life of businesses, whether or not they are able to continue their operations. These disruptions are creating a wide range of impacts on companies and many of them are struggling financially. So we find that between October 2020 and January 2021 many companies saw their sales decline by 50%, 65% of businesses adjusted their payroll by reducing hours and wages or granting time off.

Therefore, the significance of leader resilience cannot be overstated as it affects the entire organization, including its personnel, and requires the possession of mental, physical, and emotional fortitude. It is expected of leaders to demonstrate a considerable degree of empathy towards their subordinates, motivating them to adopt a composed and systematic demeanor when confronted with uncertainty. Additionally, leaders should offer essential psychological, financial, and logistical support to enable employees to participate in remote work, guaranteeing their security and accomplishing their performance objectives.

To provide effective support, leaders must adapt and respond to the evolving circumstances induced by the COVID-19 pandemic across the organization. Their resilience significantly influences employees' own resilience, well-being, work engagement, performance, commitment, creativity, and proclivity toward helping behaviors.

Effective managers worldwide are prioritizing the safety, security, and health of their employees over strict performance concerns. Simultaneously, they are cultivating organizational resilience for present and future viability, aiming to provide stability and strategic endeavors that pave the way for new possibilities. As an illustration, leaders are modifying their approaches to leadership in accordance with evolving circumstances, while also reconfiguring business models, strategies, and structures to correspond with the ever-changing market conditions. Moreover, these organizations are implementing measures to ensure the security of the work environment, providing staff with essential resources and self-motivation training, and taking the initiative to establish a center for crisis management. This type of facility assists personnel in optimizing digital competencies across multiple organizational tiers while assisting with financial management, supply chain security, and business continuity.



Source: Adaptive Managers as Emerging Leaders During the COVID-19 Crisis (2021). https://www.frontiersin.org

As the company's control system has become very complicated with the COVID-19 pandemic, where protection and safety laws and physical distancing must be followed, so the control system changes the way of control. The shift to remote working enables to carry out physical inspections of assets and workers. For that, it has created the need for using electronic approvals, devices, transactions to strongly benchmark the duties.

The company's strategy has changed with the spread of the COVID-19 pandemic, as it is looking for a modern blueprint concepts and strategies. Therefore, companies have made forecasts and a case study to reduce losses and adapt to the situation in which they have to pay a lot of costs to change the company's goals in the short and long term. As companies have increased the e-commerce branch, which has changed the company's strategy, structure and division of branches.

Conclusion

As the number of job vacancies and sales has greatly decreased under the impact of the economic shock caused by the COVID-19 crisis, in 2020 we observed a change in management concept sciences to design modern methods for the professional behavior of companies. Many current firms, for example, tried to survive from then to today waiting for the storm to pass.

While a number of companies find that they have entered new markets recently when they changed their methods and they reached the success, we can say that COVID-19 is still influencing our life in all the areas. But, we still believe in ourselves and in the voluntary of humanity. It will end soon.

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Abstract

The objective of this study is to analyze the early COVID-19 crisis management practices implemented in organizations and what are the new measures that companies were taking in their management science strategies during this struggling situation, how they behaved and, and the impact of COVID-19 on the responsible management.
The adverse consequences of the COVID-19 pandemic were manifold, encompassing economic upheaval, a global health crisis, changes in social behavior, and challenges for organizations attempting to maintain operations. In order to ensure smooth business operations, the strategies included hiring talent, improving internal efficiency, being flexible, and making creative adjustments based on organizational needs and assessments.

Keywords: management science, responsible management, COVID-19 crisis.

CHAPTER

7

Problems of the global and European economy in times of pandemic

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Introduction

The impact of COVID-19 has been uneven worldwide, including the European Union, both epidemiologically and economically.

Southern countries feel more affected: they were the first to be hit by the epidemic and are in a more difficult financial position given the economic consequences of the quarantine measures. The pandemic has caused the worst recession the EU has ever experienced – a global recession with considerable uncertainty about its ultimate extent and subsequent recovery. If the decisive fiscal response is primarily domestic at the outset, it is clear from the outset that the response must be coordinated, particularly in Europe. In the face of an exogenous shock in general, it is important to maintain a level playing field in all European countries to avoid fragmentation of the internal market.

All companies at both global and European levels must have the same opportunities to compete equally, and their country of origin cannot be a determinant of their competitiveness. Moreover, the vital connections between our economies mean that if one region falls behind in the recovery phase, the consequences will be negative for the EU as a whole.

Literature review

Apart from the decline in global demand, countries are grappling with a decrease in the prices of their primary export products. Irrespective of the priority measures instituted to curb the virus's spread, it becomes imperative to implement social and economic support measures to address the shocks experienced by households and businesses. These measures are crucial not only for stabilizing the economy but also for reinforcing the efficacy of the implemented mitigation strategies.

In the context of supply, infections result in a reduction of labor supply and productivity. Simultaneously, lockdowns, business closures, and social distancing measures contribute to disruptions in the supply chain. In the context of demand, businesses reduce their investment and households curtail their consumption as a consequence of income loss, layoffs, and deteriorating economic conditions (instigated by illness, quarantines, and unemployment)

Extreme uncertainty about the path, duration, magnitude, and impact of the pandemic poses a vicious cycle that weakens business and consumer confidence and tightens financial conditions, potentially leading to job and investment losses. The uncertainty surrounding the trajectory, duration, magnitude, and impact of the pandemic creates a vicious cycle. This uncertainty undermines both business and consumer confidence and tightens financial conditions. Consequently, there is a potential cascade effect, increasing the risk of job losses and reduced investment.

Consequences

Excessive global volatility can impact business economic growth through various channels, such as heightened precautionary savings, reduced investment, a dearth of innovation, and diminished technology adoption. These factors collectively contribute to increased uncertainty, weakened demand prospects, and a heightened cost of capital, driven by elevated financing costs in an unstable environment.

Methods

The coronavirus pandemic has reached almost every country in the world. Its spread has left economies and businesses in dire straits, while several governments are trying to mitigate its effects with new containment measures. Despite the development of new vaccines, uncertainty persists, and many still wonder what economic recovery will look like.

Through research at quantitative levels, we can look at different economic areas affected by the pandemic. Firstly, pensions and individual savings accounts may be adversely affected by significant volatility in the stock markets, where company shares are traded. As the number of COVID-19 cases escalated during the initial months of the crisis, prominent stock market indices including the FTSE, the Dow Jones Industrial Average, and the Nikkei experienced substantial declines since the onset of the pandemic. Although significant Asian and American stock markets experienced a recovery following the announcement of the first vaccine in November 2020, the FTSE London index remained in negative territory. In light of this market challenge, central banks across the globe, including those in the United Kingdom, implemented interest rate reductions. This measure was implemented with the aim of making borrowing more affordable and stimulating spending to bolster the economy.

It is important to acknowledge that while specific markets exhibited indications of recuperation in January 2021, this is a prevalent pattern known as the "January effect." Analysts voiced concerns regarding the possibility of further disruptions and delays in vaccination programs, as this could potentially provoke heightened volatility in the stock markets during that particular year. The FTSE saw a 14.3% decline in 2020, which was its most difficult result since 2008.

On the unemployment issue, many people have lost their jobs or seen a decline in their incomes. As a result, unemployment rates have risen in the world's major economies.

Spain destroyed 622,600 jobs, and the unemployment rate rose to 16.13% in the year of the coronavirus pandemic.

In the United States, the proportion of people out of work reached an annual total of 8.9%, according to the International Monetary Fund (IMF), marking the end of a decade of employment expansion.

Millions of workers are participating in government-backed job retention plans as sectors such as tourism and hospitality have almost completely stagnated and the number of new job opportunities remains very low in many countries.

Australia's job market has recovered to 2019 levels, but other nations such as the UK, France, and Spain are still experiencing a decline in job openings. Analysts predict that it may take years for employment to fully return to what they were prior to the pandemic.

Significant damage has been inflicted on the travel industry, particularly commercial flights, as airlines have implemented flight reductions and passengers have canceled vacations and business trips. In recent months, the identification of novel virus variants has brought about increased travel restrictions in numerous nations. According to flight tracking data obtained from Flight Radar 24, there will be a significant decrease in international flights throughout the year 2020, followed by an extended period of recuperation.

The hospitality industry is significantly impacted, with numerous businesses ceasing operations and millions of jobs being lost. Transparent, a provider of industry intelligence that monitors more than 35 million hotel and rental listings worldwide, has documented a decrease in reservations for prominent travel destinations. Although there were some positive developments in 2021, analysts expect international travel and tourism to revert back to pre-pandemic levels by 2025.

In numerous sectors, the effects of the economic downturn are apparent in the form of diminished wealth and elevated unemployment. According to the IMF, the global GDP, which measures the value of goods and services produced over a period of three months to one year, contracted by 4.4% in 2020. China is the only major economy to expand in 2020, with a 2.3% growth rate, in contrast to this recession, which has been compared to the worst downturn since the Great Depression of the 1930s. It is expected that recovery will be gradual in service-dependent economies such as Spain, the United Kingdom, and Italy.

Results

To the problems affecting the global economy, we must add the situation the world is going through due to the pandemic caused by COVID-19. The widespread outbreak of COVID-19, as in previous episodes of financial stress, caused global volatility to skyrocket.

The pandemic brought drastic consequences to the world economy, not only because of the closure of some companies, but also because it affected the economy of consumers, who are the ones who sustain the economy of a country, since, if they do not receive a salary or income, it is difficult to carry out commercial transactions.

All human beings, in their day to day struggle to find a daily sustenance, in this way they can meet all socioeconomic needs.

Likewise, the economic world revolves around companies, organizations, societies and people, if these, who are part of society, cannot satisfy their needs through consumption, it is difficult for companies to emerge and the world of economics goes into decline.

It can be said that the evolution of the virus in the world has had a negative impact that has led to the uncertainty of global economic stability, that is, the economy is at a crossroads, since the economic crisis has infringed psychologically and morally the tranquility of human beings as it has caused job losses, bankrupt businesses, people who do not have to eat or sleep under a decent roof, debts, discouragement to continue studying or undertaking because there is no economic way to continue and even worse, human losses.

Conclusion

In summary, we can say that COVID-19 has meant a radical change in the social and economic sphere.

In economic terms, the COVID-19 pandemic has caused major problems such as increased unemployment, a decrease in imports and exports, a decrease in economic activity, major stock market falls and all this affecting the growth forecasts of all the countries in the world.

Despite all the economic problems, all governments agreed to develop contingency plans and economic aid and financial support as well as the development of multiple strategies to stimulate and recover the world economy.

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Abstract

The 2019 coronavirus disease outbreak (COVID-19), caused by severe acute respiratory syndrome type-2 virus (SARS-CoV-2), was declared a pandemic in March 2020.
The new coronavirus has spread rapidly, resulting in a China-wide epidemic, followed by a pandemic, a growing number of cases in several countries around the world.
Case fatality rates are estimated to be between 1% and 3%, primarily affecting older adults and those with diseases such as hypertension, diabetes, cardiovascular disease and cancer. The average incubation period is 5 days, but can be up to 14 days.
In the face of the COVID-19 pandemic, economies across the globe have shut down and come to a standstill, and societies have entered into more or less severe and more or less prolonged quarantines.
Half of the world's infections have been reported in the United States and Europe.
COVID-19 has unleashed an unprecedented global crisis, a global health crisis that, in addition to exacting an enormous human cost, is leading to the deepest global recession since World War II.
The COVID-19 pandemic has affected the lives of millions of people around the globe. In addition to the severe health consequences, it has also devastated our goals, family dynamics, job roles and our economic stability.

Keywords: COVID-19, coronavirus, pandemic.

CHAPTER

8

Entrepreneurship and labor markets in times of pandemic

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Introduction

The aim of this study is to determine the effects of the pandemic epidemic called COVID-19 on entrepreneurs operating. In line with the stated purpose, in the study, the problems that entrepreneurs experience, how they produce solutions to these problems, what business opportunities they create and how labor markets are affected are included. It has been obtained from research summaries made and compiled from online articles published on research data. It has been understood that it creates a disadvantage for the entrepreneurs who serve in the field. Entrepreneurs have realized the importance of digitalization and have made arrangements in the way they do business. Most of the factors that negatively affect entrepreneurs are depression, anxiety about business processes; The positive effects were manifested in the form of taking time for oneself. The spread of COVID-19 to more than 120 countries around the world has made it mandatory for countries to take various measures by declaring a state of emergency. These measures are arranged to cover both daily life and working life (BBC News, 2020). According to the World Bank, epidemics affect the economies of countries in two ways. The first is temporary/permanent reductions in the labor supply as a result of people getting sick and dying. The second effect is the behavioral changes of people towards the epidemic. Individuals who do not want to come into contact with people against the risk of contamination do not want to join the workforce (The World Bank Group, 2014). Epidemics restrict the movement of labor and negatively affect the productivity of labor. This situation also affects the economies on a global scale. Therefore, it is not possible for the entrepreneurs and workers to be discussed in the research not to be affected by this period. What these effects are will be clarified as a result of the research. The study aims to reveal the effects of the epidemic on entrepreneurial activities, the physical/mental states of entrepreneurs and their employees, and the motivation tools they take action.

Literature review

Looking at the epidemic on a global scale, it is seen that many organizations have taken various measures. Of course, organizations first take action to ensure employee health. Secondly, in-house financial planning and activities to be carried out with business partners are reviewed. In line with these measures, we encounter situations such as slowing down production, limiting/banning travels, strengthening environmental controls. The effort to cope with this crisis also reflects to some extent how companies will behave in other crisis situations. For this reason, it is important for organizations to evaluate their current business continuity and crisis management plans against the virus and to create sector-specific approaches. According to the research; The COVID-19 process has affected the global economy in two ways. First, the spread of the virus promoted the closure of financial markets, businesses and events. Later, the rate of spread of the virus and the growing uncertainty about how bad the situation could get have resulted in large gaps in consumption and investment security between consumers and investors. At the same time, using CPS data on stocks and outlooks, we see that the pandemic is exacerbating pre-existing inequalities. Although employment losses were common, they were significantly greater in low-wage occupations and industries. Young workers, those with lower levels of education, and people from disadvantaged groups such as women experienced both greater increases in job losses and greater reductions in hiring rates.

Subsection title

Entrepreneurs are goal-oriented, initiative, flexible, resistant to uncertainty and determined to succeed. These distinctive features give the entrepreneur the power to endure tough processes, to be patient and to stand up. Especially in times of crisis, resilience becomes an important concept. Resilience, as a concept that affects entrepreneurial intention, is the individual ability to easily adapt to the environment, risks and change in uncertain and troubled times. Because entrepreneurs are individuals who have a very high probability of encountering these situations. Therefore, it is one of their important features that they can take quick action in the face of difficulties. In the researches on entrepreneurial characteristics, attention was drawn to the risk-taking aspect of the entrepreneur. Individual approaches and behaviors against risky events are discussed. In fact, it can also be expressed as assuming uncertainty as a result of critical decisions taken. It is expected that the entrepreneurial individual will react positively to these uncertainties. According to the results of the research, it has been revealed that entrepreneurial individuals tend to take risks more than other individuals, they do not avoid and even enjoy taking risks, and as a result of their willingness to take responsibility, taking risk is their way of perceiving the world (Sexton and Bowman, 1985). Another important concept related to entrepreneurship is self-efficacy. Self-efficacy is based on past experiences and achievements. In one study, entrepreneurs and managers were asked to rate their confidence in coping with various tasks related to running a business. As a result of the research, it was revealed that entrepreneurs have a higher sense of self-efficacy than non-entrepreneurial individuals.

Methods

Entrepreneurs in our country have a personality that is aware that the environment that others perceive as chaos is an opportunity for them. However, the current economic, political and global crises hinder the development of entrepreneurship. The number of companies closing in times of crisis increases significantly and the number of newly established businesses is also decreasing. In this case, crises cause delays in entrepreneurial decisions by reducing the number of new entrepreneurs entering the market. In essence, venture companies are one click ahead of traditional businesses with their way of doing business, products, services and adaptability. It would be correct to call them new generation companies. Although the current situation we are in affects all companies deeply, it can be more shocking especially for companies that entered the business world as a venture company a few years ago and are trying to survive financially. Due to COVID-19, many investment processes have been stopped or postponed to a later date. According to Mergermarket's March 2020 bulletin, we are experiencing the period of the lowest buying/selling transaction since 2011. It is obvious that investment processes and investment will become more difficult than usual after COVID-19. It is obvious that investment processes and investment will become more difficult than usual after COVID-19. There are basically a few reasons for this:

- Failure to perform site visits during the investment process.
- The difficulty of performing due diligence activities remotely and the prolongation of due diligence processes Investors want to devote more time and resources to their existing investments.
- Being more cautious about investing against liquidity problems that may occur after the process Trying to reflect the effect of COVID-19 on valuation methods while investing.

