

International Scientific Conference

**EMERGING TRENDS IN ECONOMICS, CULTURE
AND HUMANITIES (etECH2020)**

Abstracts Proceedings

Riga 2020



International Scientific Conference „Emerging Trends in Economics, Culture and Humanities (etECH2020)” – Conference abstracts proceedings. – EKA University of Applied Sciences/ Alberta College, 2020.

The proceedings contain abstracts from the conference sections. The style and language were not edited.

Chief editor: Jelena Titko, Dr. oec., Vice-rector for Science at EKA University of Applied Sciences

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SIA EKONOMIKAS UN KULTŪRAS AUGSTSKOLA / SIA ALBERTA KOLEDŽA

ISBN 978-9984-24-236-1 (pdf) / 978-9934-8772-9-2 (pdf)

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EMERGING TRENDS IN FINANCE, ECONOMICS AND POLITICS

Tomasz Zielinski. SOCIAL ASPECTS OF THE FINANCIALISATION

Abstract

Research purpose. This paper focuses on the concept of financialisation, which has been gaining the increasing popularity for last few decades. However, the fundamental question could be asked, what makes this concept so appealing to academics, and what it exactly mean when speaking of financialisation. Studying relevant literature leads to the conclusion, that financialisation is very loosely defined, with many approaches covering the variety of processes, structures, practices and outcomes. The purpose of the paper is to start with general framework for discussion over financialisation encompassing not only classical players like markets, financial and not-financial firms and states but also societies and households. That introductory purpose leads to the key one, which is highlighting selected aspect of “financialisation of daily life”.

Design / Methodology / Approach. The paper is composed of introduction and a few sections. The first one will cover some aspects of definition and the fields of discussion over financialisation. The key requirement is, to distinguish the social aspects of the financialisation as the separate field of study. Reviewing the literature is the key methodology used for the study.

Findings. The key finding of the paper is conclusion that both, scope and strength finance affects of households daily life is definitely underestimated. As financial system permanently seeks to maintain increasing profitability, “assetisation” of tangible and intangible goods is required to make them tradable at financial markets. Once financial institutions stopped providing sufficient resources of tradable instruments, non-financial firms became involved. Once also their resources of securitised goods became limited, the arms of financialisation grabbed the households.

Originality / Value / Practical implications. The practical implication of the paper is to increase awareness of the phenomena affecting households so strong. Accepting the thesis – presented in the paper – that rules and logics of Wall Street becomes the rules and logics outside Wall Street require answering the fundamental, ontological dilemma, whether we also accept ourselves, as humans financial-by-nature.

Keywords: Financialisation; assetisation; securitisation; households; financial markets.

JEL codes: G21, F65, O40.

Biography of the authors

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Olga Piterina. MULTINACIONAL EUROPEAN HSR PROJECTS: OPPORTUNITIES AND OBSTACLES FOR THE EFFECTIVE IMPLEMENTATION

Abstract

Research purpose. The main direction of the European Union policy in the field of high-speed rail transport is to create a Cohesive European Railway Network with the uniform game rules for all participating states. At the moment, however, according to the report of the European Court of Auditors, the HSR network resembles «an ineffective patchwork».

The aim of this research is to analyse the reasons behind the low efficiency of the implementation of the multinational European HSR projects, already completed ones as well as those that are still in the stage of design and construction.

Design/ Methodology/ Approach. The retrospective analysis of the academic researches and official reports of the government agencies managing the infrastructure and international organizations dedicated to the topic of efficiency of the already implemented multinational HSR projects was made. Based on it, a comparative analysis of data was conducted, as a result of which quantitative and qualitative criteria were determined in order to assess the reasons behind the lack of mutual understanding between the agents of international HSR projects that are in the early stages of implementation. Additionally, methods of statistical analysis data, cluster analysis and SWOT- analysis were engaged to achieve the goal of the research. The basic time range of the data is 1985-2017.

Findings. As a result of the study it was determined that currently existing approach of the EU in respect of the evaluation of international transport project excludes the multidirectional action of project's agents representing a particular State and aims to combine common effort to achieve common benefits even to the detriment of individual projects' agents.

In turn, none of the stakeholder of international European HSR projects are seeking an outcome that represents the best value for money for the European Union general, and not for the particular State alone. As a consequence, the target model for the successful implementation of such projects in the EU, based on the common visions and expectations, is still missing.

Originality/ Value/ Practical Implications. This study is aimed at forming a new view on the problem of evaluating the effectiveness of European HSR projects, that go beyond a single national network, which will allow decision makers to revise principles of evaluation of international railway projects taking into account the minimum losses for each project's agents, rather than taking into account the maximum benefit for the EU as a whole.

In addition, the author made a recommendation regarding the need to use the fuzzy set theory to solve the problems of evaluating the effectiveness of international HSR projects at an early stage of development, due to the low quality of the initial data and the presence of numerous uncertainties that are not always expressed in quantitative variables.

Keywords: European Union; multinational HSR projects; Rail Baltica; investment evaluation.

JEL Classification: L98, O22, R42.

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Primož Pevčin. ANALYSING THE SCOPE OF GOVERNMENT IN THE EUROPEAN CONTEXT: A COMPARISON BETWEEN SMALLER AND LARGER STATES

Abstract

Research purpose. Numerous criteria on the definition of the small state exist, ranging from the number of population, surface, total GDP, etc. Since these criteria are not always clear-cut, we can argue that we are currently living in the era of small states, as more than one third of the existing 215 states are actually small,

if we assess the multiple criteria combination, as portrayed in the empirical literature. The current theorizing in small state studies focuses also on the specifics of the small economy modelling and governance. This paper proposal intends to address two main research questions: (1) in which aspects are small states different in comparison to larger states and how can these differences be explained; and (2) is there any difference regarding the administrative organization and functions of government between smaller and larger states.

Design / Methodology / Approach. The two questions are addressed through the cross-national comparative investigation based on the data for 44 European countries; and we specifically assess, how budgetary and non-budgetary scope of government differentiates among smaller and larger states. Under budgetary government, we assume and assess the various types of governmental spending categories and tax burden. Under non-budgetary government, we assume and assess the so-called not directly observable governmental activities, which come into the forms of regulation, investment freedom, judicial effectiveness, legal system and property rights, and government integrity.

Findings. The results of the study suggest that the effect of the size of the country does not necessary favour larger countries in respect to the smaller size of government due to the potential scale economies. Namely, the structure of spending, institutional context, and innovations in public service delivery modes do matter, among others.

Originality / Value / Practical implications. It should be acknowledged that in particular after the World War II the number of states has increased substantially, in fact, it has tripled. The economic literature has occasionally stressed the relations among the size of the state and governmental interventionism, with rather mixed empirical results. This study would like to put additional evidence to assess this issue, where specific focus is given to the European context as well as to making distinctions among budgetary and non-budgetary aspects of governmental interventionism.

Keywords: Small states; governance; institutions; governmental interventionism; innovations.

JEL codes: H11, P48.

Biography of the authors

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Dace Krumina, Ilona Lejniece, Jelena Titko. **FACTORS AFFECTING PROFITABILITY OF LATVIAN BANKS**

Abstract

Research purpose. The purpose of this paper is to identify internal and external factors and to assess their impact on the profitability of the Latvian banking sector.

Design / Methodology / Approach. The following data collection methods were used to achieve the set goal: Analysis of Special Literature and Internet Resources, Document Analysis - Analysis of Annual Reports of Latvian Commercial Banks, Statistical Analysis, and the following Data Processing Methods: Graphical Analysis, Dynamics Row Analysis, Correlation Analysis, and Multi-Factor Linear Regression Analysis.

Findings. Methodology approbation confirmed the research hypothesis: there is a positive correlation between internal and external factors and the profitability of the Latvian banking sector.

Originality / Value / Practical implications. The results provide interesting insights into the characteristics and practices of profitable banks in Latvia. Few studies have empirically explored the determinants of bank profitability in Europe so far, even though similar studies have been conducted in several developed countries. Therefore, this paper tries to improve the understanding of bank profitability in Latvia.

Keywords: Bank profitability; determinants; Latvian banking sector.

JEL codes: G21, G32.

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Greta Keliuotyte-Staniuleniene, Monika Kukarenaite. EVALUATION OF THE BUSINESS LOAN PRICE IN THE CROWDFUNDING AND PEER-TO-PEER PLATFORMS

Abstract

Research purpose. As an alternative to traditional bank financing, companies (especially small and medium-sized) can opt for loans from peer-to-peer and crowdfunding platforms to finance their growth. When using these alternative financing opportunities, it is very important to identify the main factors of the business loan interest rate and properly assess the overall cost of borrowing. Therefore, the aim of this paper is to determine the overall annual loan rate of a business loan on peer-to-peer and crowdfunding platforms by determining the factors of the interest rate on business loans.

Design / Methodology / Approach. After analysis of academic literature and statistical data, the authors used correlation-regression and factor analysis in order to identify the factors that determine the interest rate of business loans on peer-to-peer and crowdfunding platforms; and scenario analysis in order to evaluate the overall annual rate of business loans.

Findings. According to the results of correlation-regression and factor analysis, the summarized factors of business loan interest rate are economic environment, competitive environment and results of the platform performance. The assessment of the overall annual rate of business loans revealed that the peer-to-peer and crowdfunding platforms offer a lower rate than traditional financing institutions.

Originality / Value / Practical implications. The outcomes of this research expanded the scope of research of the alternative financing sector. The research revealed the peculiarities of crowdfunding and peer-to-peer lending, the factors that affect a loan interest rate, the real price that business owners have to pay for borrowed funds, as well potential impact on the company's performance. Obtained results could be

relevant to both lending platforms and businesses seeking to identify and compare the real cost of traditional and alternative financing.

Keywords: Peer-to-peer lending; crowdfunding; business loans; annual loan rate.

JEL codes: G23, G32, G21.

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Roland Bohmer, Uwe Busbach-Richard. THE KEHLER MANAGEMENT SYSTEM: A HOLISTIC FRAMEWORK FOR THE ADMINISTRATION OF MUNICIPALITIES

Abstract

Research purpose: Especially against the background of an increasingly globalised world, municipal managers are confronted with increasingly complex tasks. Furthermore, the range of tasks of a municipality and its stakeholders are very heterogeneous. While repetitive work processes are basically characterised by a clear starting position and objectives and the resources required to achieve these objectives are known and available, these manageable prerequisites are usually not present in complex public administration systems. It is difficult for public administrations to transfer approaches to business management based purely on management ratios, as the primary objective is not profit but the common good. Municipal managers need a holistic approach that addresses the municipal council, the population, companies, administrative organization and budget management in order to be able to control municipalities within a diagnostic and impact-oriented framework.

Design / Methodology / Approach: First of all, it is examined which attributes characterize a good municipal management system. Classic failure factors are then analysed in order to achieve the most comprehensive management approach possible and to proactively counter possible risks. On this basis - attributes of a good municipal management system and failures to be avoided - the success factors for municipalities are developed, which are then grouped into success clusters to allow for more manageable structure for implementation.

Findings: 36 success factors were identified, which were structured into six success clusters. One success cluster addresses the trusting cooperation between politics and administration (in short: politics and administration). It is essential here that politics and administration understand each other's role, i.d. political rationality versus rationality of administrative management. The culture of leadership and cooperation within the administration is another cluster of success (in short: leadership and cooperation). It must be characterised by trust and passion and be open to change. Sustainable human resources management forms the third cluster of success factors (in short: human resources management). It is particularly evident in transparent and successful personnel selection, development and retention. A further cluster could be identified in the strategic area (in short: strategy). Municipalities align their actions - ideally against the background of an individual mission statement - with a strategy. A fifth success cluster relates to the transition to a modern budget and accounting system that addresses resource consumption and impact orientation. A stakeholder-oriented reporting system must be implemented that meets the information needs in

a demand-oriented manner (in short: information-oriented budget and accounting). The last success cluster addresses the changes in the administrative environment (in short: changes). Changes must be considered as opportunities. The six success clusters are not independent, however, but have a causal order. The information-oriented budget and accounting system and the integration of the strategy are fundamental for the other four success clusters, which address the implementation of the reform process.

Originality / Value / Practical implications: The framework of the Kehler Management System was evaluated in a survey of 115 municipalities with up to 50000 inhabitants and was considered coherent and helpful by the municipal executives. In individual communities, detailed diagnostic analyses based on the Kehler Management System were conducted with various internal stakeholders, which led to strategy development, impact-oriented budget management, operational implementation and a continuous improvement process. However, only the internal view of the municipal administration is currently addressed. In an extension of the Kehler Management System, the external view of the population and the companies will be integrated into the framework.

Keywords: Performance and impact analysis of municipalities; impact-oriented management.

JEL codes: H72, H83.

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Bohumil Stadnik. INTEREST RATES SENSITIVITY ARBITRAGE

Abstract

Research purpose. The contribution of this financial engineering research is to answer the question if it is possible to expect success using interest rates sensitivity (also known as convexity) arbitrage in the financial praxis. Convexity arbitrage is described in financial literature but its practical implementation and an assessment of possible practical success of this speculative techniques is missing. In the research we try to construct (theoretically and also practically) the portfolio which is sufficient for this type of arbitrage and moreover we do back testing of such speculative approach using real market development on USD and EUR zero coupon interest rate curves.

Design / Methodology / Approach. The portfolio of two bonds is constructed in such a way as to have the same duration and price but a different convexity at certain YTM point. Therefore, being long the first bond while shorting the second (with higher convexity) would also result in a clear market-directional bet for parallel zero coupon yield curve shifts. Methodology could be divided into 3 following steps: Mathematical definition of arbitrage situation; construction of sufficient portfolio; back testing on USD and EUR zero coupon curves.

Findings. The first finding is: to construct practically the portfolio which is sufficient for the convexity arbitrage could be unrealistic at financial markets with low liquidity, the second finding is that the presumption of parallel yield shifts is fulfilled very sparsely and without this process the arbitrage doesn't work.

Originality / Value / Practical implications. The research brings important results for financial practitioners in the area of portfolio management. While the convexity arbitrage is theoretically well described its practical realization could be very difficult or even unrealizable.

Keywords: Convexity arbitrage; duration; convexity; bond portfolio.

JEL codes: G1, G10, G12, G14.

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Viktorija Skvarciany, Indre Lapinskaite, Silvija Vidziunaite. ASSESSMENT DECENT WORK AND ECONOMIC GROWTH IN G20 COUNTRIES

Abstract

Research purpose. The purpose of the research is to evaluate the economic growth and decent work environment in G20 countries during 2013-2018 as G20 countries are the fastest growing countries in the world, and their economy describes the major part of the global economy.