When starting to work on investment processes after COVID-19, venture companies should be aware of the fact that it will take longer than the expected / desired time to receive investment, taking into account the items listed, and should be prepared for the difficult process. In addition, the acceleration of the digitalization of the COVID-19 process and the new needs have brought new opportunities for entrepreneurs. Sectors that are growing and forming rapidly with COVID-19:

- Home delivery companies,
- Manufacturers of disinfectants and hygiene products,
- Online series/movie providers,
- Cloud kitchen business model.

Results

When the thoughts of entrepreneurs about the COVID-19 epidemic are analyzed within the scope of the research, the advantage of the epidemic especially for digitalized and online business entrepreneurs. It has been understood that it will create a disadvantage for entrepreneurs serving in the field. Entrepreneurs have realized that digitalization is important and they have made arrangements in the way they do business.

In the literature, digitalization has been described as an important source of new entrepreneurial opportunities. Digitalization can affect an individual's decision to become an entrepreneur in various ways. Because digitalization can facilitate the individual's access to information, digital social networks and online entrepreneurship training programs. It also provides the opportunity to reduce uncertainty, identify and evaluate profitable entrepreneurial opportunities (Al Atabi and DeBoer, 2014). Digitization also facilitates the entrepreneur's access to financial resources. Most importantly, digitalization has led to the emergence of new entrepreneurial opportunities and innovative business models (Richter et al., 2017). Digital entrepreneurs who create new products and services using digital technology and the internet have emerged. Since unexpected sudden crises cannot be predicted, it becomes difficult to control them. However, small businesses and startups are more adaptable and flexible than large businesses in terms of being able to act quickly. This was clearly seen as a result of the research. Entrepreneurs stated that they can take and implement decisions much faster against the crisis environment created by the epidemic. Therefore, in the COVID-19 epidemic process, it was deemed more appropriate to adopt flexible approaches rather than rigid ones. In addition to the direct negative effects of the epidemic on employment and unemployment rates in the labor market, there will also be some negative effects, especially in the medium and long term. With the spread of the epidemic, the decrease in the share of the working class in the national income will lead to a number of disadvantages such as a permanent decrease in wages, increasing structural unemployment, prolonged unemployment, and loss of human capital stock.

Conclusion

The COVID-19 outbreak has great effects on consumers, workers, employers, capital owners, investors, debtors and creditors. In the days of the epidemic that surrounds the whole world, threatens our health and leads to complete obscurity, individual awareness will help to cope with this situation. For this, it is important to identify the points that can be controlled in the process. Entrepreneur's approach to his employees with empathy will provide psychological resilience against the uncertain environment. Entrepreneurs should learn, develop and apply skills such as awareness and relationship management for both themselves and their employees in their daily lives. Entrepreneurs should use the technological infrastructure at the highest level and receive training on this, and their employees should receive these trainings. Entrepreneurs should increase internal social cohesion. For example, entrepreneurs should come together with their employees in online environments and organize activities such as birthdays, game hours, coffee chats. Entrepreneurs who want to achieve success today and, in the future, should develop leaner business models and processes.

Appendix

Tab. 8.1. Positive/Negative Effects of COVID-19 on Entrepreneurs

Adverse Effects		Percentage
Depression	7	21%
Anxiety (Work)	6	18%
Tiredness	4	12%
Longing for Social Life	4	12%
Energy Loss	4	12%
Health Concern	3	9%
Stress	3	9%
Unhealthy eating	2	6%
Concentration Difficulty	1	3%
Positive Effects	**Frequency**	**Percentage**
Take Your Time	15	75%
Be Energetic	3	15%
Designing the Future	1	5%
Healthy eating	1	5%

Source: Journal of Entrepreneurship and Development, no. 2, 2020, pp. 54–77

Here, 21% of the situations that negatively affect the entrepreneur are "depression" and 18% "work anxiety." When the positive effect of the epidemic on entrepreneurs is analyzed, it is the highest sub-category with 75%. It is seen as "taking time for yourself." This is followed by "being energetic" with a rate of 15%.

Tab. 8.2. Entrepreneur's Motivation Factors

Motivation Tools	Frequency	Percentage
Family	10	33%
Expert Support	4	13%
Employees	4	13%
Friend Support	3	10%
Belief	3	10%
Dreams	2	7%
Business Discipline	2	7%
Business Outcomes	1	3%
Online Trainings	1	3%

Source: Journal of Entrepreneurship and Development, no. 2, 2020, pp. 54–77

The other aim to be achieved here is the physical and mental health of individuals working with entrepreneurs during the epidemic period, to understand their mental state and to identify the tools entrepreneurs use to motivate them.

Tab. 8.3. Effects of COVID-19 on the Physical and Mental Conditions of Employees

Adverse Effects	Frequency	Percentage
Depression	11	43%
Health Concern	3	13%
Concentration Difficulty	3	13%
Longing for Social Life	2	9%
Anxiety (Wage)	1	4%
Work Intensity	1	4%
Inability to Manage Time	1	4%
Stress	1	4%
Positive Effects	**Frequency**	**Percentage**
Time Saving (Traffic-Food)	5	42%
Take Your Time	5	42%
Increase in Willingness to Work	2	17%

Source: Journal of Entrepreneurship and Development, no. 2, 2020, pp. 54–77

Of employees it was noted that they were in more “willingness and desire to work” than normal time.

Tab. 8.4. Employees Motivation Factors

Motivation Tools	Frequency	Percentage
Organization Support	6	27%
Open Communication	5	23%
Participation in Decisions	3	14%
Non-Business Activities	3	14%
Trust	2	9%
Fee Payment	2	9%
Business Outcomes	1	5%

Source: Journal of Entrepreneurship and Development, no. 2, 2020, pp. 54–77

It has been seen that organizational support is a better motivation tool for employees than money.

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Abstract

The epidemic created by COVID-19 has brought with it a global economic crisis. The aim of this study is to examine the effects of COVID-19 on the labor markets and to determine its effects on entrepreneurs

When the thoughts of entrepreneurs about the COVID-19 epidemic are analyzed within the scope of the research, the advantage of the epidemic especially for digitalized and online business entrepreneurs and labors; It has been understood that it will create a disadvantage for entrepreneurs and labors serving in the field.

Keywords: COVID-19, entrepreneurship, labor markets, pandemic.

CHAPTER 9

Effects of the pandemic in the European economy

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Introduction

Nowadays European Union faces a big shock, caused by COVID-19 pandemic and spread to all spheres of people's life around the whole world. At least during the first half of this year, a negative economic impact upon Europe (as well as upon the entire world) has already materialized.

We are going to study the consequences of the pandemic in the European economy and everything it has affected to the different countries that represent the European Union and what changes did it make related to the population of its territory.

In early 2020, the COVID-19 pandemic showed up in life as we knew it. One of the largest impacts was on the economy, which suffered its most significant recoil since the Great Depression. Yet with vaccine rollouts accelerating and warm weather on its way, hope is definitely on the horizon.

We've collected our information in a new report on the economic impact of coronavirus in Europe over the past year, and the financial challenges that people are facing today.

Literature review

The European Union (UE) economy and industries have been enormously affected by the lockdowns that the COVID-19 pandemic took place in Europe. A wide range of disruptions in great supply chains happened in a lot of sectors and revolutionary policies in response to the pandemic were imposed in order to try to mitigate these effects and help the recovery.

It is true to say that the pandemic created opportunities for some segments of the European economy due to the fact that consumers and businesses have changed their behaviors.

Effects in the different aspects of the economy

The effects of the COVID-19 pandemic on economic output are evident in the data for the first quarter of 2020. Although the European economies were not yet significantly affected by the spread of the coronavirus at the beginning of the year, from mid-March 2020 onwards, the economic downturn was substantial in many areas.

In April 2020, the economic sentiment indicator for the EU recorded a significant drop of almost 29 points, falling to 67.1 points. This indicator, reflecting the state of the EU economy, marked the steepest decline since the survey's initiation in 1985, despite the majority of EU member states consistently showing signs of recovery.

During the same period, the European Union's consumer confidence index reached -22.0, hitting its lowest point since the 2009 financial and economic crisis. Subsequently, there was a slight improvement in buyers' moods, signaling a modest recovery after this challenging period.

In April 2020, respect for the industry, and in particular manufacturing industry, suffered the sharpest fall in the EU since the start of the time series in 1992. The construction sector also recorded a decline in the EU as a whole.

Considering the labour market, the pandemic presented an enormous challenge for it. As we can see in Figure 9.1, after a great period of relaxation, the EU monthly unemployment rate rose in April of 2020 for the first time in so many years.

Figure 9.2 shows how various service providers have been impacted by the COVID-19 pandemic. The implementation of preventive or containment measures against the coronavirus has had a profound impact on the catering sector throughout the European Union. Moreover, overnight accommodations decreased significantly as a result of the travel restrictions.

Finally, if we consider the economic performance, we can say that the European economy was not affected in a significant way at the beginning of the year of 2020 that was when the COVID-19 was spread. However, from the middle of March of 2020 the economic downturn was substantial in many areas. Figure 9.3, shows the gross domestic profit at market places in quarterly data. It is measured by the percentage change in previous quarters. The gross domestic product (GDP) is a standard measure of the value added created through the production of goods and services in a country during a certain period. It also measures the income created by this production.

As it is shown in Figure 9.3, we can see that the GDP in the second quarter decreased in a significant way being at the lowest level. However, in the third quarter the levels of GDP recovered.

Methods

We searched a lot of pages on Google and found a lot of useful information that we used in our project. Also, we looked in destains for trying to get different graphics and number information really helpful to make our study.

First of all, we have done a slight search on google trying to find some information about our topic, then we found several documents and files from which we took a lot of useful information to fill our project and create our graphics with the data we found. We did ourselves the graphics that we used here with the database we found in destains of the Europe economy numbers.

Results

We got as results 3 graphics with different topics. These topics are unemployment rate, services and economic performance.

About the first one, the unemployment rate, we can say that in April 2020 it grew again after 7 continuous years of decline, but today it has returned to the pre-increase values we are talking about.

Secondly, we can talk about services, the crisis has affected different service sectors, such as the tourism and accommodation sector, which has greatly reduced its numbers. And in the hotel industry we can say that the prevention measures by the governments greatly affected these types of businesses, sometimes forcing them to close.

The last one, economic performance we can see that it affected a lot to the GDP of the European economy achieving the lowest levels in the second quarter. Fortunately, it improved in the next quarters of the year.

Conclusion

Thanks to our study, we can conclude that the pandemic had a big negative effect on all areas related to people's lives, from the number of deaths of the population, the economic problems of all kinds of people, and the decline of the economy from different countries of the world. That is why the end of the pandemic is seen as a great hope so that everything can resurface and return to the state before the pandemic where the world had an acceptable state and the economy of the European Union worked correctly.

We have been in these 3 years in a time with many problems that have affected the whole world and people just want to relax in their lives and be happy and that is all we need, a quiet time in which to return to normality and to enjoy again what we did 3 years ago with our friends, our family and others.

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Appendix

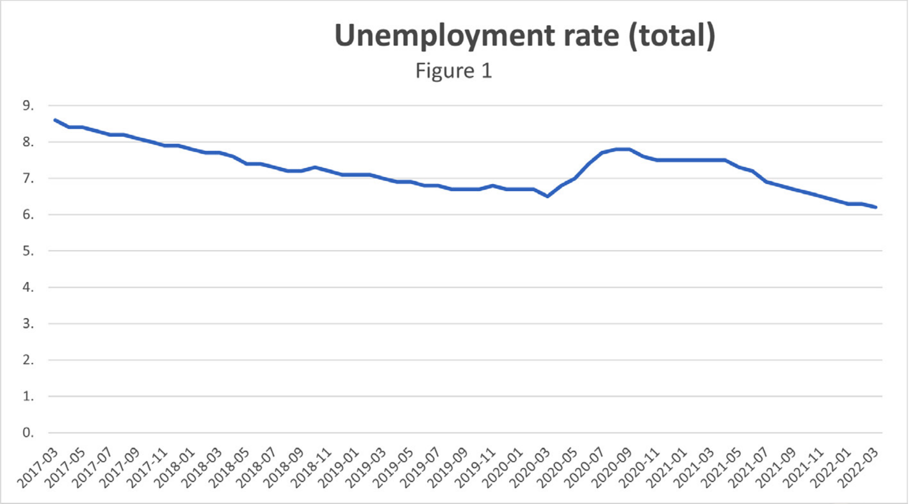

Fig. 9.1. Unemployment rate in some months of different years
Source: Own preparation in Excel

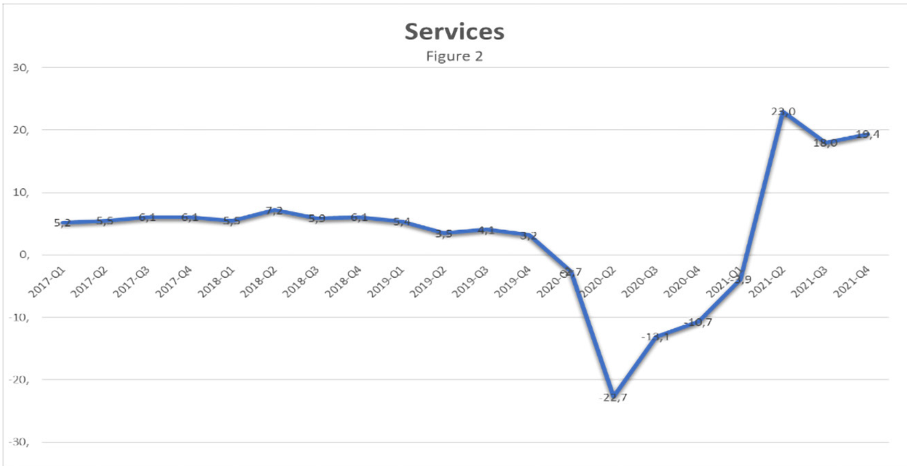

Fig. 9.2. Evolution of the services in some months of different years
Source: Own preparation in Excel

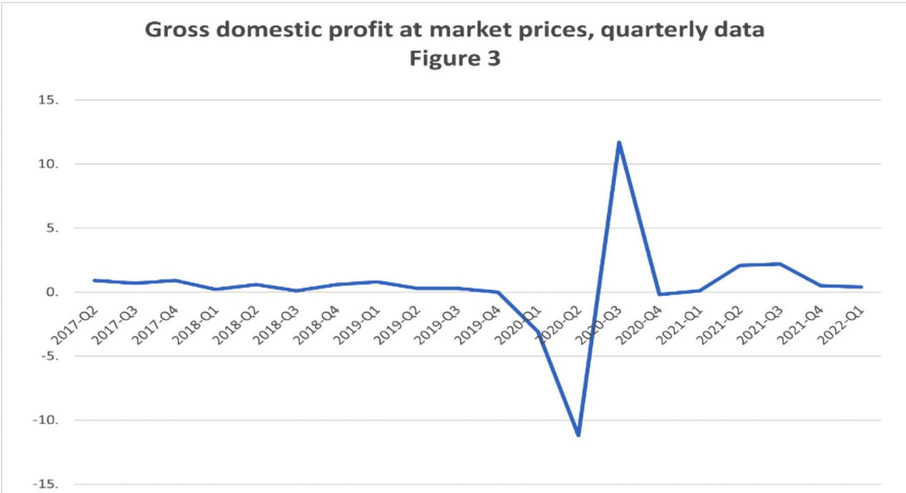

Fig. 9.3. Gross domestic profit at market prices in quarterly data in different years
Source: Own preparation in Excel

Abstract

The paper shows the influence of the COVID-19 pandemic on the economies of EU member states. The analysis of short- and long-term effects of the pandemic is based on data about the EU trade balance, imports and exports and explain possible future effects, possible multiplier effects as well as ways of improving the economic policy aimed at minimizing present and future risks for the EU economy.
Our results are 3 graphics about unemployment rate, services and economic performance.

Keywords: COVID-19 pandemic, crisis, economy, European Union.

CHAPTER 10

Economic policy in times of pandemic

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Introduction

The COVID-19 pandemic provides an incredible illustration of the cross-over between politics, economics and other considerations.

Public health experts have long warned that the world was likely to face a serious pandemic and insisted on greater preparedness.

Next, first of all, we will see the measures taken by the Polish government, and the plan to return to normal. Secondly, we will see the measures adopted by the Spanish government in the face of the pandemic and finally, we will see an analysis and comparison of both countries and provide a conclusion.

Economic policy in Poland in times of pandemic

In this section we will focus on the economic policies adopted in Poland during the pandemic, from the first ones imposed at the beginning of the state of alarm to the most recent ones.

The package to counteract the economic effects of the coronavirus pandemic entered into force on April 1, 2020.

The package consists of a law and an amendment to the law on special provisions to prevent, avoid and combat COVID-19 (specific status); a law that modifies the Law of the Development Institutions System (PFR). It also includes a draft law on the granting of public aid for the rescue or restructuring of entrepreneurs (Policy of New opportunities).