Design / Methodology / Approach. Qualitative data analysis based on comparative analysis of scientific literature, content analysis, interpretation, comparison and grouping is used, in order to analyse theoretical aspects of sustainable development and its goals, especially goal 8: decent work and economic growth. The Technique for Order of Preference by Similarity to Ideal Solution (TOPSIS) method helps to rank G20 countries according to the indicators of the 8th sustainable development goal.

Findings. The results showed that Japan reached the best work environment and the most significant economic growth during 2013-2018.

Originality / Value / Practical implications. Sustainable development goals should be reached by 2030. In order to reach them, it is necessary to monitor the current situation constantly as it helps to assess the achievements and understand what ought to be done in the future. Knowing the most prosperous countries in the context of SDGs would help to identify the factors of success and employ them in other countries.

Keywords: Sustainable development; sustainable development goals (SDGs); economic growth; decent salary; G20 countries.

JEL codes: O47, Q01.

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Irena Klimaviciene, Jurate Vaiciulenaite. THE ECONOMIC GOALS OF SUSTAINABLE DEVELOPMENT

Abstract

Research purpose. The UN's Global Compact for Sustainable Development (SD) by 2030 contains 17 goals and 169 targets, which are integrated and indivisible and balance the three dimensions of sustainable development: the economic, social and environmental. The aim of the research is to analyse the Economic Sustainable Development Goals (SDGs) in Lithuania under the UN's 2030 Agenda.

Design / Methodology / Approach. Main issues of the research: Goals and objectives of the Agenda 2030; Economic Goals and their impact on the achievement other's SDGs; Key Economic and Social indicators of Lithuania in an EU Context. / Research methods: analysis of SD documents and scientific publications, summary and comparative analysis of statistical information, analysis of quantitative indicators in Microsoft Excel spreadsheet. / Under the UN's 2030 Agenda SDGs will be implemented over a long period of time, among countries with very different levels of development and capacities. This raises the broad problem – monitoring and measurement of the progress by using unified indicators. A part of broad problem - application of indicators for monitoring the Lithuania's Economic and social SDGs in an EU context - is an investigation of the article.

Findings. Lithuania's Economic SDGs and Indicators of Progress are aligned with the UN's 2030 Agenda and EU Directives; Economic (GDP, GDP per capita and others) indicators and employment are growing in Lithuania, but there are problems of income inequality and poverty; Comparative analysis of economic and social indicators provides the basis for assessing the position of Lithuania according to the Global Index Score.

Originality / Value / Practical implications. The Economic SD Goal and 10 targets interrelates to other SDGs and contributes to create conditions for sustainable, inclusive and sustained economic growth, shared prosperity and decent work for all. Achievement of global SDGs and social progress depend on their implementation at the National level. / The methodology of research could be applied practically in economic studies.

Keywords: Economic Development; sustainable Development; social economics.

JEL codes: O150, A130.

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Auguste Bieksaite, Daiva Jureviciene. ASSESSMENT OF SMARTNESS LEVEL OF LITHUANIAN CITIES

Abstract

Research purpose. To explore the level of smartness of Lithuania cities.

Design / Methodology / Approach. The article systematizes the theoretical concepts of smart city, develops the methodology for measuring the level of smart cities and evaluates the level of smartness of Lithuanian cities. Methods used for the study: systematization, comparison, generalization, multi-criteria methods (COPRAS, EDAS and TOPSIS). Multi-criteria methods are used to determine the smartest city in Lithuania since they allow you to rank alternatives according to various criteria that are rendered dimensionless.

Findings. A multi-criteria assessment of Lithuanian cities level of smartness has shown that the city of Vilnius is the leading in this context. However, different results were obtained using different methods of multi-criteria evaluation in ranking the rest cities (Kaunas, Klaipėda, Šiauliai, Panevėžys).

Originality / Value / Practical implications. The topic of a smart city is significant in the 21st century and discussed in scientific literature, but relates to the smartness of the biggest cities in the world. Smart cities contribute to the growth of the economy and quality of life. Smart cities concept and smart cities issues are related to globalization because processes are multifaceted, complicated and ongoing in objective reality regardless of the individual. Once the smartest city is identified, further research could be developed in different directions: identifying the factors that determine the level of smartness and to assess the influence of globalization on the smartness of the cities

Keywords: Smart city; smart cities criteria; smart cities development; COPRAS, EDAS and TOPSIS.

JEL codes: O18, C38, O31, O32.

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Anna Svirina, Liliya Ilikova. INTERRELATION OF POPULIST MOVEMENT IN POLITICS AND ECONOMIC CRISIS TENDENCIES

Abstract

Research purpose. The purpose of this research is to define the relationship between the rise of populist movements (that are gaining power in the developed countries) and economic crisis in these countries by means of qualitative and quantitative analysis.

Design / Methodology / Approach. The study is based on desktop collected data on the share and involvement of populist political movements in state level decision-making in developed countries. In order to provide robustness and reliability of results, we perform quantitative analysis with the time gap, taking into account the need for changes implemented by the populist movements to dissolve in the economic environment. We also analyze what changes these new governments implement in terms of economic regulation, and assess qualitatively what sort of reaction do these changes provoke among different economic agents. On the basis of this analysis we settle an algorithm in which economic areas the crisis is likely to occur in case populist movements gain power.

Findings. Within the carried study we have identified, that higher involvement of populist movements in political decision-making becomes one of the important factors that build a platform for future economic crisis. According to our analysis, it takes from 2 to 5 years (depending on the size of the country and relevant economic inertia) to start experiencing economic difficulties in case populist governments come to power. Analysis of the reasons behind such dynamics identify that usually one of the first changes implemented by such political powers restrict labour policy, and hence national entrepreneurs tend to move their production to other countries with less restrictive labour codes.

Originality / Value / Practical implications. The results of the study are original and based on open data sources. The theoretical implications of the study are that it supports previous findings on the influence political movements have on economic outcomes. For practitioners, i.e. entrepreneurs mainly, the study provides an algorithm of possible economic institutions development in case of populist movement power intensification.

Keywords: Populism; economic institutions; economic performance.

JEL codes: K20, P50.

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***Oleksii Lyulyov, Tetyana Pimonenko, Yana Us, Liliia Lyulyova.* FORESIGHT OF NATIONAL ECONOMY STABILITY: SOCIAL, ECOLOGICAL AND ECONOMICS DIMENSIONS**

Abstract

Research purpose. The current world trends of economic developments provoked the necessity to analyse all parameters as a whole system. The isolated analyses of the parameters don't allow estimating the positive and negative consequences of the relationship between the key indicators of national economic development. The aim of the paper is to identify and to estimate the key parameters which should be considered to the forecasting of national economic stability.

Design / Methodology / Approach. For that purpose, the authors used the Macroeconomic Imbalance Procedure as an indicator of national economic development. Considering the current trends and results of the analysis, the authors allocated the key parameters which should be taken to the account under the foresight of the national economic development. For the analysis, the authors used the modified formula of Cobb-Douglas and panel unit root tests Levin, Lin & Chu (LLC), Breitung, Hadri LM, Im-Pesaran-Shin (IPS). The abovementioned methods allowed identifying the linking between the allocated parameters. In the paper for analysis, the countries were divided into two groups: resource and effective economy. The main criteria were GDP per capita. The time of analysis 2000-2016. The scientists used the databases as follows: World Government Indicator, Environmental Performance Index, Human Development Index, Eurostat and World Data Bank. Among the analysed countries, Armenia (0.029) and Moldova (0.029) have the highest coefficient of GDP variation due to the high degree of uncertainty of economic growth. On the other hand, the lowest variability among all the analysed factors had the indicators of the economically active population (coefficient of variation for Croatia is 0.0004) and foreign direct investment (coefficient of variation for Moldova is 0.0158). All tests except Im-Pesaran-Shin (IPS) reject the null hypothesis of non-stationarity of variables. The findings showed that the Breitung test confirms the statistically significant impact and the smallest scatter. GDP per capita, gross fixed capital formation, economically active population, open economy, foreign direct investment under the Breitung test had the stationarity at 1%, and macroeconomic stability had the stationarity at 5%. The results showed that an increase of renewable energy by 1% leads to an increase in GDP per capita by 0.89%, an increase in the economically active population aged 15 and over by 1% leads to an increase in GDP per capita by 0.091%, 1 % increase in foreign direct investment by 0.095%.