The Anti-Crisis Shield

The Anti-Crisis Shield provides, among other things:

- Exemption of micro-enterprises of up to 9 people from ZUS (social security) contributions for 3 months (March-May) the exemption applies to contributions for an entrepreneur and people working for the; Self-employed workers with incomes of up to 3 times the average salary they earn can also benefit. they pay contributions only for themselves;
- Parking benefit for an amount of up to approx. 2 thousand PLN for contractors (mandate contract, agency, for a specific task) and self-employed workers with income less than 3 times the salary average;
- Co-financing of employee salaries up to 40% of the average monthly salary and flexibility of time work for companies in trouble;
- Consumer protection with respect to excessive price increases and other unfair practices;
- Temporary abolition of the extension fee when deferring or extending payments of stamps and contributions (ZUS) in installments;
- Permission for the deduction of donations made to counter COVID-19 from income;
- More favorable rules for settlement of losses;
- Support to transport companies by the ARP in the refinancing of lease contracts;
- Aid for the tourism industry;
- Permission to stores to receive goods, unload them and put them on the shelves on Sundays covered by trade; ban the expansion of
- Legal residence and work permits for foreigners;
- Exemption from the calculation of contractual penalties for epidemic-related delays in the execution of the tenders;
- Permission for the municipal council of a certain municipality to waive, during part of the year 2020, the collection of real estate tax from companies that have lost liquidity due to the epidemic of the virus;
- Granting working capital loans to banks, based on financial data at the end of 2019;
- De minimis guarantees from BGK (Bank Gospodarstwa Krajowego);
- BGK interest subsidies;

- Liquidity funds from BGK, PFR and KUKE, including the possibility for medium and large companies to obtain from PFR Investments a capital increase or financing in the form of bonds in total of 6,000 million zlotys.

Postponement of certain obligations, including:

- Postponement of the date of payment of salary tax advances in March and April 2020 (until June 1, 2020);
- Postponement of the obligation to present a new JPK_VAT file with the declaration for large taxpayers from April 1 to July 1, 2020;
- Transfer of the VAT matrix from April 1 to July 1, 2020;
- There are no penalties for filing the tax return and paying the tax after the due date, if ago at the end of May 2020;
- Companies that are CIT taxpayers will have more time to file their annual CIT-8 return and pay the tax. The deadline for them has been extended until May 31 this year. NGOs can do it until July 31;
- Postponement of the obligation to create capital plans for employees in medium-sized companies (phase II of the PPK application). The new deadlines are October 27, 2020 to conclude a management agreement for the PPK and November 10, 2020 to conclude a management agreement for the PPK;
- Postponement of the obligation to submit information to the Central Registry of Beneficial Owners (Law on against money laundering) until July 13, 2020;
- Extension of the deadline for submitting information on transfer prices until September 30, 2020;
- Extension of the deadline for submitting notification of payment of more than 15 thousand zlotys to the account not included in the List of VAT payers referred to in article 96b section 1 of the VAT Law (from 3 to 14 days);
- Postponement of the date of entry into force of the legal solutions relating to equalization of the situation small business and consumer law from June 1, 2020 to January 1, 2021;
- Deferral of the tax on retail sales until January 1, 2021;
- Possibility of postponing the test date of the technical equipment, with the possibility of operation for a period maximum of 6 months;
- Extension of the term for the preparation of waste registration documents on paper until December 31, 2020.

Restrictions

Logistics services and internal transport in Poland have not been greatly altered. Almost all services Internal transport works normally.

New normal. Plan to raise the restrictions related to COVID-19

First stage (starting Monday, April 20):

In stores with a surface area of less than 100 m^2, 4 customers may enter per checkout / counter. In stores of a Surface greater than 100 m^2, one person will enter for every 15 m^2.

Second stage (from Monday, May 4):

- Opening of hotels and other accommodation (with restrictions)
- Opening of some cultural institutions: libraries, museums and art galleries

Third stage (from Monday, May 25):

- Opening of barbershops and beauty salons
- Opening of restaurants and cafeterias for the face-to-face public with limitations

Opening of stores in shopping centers

Celebration of sporting events attended by up to 50 people (outdoors, without the participation of the public)

Fourth stage (from Saturday June 6):

Opening of massage parlors and rehabilitation centers, gyms and fitness centers, theaters and cinemas, subject to compliance with certain sanitary conditions.

Economic policy in Spain in times of pandemic

Below, we will highlight some of the most important measures implemented by the Spanish government.

Measures to strengthen the health system

- The resources of the Ministry of Health are reinforced by 1,000 million euros through the contingency fund to meet the extraordinary expenses that are generated, so that it can adequately attend to health needs.

- Advance of 2.8 billion euros of the payments on account to the Autonomous Communities so that they can meet immediate needs arising from this situation in their health systems.
- The Government is empowered to regulate the prices of certain products necessary for the protection of health and, in exceptional circumstances, the maximum retail price of certain medicines and products may be fixed.

Family support measures

- 25 million euros in resources to the Autonomous Communities to guarantee the basic right to food for children in vulnerable situations affected by the closure of schools, through the provision of grants for canteens.
- The administrations affected by the reinforced containment measures are empowered to modify the school calendar in order to allow them to organise the school year in a flexible manner.

Business support measures

- Flexibilization of tax deferrals for a period of six months with interest rate subsidies.
- A specific line of financing is approved through the Official Credit Institute for an amount of 400 million euros to meet the liquidity needs of companies and self-employed workers in the tourism sector.
- The Social Security rebates are extended for permanent contracts made between February and June in the tourism, commerce and hotel and catering sectors linked to tourism activity.

Measures to ensure liquidity and stability of enterprises

- The State will grant guarantees of up to 100 billion euros to facilitate the granting of loans to companies and the self-employed that need them to pay bills or other items, thus enabling them to operate and protecting activity and employment
- The borrowing limit of the Official Credit Institute is increased by 10 billion euros so that it can increase existing lines of financing for the self-employed and companies.

- The suspension of public contracts whose execution is affected by COVID-19 is regulated.

Measures to make the economy more flexible, preserve jobs and support workers

- Extraordinary termination benefit for the self-employed approved
- The conditions are made more flexible to encourage non-face-to-face work, in the case of caring for children, the elderly or dependent persons.
- Making it easier for companies to make remote working possible.
- Various measures are provided to support small and medium-sized enterprises to boost their adaptation to the digital environment through the “Acelera” programme, endowed with 250 million euros.

Measures to support vulnerable families and groups

- A one-month deferral of mortgage loan payments is established for vulnerable groups.
- A state programme financed with 300 million euros is created to guarantee home care for dependent persons.
- The protected persons in the field of electricity, gas and water supply are extended and it is made impossible to cut them off for consumers who are vulnerable
- The review of the maximum retail prices for bottled liquefied petroleum gases is suspended for the next six months in order to avoid price increases.
- Local Corporations are allowed to use 300 million euros of the 2019 surplus to finance investment expenditure in the area of social services and social promotion.

Measures in support of COVID-19 research

- In the budgetary field, the limits and requirements for expenditure files necessary for the management of the health emergency caused by COVID-19 will not apply.
- Extraordinary appropriations are authorised to provide the “Spanish National Research Council” and the “Carlos III Health Institute”

with the necessary resources to meet the scientific and research challenges arising from the current health emergency.

Other Measures

- The government is empowered to control the taking of significant shareholdings in companies in strategic sectors.
- Customs import and export procedures in the industrial sector will be speeded up for six months.
- Guarantees will be granted to facilitate the extension of repayment periods for loans granted to agricultural holdings.

Conclusion

The economic policy measures adopted by the Polish government stand out for their great support for businessmen, self-employed workers and workers. Notable measures are those of exemption of 3 months of contribution to social security, the protection of consumers against price increases and other unfair practices, numerous permits to combat the impact of COVID, facilities for the tourism sector and deferral of obligations. In short, we can see that they do not put restrictions, they only provide facilities and preventive health regulations.

In contrast, Spanish measures were more restrictive and covered more areas such as health and social services. Some of the most important measures in Spain were: the resources of the health ministry were increased by 1 billion, 2.8 billion was advanced to the autonomous communities, the prices of health protection products were regulated, and the suspension of public contracts was regulated.

Throughout the paper there are important differences between the two countries. While in Poland the focus was on less intervention in the economy and more support for the entrepreneur, in Spain there was more intervention in the country's economy and the measures were much more restrictive.

In Spain, social measures were more important than in Poland. However, in Poland companies were helped or supported more than in Spain.

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Abstract

The objective of this work is to analyze and compare the economic policies carried out by the Polish government and the Spanish government during the pandemic.
Results: According to the study of the measures applied during the times of the pandemic, we have been able to observe that the measures in Spain have a more social nature and those in Poland have a more economic nature.

Keywords: economic, politic, measures, postponement, exemption.

CHAPTER 11

Economic impact of COVID-19 in the Spanish distibution channels

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Introduction

In a pandemic like this, at first, we were not aware, but when it arrived at Italy, we understood that this wave was reaching us, so we tried to anticipate it. However, disruption has arrived to stay, and we must accept it, so the brands had to be faster than ever as the consumer changes. So we should listen and measure the audience, analyze quicker to act accordingly and integrate measurements and methodologies to have a more accurate view of reality.

In a globalized world like the current one, there are millions of interdependencies that allow products to be supplied to all corners of the planet. However, due to the pandemic, these have been affected, causing a change in the production and distribution systems of products worldwide, and our country has not been immune to this. But people have not been the only ones affected; companies have also had to modify several of their usual business processes. Among these are the distribution systems, which have had to transform to adapt to the new reality.

Literature review

The key is the time that the confinement has been extended, since reached a point it has been able to become a habit. The new distribution landscape is based on the fact that, during the health alert, proximity and online channels have been the big winners.

Changes in the buying habits

The situation generated by the pandemic has led to changes in the consumption not only of products, but also of the way in which those brands communicate with their customers; those must show their support and be empathetic with consumers, if they want to earn their loyalty. The expert's analysis points to changes that arise quickly, such as increased sales of food and cleaning references, the rise of the online channel or the local supermarkets, which give prominence to local retail chains, can be trendsetters of the distribution in the medium and even long term. Card payment, boom in delivery or home delivery and the increase in consumption due to the preparation of meals in homes are other factors that can become a trend, especially if teleworking continues to be one of the options.

Consumers have taken care of themselves by improving food, with ecological food whose demand has increased 4% above the growth of food. What second trend would be the search for pleasure, which is also growth in the home; therefore the references of snacks, also chocolate and sweets are added to convenience products such as soups, sauces, and prepared dishes, which will continue to grow.

We have moved consumption from outside the home to inside home and that supposes very marked changes in habits like we eat breakfast later, we spend more time cooking and moments like the aperitif, which we used to do outside the home, now we do it indoors; what translates in a change of the products we buy in the supermarket.

On the one hand, people avoided going out, so they had to buy more at once; but staying at home implies substituting those occasions of consumption that they previously carried out in bars, restaurants or in the workplace for consumption at home, which caused Spaniards to consume more and more faster than before. On the other hand, the restrictions made proximity more important in the choice of establishment, benefiting thus to the banners with a larger park and with points of sale located in areas of high population density, now consumers are buying at the nearest store, or a chain of their region.

Online sells

The increase in online purchases that we are currently experiencing is requiring retailers to improve the way to interact with your customers. They must not only attract buyers to the points of sale and manage online orders, but also do it all in an easy and convenient way to new customer needs.

In the week of March 16 to 22 there was a transfer online shopping, increasing sales through Internet to a share of 2%, a historical record for purchases of large consumption by this means. The evolution of the online channel during weeks 12 to 18 of 2020 with respect to the same period of the previous year represents an increase of 115% in terms of value, 105% with respect to volume and 15.5% in terms of increased buyers. Despite reaching those percentages, the channel online has shown deficiencies in responding to the demand from consumers in the form of order delays, channel saturation or cancellations. The situation we find ourselves involved was a unique opportunity for this channel to consolidate.

Since the beginning of March of 2020 shipments from SMEs increased by 535% compared to the previous week, since the total demand for petitions of businesses to send home deliveries has multiplied for four.

This crisis has made people who previously did not buy online, now do it on a recurring basis and we see how the online sales of sports machinery and accessories have quadrupled, those of pet products have multiplied by two and electronics is growing at a rate of 40%.

Digital logistic

The coronavirus crisis is having a direct impact on consumption trends and one of the great beneficiaries of the new habits of citizens is electronic commerce and, with it, its logistics. With this terrible crisis, the great discovery has been the online logistics sector, because being confined, someone brought what we asked for and the lines were resupplied in a continued way.

A phenomenon associated with this chain architecture of value is that of the new delivery platforms, half path between retail distribution and restoration, but with the same destination: the consumer.

E-commerce is already a survival necessity for companies and both logistics and technology have been fundamental during the quarantine process. It is necessary technology and analytical prediction of demand, to give response to what consumers require. The online model has the immediacy as its main characteristic, which leads us to the fact that the warehouse and delivery processes require optimization. It is not just preparing and moving goods, but also give added value, which is achieved from new technologies.

Since the beginning of March of 2020 shipments from SMEs increased by 535% compared to the previous week, since the total demand for petitions of businesses to send home deliveries has multiplied for four.

Methods

The research methodology is descriptive, with a causal and transversal approach. This research primarily focuses on describing the nature of the COVID impact in Spanish channels and the perspectives this generated.

The descriptive research is characterized by being a quantitative research method that collects quantifiable information for statistical analysis (increase of the online purchases, expansion of distribution channels, etc.).

Also, the selected method does not influence the variables in any way. In this case, it is obvious that the research object has not been influenced by the research because of the object's magnitude.

As we have said, it is a cross-sectional study where different sections belonging to the same group are studied. For instance, we study the market as a group, penetrating and differencing between consumers and companies, purchasers and sellers.

Due to the non-invasive research method and the use of quantitative observation and some aspects of qualitative observation, we are able to observe each variable and conduct an in-depth analysis. Another characteristic to take into account, is the fact that this analysis can be conducted at different periods to ascertain any similarities or differences, so it could be interesting to repeat the research in other period with different demographic conditions in order to have a wider perspective of the Spanish channels' behavior.

Results

As a result of this research and after having analyzed all the variables and factors that participate in the object of this survey, we can conclude the pandemic has been an important impulse for the e-commerce, as in the pandemic months the number of online purchasers was the same of the number held in the whole year of 2019.

This triggered that the distribution channels had to adapt for the new purchase conditions, social environment and rise of demand.

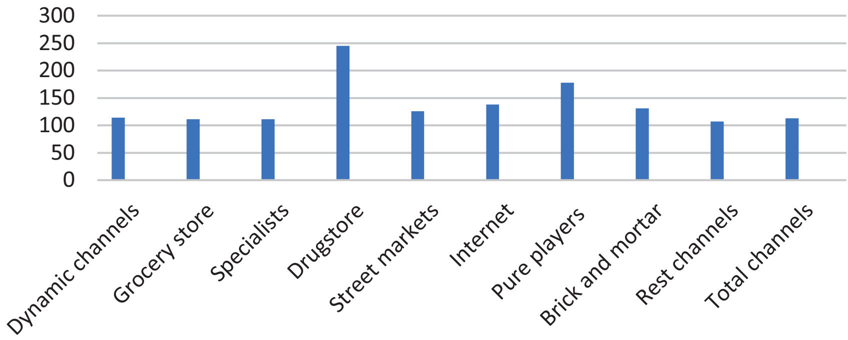

Chart 11.1. Increased consumption of distribution channels (%)

Just like this graphic shows up, the increase of consumption in the different distribution channels is quite considerable, what explains all the changes the distribution channels have suffered to face the new situation that encourages online purchasing, not only because of the COVID-19, but also because of the society course in the past years.

Conclusions

Considering the above research, we can conclude:

1. Definitively, the arrival of COVID-19 changed the way companies managed to the final customer and consumer's purchase perspective.
2. The new figures of online sells and the sudden rise of delivered products forced a fast development of sales channels to consumers, which still continue growing due and thanks to globalization.

3. In spite of the fact that online channels showed deficiencies such us delays or channel saturation, this scene supposed itself a unique opportunity for this channel to consolidate, work that it's still doing in a large but constant process.
4. Finally, an obvious conclusion is online channels have broken through the actual market with the clear purpose of hanging on, making the reinforcement of distribution channels an obligation for those companies that really want to stay and see this as the purchase's future.

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Abstract

The purpose of the work is to try to analyze the evolution of the commercial distribution sector in Spain in the last 3 years, as well as to assess the health, economic, social changes that have occurred in society and the trends caused by Covid-19 in the said sector. Likewise, the discipline of marketing has undergone important changes, especially the study of social marketing in health. Based on the above, the objective of the research is to analyse social the distribution channels changes in the health consumer during the pandemic.
To study the changes Spanish distribution channels have suffered due to the quarantine situation, the COVID-19 and the appearance of new ways of consuming; in the last three years.

Keywords: distribution channels, Spanish distribution, pandemic, COVID-19, consumer.