Findings. The findings of the assessment of macroeconomic stability by the modified Cobb-Douglas production function suggest that the increase in the macroeconomic stability of the national economy had a significant positive effect on GDP growth compare with the foreign direct investment. Besides, the findings proved the linking between analysed parameters which justified the necessity to analyse all parameters as a complex system during the foresight of economic development.

Keywords: Stability; competitiveness; determinants; parameters; panel data.

JEL codes: B22, E6.

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Funding. This research was funded by the grant from the Ministry of Education and Science of Ukraine (N^o0117U003932)

Gintare Grigaliune, Rita Remeikiene. IDENTIFICATION OF DIGITAL SHADOW ECONOMY CONCEPT AND PECULARITIES

Abstract

Research purpose. Identify the concept and attributes of the digital shadow economy.

Design / Methodology / Approach. Expert evaluation was carried out to identify the concept and attributes of the digital shadow economy.

Findings. The study found that "the incentive shadow economy is an illegal online operation that generates illicit cash flows to suppliers / buyers of goods / services but deprives legitimate traders and / or service providers of revenue that could be formally recorded, calculated and declared". The main features of the digital shadow economy are also highlighted: subjects have a higher level of competence in terms of IT skills, advanced technology skills, and understanding of English. Other features include anonymity, a hard to determine and geographic location, faster transaction speeds, 24/7 availability, low risk of prosecution, product / service positioning and online advertising only. In addition, voluntary participation by both sides of the transaction is also highlighted.

Originality / Value / Practical implications. Identifying the concept and attributes of the digital underground economy can assist national governments in developing strategies to combat illegal phenomena.

Keywords: Digital shadow economy; concept of digital shadow economy; peculiarities of digital shadow economy.

JEL codes: E26, H26, K42, O17.

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Janis Kudins. SILVER ECONOMY – A CHALLENGE OF THE 21ST CENTURY IN LATVIA

Abstract

Research purpose. Demographic transformations in Europe are creating a new situation in the economy – European Commission has evaluated that in the 21st century there are new business opportunities in many fields – education, health care, entertainment industry, transportation and other – due to the increasing proportion of older people in the total population. In this paper, the author analyzed the importance of a silver economy (which includes specific services and workplaces for people aged 50 and over) in Latvia. Based on this research author concluded that the development of silver economy in Latvia is an objective necessity, because the number of older people increases, and, therefore, their specific consumption needs are going to become more pronounced.

Design / Methodology / Approach. In this research author reviewed the literature regarding the concept of silver economy and evidence that prove the necessity of silver economy's implementation. The design of the research is based on the study of the demographic situation in Latvia, focusing on the changes in number and structure of the population aged 55 and over in 2010-2018.

Findings. The main result of this research is the acquired evidence regarding the opportunities of business development within the framework of silver economy and the need of changes in the sectors of national economy, taking into account the population ageing of Latvia and economic opportunities to purchase innovative services and goods.

Originality / Value / Practical implications. This research contributes to the discussions regarding the problems of sustainable economics' development in Latvia in context with the need for changes in national economy resulting from the demographic transformations. Additionally, this research touches topics where very little research has been done. The conclusions from this paper can be used in further research, in order to determine the spheres of influence of interest groups in the development of silver economy in Latvia.

Keywords: Silver economy; older people; Latvia.

JEL codes: O17, J14, I38.

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EMERGING TRENDS IN BUSINESS ADMINISTRATION, MARKETING AND ENTREPRENEURSHIP

***Dr. Robert Thomas, Dr. Gareth White, Dr. Anthony Samuel.* EVALUATING THE POSITIVE AND NEGATIVE EFFECTS OF LONG-TERM SPONSORSHIP ON FAN-BRAND RELATIONSHIPS: EVIDENCE FROM MAJOR LEAGUE SOCCER**

Abstract

Purpose. The purpose of the paper is to explore fan-brand relationships in the context of long-term sole-sponsorship deals, in this case, Adidas' anomalous 10+ year associations with the Major League Soccer (MLS).

Design/methodology/approach. This study drew on 52 online focus groups, consisting of 412 participants from the 22 MLS clubs.

Findings. The results identify "brand boredom" as the prevailing issue for brand managers, as the brand loses its symbolism, personal relevance and capacity to excite over the long term. Additionally, the fundamental elements of brand relationships – satisfaction, commitment and trust – erode over time as fans seek opportunities with rival brands. The findings reveal a darker aspect associated with long-termism and presents evidence that using a sponsor's brand when there is dissent among Fanatical and Regular fans can cause significant changes in the behaviour of Casual fans.

Research limitations/implications. The paper reveals that long-term sponsorship can lead to the abjuration of sole sponsors, with significant knock-on effects in terms of congruence and generalised engagement and consumption. Additionally, conative and effective loyalty is eroded as fans seek out rival products.

Practical Implications. The study is the first study to empirically examine long-term sole sponsorship from a fan's perspective. It provides significant insights for brand managers, indicating that short-termism potentially offers the best opportunity to capitalise on brand relationships. More generally, it offers valuable insights into the nascent US football market. .

Originality/value. This work offers three original contributions. It provides a novel examination of a hitherto little-explored field of long-term sponsorship and its impact on brand relationships. It posits the new theoretical ideas of 'brand boredom and 'social brand anxiety. Finally, it contributes to a typology of fan perceptions, attitudes and behaviours toward sponsorship that evolve over time.

Keywords: Brand Relationships; brand Management; sponsorship.

JEL codes: M31, Z20.

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Marcin Komanda. FITNESS TRAINERS' SATISFACTION FROM RUNNING A BUSINESS: OPINIONS ON PROFITABILITY OF SERVICES RENDERED

Abstract

Research purpose. An analysis of fitness trainers' opinions was conducted regarding factors related to the profitability of services rendered. Answers to two research questions were sought: a) Is it possible to group respondents because of their opinions on the level of satisfaction with the revenues achieved and the profit margin on a standard service? b) Is the allocation of respondents to a specific group related to running an additional business (not related to the fitness industry)?

Design / Methodology / Approach. The study was based on the use of a structured questionnaire containing questions regarding issues mentioned above. The five-point scale and nominal variants of answers were used. The research tasks were completed with the use of the programme PS Imago 5 for quantitative analysis of collected data. With regard to the character of surveyed subjects non-representative sampling in the form of a snowball method was used.

Findings. Two-step cluster analysis reveals that among trainers expressing satisfaction with the revenues achieved and the profit margin on a standard service dominate those, who do not run additional business (not related to the fitness industry) and vice-versa: among trainers expressing indecision and lack of satisfaction dominate persons, who run such business. Therefore, a statistically significant relationship between the respondents' belonging to a specific group and the fact of combining business activity in the fitness industry with other areas of the economy was confirmed.

Originality / Value / Practical implications. The obtained results shed new light on the conditions of running business by fitness trainers. First, they are not a popular topic of scientific work on this industry (the subject of fitness clubs dominates). Secondly, business practice shows that trainers register mixed business activities, which looks interesting when compared to the results obtained.

Keywords: fitness industry; trainer; revenues; profit margin.

JEL codes: M10; M21

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George Antoniadēs, Dace Briede, Marta Kontina, Inga Milevica, Vita Stige-Skuskovnika. INFLUENCERS' ENGAGEMENT IN A BRAND COMMUNICATION: LATVIA AND CYPRUS CASES

Abstract

Research purpose. Social networks have become an integral part of life, making social media one of the most significant advertising platforms, which, according to many experts and scientists, is one of the most effective brand communication techniques. According to *Google's* data (Think with Google, 2018), before the purchase, shoppers like to address real people, which they think could be trusted. Branding with an influencers is a new way of promoting products and services, which is a hot research topic both in terms of

studying the brand communication and the influencer phenomenon. This comparative study explores the involvement of influencers in brand communication. The aim of the research is to find out the involvement of Latvia' and Cyprus' influencers in brand communication, its features in theoretical and practical aspects.

Design / Methodology / Approach. Content analysis of Latvia' and Cyprus' influencer accounts, comparative analysis, literature analysis, graphic method.

Findings. Within the theoretical framework of the study, a review of literature has been carried out on influencers' involvement in brand communication, with particular focus on research in Cyprus and Latvia, as well as influencer typologies, communication features, and current aspects of the research. The practical part of the research explores the demographic portrait of the Cypriot and Latvian influencers, the most important features of brand communication, paying particular attention to the principles of choosing influencer's social networking platforms and brand communication labels in their communication – hashtags (*#Reklāma*, *#Ad*, *#Sadarbība*, *#Paidpartnership*, *#Apmaksātasadarbība*), as well as tendencies and regularities in their use or non-use.

Originality / Value / Practical implications. The results of the study can be used by brand communication researchers, as well as by marketing and public relations professionals, to identify the key features of influencer's communication, including in comparative terms, and to select optimal tactics for collaboration with influencers.

Keywords: Influencer; brand communication; marketing communication; advertising; social media.

JEL codes: M3.

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Anibal Areia, Joao Rocha Santos, Pedro Anunciacao, Francisco Esteves. THE DPODE MODEL FOR ORGANIZATIONAL SUSTAINABILITY: VALIDATION OF ITS STRUCTURE, PILLARS AND COMPONENTS AMONG MASTER DEGREE STUDENTS

Abstract

Research purpose. To get a validation of the structure, pillars and components that seems to be central and under which businesses management and managers need to develop abilities and competences to ensure the sustainability of their organizations according to the DPODE Model for Organizational Sustainability (2010) structure.

Design / Methodology / Approach. For the validation of the structure, pillars and components and its practical application to measure the organizations sustainability level with the referred model, despite the focus group exercise made in an early stage, it's also important to get a solid opinion about it among managers and also in the academia, in this last one close to the teachers and investigators on the fields of management, business administration and economics as well near master and doctorate students in this fields.

In this paper we analyze the results obtained with a survey made among students from five different master's degree in several specific areas of business management from the School of Business Administration from the Polytechnic Institute of Setúbal (Portugal).

Findings. Main results obtained with this survey let the authors granted with the developments made so far in the model and its structure, pillars and components. However, only with a major collection of opinions (answer to survey) from the refereed groups it's possible to define and adjust the final structure and components of the DPOBE Model.

Originality / Value / Practical implications. Being an investigation with several years of development, only with a solid and validated structure, pillars and components of the DPOBE Model it's possible to go to its aim, the use of it as a quantitative tool to measure the effective organizations sustainability in a way different from other existing tools and indexes.

Keywords: Management; organizational sustainability; competences; Sustainability Strength Index.

JEL codes: M19, L25.

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Margareta Nadanyiova, Jana Majerova, Lubica Gajanova. ONLINE MARKETING COMMUNICATION AND ITS IMPACT ON BRAND LOYALTY

Abstract

Research purpose. Marketing communication is the most visible tool in modern marketing in all sectors. However, it is possible to observe certain changes of promotion in all fields of business. The classic forms of marketing communication are no longer sufficient, the decision-making behaviour of individuals is increasingly influenced by the development of information technology, leisure preferences and an increasingly strong lifestyle-oriented approach. Consumers require increasing exclusivity and individualism in communication. And it is these tendencies that give space to the progressive forms of marketing communication such as online marketing communication. The aim of this article includes providing a literature review on the issue from the perspective of several foreign and domestic authors, analyse its use and impact on building brand loyalty in practice and put forward the effective implementation of online marketing communication in Slovak companies.

Design / Methodology / Approach. By using methods of description, comparison, deduction, induction, it discusses the essence of online marketing communication. The secondary data for the analysis were obtained from annual companies reports, statistical tables and published professional publications – both in print and electronic media. In order to determine the impact of online marketing communication on brand loyalty from the viewpoint of Slovak consumers, a questionnaire survey was provided. General scientific methods were applied for the processing of the data, as well as mathematical methods to evaluate the data collated from the results of the questionnaire survey.

Findings. Based on the mentioned above, benefits of using online marketing communication principles are highlighted, that includes, in particular, building customer relationships, increasing the brand value and gaining brand loyalty.

Originality / Value / Practical implications. Finally, proposals are put forward for the effective implementation of online marketing communication in the Slovak conditions.

Keywords: Online marketing communication; brand loyalty; consumers; company.

JEL codes: M30, M31.

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Renate Zujeva. FEATURES AND EFFECTIVENESS OF FINANCIAL AND PROPERTY SUPPORT TO THE SMALL BUSINESS SECTOR IN THE REPUBLIC OF LATVIA

Abstract

Research purpose. The purpose of this study is to identify, study and evaluate the effectiveness of state support measures for small businesses (SMEs) using the example of the Republic of Latvia. The subject of the study is a system of financial and property regulation and stimulation of the development of small and medium-sized businesses. The object of research is the sphere of small business in the Latvian economy, including small businesses, financial and infrastructural support, and the development of small businesses.

Design / Methodology / Approach. The study used basic methods of scientific knowledge of economics: an interdisciplinary approach combining methods and methods of systems and comparative analysis, an integrated approach, induction, deduction, analysis, synthesis, methods of organization theory and management, logical analysis, strategic management, and also economic analysis of small businesses.

Findings. As a result of the study, data were obtained and an assessment was made of the effectiveness of the state support system and stimulating the development of SMEs in Latvia, in particular, the possibility of obtaining financial and property support by entities of this sector of the economy provided for by the state support system for small businesses, taking into account the importance of the role of small business in the economy Republic of Latvia.

Originality / Value / Practical implications. The practical significance of the work lies in the fact that the study supplements a number of conclusions and practical recommendations in the field of organizational measures for effective financial and property support and multilateral development of the small and medium business sector in the economy, recognition of the effectiveness of support and development of the small business sector as the main goal of economic policy State of Latvia.

Keywords: Government support for small businesses; Latvian economic; Small business; SME.

JEL codes: E60, G28, H71.

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Agata Basinska-Zych, Agnieszka Springere. ORGANIZATIONAL STRATEGIES FOR PROMOTING HEALTH - A REVIEW FROM EMPIRICAL RESEARCH

Abstract

Research purpose. Creating more healthy workplaces is the important element of the organizational strategies based on health and wellbeing of companies around the world. Although, there is no one reliable and effective organizational strategy to promote health in enterprises, more benefits for employees wellbeing and organizations are achieved by comprehensive interventions endorsed by the employer in the form of broader health policies or programs, usually defined as health promotion at work or corporate wellness.