An evaluation on economic policies applied in the world and Turkey in COVID-19 global outbreak

CHAPTER 12

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Introduction

The COVID-19 epidemic, which emerged in the last months of 2019 in the city of Wuhan, China and turned into a pandemic in March 2020, shows the shocking effects that disrupt the economic stability in the whole world and in Turkey. All countries of the world had to take some protective measures in order to control the rate of transmission of the COVID-19 epidemic, which spread with an increasing momentum, and to keep the negative economic effects of the epidemic at a minimum. The measures taken to reduce the rate of spread of the epidemic caused a global crisis all over the world by making negative effects on the economies of the countries. In order to be minimally affected by the consequences of this crisis, countries immediately put into practice their monetary and fiscal policies. On the other hand, the rapid spread of the epidemic in European countries with which Turkey has commercial relations in the first quarter of 2020, has started to show its negative economic effects by spreading to Turkey as of mid-March 2020. This situation has started to show its effects primarily on trade volume, tourism and domestic demand in Turkey. As of April 2020, the effects of the epidemic on the economy have deepened. The slowdown in economic activities and the stagnation of activities in some sectors put pressure on cash flows in the real sector, increasing the demand for forward-looking liquidity in the economy. As in many countries, policy makers in Turkey have taken extensive financial and fiscal measures to limit the negative economic effects of the COVID-19 outbreak. The COVID-19 pandemic is not just a threat to human health. It has had many effects covering the whole world in social and individual fields, especially in the economy.

In this article, the effects of this disease on international economic systems, global governance and cooperation, the rise of the nation state, the changing and developing economic policies at the global level and in the Republic of Turkey, and the strategic importance of these policies.

Literature review

Undoubtedly, the COVID-19 disease will be at the forefront of the events that marked the 21st century. Within the scope of the fight against the coronavirus, strict social distance measures have been implemented in most countries so that the health system does not exceed its current capacity. Within the scope of these measures, many sectors such as air transport, tourism and accommodation, especially the service sector, were affected. Self-employed and business owners are also among those affected by the crisis caused by the coronavirus epidemic. As the scope of the virus expanded, the economic dimension of the epidemic began to make itself felt.

Protecting the economy as well as health from COVID-19, ways to combat the epidemic without further harming the economy must be found. Because protecting health is protecting the economy, protecting the economy is protecting health. While the COVID-19 epidemic poses a serious health threat to the whole world, it also affects economies significantly. Measures taken to prevent the spread of the epidemic negatively affect individual consumption habits on the one hand, and production processes and employment on the other. In order to prevent the spread of the epidemic and to cope with its effects, it is seen that policy makers all over the world resort to various practices. While Central Banks are taking steps to provide liquidity, measures have been taken to support the households and companies most affected by the epidemic with fiscal policies. In particular, the measures taken by the Central Banks against the effects of the coronavirus epidemic aim to provide the banking sector and the real sector with the liquidity they need under appropriate conditions.

Economic Policies in Times of the COVID-19 Pandemic of G-7 Countries

Both developed countries and emerging markets and developing countries are simultaneously in recession for the first time since the Great Depression. As a result of these developments, governments have responded to the economic crises by using fiscal and monetary measures on a large scale. Here, we explain the fiscal policies that have been implemented in response to the negative economic effects of the COVID-19 pandemic in G-7 countries and Turkey.

Canada has taken quick and decisive action to support households and businesses in response to the COVID-19 pandemic. As of December 15th, the main fiscal measures that have been implemented are as follows: 1. $20 billion (0.9% of GDP) to the health system to promote testing, vaccine development, medical supplies and higher support for Indigenous communities, 2. Almost $249 billion (11.6% of GDP) direct aid to households and firms involving wage subsidies, payments to workers without sick leave and access to employment insurance, a rise in existing tax credits and child care benefits and a new Indigenous Community Support Fund and 3. Almost $85 billion (3.9% of GDP) in liquidity support by using tax deferrals.

France is one of the hard-hit countries from the COVID-19 pandemic. In addition to public guarantees of €327 billion (approximately 15% of GDP) which consist of €315 billion in guarantees for bank loans and credit insurance schemes, government authorities amended three budget laws between March and July and increased the fiscal budget dedicated to the economic crisis to around €135 billion (almost 6% of GDP, comprising liquidity measures). The main fiscal measures that are applied as of December 17th are as follows: 1. Easing and strengthening health insurance for sick people or their caregivers, 2. Increasing spending on health supplies, 3. Liquidity support by delaying social security and tax payments for firms and accelerated refund of tax credits.

Germany has allocated a huge amount of money in response to the COVID-19 pandemic, and it has created its relief plan based on four T's: targeted, timely, temporary, and transformative. The federal government has already put into effect two supplementary budgets which amount to €286 billion, and it is planned to issue €218.5 billion in debt this year to fund the packages.

Similar to France, Italy is one of the most affected countries from the COVID-19 pandemic. The early fiscal measures can be grouped into three main categories:

- Immediate fiscal stimulation (€61.3 billion),
- Deferrals (€235.3 billion),
- Other liquidity and guarantee measures (€571 billion).

The Government of Japan introduced ¥117.1 trillion (20.9% of 2019 GDP) Emergency Economic package on April 7 and this package covers three previous packages that were put into effect in response to the COVID-19 pandemic. The main measures of Emergency Economic package are cash handouts to every individual and affected firms, deferral of tax payments and social security contributions and concessional loans. The government of Japan put into effect a second supplementary budget worth ¥117.1 (20.9% of 2019 GDP) trillion on June 12.

The United Kingdom has announced three packages since the beginning of the COVID-19 pandemic (IMF, 2020c). During health emergency, fiscal support consists of additional funding for the NHS, public services and charities (£48.5 billion), measures to support businesses (property tax holidays, direct grants for small companies and companies in the hard-hit sectors and compensation for sick pay leave) (£29 billion) and strengthening the social safety net to help vulnerable people (£8 billion).

The United States is one of the most affected countries from the COVID-19 pandemic. The United States enacted four laws in order to reduce the negative effects of COVID-19 pandemic on the economy in March and April (Congressional Budget Office, 2020). These laws are as follows: 1. Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, 2. Families First Coronavirus Response Act, 3. Coronavirus Aid, Relief and Economic Security Act and 4. Paycheck Protection Program and Healthcare Enhancement Act.

Tab. 12.1. Rapid Economic Measures Taken by Countries Against The Global Recession

Types	Rapid Policy Actions Taken by Policy Makers	Countries
	(i) Coercive regulations on banks, (ii) Moratorium on principal and interest on borrowers affected by	Ireland, China, Nigeria and Italy
	Providing liquidity to financial (bond and stock) markets by central banks	China, USA
	Central banks buying fast-growing bonds and securities	Australia, EU and Canada

Monetary Policy Measures	Lowering interest rates by central banks	Turkey, USA, New Zealand, Japan, and England, Nigeria, South Korea, and Canada
	Continuous flow of loans to banks, SMEs, the public health sector, individuals and key businesses	Australia, Nigeria, USA, and UK
	Governments approving a massive stimulus package for sectors and industries most affected by the COVID-19 pandemic	UK, USA, Australia, and Nigeria
Financial Measures	Providing income support for individuals	Australia, USA, UK and India
	Social assistance payments to supportech household	Australia, USA

Source: Prepared by the author based on the author's own research, 2022

Policies Applied in Turkey in the COVID-19 Process

Like all the countries of the world, Turkey was caught unprepared for the pandemic process. The measures taken in order to relieve the Turkish economy were put into effect quickly and the lifeblood of the economy was tried to be transferred. As in other countries in the world, Turkey prioritized measures in the field of medical health. The COVID-19 epidemic covers a multi-dimensional process that requires struggle in both health and social and economic terms. Turkey has given priority to health measures in the fight against the pandemic. Due to the contagious nature of the COVID-19 disease, a travel restriction was imposed, and all flights were canceled from Wuhan to Istanbul on January 22, 2020, and from China to Turkey on February 5, 2020, by taking the necessary precautions at the airports. After the Turkey-Iran border gates were closed on February 23, flights to all countries of the world were temporarily suspended as of the last week of March. Reference hospitals were determined as an emergency action plan, and local diagnostic kits were put into practice.

In the economic sense, the negative effects of the pandemic process started to be reduced with monetary policies and then continued with fiscal policy. The process, which continued with direct income transfer mechanisms in April, continued with the interest rate cut in loans in May. Employees in the service sector in Turkey have been the most adversely affected in this process.

Maintaining an uninterrupted and healthy functioning of financial markets, the credit channel and the cash flow is critical to contain the adverse effects of the coronavirus pandemic on the Turkish economy. Accordingly, at the Monetary Policy Committee Meeting on 17 March 2020, the policy rate was reduced by 100 basis points from 10.75 percent to 9.75 percent.

Turkey encountered the COVID-19 pandemic with growing fiscal imbalances, yet it had more fiscal space in comparison to many similar countries. As of September 9, policymakers have stated that the amount of the entire discretionary fiscal support package would be TL 537.7 billion (12.8% of GDP) in 2020, and approximately TL 123 billion (2.7% of GDP) of this amount is in the form of on-budget measures. The main fiscal measures consist of 1. Loan guarantees to companies and households (6.8% of GDP), 2. Loan service deferrals by state-owned banks (1.5% of GDP), 3. Tax deferrals for businesses (1.5% of GDP), 4. Equity injections into public banks (0.5% of GDP) and 5. A short-term work scheme (0.4% of GDP).

In addition to this decision, a set of measures taken to contain the economic and financial impacts of the coronavirus were announced on 17 March, 31 March and 17 April 2020.

Scheme 12.1. Measures Taken to Contain the Economic and Financial Impacts of the Coronavirus in Turkey
Source: Turkiye Cumhuriyet Merkez Bankasi (2022). TCMB – Measures Taken against the Economic and Financial Impacts of the Coronavirus. [online] Available at: <https://www.tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Announcements/Coronavirus> [Accessed 2 May 2022].

Methods

Firstly, we investigated the general effects and consequences of COVID-19 with the help of different articles. Then, we examined how COVID-19 affects social life around the world and in Turkey by detailing our research. After that, we focused on our main topic and investigated the economic impact of this pandemic on the global environment and Turkey. In this process, we examined what measures were taken in our country and the economic policies implemented. In making these reviews, we aimed to use various sources as much as possible and get the most accurate information. We supported our studies with graphs, numerical data and table analysis. We compared this information with the data of other countries. Finally, we realized that the pandemic process affects not only our country, but also the whole world, and that countries can solve these problems with unity and togetherness.

Results

As the economic contraction occurred in the exporting countries, there were import declines and this negatively affected Turkey's and global economies' exports. Imports decreased due to the coronavirus. This, on the one hand, led to an audit of the current account deficit and, consequently, to a decrease in the need for external financing, and on the other hand, to a decrease in production and, consequently, to a decline in growth. Turkey was affected in two ways, as tourists postponed their trips due to the coronavirus. Turkish people could not go abroad as much as they used to, and foreigners could not come to Turkey as much as they used to. In total, the impact on Turkey was negative. Most imported goods are used as inputs in production. Most of them are of Chinese origin. The problems caused by their importation negatively affected production. In such an environment where risks continue to rise, the external value of TL decreased. Accordingly, inflation has risen.

Conclusion

In conclusion, we can say that the pandemic partially or completely stopped economic activities including major global economics like

G-7 economies and there were difficulties in unemployment and inflation rate increase, growth rate decrease, budget and balance of payments deterioration, external financing due to practices such as long-term general quarantine. In order to eliminate the negative effects of the pandemic, the Central Bank of the Turkish Republic has implemented a comprehensive package of measures. Depending on the inflation outlook, the one-week repo tender interest has been reduced to 8.75 percent. Due to the increase in the funding needs of the system, an increase was observed in the amount of net funding provided through open market operations (API). Flexibility and predictability in the liquidity management of the Turkish lira and foreign currency have been increased. In order to ensure uninterrupted continuation of the credit flow to the real sector, banks have been provided with additional liquidity opportunities. Discount credit arrangements have been made to support the cash flow of exporting companies. Steps have been taken to support the liquidity of the Government Domestic Debt Securities (DIBS) Market. In order to eliminate the negative effects of the pandemic on the Turkish economy, it is necessary to use fiscal policy and other political tools together with monetary policy.

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Abstract

The COVID-19, has affected the whole world. It was a health and economic crisis. Unlike the economic crises experienced, it was directly aimed at human health. This study aims to evaluate how major global economies have been affected by the COVID-19, in terms of economic growth and sustainability of public debt. It closely examines Turkey's economic policies during the pandemic. The corona virus pandemic has infected countries from a medical point of view, it has negatively affected all countries and sectors of the world economically. It has revealed a fact; the countries of the world must fight together against pandemic to restore a healthy social order, and then they must quickly get their economies back on track.

Keywords: economy, policy, COVID-19, world, Turkey.

Assessment of the functioning of the student scientific movement at the Lublin Univerity of Technology

CHAPTER

13

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Introduction

In the near future, representatives of Generation "Z" will be a major resource in the labor market and most of them are currently in education. This is the first generation that was born and raised in the digital age, so their views, decision-making and communication are different from previous generations. Due to the different needs of this generation, many areas should adapt to them. "Zetas" are characterized by a focus on self-development, so during their studies they very often take up other activities to gain new experience and skills. Often, student scientific circles become an attractive place for their self-development. The authors undertook the study of this topic because it is a topical issue and worth developing. And, moreover, the study of study circles represents a certain research gap that is worth filling. The purpose of this article was to analyze and evaluate the functioning of the student scientific movement at the Lublin University of Technology. The following research hypothesis was formulated: the organizational culture of scientific circles at Lublin University of Technology meets the needs of their members.

Characteristics of Generation Z

Current university students, except in a few cases, are representatives of the so-called "Generation Z". These are people born after 1995, raised in an era of widespread access to mobile technology and the Internet, who learned to use digital tools naturally (Całek, 2021). Generation Z is also referred to as Generation C from the word, "connect" (connected to the network). In their experience there is an invisible boundary between virtual reality and the real world, these worlds actually intermingle and merge into one (Hysa, 2016) It is emphasized that this generation is very diverse, at the same time, certain characteristic features can be attributed to it, including high self-confidence, flexibility, multitasking (Kukla & Nowacka, 2019).

Generation Z prefers to communicate through technology, especially social media, i.e. Facebook, YouTube, Snapchat or TikTok (Mazurek-Łopacińska, 2018). The above platforms, on the one hand, are used to keep in touch and establish new relationships, and on the other hand, are their main source of information from various fields (Mazurek-Łopacińska, 2018). Generation Z grew up in different socio-economic and political conditions than their predecessors, hence the values represented by "Z" will differ. "Zettes" want to change the world for the better, they take the initiative to create new solutions.

They are characterized by openness to change and new experiences. They are mindful of environmental issues and strive for sustainable development (Mazurek-Łopacińska, 2018). What also distinguishes these people from other generations is, above all, the realization of their own goals – career and earning money (Mazurek-Łopacińska, 2018). Generation Z highly values self-realization and fulfillment in various areas of life. According to them, "learning and development should follow the principle of just-in-time learning. They want to have and know everything immediately, on call, preferably online. (...) They have a specific approach to acquiring knowledge. It is important for them to get to information quickly" (Żarczyńska-Dobiesz & Chomątowska, 2014). They prefer practical learning that allows them to immediately apply what they learn to real-life situations (Seemiller & Grace, 2017). For the "plugged in," Google, YouTube or social media are the main channels for acquiring knowledge. They value attractive design and visual content, and don't like to read tests without multimedia (Ashour, 2020). It is also very important for Zoomers to receive quick and specific feedback after completing a task (BREIF, 2019).

Student scientific movement

In recent years, it can be seen that students are increasingly interested in working in scientific circles. Male and female students, through participation in an organization such as a scientific circle, are looking for opportunities to expand their individual academic achievements, practical skills and train additional competencies. An important aspect is also the search for new areas of interest–interdisciplinarity. In addition to developing students' passions and interests, activities in scientific circles bring many other benefits to their members. They can develop "soft skills," which we can include organizational, promotional, group work, activism and community skills. Gaining experience from working in a circle allows students to increase their value as a future employee and at the same time provides a better chance of finding a good job (Boryczko & Krucz, 2014).

An important aspect of the functioning of scientific circles is the committed attitude of the scientific supervisor (or supervisors) of the members themselves, but also the support of the university authorities. All activities that are undertaken by this student organization are based on cooperation. It is important for the functioning of the team, both quantitatively and qualitatively. The improvement of social competence, as mentioned above, translates into free functioning in social relations and the chance to make valuable contacts and develop networks. It can also contribute to an increased awareness of one's social identity (Nymś-Górna, 2021).

One of the most important components determining the success of a study circle is student initiative and the synergy between the mentor and the students active within the circle. The combination of these two elements, guarantees the success of the student organization. Tutors have a very important role to play during the work of the study circle. It is up to them to propel young people into action and enable their continuous development (Boryczko & Krucz, 2014).