The aim of the paper is to assess the scope and possibly outcomes of workplace health promoting interventions in reference to the types of organizational strategies of enterprises.

Design / Methodology / Approach. A systematic review of English-language papers focused on types of health promoting interventions at workplace and outcomes for employers and employees, published between

2005 and 2020 were conducted using SCOPUS database. The collected research material was analyzed in terms of range of research (population, industry, professional groups, and individual case studies); research area (country); quality and value of research (high, good, poor) and types of assessment methods/measures used. Key inclusion criteria for in-depth research were: 1) workplace intervention aiming to increase health of employees, 2) intervention initiated/endorsed by the employer, 3) types of intervention activities; 4) outcome for workers or 5) effects for organization.

Findings. Based on the review literature the types of organizational strategies based on health in enterprises were presented. Moreover, the results of scope assessment were presented with their main effects on employee's health and outcomes for employer. The variety of methods and broad scope of health-based interventions used in present research, make it difficult to draw clear conclusions about the benefits for both, employer and employee depending on the organizational strategy of enterprises.

Originality / Value / Practical implications. The analysis allowed to identify key research gaps in the field of health promotion in the workplace. Article also contributed the role of organizational variables the assessment in the effectiveness of pro-health strategies. The review of completed research was the basis for identifying good practices that could help other organizations in developing pro-health strategies.

Keywords: Health; intervention; organizational strategies, outcomes; workplace.

JEL codes: I310, M540.

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Aleksandr Averin, Valentina Grigoryeva, Iuliia Ivanova, Konstantin Pozdnyakov, Inna Stecenko. SUSTAINABLE DEVELOPMENT OF SMALL BUSINESS IN MODERN ECONOMIC CONDITIONS

Abstract

Research purpose. The study considers factors, features and problems of sustainable development of small business in the context of the digitalization of the economy (for example, the Baltic countries for the period from 2009 to 2019). The authors identified key problems in the implementation of entrepreneurial activity in countries with developing economies. The study considers measures to ensure the sustainable economic development of small businesses.

Design / Methodology / Approach. The methodological basis of the article are general scientific research methods such as the method of statistical analysis, quantitative and qualitative analysis, interpretation of results, the method of orientation on the final result, the method of expert estimations and forecasting.

Findings. The results of the study indicate the presence of institutional conditions and factors restraining the sustainable development of small businesses in Latvia and Lithuania, which necessitates the improvement of regional economic policies in the field of development and protection of small business interests, as well as the development of human capital. The Baltic government should take the opportunity to carry out structural reforms that stimulate the acceleration of comprehensive economic growth, which is essential for poverty alleviation.

Originality / Value / Practical implications. The economic policy of sustainable development of small businesses in the Baltic States should include the following support measures: focusing tax policy on attracting foreign investors, preferential tax treatment for promising start-ups, increasing long-term lending to small businesses, including soft loans with state support, soft social business lending, loan insurance, subsidies, capability vouchers, research and development grants, crowdfunding platform. Non-financial public policy should be focused on protecting the rights and legitimate interests of small businesses, the development of technology parks and technopolises, the allocation of special zones at the regional level and areas of priority development, the creation of value-added industrial sectors and the development of exports in this industry. Particular attention should be paid to the development of feedback mechanisms and public monitoring of government management decisions in the field of small business development.

Keywords: Economic policy; small business; digital economy; innovation.

JEL codes: A10, B23, E62.

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***Robert Jadach.* MARKETING CONSEQUENCES OF CONSUMER ETHNOCENTRISM: A CASE STUDY OF POLISH FMCG SECTOR**

Abstract

Research purpose. Consumers through their shopping behaviour set trends and affect the range of products offered by retail chains. Knowledge about consumer behaviour is very important for companies seeking to gain a superior position over competitors. Social changes, growing populism in Europe and events such as Brexit, Russia-Ukraine crisis, trade wars prompt us to reflect on the subtle forms of protectionism, which may be consumer ethnocentrism. The main purpose of this paper is twofold: firstly, analysing ethnocentric behaviour of consumers and determinants shaping this phenomenon, on the other hand, indicating marketing consequences for enterprises in the FMCG sector.

Design / Methodology / Approach. The author has systematically reviewed literature using platforms such as Web of Science, Science Direct and Emerald, as well as analysing reports and industry studies on consumer ethnocentrism.

Findings. Research suggests that during times of uncertainty, consumers prefer domestic products more often, which may be a sign of consumer protectionism. The general reasons for this phenomenon include the perception of uncertainty among consumers related to excessive consumption of foreign goods, reduction of domestic production and loss of jobs in the country where the consumer comes from. In addition, consumer ethnocentrism is the strongest in the food segment, which is important for enterprises in the FMCG sector.

Value / Practical implications. Understanding the determinants of consumer ethnocentrism can be crucial for retail chains operating on foreign rankings in improving their marketing strategies and optimizing the product range offered. The considerations showed significant differences in the level of consumer ethnocentrism among different product categories, and this can be useful in answering the question of which products should be adapted to local consumer preferences and which should be standardized. In addition, the results provide evidence of the usefulness of customer segmentation and identification of groups sensitive to the origin of products and services.

Keywords: Consumer ethnocentrism; origin of products; consumer behaviour; FMCG.

JEL codes: M31, E21.

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Lubica Gajanova, Jana Majerova, Margaretta Nadanyiova. IMPACT OF INFLUENCERS ON THE DECISION-MAKING PROCESS REGARDING THE PURCHASE OF THE BRAND PRODUCT

Abstract

Research purpose. The main aim of this paper is to study the impact of Influencers on the decision-making process regarding the purchase of the brand product.

Design / Methodology / Approach. An assumption has been established in order to achieve the objective as follows: Marketing communication of brand product using Influencers is perceived by consumers as more convincing than the marketing communication in its traditional form. For the purposes of this research, we chose the method of collecting data through a questionnaire. Subsequently, we tested the hypothesis that examined the existence of a statistical relationship between the variables examined in relation to a research assumption.

Findings. The research was conceived to capture the perception of marketing communication trustworthiness using Influencers depending on various circumstances, namely the various customer segments according to the demographic and psychographic segmentation, which should give a more accurate picture of the structure of customer attributes for the purchase of the brand product more than as by the undifferentiated investigating. This approach has thus obtained a more comprehensive view of the issue.

Originality / Value / Practical implications. The research population has been surveyed not only on a flat-rate basis because the segments vary significantly in their perception of Influencers' impact. Thanks to these aspects the paper should be beneficial for business practice for improving the attractiveness of marketing communications and thus higher competitiveness.

Keywords: Influencer marketing; brand product, marketing research.

JEL codes: M31, M37.

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***Laima Jeseviciute-Ufartiene, Urszula Widelska, Gelmina Motiejune.* ENTREPRENEURSHIP AND INNOVATION: TRENDS OF STARTING NEW BUSINESS AMONG LITHUANIAN AND POLISH STUDENTS**

Abstract

Research purpose. The research purpose is to assess trends of entrepreneurship and application of innovation among students in Lithuania and Poland because entrepreneurship is building new business and new employment places and business students are entrepreneurs of the future.

Design / Methodology / Approach. The questionnaire survey was made with students of Business faculty in Kauno kolegija university of applied science and Lomza State university of applied science in January of 2020. Survey dimensions were divided into two equal blocks of questions for entrepreneurship and innovation, and some demographic data. Cronbach alpha of 49 questions is 0.935 that confirms reliability of made research.

Findings. Great differences indicated among Lithuanian and Polish students in perception of entrepreneurship skills, requirements and possibilities. Students from Poland do not formulate an entrepreneurial profile. According to students from Lithuania, an entrepreneurial person is communicative, easily adapts to changing environmental conditions, takes responsibility for decisions and expresses readiness to look for new solutions. Lithuanian students have recognized the use of modern technologies in external and internal communication (applications, social media) as an innovative attitude while Polish students could not clearly define such an attitude.

Originality / Value / Practical implications. The main value of made research is trends for students' readiness to start new business and application of innovation for business ideas. At the same time the research results indicates gap of information and directions for future research.

Keywords: Entrepreneurship; entrepreneurial profile; innovation; starting business.

JEL codes: M13, O31.

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Natalja Verina, Evita Sternberga. NEW EMPLOYEE ONBOARDING PROCESS IMPLEMENTATION AND IMPROVEMENT IN LATVIA

Abstract

Research purpose. One of the urgent problems by entrepreneurs in Latvia is the lack of human resources. This slows down development enterprise development and foreign investment attraction. A survey of 225 companies by the Latvian Chamber of Commerce and Industry in 2018 shows that 61.2% of entrepreneurs are worried about the availability of human resources in Latvia and 53.8% of entrepreneurs are unable to find a qualified workforce. When the employee is found, it is important to keep it in the workplace and begin to make effective use of its potential as soon as possible. For faster and more successful employee adaptation in the new workplace the onboarding process is used. A 2012 study by The Boston Consulting Group and the World Federation of People Management Associations showed that companies, where onboarding program for new employee are developed, achieve 2.5 times higher revenue growth and 1.9 times higher profit growth. If the onboarding process is poor, the new employee does not fully realize his / her potential for another 8-12 months, so only after about one year can be able to expect the real result that this employee is capable. Perfectly organized onboarding process can shorten this time and remove unnecessary stress on your day-to-day duties. The aim of this research is to analyse the importance of onboarding process, to find out it stage of implementation in Latvian companies and to prepare the recommendations for onboarding process implementation and improvement.

Design / Methodology / Approach. After analysis of academic literature and statistical data, human resource experts were interviewed to find out what stage the onboarding process is in Latvia, or whether Latvian companies are using the onboarding process. 272 employees of beverage companies were interviewed to find out how the onboarding process is organized, what are the advantages and disadvantages, what are the obstacles to the adaptation process and what improvements are needed. Also, comparisons revealed differences between the employees and HR professionals about which steps in onboarding process are more important to successful and faster adaptation.

Findings. Entrepreneurs in Latvia are increasingly aware of the importance of new employees' onboarding, and companies are introducing, at least in part, new onboarding programs. A systematic and elaborate program is predominantly in companies with more than 50 employees, but guidelines are most often found in branches of multinational group companies with 20-30 employees.

The length of the onboarding process may vary from one week to six months, due to job duties, specifics of the business and previous experience and knowledge of the new employee. There are companies where the recruitment process can take up to 12 months. 32% of respondents did not undergo onboarding process, but 46% of respondents were partially onboarded. In contrast, 47.3% of the respondents for whom it was organized took one week to enter and only 6% responded for 2 to 3 months. Due to the incomplete onboarding process, employees have a long period of adaptation and job learning, with 69.4% of respondents saying that it took them more than three months to adapt at the workplace.

The information provided by human resource managers in beverage companies on the length of new employees' onboarding process differs significantly from the responses of employees. 36% of HR managers stated that the onboarding process in their companies was 2-3 months, but only 6% of employees indicated such period. 47% of employees believe that the onboarding process was organized for one week, while only one company human resources manager reported such a time period.

Originality / Value / Practical implications. The results are originally extracted from this research. The practical implication of this research that the acquired results can be used by executives and HR managers to decide on the implementation and development of the onboarding process within the company.

Keywords: Onboarding; human resource management; employee; digitalization; automation tools.

JEL codes: M12, O15.

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***Agnieszka Dziubinska.* DIVERGENT LEARNING OF ORGANIZATION IN THE FACE OF UNCERTAINTY**

Abstract

Research purpose. In the face of complex strategic challenges relying on well-defined, grounded by past experience ways of organizing business operations often proves to be counterproductive. Companies deal with this challenge in different ways, but most often attempts to hedge against the risk makes system more complicated, which as the consequence limits its responsiveness and increase its vulnerability for changes that are not taken into consideration by its design. The purpose of own research was to identify on ground of complex adaptive system theory an alternative to the conventional way of responding to uncertainty.

Design / Methodology / Approach. In own research the complexity served as theory constructive metaphor. The concept presented was complemented by an illustrative case study of cooperation between companies in the preparation and implementation of a project in the industrial sector.

Findings. The scope and way of learning of the organization in the face of unpredictable events turned out to be crucial. More specific, companies may react differently to the so-called first and second order constraints. This feature, among others, make it possible to distinguish between the traditional (convergent) and alternative (divergent) strategic type of organization.

Originality / Value / Practical implications. The uncertainty of the contemporary environment is a growing challenge for the ways of managing organizations recognized as traditional. Complexity opens up new research opportunities in this field, as it allows to explain surprising, innovative behaviours of organizations in more coherent way. In relation to the formulated research goal context-sensitive constraints, depending on the type of organization, may be treated as a noise requiring reduction or on the contrary - based on indicated theoretical foundations as source of valuable inspiration, opening more adaptive but previously inaccessible paths of development.

Keywords: Uncertainty; management; complexity.

JEL codes: L20, L22.

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EMERGING TRENDS IN PEDAGOGY AND EDUCATION

Marta Kive, Edgars Cerkovskis. LATVIAN EDUCATION QUALITY INDEX

Abstract

Research purpose. The Latvian Education Quality Index has been created with the aim of identifying the educational situation and promoting accessibility and quality of education throughout Latvia.

Design / Methodology / Approach. Target group: Latvian population aged 18-75; Survey method: Direct interviews at respondents' places of residence; Sample size: 1014 respondents (general population: 1538 thousand people); Sampling method: Stratified random sampling; Geographical coverage: the whole of Latvia (127 sample points); Survey Time: 05.10.2019. until 10/16/2019 Data weighting: data were weighted by characteristics: region, nationality, gender, age according to the data of the Population Register of the Ministry of the Interior of the Republic of Latvia as of 17.01.2019. The article indicates weighted percentages and unweighted respondents.

Findings. According to the Latvian population survey of October 2019, in total 24% of the population rate the current quality of education in Latvia as high (very high: 1%, rather high: 23%). Almost half, or 49%, rated it as mediocre, while overall 21% rated it as low- quality education (very low: 4%, rather low: 17%). The value of the index * calculated from these answers is +50.2. It should be noted that residents whose families have children or young people who are currently in education rated the current quality of education in Latvia as slightly lower than residents who have no children or young people in education (index values: +48.8 and +51.3 respectively). , as well as residents who speak Latvian as their conversational family, evaluate the quality of education higher than those who have Russian as their conversational family (index values +53.2 and +44.7, respectively).

Originality / Value / Practical implications. The total education quality index calculated from sub-indices of individual education levels is +53.1. It should be noted that as the education level of the population increases, the value of the education quality index decreases, as well as the education quality index is higher for those who speak Latvian as their family language (+55.1 and +49.5, respectively).

Keywords: Quality of education; education index; secondary education; tertiary education; distance learning.