In literature sources, we can find studies on the functioning of the student scientific movement. However, this is not a wide range, it is usually an overlooked topic that is worth taking into account when writing scientific papers. One study looked at the Student Scientific Circle of Spatial Management at the Warsaw University of Life Sciences. It involved 41 people who are active in the scientific circle, but also its graduates. The results of the survey indicate that the main reason for students to become active in the scientific circle is to gain practical skills and experience (90% of respondents) many students also indicated as an important factor scientific development and contact with potential employers. As for the benefits of participating in this scientific movement, which can also be considered a rationale for membership, students mainly pointed to meeting new people with similar interests and acquiring organizational skills. As mentioned earlier, students active in study circles also have the opportunity to develop soft skills. In the present study, members of the Spatial Economy Circle cited interpersonal, teamwork, organizational and self-presentation, and office-administrative and financial skills as the most useful (Korpetta et al., 2017).

Methods

The literature research allowed the authors to understand the characteristics of Generation Z, as well as the functioning of the Student Scientific Movement. On this basis, a research tool was constructed to allow students to evaluate the organizational culture of the scientific circles to which they belong through the prism of characteristics that meet the needs of Generation Z.

In developing the article, the diagnostic survey method was used. The diagnostic survey method is one of the methods of quantitative research, the primary function of which is to collect data on the structural and functional objects or dynamics of certain social phenomena that are of interest to the researcher. The collection of information is carried out as a result of the relationship that occurs between the researcher and the subjects, called respondents.

In conducting the survey research, the authors decided to use an online survey technique. The survey was conducted in late March and early April among students active in scientific circles at the Lublin University of Technology. The survey questionnaire placed on the Microsoft Forms platform was completed by 75 people. Of those surveyed, the largest group were students from the Faculty of Mechanical Engineering (23) and the Faculty of Management (20), followed by students from the Faculties of: Electrical Engineering and Computer Science (12), Environmental Engineering (9), Fundamentals of Technology (7) and Construction and Architecture (3). Men made up 59% of the respondents, and women 41%.

Results

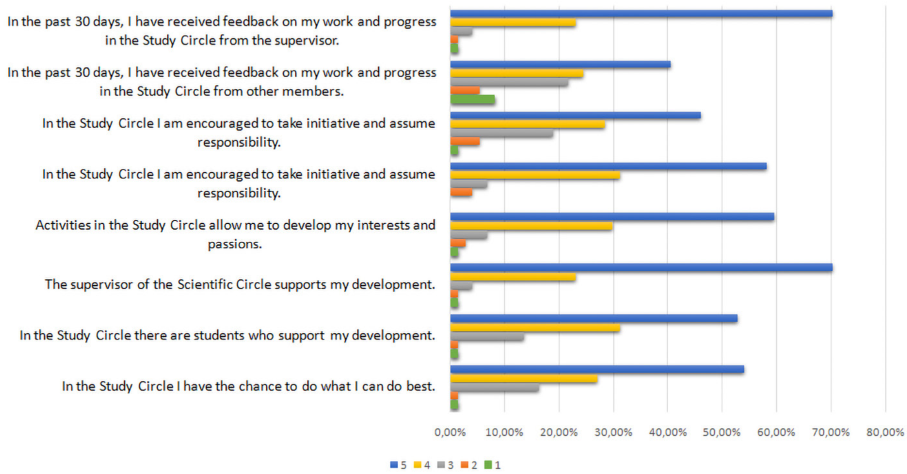

Chart 13.1. Functioning of scientific circles at Lublin University of Technology

Source: Own elaboration

The survey participants positively evaluate the functioning of the Study Circles of which they are members. The results of the survey show that 70% of the respondents strongly agree, with the statement that in the last 30 days they received feedback on their work from the supervisor of the Study Circle. More than 20% indicated on a scale of 4. Individual students estimated that they had not received feedback on their progress from their Circle Supervisor. Most members of the Study Circle feel that the Study Circle mentor is supportive of their development. The most frequently given rating is 5, indicating the high quality of care and support from the Circle mentor. At the same time, it is worth noting that there are also ratings of 4 and 3, suggesting that not all members of the Circle feel equally supported by the mentor or need more attention. Nevertheless, the results suggest that the tutor of the Study Circle plays an important role in the development of students.

As for horizontal relations, between Circle members, the situation looks a little worse compared to the mentor-student relationship. When receiving feedback in the last 30 days from other members of the team, 40% of respondents marked 5 on the scale, and more than 20% gave a response of 3 and 4. In addition, members of the circle are not as supportive of each other's development as their mentor. More than 50% of respondents strongly agreed that there are students in the Study Circle who support their development. Slightly more than 30% indicated on a scale of 4, and about 15% marked 3.

According to students, Study Circles are a place where their members can develop their interests and passions – a total of nearly 90% of respondents strongly agreed with this statement, indicate sakli responses of 5 and 4. In addition, a high percentage of respondents very much appreciated the issues of taking initiative and taking responsibility. Nearly 60% of students strongly agreed that they are encouraged to take initiative, and more than 30% indicated sakli 4. Less than 10% strongly disagreed with this statement.

The majority of Circle members surveyed agree, with the fact that Study Circles are a place where they have a chance to do what they do best. In this case, 55% of the students gave a rating of 5, while 28% indicated on a scale of 4. About 15% gave a rating of 3. This result suggests that the Study Circle offers its members an opportunity to use their strengths and skills in the Circle's activities. Only a few people rated it low, i.e., they indicated that they do not have the opportunity to use their strengths and skills in the Study Circle.

Nearly 75% of students responded that in the Study Circle they feel they are part of a team, and their skills are complemented by other members (46% gave an answer of 5, and 28% indicated 4). 19% of respondents don't quite feel part of a team and don't think that definitely their skills are complemented by those of other members of the Circle.

A question worthy of separate analysis was whether activity in a study circle positively influences respondents' future careers. On a five-point scale, members of scientific circles most often chose answer 5, this is more than half of the respondents (51%). No one indicated the answer "2". We can see that the vast majority of respondents believe that activity in the circle will benefit their future careers.

Being a member of a scientific circle, involves a great deal of work, put into the functioning of such an organization. This work brings a lot of benefits to students, which can bear fruit in the future and positively influence their professional development. Members of the circles deepen their knowledge in their chosen field, develop organizational and teamwork skills, which are extremely valuable in the labor market. In conclusion, the experience gained in study circles influences the development of students' skills, which will be very attractive in the labor market.

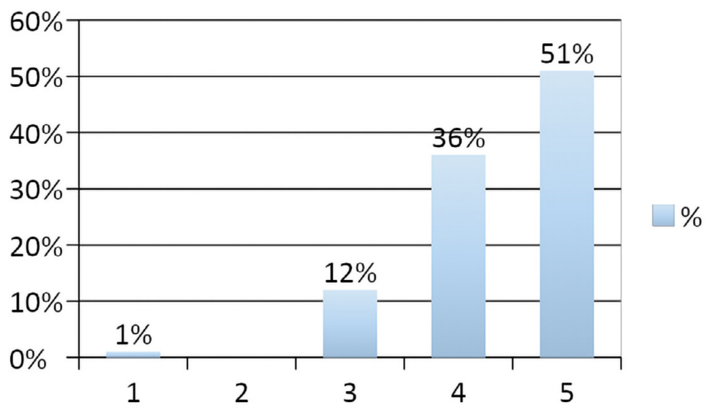

Chart 13.2. Activity in a study circle positively influences respondents' future careers

Source: Own elaboration

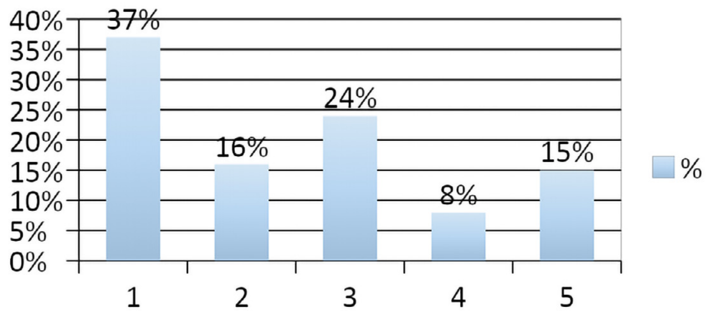

Chart 13.3. The effective use of project management tools or platforms

Source: Own elaboration

Another question that was separately analyzed referred to the effective use of project management tools or platforms (e.g. Jira, Trello, Asana). The majority of students marked the answer "1" it was 37% of the respondents. The highest point on the scale (5) was selected by only 15%. We can note that few students use such tools when working in a study circle.

Generation Z is famous for its intensive use of existing facilities on the market. They pick up every technological innovation that is useful in their academic as well as personal lives. Project management tools can be extremely helpful in the work of research circle members.

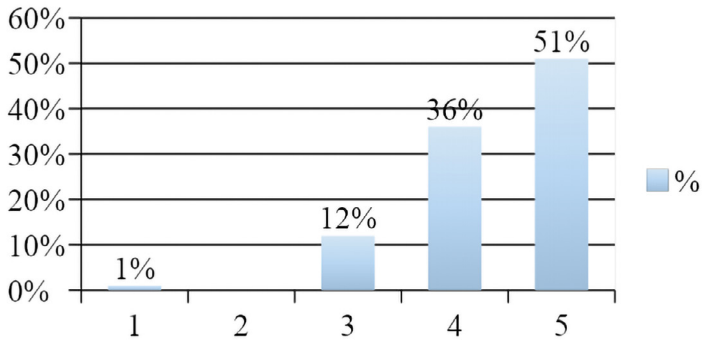

Chart 13.4. Maintaining contact with other academic circles, institutions and companies that contribute to networking and cooperation

Source: Own elaboration

Collaboration at a higher education institution is very important for creating a rich and dynamic academic environment, fostering the exchange of experiences, ideas and the development of creativity and soft skills. For this reason, in the next question, respondents were asked about maintaining contact with other academic circles, institutions and companies that contribute to networking and cooperation. The largest number of students selected the highest point on a scale of „5" was 37% of people. The answer „1" and „2" was selected the least number of times, 7% and 5% respectively.

Conclusion

There is no doubt that Generation Z is different, has a different approach to life, communicates differently, absorbs knowledge differently. „Zetas" are characterized by the need for quick feedback. As in social media, so in life, representatives of this generation value every comment, reaction, discussion. Therefore, every area of life should undergo certain transformations to better meet the needs of the digital generation. Given that the majority of students are representatives of this generation, the organizational culture of the student science movement should also change. The results of the survey showed that the vast majority of students rated the scientific circles they belong to as a place that meets their needs - they receive feedback on their work from the mentor and other members. They can develop their passions and interests, and indicate that by participating in a study circle they acquire skills that will be valuable in their future careers. However, members of study circles at Lublin University of Technology assessed that in pursuing the goals of the circle, they rarely use technological innovations that support the work of the organization, such as project management tools. Therefore, the university should support the student scientific movement in this area and provide access to tools and platforms to facilitate the smooth functioning of scientific circles.

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Abstract

The chapter focuses on research of the student science movement at Lublin University of Technology. Members of the Scientific Circles, who represent Generation Z, evaluated their organizations through the lens of the Circle's cultural features, which are responsive to the needs of their generation.

Keywords: generation Z, student scientific movement, organizational culture.

Academic internationalization: comparative methodology in student selection processes

CHAPTER 14

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Introduction

The theme of this research, Academic Internationalization: Comparative Methodology in Student Selection Processes, aims to analyze the preamble of internationalization, which consists of the selection process for international scholarships, specifically in the process of choosing students from the undergraduate programs of seven (7) universities, public and private, in the state of São Paulo.

The hypothesis was that differences in the selection processes would point to possible preferences on the part of the selectors, who would choose candidates with a set of specific characteristics that corresponded to the vocation of the Higher Education Institutions.

According to Stallivieri (2017), pursuing academic internationalization is an important step in a person's life, mainly because it provides a holistic view of life: The possibility of learning and acquiring knowledge from another perspective – having the opportunity to hear other opinions, witness other cultural manifestations, and enrich one's linguistic skills – definitely makes a difference in the potential of knowledge acquired. Even greater value is placed on the possibility that each individual has of being able to interact with a citizen from another culture, who has other ways of understanding the same phenomena, of speaking other languages, and of expressing feelings and emotions when faced with the same scientific, professional, or personal discoveries, through the use of other codes. These opportunities are unique in the academic life of a student or a university professor and should be valued and legitimized as educational manifestations of great value.

For those applying for a scholarship, the selection process is a fundamental step. In the first stage of selection, the candidate must follow the rules of the academic call. In this and the following stages, the selector adopts a set of techniques and procedures with the objective of selecting the best-prepared candidate to take advantage of a given opportunity. By analyzing the selection structures of several Brazilian universities in the state of São Paulo, we seek to understand and describe the practices commonly used in the selection of outgoing international scholarship recipients, that is, Brazilian students who receive scholarships to study in universities in other countries.

The documentary research gathered primary data obtained from calls and secondary data of a descriptive nature. The calls for the internationalization selection processes of the chosen universities were collected on the internet, more specifically on the universities' websites. All the calls refer to the same international mobility program that took place in 2018. Seven (7) selection calls for international scholarships from public and private universities in the state of São Paulo in 2018 were analyzed.

According to Fachin (2005), the comparative method has great amplitude in the field of sciences, with its application in investigative elements, according to the point of view that is intended to be studied, because human behavior (being typical, generic, and universal) can be better understood through comparisons of several social groups or subgroups, in some cases, of individuals, and also of data, objects, among other things.

Still on the method, the evaluations were based on the reading of the following works on internationalization and exchange: Dimensões e perspectivas (Dimensions and perspectives), by Luciane Stallivieri, and Interdisciplinaridade: Conceitos e Distinções (Interdisciplinarity: concepts and distinctions), by Jayme Paviani. Additional reading included materials, guides, and articles made available by the Brazilian Ministries of Education and Foreign Affairs. Studies and research from funding agencies are also part of the consultation sources used, some national - Coordination for the Improvement of Higher Education Personnel (CAPES), National Council for Scientific and Technological Development (CNPq), Brazilian Association for International Education (FAUBAI) – and others international – European Region Action Scheme for the Mobility of University Students (ERASMUS), European Association for International Education (EAIE), Association of International Educators (NAFSA) and International Association of Universities (IAU).

Historical Context of Academic Mobility and National Programs

According to Stallivieri (2017), the historical context of academic mobility began in the Middle Ages, carried out a priori by young Romans who went to Greece in order to deepen the studies of disciplines that were taught at the time, such as arts, literature and philosophy. Over the centuries, there was some development connected to the needs of the historical period, as in the 14th, 15th and 16th centuries, directly related to the Renaissance and stimulated by the thirst for knowledge and experience. The expression international understanding[1] was an important movement related to academic internationalization, which emerged in the post-war period with the objective of contributing to the restructuring of countries affected by the war through the dissemination of concepts such as solidarity and equality.

In Brazil, Stallivieri (2017) proposes the following understanding of international cooperation: Numerous collaborations and partnerships are being implemented at the various levels of education – from elementary to higher education – and at the academic, scientific and intellectual levels. Brazil has also expanded its cooperation ties with new countries beyond those with which it traditionally maintained relations, while increasing the level of institutionalization of its international cooperation, both of the cooperation provided and received.

The Science without Borders (Ciência sem Fronteiras) program has intensely promoted academic mobility in Brazil, providing scholarships for undergraduate and graduate students since 2011, the year it was created. As regards multilateralism, the program sought to promote the recipient's access to competitive educational systems, in addition to attracting foreign researchers to our country.

According to Granja and Carneiro (2021), the program's plan made provision for seven types of scholarships, five of which were exclusively destined to institutions of excellence abroad and in accordance with the following categories: undergraduate sandwich, professional

1 *international understanding* (Stallivieri, 2017)

and technological education, professional master's degree, doctorate sandwich, and full doctorate. The other two types in the program were aimed at special visiting researchers and young talents.

Table 1 below presents data on the number and distribution of scholarships granted by the Science without Borders Program from its creation until 2013.

Tab. 14.1. Scholarships granted by CAPES and CNPq, by type and country, in the Science without Borders Program

Destination country	Full Doctorate	Doctorate Sandwich	Post Doctoral	Undergraduate Sandwich	Attraction of Researchers	Total
Argentina	0	0	2	0	0	2
Australia	30	108	65	681	0	884
Austria	4	27	7	7	0	45
Belgian	17	68	34	75	0	194
Brazil	0	0	0	0	600	600
Canada	56	265	141	1686	0	2148
Chile	0	4	1	29	0	34
China	1	3	2	0	0	6
Costa Rica	0	0	1	0	0	1
Czech Republic	0	6	0	0	0	6
Denmark	2	37	9	8	0	56
Finland	1	9	3	36	0	49
France	97	445	266	1884	0	2692
Germany	94	258	178	1223	0	1753
Greece	0	5	0	0	0	5
Hong Kong	0	1	0	4	0	5
Hungary	0	4	0	0	0	4
India	0	2	0	0	0	2
Ireland	0	13	7	7	0	27
Israel	0	1	2	0	0	3
Italy	22	120	58	479	0	679
Japan	3	13	9	10	0	35
Luxemburg	0	0	1	0	0	1
Mexico	1	2	2	0	0	5
Netherlands	33	102	70	432	0	637
New Zealand	3	5	6	6	0	20
Poland	0	3	0	0	0	3
Portugal	129	314	136	2356	0	2935
Russia	1	0	0	0	0	1
Singapore	1	2	0	1	0	4
South Africa	0	4	4	1	0	9
South Korea	0	0	1	197	0	198
Spain	49	374	193	1848	0	2464
Sweden	3	38	20	25	0	86
Switzerland	2	33	22	10	0	67
Turkey	0	2	0	0	0	2
United Kingdom	158	277	300	1204	0	1939
United States	118	1183	799	2927	0	5027
Grand total	**825**	**3728**	**2339**	**15136**	**600**	**22628**

Source: Science without Borders Program (Ciência sem Fronteiras – CsF), 2013

The important national program Science without Borders (CsF) has provided many students with the opportunity for academic internationalization. Its continuity would be important mainly so that more students could benefit from the academic and cultural gains. Still regarding Granja and Carneiro’s (2021) point of view: Despite all the shortcomings, one has to recognize the relevance of the program which, as seen, was the most extensive Brazilian public policy for sending people abroad in recent decades. The final criticism is that a program of this magnitude should have been planned in a more systematic way, so that it could be implemented in a phased manner and with constant monitoring, allowing it to be more sustainable over time and also not needing to be removed from the political agenda.

According to Belta (Brazilian Educational & Language Travel Association), in 2018 Brazil surpassed the milestone of 302,000 students abroad, which represents a 23% increase if compared to the 2017 rates. The growing interest in academic mobility reflects the students’ recognition of the positive results of this process.

International Students and Interdisciplinarity

Interdisciplinarity plays an important role in the university structure. Its promotion, according to Paviani (2014), follows the reasoning of a necessary contribution that causes a split in the classical duality of tradition. The essence of interdisciplinarity carries a concern about the excessively uniform standardization present in university models in the face of international academic mobility programs, in their most varied aspects, objectives and formats, whether long, medium or short term. The distance education (DE) model gained traction due to barriers imposed by the COVID-19 pandemic. Every academic internationalization process encompasses, among many aspects, a multilateral enrichment by fostering the deconstruction of prejudices.

The Organization of Ibero-American States for Education, Science and Culture (OEI) considers that education, science and culture are important tools for human development and as such they generate opportunities to build a better future for all: We work directly with the governments of our 23 member countries, responding to their priorities and strengthening public policies through programs and projects designed and implemented by highly qualified professionals committed to creating value for society as a whole (OEI, n.d.).

In Brasília, the office of the OEI in Brazil, founded in 2001, has as its main objective the cooperation between Ibero-American countries in the fields of education, science and culture with a view to integral and sustainable development (MINISTRY OF EDUCATION, 2014). The OEI has worked to align the Ibero-American regional education agenda with the efforts of the United Nations to fulfill the 2030 Agenda with the Sustainable Development Goals, with special attention to the designing of programs for the professional development of teachers, and the consequent increase in the quality of education. The promotion of mobility actions aimed at the exchange of innovative experiences within Ibero-America has contributed to the process of training and expansion of research. (MINISTRY OF EDUCATION, 2014)

Given the continental importance of internationalization in Ibero-America, we have chosen to analyze the scholarship calls for this region.

The Calls

The development of the internationalization process is presented as something natural. Although the historical context offers facts that elucidate the presence of university internationalization, the current format points to a marked distance from the formats of the past. Regarding this theme, we believe it is necessary to study the format of the selection process at some public and private institutions in the state of São Paulo, specifically the calls for applications, which can help to understand the distribution of these opportunities.

Therefore, we chose to discuss the processes and procedures for selecting students in the internationalization programs of public and private universities through a comparative method, in order to understand how this process works. We decided to expand our systematic search for data on the selection process because we considered it important to analyze the selection process for scholarships from countries concentrated in Ibero-America. We believe that this scope contributed to better understand characteristics of the practices adopted in the universities selected for this study.

As regards the academic calls, we chose the ones that were still available for reference, namely the ones from Universidade Federal de São Paulo (UNIFESP), Universidade Estadual de Campinas (UNICAMP), Universidade de São Paulo (USP), Pontifícia Universidade Católica de São Paulo (PUCSP), Centro Universitário das Faculdades Metropolitanas Unidas (FMU), Universidade Presbiteriana Mackenzie (UPM) and Universidade Paulista (UNIP). Calls for the same program for undergraduate courses were analyzed, about which we have gathered more details for those who agreed with the privacy policy of this research, submitted to and approved by Plataforma Brasil. The comparative analysis of the calls from the seven (7) universities shows that:

One (1) university gives preference to candidates who have an undergraduate research project (UPM); requests a normalized overall average (USP); does not request an application form provided by the home HEI (USP); does not condition the application to the existence or non-existence of subjects on probation (PUC-SP); allows the existence of a limit number of subjects on probation (UNICAMP); requests the non-existence of financial probation with the home HEI (FMU); limits application by the courses of the partner universities (UNICAMP).

Two (2) universities do not allow the overlapping of scholarships (UNIP and USP); request that the documents be sent by e-mail (UNIP and FMU); the tie-breaking criterion is by age, time/semester of the course and good overall average (FMU and UPM); request an individual taxpayer registration number (UNIP and FMU); request a signed statement of agreement with the terms of the HEI of origin (UNIP and UPM); request a curriculum vitae (PUC-SP and UNIFESP); request a document indicating socioeconomic vulnerability (PUC-SP and UNICAMP).

Three (3) universities offer scholarships for all courses at the home HEI (UNIP, USP and UPM); have tie-breaking criteria (FMU, USP and UPM); request the submission of documents via the university platform (USP, UNICAMPM and UPM); request intermediate level or mastery of the language of the destination country (UNICAMP, UNIFESP and UPM); request a motivation letter (PUC-SP, UNIFESP and UPM); conduct an interview with the candidates (UNIP, PUC-SP and, UNIFESP).

Four (4) universities limit applications by courses (FMU, UNICAMP, PUC-SP and UNIFESP); require or prefer applicants who have no subjects on probation (FMU, USP, MACKENZIE and PUC-SP); request a letter of recommendation from a professor or coordinator (UNIP, UNICAMP, PUC-SP and UPM); a passport number (UNIP, FMU, UNICAMP and UPM); an academic transcript (UNIP, PUC-SP, UNIFESP and UPM); a photo (UNIP, FMU, PUC-SP and UPM); a national identification number (UNIP, FMU, PUC-SP and UPM); request a study plan proposal (UNICAMP, PUC-SP, UNIFESP and UPM).

Five (5) universities request proof and level of foreign language proficiency (USP, UNICAMP, PUC-SP, UNIFESP and UPM). Six (6) universities request an application form from the university (UNIP, FMU, UNICAMP, PUC-SP, UNIFESP and UPM). All universities require active enrollment, specific period of the course (between the first and the last ones), registration with the funding agency, ability to follow the rules of organization of the call documents, that the applicant be Brazilian or naturalized, good overall average as application and/or tie-breaking criteria.

Our initial hypothesis was that, due to their specificities and missions, the universities studied would adopt different criteria for selecting candidates for international scholarships. This hypothesis was refuted, as there is significant similarity in most of the selection criteria adopted by both private and public universities for the same call for international scholarships for undergraduate students. Therefore, in general terms, the universities studied share the expectation that the candidate for international scholarships should have a certain profile. The differences identified are compiled in Table 2, shown below. One of these differences is related to the tie-breaking criteria, such as chronological age and not having a subject on probation. Since the theme of international selection is extensive and complex, we suggest that researchers who are interested in university internationalization carry out related research, or even research that broadens and deepens the knowledge obtained in the research reported here. For example, one aspect that requires further investigation relates to the characteristics of the selected students in order to know if they meet the requirements established in the calls.

Discussion

Globalization is a process of international connection that reduces geographically imposed barriers of space and time, and is built predominantly through technology, using communication, language

Tab. 14.2. Comparison of the seven calls

	UNIP	FMU	USP	UNICAMP	PUC-SP	UNIFESP	UPM
Enrollment	yes	yes	yes	yes	yes	yes	yes
No pending financial obligations during the semester	-	yes	-	-	-	-	-
Minimum Overall Average	6	-	5 (standardized)	-	7,5	-	7
Courses	All courses	Biomedicine, Computer S., Economic S., Law, Civil Engineering, Mechanical Engineering, Languages, Dentistry, Psychology, International Relations, and Veterinary Medicine	All courses	specific course table v partner university)	Nursing, Engineering, Biomedicine, Speech Therapy, Business Administration, Physiotherapy, Social Sciences, Law, and International Relations	Medicine	All courses
Course Period	specific	specific	specific	specific	specific	specific	specific
Academic Affiliation	yes	yes	yes	yes	yes	yes	yes
Academic Probation	does not assess	cannot have	cannot have	yes (8 credits on probation)	preferably not	only one (1)	no
May have overlapping scholarships	no	the student must not have been granted one previously	the student may have overlapping scholarships as long as they are not from the same funding agency/institution	the student must not have been granted one previously	the student must not have been granted one previously	the student must not have been granted one previously	-
Language	no	no	chosen country's language proficiency certificate	intermediate	proof of Spanish language proficiency for applicants to Spanish-speaking HEIs	sufficient command of Spanish	at least an intermediate level of Spanish, or the level required by the university, whichever is higher, if the student chooses an HEI at a Spanish-speaking country
Internationalization application	e-mail	e-mail	platform	platform	printed	in person/ mail	platform
Format of documents to be sent	pdf	pdf or jpeg	system	limit file size	printed	printed	jpeg and pdf
Proof of application development agency	yes	yes	yes	yes	yes	yes	yes
Application form	yes	yes	-	yes	yes	yes	yes

Source: Own elaboration

Tab. 14.2. Comparison of the seven calls

National identification number (RG)	yes	yes	-	-	yes	no	yes
Individual taxpayer registration number (CPF)	yes	yes	-	-	no	no	no
3 x 4cm photo	yes	yes	-	-	yes	no	yes
Academic transcript	yes	no	-	-	yes	yes	yes
Passport	yes	yes	-	yes	no	no	yes
Statement of Agreement with the terms of the HEI	yes	no	-	no	no	no	yes
Recommendation	yes	no	-	yes (approval of registration by the coordinator)	yes	no	yes
CV	no	no	-	no	yes	yes	no
Motivation Letter	no	no	-	no	yes	yes	yes
Tie-breaking criteria	no	yes (course length, average and age)	yes (older)	no	no	no	yes (average, semester, undergraduate research project)
Study plan proposal	no	no	no	yes	yes	yes	yes
Income Tax	no	no	no	no	yes	no	no
Pay slip (family)	no	no	no	no	yes	no	no
Low Socioeconomic Status Statement	no	no	no	yes	no	no	no
Selection Process	3 stages: analysis of the documentation requested in the call for applications - questionnaire - interview	2 stages: analysis of the applications and selection of the candidate according to the highest overall average - 4 (four) students selected in the first phase will be evaluated by FMU's selection committee through criteria such as good academic performance and no academic or financial probation at the HEI	the student may have overlapping scholarships as long as they are not from the same funding agency/institution	2 stages: the final ranking is based on the analysis of the academic merit (GPA) of all candidates who meet the conditions for eligibility and have submitted the requested documentation. - In the ranking stage, the candidate must confirm their participation in the call until 23h59 of the date set in the schedule by sending an email message to UNICAMP's administration office with the subject title "Confirmation of Interest Call XX/2018 (two thousand eighteen)" and with the following information: full name, student card number, information containing the words "I confirm my interest in participating in the call no.	2 stages: selection of up to twenty students for the 2nd stage based on the analysis of the requested documents. The academic average is calculated by adding the grades of all the courses in the report card or transcript from PUC-SP and then dividing the sum by the total number of these courses considering two decimal places. - 2nd stage: candidates must submit the documentation requested in the call. In this stage, candidates are interviewed by ARII (International and Institutional Relations Office) representatives. For candidates to Spanish-speaking HEIs, the selection is made in Portuguese and Spanish. For final selection purposes, all required documents and the interview are considered.	2 stages: analysis of the documents requested in the call - interview	3 stages: analysis of the documents requested in the call - assessment of the following criteria: overall average, number of curricular components that are pending or on probation, the school semester, undertaking of undergraduate scientific or technological research project and participation in peer-tutoring activities in undergraduate courses - assessment of the overall averages by the formula specified in the call "Ranking Score = MGR = FCCDP+ FSEM+ FICT+ FMON" to select the students who will be granted the international scholarships.

Source: Own elaboration

and information as vectors. However, this contemporary aspect also harbors negative points, as Giddens (1991) highlights when defining globalization as "[...] a process of uneven development that both fragments and coordinates [...]".

An important aspect in this context is academic internationalization which, in the path of globalization, advocates an increasingly universalized knowledge. Interdisciplinarity and interculturality are certain to meet in the experience of academic mobility. According to Paviani (2008) "[...] one aspect that interests the interdisciplinary spirit is the close international exchange between professors and students, a relevant condition of scientific production to this day [...]".

Academic internationalization is one of the topics in education that has shown exponential growth, noticeable in recent years as a topic of importance in governmental, institutional and research funding agency spheres, as seen, for example, in the Science without Borders Program, which was created in 2011 and was active for undergraduate programs until 2017. No longer merely a promising expectation, academic internationalization is a reality widely discussed in international forums, especially regarding the development of global education.

Partnerships for research and staff and student exchanges promote international cooperation. The encouragement of more broadly balanced academic mobility should be integrated into mechanisms that ensure genuine, multicultural and multilateral collaboration (UNESCO, 2009).

Knight (2004) describes internationalization as a: Process of integrating international, intercultural and global dimensions into the goals, functions and performance of higher education. Therefore, it brings along the need to rethink academic curricula, to learn a foreign language, to work on research objects of international interest, to innovate in the use of digital technology, while demanding interactions of local students and faculty with their international peers. Most importantly, it focuses on enabling all students to reap the benefits of internationalized higher education, not just those who have participated in mobility programs (McManus et al., 2021).

Generally speaking, we have not yet found a consensus on the definition of "academic internationalization". It is clear that the understanding of this term has undergone several changes over the years, including changes in higher education institutions themselves.

Notably, universities that seek to promote internationalization as one of their institutional pillars are qualified by the understanding that educational quality is in constant development, and that international partnerships generate important opportunities for the improvement, not only of students and faculty, but of society as a whole, by promoting and encouraging research, which disqualifies a unilateral result. Just as higher education institutions should advocate quality at undergraduate and graduate levels (stricto or lato sensu), they should also recognize the importance of internationalization. CAPES (Coordination for the Improvement of Higher Education Personnel) is constantly working to improve the evaluation process of university-level internationalization. Moreover, CAPES establishes international partnerships under the Brazilian Ministry of Education. It is worth noting that other agencies for the promotion and evaluation of higher education in Brazil, such as INEP and the Research Funding Foundations, offer guidance and requirements on internationalization that must be carefully observed by Higher Education Institutions.

Conclusion

We have verified that, for the program studied, the candidate profile sought by the universities included the following characteristics: good to excellent overall average; recommendation made by a professor or coordinator; sufficient understanding and organization capacity to meet the requirements of the call and academic planning for the future; knowledge (or not) of a foreign language; no academic probation. Contrary to what we might assume, there seems to be agreement among universities, private and public, regarding the ideal candidate profile to be approved.

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Abstract

International mobility is a process of academic and cultural improvement that provides multifaceted development to those who merit it. Internationalization, among its most diverse types and methods, provides benefits beyond the merely academic; after all, personal, social, and cultural aspects are developed and improved as a consequence of the exchange of knowledge and experiences. This study analyzed one of the possible preambles of internationalization, which consists of the process of selecting international scholarship recipients with a focus on undergraduate students. In order to better understand the selection process, seven public and private universities in the state of São Paulo were selected, and the discussions and comparisons herein relate to these higher education institutions. In addition to the academic calls from the chosen universities, literature by Luciane Stallivieri and Jayme Paviani and articles from national and international funding agencies were also studied and used in this work, so as to deepen the understanding of how the selection process has been carried out in higher education institutions in the state of São Paulo, where this contribution, in parallel, has promoted an elucidation of the profile of students selected for scholarships in international academic mobility.

Keywords: internationalization, selection, university.

CHAPTER 15

Success factors in small and medium businesses

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Introduction

Small and medium business occupies a relatively modest place in our country. In some European countries, the share of small and medium-sized businesses reaches 80%. At the same time, its development is one of the priority tasks of the country's government from year to year. Large forums, congresses, conferences are held, where more effective forms of supporting the development of small and medium-sized businesses are sought and this is not accidental. Increasing the importance of small and medium-sized businesses in modern conditions is an objective world trend. Georgia is also following this trend, belatedly and not in such doses. Small and medium business, as a subsystem of the national economy, as a special form of economic activity, cannot develop only thanks to the conditions created for it, no matter how favorable they may be. In the national economy, special institutions must be created and "grown" that ensure the sustainable operation of small and medium-sized businesses. An important role in the establishment of such institutions should be played by science, which gives budding entrepreneurs the opportunity to share both positive and negative experiences of their predecessors. The cornerstone of this is the concept of the success of small and medium-sized businesses.

Literature review

William g. Nickels., James M. McHugh., Susan M. McHugh. Understanding Business. Tenth edition. 2014 - The following topical issues were discussed: Business trend: Cultivating a Businessin Diverse, Global Enviroments; Business Ownership: Starting a Small Business; Business Manegement; Manegement of Human Resourse; Marketing; Developing and Implementing Gustomed-Oriented Marketong Plans; Managing Finansial Resourses.

In the work, the modern stage of business development is related to the fourth industrial revolution, the main characteristic of which is digitalization of economic activity. Penetration of new digital technology in business and human life, digital transformation, contributes to the optimization of precise work and involves the transition of the company to an electronic platform. The paper discusses the main aspects of modern business digital technologies, their impact on business processes. The paper analyses the indicators of digital technologies, the main trends and perspectives of the introduction of technological innovations in the economic freedom of Georgia (Lobjanidze & Artmeladze, 2022).

Small and Medium-sized Enterprises (SMEs) Independent businesses with around 50-250 employees, Written by CFI Team, Updated December 5, 2022. The paper describes what small and medium-sized enterprises (SME) are.

It is defined differently around the world. The country in which the company operates provides a certain size of small and medium business. Depending on the country, the size or categorization of a company as an SME can be based on a number of characteristics. Characteristics include annual sales, number of employees, number of assets owned by the company, market capitalization, or any combination of these characteristics. The United States also defines SMEs differently from one industry to another. The paper talks about the importance of small and medium enterprises: In particular, it promotes flexibility and innovation, creating a more competitive and healthy economy.

Small and medium-sized enterprises help large companies in some areas of activity that they are better able to provide. Accordingly, small and medium-sized enterprises immediately collapse; Large enterprises will be forced to engage in more activities that may not be efficient for these enterprises. Activities such as the supply of raw materials and the distribution of finished products created by large enterprises are more efficiently developed by small and medium-sized enterprises.

Governments also recognize the importance of small and medium-sized businesses. They offer regular incentives such as easier access to loans and better tax treatment.

The paper is about small and medium-sized businesses in the United States. As mentioned earlier, the United States adheres to different definitions and guidelines for SMEs that differ from one industry to another. The practice complies with the North American Industry Classification System (NAICS). The system was developed jointly by the US, Canada and Mexico to help establish a set of guidelines and standards, which enables the collection and analysis of operating statistics for businesses in North America.

Factors affecting small and medium business

One of the key problems in modern economic science is the apparent contradiction between academic and applied discourse. Most of the basic concepts: profit, customer, costs, efficiency, market – are defined in different ways in textbooks and business practices. This creates difficulties in the application of economic knowledge. One example of such negligence is "success" or simply "success". In essence, this is what every economic entity strives for - a businessman, a hired manager, an entrepreneur, as well as unions: Firms, large corporations. "Success" as a goal exists, but it is very difficult to measure and/or identify. However, economics still prefers to remain captive to the illusion that every entity has a clear and measurable goal: Benefit, profit, income, prosperity, "happiness" etc. The term "small business" first appeared in the USA in 1953 in the Small Business Act. Small businesses primarily include enterprises that meet at least two of the following characteristics:

- own capital,
- local area of operation,
- independent management,
- relatively small amount of production,
- small number of employees,
- relatively small amount of working capital.

The Small Business Administration (SBA)defines a small business as one that is independently owned and operated, is not dominant in its field of operation, and meets certain standards of size in terms of employees or annual receipts, A small business is considered "small" only in relationship to other business in its industry.

In modern economic conditions, the success of small and medium-sized businesses is significantly influenced by external factors that create the established business environment. Among the main external factors for the success of small and medium-sized businesses, we can distinguish: Economic, legal, social, political, technological (scientific-technical), organizational factors.

Internal factors also include institutional (the existence of routines within the company – rules and norms of behavior that facilitate or, on the contrary, complicate the interaction of employees), "labour", which refers to the special skills of workers; "Entrepreneurial", which determines the competence of managers. Let's consider in more detail what the internal and external factors that affect small and medium-sized businesses include.

The presence of corporate culture in the enterprise is very important for the achievement of the goals and success of the enterprise. Elements of corporate culture in small and medium-sized companies are introduced by its owner. According to his ideas, a special environment is created in the company, which is based on a system of values. This gives the company a powerful push towards success. A unanimous team united for one purpose is an integral part of a successful company.

Increasing business activity is one of the main tasks on the way to success of small and medium-sized businesses. The duration of production and financial cycles, as well as the level of liquidity and solvency of the enterprise, are directly related to the turnover rate of assets. That's why companies should constantly work towards perfecting contractual relations with partners, as well as optimizing and speeding up the production process, of course, not at the expense of efficiency and quality.

The structure of operating costs (the ratio of fixed and variable costs) affects the company's ability to achieve the efficiency of its economic activities. The optimal ratio of fixed and variable costs will give the company the opportunity to build a certain reserve of sustainability, which will neutralize the impact of negative economic trends.

Medium and small businesses play an important role in the modern economy. In many European countries, they account for about 80% of the gross domestic product and employment structure. In reality, the situation in our country is slightly different. Currently, small and medium-sized businesses are developing, the state supports them, but until this moment they perform an auxiliary function and could not become self-sufficient subjects of the economy. Exceptions are companies developing in the field of Internet trade, IT marketing. Throughout the economy, there are examples of successful management of small and medium-sized businesses, and it is an important task to find them and reveal the "secret of success" thanks to which they remain successful even in an unfavorable environment.

We then conducted an analysis of the relationship between the success of small and medium-sized businesses and the social responsibility of their leaders. The mentioned analysis was carried out based on the proposed triad of small and medium business success criteria, as well as the author's survey of the heads of small and medium businesses conducted in September 2023.

Among the success factors of SMEs, of course, is the quality of relationships between managers and employees of SMEs. In this regard, it is necessary to consider such a success factor as the social responsibility of business. Usually, social responsibility is considered a prerogative of large corporations, although the problem is no less acute at the level of small and medium-sized businesses.

The paper used the research of small and medium business success factors organized and conducted by the author, which was conducted in the form of a survey of its managers. In total, more than 60 supervisors were interviewed. After preliminary analysis, 50 of them were used in the selection. In addition, questions were asked about the key success factors, barriers to business success, the head's sense of self – whether his business is successful or not, as well as the level of remuneration in the enterprise and how it corresponds to the level of the head's income. The grouping and comparison of the obtained results formed the basis of the present study.

Small and medium business in Georgia

The establishment of small businesses in Georgia was carried out gradually, which was facilitated by the new laws adopted in the USSR in the 1980s – "On cooperation" and "On individual labor activity," which in fact created the basis for private entrepreneurial activity.

During this period, small enterprises began to emerge in the form of cooperatives, partnerships, private individual enterprises and farms and other microstructures. Economic reform put Georgia in front of new practical tasks and challenges. It was an unprecedented attempt on the path of radical and rapid integration of Georgia and the closely integrated Soviet economy. It had to ensure "meeting the needs of the population" in the transition to a market economy.

In recent years, as a result of the reforms implemented by the Government of Georgia, the country's investment and business environment has been significantly improved, administrative barriers have been significantly reduced, and state services have been improved. Reforms, the implementation of which has simplified business start-up and production, tax policy.

The Government of Georgia attaches special importance to small and medium entrepreneurship in the process of economic development and aims to further improve the business environment, which will contribute to the growth and development of small and medium enterprises.

Until 2017, a different methodology for estimating the size of enterprises operated in Georgia. Since 2017, the following methodology for determining the size of enterprises has been in effect: The enterprise is large, in which the average annual number of employees exceeds 249 people or the average annual turnover exceeds 60 million GEL. It is a medium-sized enterprise, in which the average annual number of employees ranges from 50 to 250 people, and the average annual turnover is from 12 million to 60 million GEL.

The enterprise is small in size, in which the average annual number of employees does not exceed 50 employees and the average annual turnover does not exceed 12 million GEL.

Supporting the development of the private sector, especially small and medium entrepreneurship, is one of the priorities of the Georgian government's economic policy. This is also reflected in the document of the Government of Georgia – Basic country data and directions for 2019–2022. As indicated in the mentioned document, in order to develop small and medium-sized businesses, "With the active involvement of financial institutions and taking into account international best practices, a credit guarantee mechanism and the corresponding legal framework will be developed and introduced, which will significantly simplify access to finance for small and medium-sized businesses, will contribute to additional lending to the economy, improving liquidity in small and medium-sized enterprises and, most importantly, increasing employment and ensuring inclusive economic growth.”

The effective implementation of the mentioned strategy will contribute to the development of small and medium entrepreneurship, to increase their growth and competitiveness, and to increase access to finance.

In Georgia, small and medium-sized enterprises (SMEs) are important for promoting employment and economic growth. However, there are factors such as limited access to finance, strict legislation and difficulties in entering new markets that require more effort to succeed.

Since 2009, the European Union has been supporting the development of small and medium-sized businesses in Georgia through the EU4Business program. Currently, there are about 50 different projects operating in the country, the total budget of which exceeds 320 million euros.

EU4Business projects help SMEs improve their knowledge and skills, comply with Deep and Comprehensive Free Trade Area (DCFTA) standards, establish business links and better access to European and other markets. This is done, for example, by creating sectoral clusters, business incubators and business support organizations.

“Through loans and grants, the EU4Business-EBRD Credit Line supports a wide range of projects that increase the competitiveness and capacity of Georgia´s SMEs in the EU as well as in their home markets”.

Within the framework of the project, small and medium-sized entrepreneurs can receive consulting services to strengthen their technical and managerial skills and deepen their market knowledge. The project also helps small and medium-sized enterprises that invest in new equipment and technologies so that their activities comply with both EU directives and new sanitary, phytosanitary, technical, quality and environmental standards. Entrepreneurs have the opportunity to increase their exports to the EU and beyond.

The project “Development of small and medium entrepreneurship and DCFTA in Georgia” is co-financed by the European Union and implemented by the German Society for International Cooperation (GIZ).

The goal of the project is to support the reforms of the institutional and regulatory environment related to the implementation of the Deep and Comprehensive Free Trade Area (DCFTA), In particular, in terms of strengthening the opportunities of small and medium entrepreneurship, to increase the competitiveness of this sector and ensure its adaptation to the new regulatory environment. The project will create a foundation for strengthening small and medium entrepreneurship to ensure large-scale economic growth in Georgia.

Methods & Result

During the analysis, such methods as analytical grouping, comparison, qualitative signs, and correlation analysis methods were used.

In accordance with the research conducted by us, which is based on the evaluation of the success of companies prevailing in practice today as the possibility of bringing profit. An analysis of the success criteria used by managers of small and medium-sized businesses was carried out. The analysis was made in September 2023 based on the results of the survey of 50 enterprise heads. An assessment of the relationship between the success of small and medium-sized businesses and the degree of social responsibility of their managers was carried out. To assess social responsibility, a comparison of the average salary level of ordinary workers with management salaries was used. A non-linear relationship between the success of the business and the social responsibility of its leaders has been established.

Conclusion

We have explored the features of success of small and medium-sized businesses. They have both international and national character. The first feature is the absence of a unified system of criteria in different countries for classifying a specific enterprise as a small or medium-sized business. This system can contain both one and several indicators. The second feature is that “SME” (small and medium-sized enterprises) is international in nature.

There are various factors affecting the success of small and medium-sized businesses, in developing countries, including Georgia, we consider the assistance of the European Union and its affiliated structures and the sharing of their experience to be one of these factors.

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Abstract

Topicality of the research issue is related to the opinion that the development of small and medium size business is one of the priority tasks. mall and medium business as a subsystem of the national economy, a special form of economic activity cannot develop owing to external circumstances created for it only regardless of the degree of their favourability. Special institutions must be created, "developed" in the national economy to ensure sustainable regeneration of small and medium business. Internal factors influence the success of small and medium-sized businesses, however, internal factors manifest themselves differently in small and medium-sized businesses operating in different fields and sectors. The impact of internal factors is also different in different periods of business operation. When analysing the external factors of success, attention is paid to economic, legal, political, technical and organizational factors. In addition, the basis for the allocation of external factors is the entities affecting small and medium-sized businesses.

Keywords: business, success factors, internal and external factor.

Virtual mobility as a new trend of internationalisation and university management in the post-COVID reality based on own experiences

CHAPTER
16

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Introduction

The worldwide COVID-19 pandemic had clearly thrown the world into a state of uncertainty about the future. For higher education institutions, that was a very challenging and worrying time for internationalization activities. Not being able to easily recruit students from overseas, providing opportunities for students and staff to travel to improve and broaden their experiences was clearly a severely limiting factor in delivering on international objectives and pledges. The drastic decline in the implementation of international activities, the impossibility to realize the majority of physical mobilities, as well as growing problems with international recruitment, had huge organizational and financial consequences for many institutions. The pandemic brought a new type of academic mobility to the fore – virtual mobility, which universities had to quickly implement in order to participate in international exchanges and continue educating students. Virtual mobility also relies on various ways of engaging students in intercultural cooperation and online interaction with partners from different geographical areas and fields of education. One of the elements of partnership and cooperation with foreign educational institutions is conducting joint studies, academic exchanges, and staff training. The COVID-19 pandemic naturally contributed to the creation of an initiative to implement part of the mobility program based on blended learning, i.e., combining traditional education methods with remote classes, using modern information and communication technologies.

Literature review

As the report of the European Association for International Education (EAIE) shows, the COVID-19 epidemic has dramatically changed the global landscape of higher education in 2020 (EAIE, 2020). In a short time, universities were forced to transfer classes to online platforms such as Teams, Meet, ClickMeeting, etc. Most international events have also been cancelled, i.e., international conferences or seminars, staff weeks, and orientational weeks.

Research shows that the mobility of students and university staff around the world has suffered greatly. The results of the survey conducted by EAIE among university employees from 38 countries leave no illusions: over 73% of respondents emphasized that COVID-19 limited the mobility of foreign students, and 54% indicated the impact of coronavirus on employee mobility. Almost three-quarters of universities considered the impact on student and staff mobility to be very significant. The countries that, according to respondents, were most affected by disruptions related to the mobility of outgoing students in the initial phase of the epidemic were primarily Italy, Korea, Taiwan, Hong Kong, Singapore (63%), and China as the global epicenter of COVID-19 (37%). For employees, the percentage was 57% (Italy, Korea, Vietnam, Japan, Hong Kong, Singapore) and 43% (China). In turn, 48% of respondents indicated that the mobility of students coming to universities was limited due to the closure of borders. Mobility activities for both students and researchers have mostly been postponed or cancelled.

Fast top-down coordination, quick information flow, and receiving a signal from national, local, or regional management authorities were the best supports for the interviewed employees. University management has been helping to get a clear provision and operational kit to carry out their institution's work and manage crisis control. In second place, they mentioned enabling access to ideas and good practices from others. Respondents also indicated such needs as: access to additional goods and hygiene facilities; better information flow about the pandemic situation at the local, national, and international levels; advice regarding health and science in relation to COVID-19 prevention and patient care; using current methods of support; communication distance guidelines; implementing top management "just in time" and ways to solve discrimination issues. Huge importance has also been placed on planning and more effective communication processes with partner foreign institutions.

According to the Quacquarelli Symonds report, 53% of people decided to postpone or delay their trip to foreign universities (QS, 2020). However, only 7% of respondents completely resigned from studying abroad, which proves that the market for international students, although currently weakened as a result of the pandemic, still remains strong. According to experts, the number of foreign students wishing to apply for studies abroad is going to increase significantly in the coming years. Immediately after the epidemic, potential students closely watched the situation; 9% of them were looking for alternative majors. Their priorities are safety at the university and a more favorable epidemiological situation in a given country, as well as relatively low tuition fees. Many institutions choose to continue some or all of their online classes for one semester or even the entire academic year. Research has shown that, in total, 60% of potential students express interest in online studies to varying degrees. The fact that so many people are open to the idea of learning through this method suggests that there is huge market potential here. This encouraging signal for universities suggests that it can help the institution minimize the effects of the crisis.

Around 40% of respondents strongly rejected online learning, and this group was most likely determined to postpone studying abroad to a later date. It is difficult to convince them to study online, unless, in line with their expectations, the fee for this form of study is significantly reduced. Otherwise, they saw no point in incurring identical costs. Students also believed that the key element was the opportunity to experience university life, meetings with lecturers and other students, and the opportunity to exchange views directly. In their opinion, the negative aspect of distance learning is the feeling of isolation while doing it.

Universities that want to convince students to study online should have prepared an offer in line with their expectations while also highlighting the best advantages of this form of education. Among them are: flexibility of classes, studying while working, the convenience of learning from any location, lower learning costs, access to materials, and no additional costs associated with travel. Additional facilities are helping to minimize the fears of future students. In accordance with (QS, 2020), students primarily expected full information on deadlines for submitting applications, changes in the recruitment process, tuition fees, the schedule of online classes, safety on campus, easier access to medical centers, or the creation of a 24-hour help center. It shows that students are still considering studying abroad in the next academic year. Potential students also counted on visa facilitations that would speed up their mobility for studies. Most of them wanted to stay in the country after graduation as long as their student visa allowed. When considering the option of study, candidates took into account the employment rate of graduates and the time it takes to find a job. According to experts, it is therefore crucial for universities to provide information on employment opportunities after graduation.

The authors of the report (European University Association, 2020) draw attention to the analogy between the economic crisis of 2007–2009 and the inflationary downturn that is taking over the world at a very fast pace now. According to experts from the EUA, the COVID-19 pandemic will have a long-term impact on the European economy and society. Due to the significant decline in GDP, the sources of funding for higher education will change, which will affect all areas of the functioning of universities, including education, research, and infrastructure. The result of the economic recession will be a reduction in spending on education, which is especially unfavorable to those universities whose income depends on the condition of national economies. The decrease in the number of foreign students is already felt by universities that provide paid education, for example, British universities.

Methods & Result

The methodology used to present the issues in the article is a comparative analysis of thematic reports from international organizations. In addition, a SWOT analysis of virtual education by students and the impact of the COVID-19 pandemic on the internationalization process at universities were carried out. On the basis of the analyzed reports and our own experiences, it is possible to indicate highly probable directions for changes in the short- and long-term internationalization strategies of universities, in particular the aspects related to student mobility projects. The researched sources contain forecasts and recommendations aimed at searching for effective solutions to overcome the effects of the pandemic and adapt to functioning in new conditions.

The time after the pandemic is a period when universities revise their internationalization strategies and management activities in order to recompensate for mobility activities and return to the realization of international projects as scheduled and with higher quality. Universities rightly shifted the burden of activities from external to internal internationalization, the so-called "internationalization at home". Appropriate activities undertaken on an ongoing basis, as well as preparations for the implementation of international cooperation during the post-COVID period, were necessary to quickly return to the current level of internationalization of higher education (Zapotoczna, 2021). Now is the time to think of internationalization as a holistic commitment of universities to cooperation, in almost every area and at every level. During this period, the exchange of know-how and good practices between partner universities, sharing experiences, and supporting each other during transformation is extremely valuable.

The aspect that emerges in all the analyzed reports concerns the internationalization of higher education in virtual reality and the creation of an interactive educational space. The most important question of the present is related to the future of mobile projects: how to compensate for the lack of interpersonal interaction and enable students and employees to develop competences gained during participation in the exchange. In addition to the knowledge of foreign languages, the beneficiaries of, for example, Erasmus+ projects develop their ability to adapt to new situations, including familiarity with a linguistically and culturally different environment, and a greater awareness of cultural differences.

In order to successfully realize virtual mobility, which is a necessary type of education process in the field of internationalization, three basic conditions must be fulfilled: virtual mobility cannot interfere with physical mobility, just complement it; academic teachers should undergo special professional/informatics training and, the most importantly, this type of mobility must be included as part of the study program and be fully recognized (Czeladko, 2020)

Universities must look for substitutes for limited mobility and ways to enable the development of at least some of the soft skills of students who do not cross their threshold. The solution may be to organize additional online activities for international and local students. Examples of initiatives include virtual cafes, workshops and training on intercultural topics, mentoring and welcome programs, as well as proposals for students to participate in volunteer activities, e.g. as native speakers in local schools, encouraging them to share their experiences and reflections in social media.

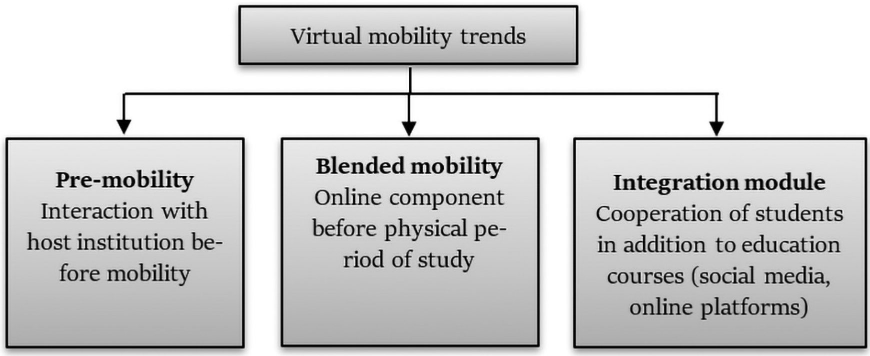

Fig. 16.1. Presents trends in the implementation of virtual mobility after the pandemic in Europe
Source: Own elaboration

The digital transformation of higher education, accelerated as a result of the pandemic, brings a new dimension of university competitiveness to the system of internationalization. Distance learning, which is simple at first glance and makes it easier for universities to host foreign students, is a huge challenge and requires large financial investments. It is necessary to change the entire administrative system and allocate additional funds for the development of digital infrastructure and staff training. In addition, the lack of time and geographical limitations, the egalitarian nature of participation, and the availability of the scientific and didactic offer are threats to universities with low international prestige and the "market position" of graduates' diplomas. As a result, regional universities will be forced to give up or stop their international expansion in favor of rebuilding their own potential.

The universities that have prepared an educational offer in line with the expectations of students while also pointing out the best advantages of this form of education have adapted to the conditions of the pandemic the fastest. Among them are: flexibility of classes, studying while working, the convenience of learning from any location, lower learning costs, access to materials, and no additional costs associated with traveling. This helped to minimize the fears of future students (Perspektywy, 2020).

A big challenge for the universities, especially in the first months of the pandemic, was to maintain constant contact with foreign students and to develop good communication practices to ensure their sense of security and awareness that they were not left alone in a difficult situation. Universities have started to use various online communication tools (Teams, Meet, Skype, etc.) that have replaced very limited face-to-face contacts. Communication has developed and continues to develop in social media, in specially established groups on messengers (WhatsApp, Telegram, Facebook, etc.), by means of individual and collective mailings, on websites, as well as by phone. It was necessary to provide foreigners with practical information on where to get medical or psychological help in English and which procedures have been undertaken regarding pandemic risks.

It turned out to be a good practice to create subpages in English on the university's website with information regarding:

- current pandemic situation,
- applicable restrictions,
- rules of conducting classes at universities',
- IT support for students with contact details to a psychologist/ medical facility.

The organization of online webinars for students became a common practice. The challenge faced by universities was the implementation of an efficient administrative service system for foreign students with an e-queuing function for incoming cases. In this regard, there are useful tools that allow for the arrangement of online meetings at appropriate time intervals, depending on the problem that the student wants to solve at the university.

The SWOT analysis shows that virtual mobility can be used in a variety of ways in the education process, but it cannot completely replace physical learning mobility. Participation in virtual mobility requires a lot of independence and self-discipline from the student. At the same time, it is a good way to reach the most remote geographic regions or reduce the cost of educational courses. However, not all educational programs can be fully taught through virtual mobility because they require practical skills (e.g., in mechanics and mechanical engineering, pedagogy, medicine, etc.). After the pandemic, international educational programs implemented by the European Commission (e.g., the Erasmus+ Programme) added a new type of mobility: blended intensive programs. It is a short, intensive course involving a combination of physical and virtual mobility to facilitate teamwork and the exchange of experiences on the basis of collaborative e-learning. Such types of mobility are becoming very popular among young people because they can save time and money and obtain at least 3 ECTS credits at the same time.

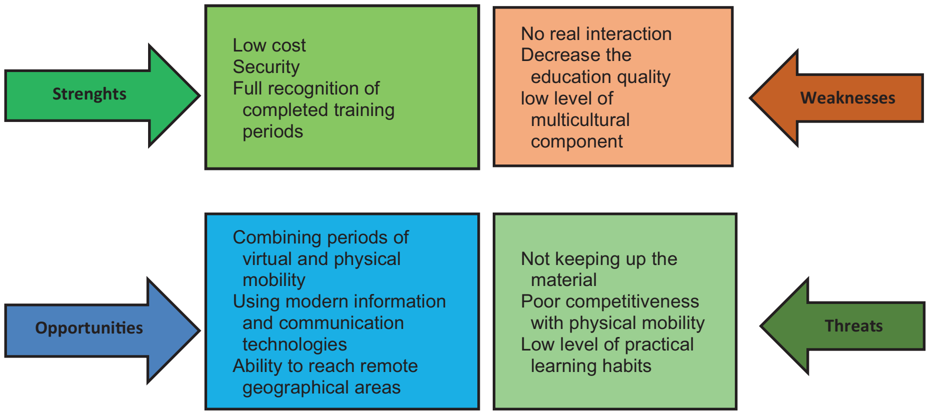

Fig. 16.2. Presents a SWOT-analysis of virtual learning by students nowadays.
Source: Own elaboration

Conclusions & discussion

Internationalization has become one of those areas of the university's functioning that has been affected by the epidemiological situation in the world for a long time and has caused the need for a fundamental transformation. Undoubtedly, the experience shared by all universities in the world has radically changed the global image of higher education. On the one hand, the changes caused by the health crisis show the limitations of the development of adopted internationalization strategies and indicate areas for improvement. However, these experiences strengthened the international activity of the university and showed new perspectives for the development of higher education in the aspect of internationalization.

Universities that want to participate in the European or global educational and scientific space are forced to look for new areas of development and forms of international cooperation. The process of adapting to changing conditions requires constant verification, and often also the reorganization of certain areas of the university's functioning. Information and communication technologies play an increasingly important role in creating open education and setting directions for the development of higher education. The development of digitization creates opportunities for shaping innovative forms of internationalization for universities. In particular, this concerns the modernization of traditional ways of learning and teaching as well as the promotion and educational offer of the university.

Physical mobility is a main form of internationalization in higher education and is considered the most basic way of acquiring intercultural competences for exchange participants. The crisis caused by the COVID-19 pandemic has caused an urgent need to find a new formula for internationalization carried out in the virtual space. It was the "emergency mode of learning," a time when universities were looking for a substitute for limited mobility.

Creating an interactive educational space does not replace real participation in a multicultural environment and limits the possibilities of building an international academic community. The new conditions require flexibility from the university authorities and the entire academic community in identifying needs, opportunities, and limitations, and exchanging experiences. The efforts of most universities in the world aimed at finding effective solutions to mitigate the effects of the crisis and adapt to functioning in new conditions are not weakening. Based on the analyzed reports, it is possible to indicate probable directions for changes in the internationalization strategy of universities, in particular aspects related to student mobility projects.

A large decrease in the number of international students and scientists around the world made it necessary to implement new forms of mobility, focusing on short-term trips lasting from several weeks to two months and the introduction of blended mobility. Less interest in educational mobility abroad also forced a revision of the mobility promotion strategy, as well as strengthening monitoring and activities aimed at organizing students' stays abroad in order to provide them with a sense of security and comfort.

Another direction of change is related to recognizing the possibilities offered by modern technologies, which will result in their permanent application to teaching practice. The mixed variant will probably be the dominant form of international cooperation. While it is still unlikely that virtual or digital methods of learning and teaching will replace traditional ones, their role in the educational process will undoubtedly increase in importance. Some activities can be permanently transferred to virtual reality, such as pre-mobility activities (intensive courses, summer or winter schools) or mentoring activities (virtual cafes, Buddy System).

In the near future, universities will have to devote more time, effort, and funds to training in modern technologies, which should be extended to academic staff, administrative staff, and students. In addition to the practical use of distance learning methods, an important component of the training will be preparation in the field of the protection and security of personal data online. Each crisis is a potential source of inspiration and motivation; it gives an opportunity to improve ways of acting in order to cope with difficult situations more easily in the future. The "post-pandemic" reality is a new wave of development for the internationalization of universities and an opportunity to build international relations on new levels using innovative methods and tools that will lead to the creation of new partnerships and increase the number of mobility and exchange programs.

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Abstract

The main aim of the article is to analyze the usage and impact of virtual mobility as an element of internationalization and university management after COVID-19 pandemic. The Covid-19 pandemic drastically changed the internationalization of the universities and forced to implement more flexible approach to the management of education process. Digital transformation including pre-mobility, blended mobility and integration module helps to diversify the education process and is still important even after the pandemic. Universities which proposed the most innovative methods of supporting students and invest funds to increase staff competences returned to the before pandemic level of internationalization. The education offer which includes the short virtual component of mobility and multicultural support is the most perspective way of realization the international projects. It is very important to exchange good practices and sharing experience between partner universities to support each other after pandemic.

Keywords: blended mobility, management, university, education, integration

Summary

The pandemic was a phenomenon that can be categorized as one of the so-called black swans, phenomena at the third level of uncertainty – the occurrence of which cannot be fully predicted. The COVID-19 pandemic had a very large impact on the economy and business conditions. The most significant of these, and the one with the most long-term impact, appears to have been the acceleration of the development of remote work methods. Otherwise, such a proliferation of remote work methods as has occurred over the past two years would have taken much longer. It seems to be a permanent change and remote work will become a permanent part of communication and management of organizations. Nonetheless, it will certainly require detailed research after the pandemic is completely over to see how sustainable the tendencies outlined during the pandemic are.

VUCA (Volatility, Uncertainty, Complexity, Ambiguity) is still being discussed in the public debate – the world is volatile, uncertain, complex and ambiguous. In recent years we have had two major crises – a pandemic and a war. They have multidimensional repercussions for the global economy, for the national economy, but also for individual economic sectors, for businesses and for citizens.

Success in modern business is strongly influenced by the ability to incorporate uncertainty into the planning of an organization's activities and to properly manage under uncertain conditions. Since managers of organizations are unable to have the resources necessary to reduce uncertainty they are forced to know and understand the mechanisms that support management under uncertainty. A prerequisite in this case is to understand the phenomenon of uncertainty and its nature. This can increase the efficiency of decision-making in

the organization contribute to an increase in the accuracy of the decisions made.

The global health and economic crisis associated with the COVID-19 pandemic has had a severe impact on business, leading to supply chain disruptions, cash flow problems and an overall sharp reduction in activity. Half of the world's population was subjected to some form of isolation in order to contain the spread of the virus. The impact of this on businesses was also felt by people, the planet and society. The impact rippled through supply chains, because if one major entity halts its operations it can put hundreds of businesses on the brink and put thousands of workers, many of whom are not covered by social security, out of work.

Spanning a collection of ten diverse chapters, this volume reflects the truly international nature of academic exploration and collaboration, as the contributors come from different corners of the globe. From Lublin University of Technology to the fast-paced world of various industries, the authors have illuminated the multifaceted impact of the pandemic on entrepreneurship, labor markets, industries, and organizational strategies.

A notable strength of this compilation lies in the richness of its perspectives. This follows the PISA 2018 urgent recommendation for education to share insights across borders in order to improve quality and equity in education (Schleicher, 2019). The same principles should apply to research, as only then will it no longer be about divisions but, rather, integration. Such integration has different subjects, perspectives, and various contexts that merge into real-world connections that offer a range of new resources in the newly-formed community. What is more, it is about co-creation and recognizing different backgrounds as resources.

Another strength of this book is the fact that it offers readers not only survival strategies but also pathways to growth and a full view of the global response to the challenges posed by the pandemic. Each chapter brings forth unique insights that are based on the unique socio-economic context of its region. The exploration of the fast fashion industry, for instance, reveals the vulnerabilities inherent in a consumer-driven market during times of economic uncertainty.

Thirdly, the book's appeal also lies in its ability to bridge macro and micro perspectives. Its chapters provide a bird's-eye view of the European and global economic landscape while emphasizing the need for international cooperation. Simultaneously, other chapters zoom in on various topics at the grass-roots level, showcasing the resilience and adaptability of student communities and the academic sector.

As we move forward into the post-COVID era, the insights provided by this compilation will undoubtedly serve as guideposts for policymakers, business leaders, and academics alike. What emerges as a common thread that can weave a fabric for a more adaptable global society is the book's emphasis on sustainability, innovation, and international collaboration.

Finally, this book transcends geographical boundaries to provide a comprehensive understanding of the COVID-19 pandemic's multifaceted effects. In addition to providing valuable insights into the challenges, responses, and opportunities that are yet to come, it serves as a testament to the power of international collaboration in academic exploration.

The COVID-19 pandemic had a very large impact on the economy and business conditions. It seems that the most significant of these, and the one with the most long-term impact, was the acceleration of the development of remote work methods. Otherwise, such a proliferation of remote work methods as has occurred over the past two years would have taken much longer. It seems to be a permanent change and remote work will become a permanent part of communication and management of organizations. However, it will certainly require detailed research after the pandemic is completely over to see how sustainable the trends that outlined during the pandemic are. The authors presented a number of factors that are currently affecting business and economics. Companies in the future need to think long term and should be elastic to continue to operate in a market of uncertainty.

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Paweł Bańkowski

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