JEL codes: I20, I21.

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Piotr Urbanek. THE EVOLUTION OF INSTITUTIONAL LOGIC IN THE SYSTEM OF HIGHER EDUCATION UNDER REFORM IN POLAND

Abstract

Research purpose. The neo-institutional theory indicates the impact of the institutional environment on organizations. This leads to the creation of homogeneous institutional structures, which are the result of the existence of dominant institutional logic, which can be treated as an independent determinant of processes in the organization. University reforms, which have focused on their marketization, mean that an evolution of the institutional logic associated with the processes that constitute academic governance is necessary. The success of university transformation depends on the possibility of reconciling new logic which refers to the idea of managerialism, with its principles of strong leadership, with academic logic based on collegial decision-making processes.

Design / Methodology / Approach. In the empirical part of the article, the changes in the architecture of the authority structures of universities in Poland, which are result of reforms of the higher education system, were identified. Based on the analysis of statutes of 18 public universities, two groups of universities have been identified, those that try to maintain the conservative academic status quo, and those that adapt their governance structures to the changing institutional environment.

Findings. The results show that the scale of the changes carried out is determined by the prestige of university, determined on the basis of the place occupied in academic rankings. Higher-rated universities are trying to maintain traditional academic authority structures, including the faculty council as a collegial decision-making body, and the faculty staff electing the dean. Universities lower in the rankings are more likely to implement ideas typical for managerial institutional logic – deans are nominated by the rector, faculty boards are only advisory bodies.

Originality / Value / Practical implications. Reforms of Polish higher education sector lead to profound changes in the way public universities are managed and supervised. The institutional pluralism created in this way may disturb the homogeneity of academic institutions and threaten the stability of the system built on the coexistence of two competing institutional logics.

Keywords: Neo-institutional theory; institutional logic; public universities; reforms of the higher education system.

JEL codes: D02, G30, I20, I21, I28.

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Stefan Bongard. THE INDIVIDUAL TRANSPORT MOBILITY GAP (ITMG) AS AN OBSTACLE ON THE WAY TO A HIGHER RATE OF PUBLIC TRANSPORT USE

Abstract

Research purpose. The call for higher usage rates for public transport modes seems reasonable and understandable against the background of climate change and the high burden on urban transport structures. However, the statistics for Germany show that motorised individual transport clearly leads the modal split at a level of about 80 %. The Quality Management course in the fourth semester of the Bachelor's programme in Logistics discussed the question of satisfaction with mobility in urban transport and formulated the hypothesis that there must be a striking difference in quality between the use of one's own car and the use of public transport, which could explain the clear preference for private transport. This quality difference is called the individual transport mobility gap (ITMG).

Design / Methodology / Approach. The ITMG is considered from the perspective of people who mainly use their own car (car users) and who mainly use public transport (public transport users). Therefore the students programmed an online questionnaire with the software tool SAP-Qualtrics. In a first survey wave n=516 answers were collected until 23.12.2019. At the same time, the survey was distributed to partner universities for international comparisons. A second wave is planned for beginning of 2020. The survey can be accessed via this link: https://fhludwigshafen.eu.qualtrics.com/jfe/form/SV_6JOoxNvISVxsdDv

Findings. The first results confirm the formulated hypothesis: people who mainly use the car rate their car trips on average 7.01 (10=very pleasant; 1=very uncomfortable). If they had to make the same trips with public transport, this satisfaction rate drops to 3.07, which corresponds to an ITMG value of 3.94. In contrast, the IVMG gap for public transport users is only 0.07 on a lower satisfaction level of 5.75.

Originality / Value / Practical implications. The originality of the approach lies in querying satisfaction with a transport mode at a very highly aggregated level and not at the level of individual items such as satisfaction with punctuality. The value of the study arises from the fact that the measurement of the ITMG provides a basis for comparison in order to determine the effectiveness of measures to increase the utilisation rate of public transport. The practical significance results from the availability of a database for further evaluation purposes and the inspiration for ideas to effectively reduce the satisfaction gap between private cars and public transport.

Keywords: Action-based teaching; empiric case study; mobility management; motorized individual transport; public transport.

JEL codes: A23, R40.

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Gianluca Coppola, Antonella Tozzi. DIGITAL FOOTPRINT, THE TODAY CHALLENGE. WHAT ROLE FOR EDUCATION AND TRAINING?

Abstract

Research purpose. The digital footprint is the trail of data you leave behind when you do anything online, and nowadays we are constantly connected! There is an enormous quantity of our personal and professional data out there on the internet, but are we aware of that? Do we really understand the meaning of digital footprint and its implications?

Different sources at institutional level have already demonstrated how citizens are not fully aware of their digital footprint and don't protect themselves when navigating online. Nevertheless, is a daily habit to find news on personal information acquisition from big data management companies or hackers.

Therefore, the research purpose is to investigate on the level of European citizens' competences related to their digital footprint and how education can answer to the challenge and meet the gap.

Design / Methodology / Approach. Thanks to the results of a research carried out by the European Digital Learning Network, notably the pan-European one on "Digital footprint awareness" and the project DIGIT we have now consistent data to be compared with those collected at institutional level, so that we can conduct a comparative analysis. The methodology of the research will follow these steps:

- Analysis on existing data about digital footprint
- Comparison of the data with those collected by the European Digital Learning Network
- Presentation of the state-of-the-art in terms of policies and initiatives in the framework of digital footprint education
- Conclusion on the role of education and training in this framework

Findings. More than 4.5 billion people now use the internet, while social media users have passed the 3.8 billion mark (We are Social – Digital 2020 reports). Even if the 74.64% of respondents to the European Digital Learning Network declares to possess an intermediate level of digital skills, also stated that do not read privacy policy text in full before subscribing to an online service (80% of respondents). However, there is a certain level of understanding related to the issue of security and privacy. The 80.36% on people declared to be more careful on what they publish. As for what concern institutional control the 72,36% suggested that Social Media companies should provide more opportunity for media education and that should comply with stricter regulations.

Originality / Value / Practical implications. The concept of 'Digital footprint' is new. It is linked with topics such as digital identity, privacy, online safety, information management. Even if media literacy education has played an important role in that, technology is constantly evolving and nowadays internet is not just a source of information, is becoming part of our identity and citizens should develop their ethics and code of conduct when navigating. Yet cases of cyber bullying and online hate, just to mention a few cases, are increasing. This is a call to action for all and to education especially.

Keywords: Digital identity; privacy; online safety; digital footprint; media education.

JEL codes: O330.

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Gianluca Coppola, Antonella Tozzi. THE FUTURE EDUCATIONAL SCENARIOS SHAPED BY DIGITAL TRANSFORMATION. CONVENTIONAL TEACHING IS OUTDATED?

Abstract

Research purpose. Interactive blackboard, laptop in the classroom, learners studying at home and doing homework in classroom, e-learning platforms, online examination and avatar as tutor or teachers. Is this the scenario we are going to see in 5 years? Education is the ultimate “industry” completely revolutionised by digital transformation? Are educators ready for that? The research wants to understand how far education is going in the use of digital tools and to what extent needs them.

Design / Methodology / Approach. The methodology for the collection and analysis of data is inspired by a bottom-up approach. From the point of view of professionals in Education & Training the European Digital Learning Network have already collected feedback about trends, ideas, practices and opinions in the framework of digital education, from the organizations belonging to the education sector. Taking into consideration all educational sector we have investigated different issues which are shaping education nowadays:

- The extent to which digital tools are used in education;
- The level of digital skills among education providers
- The extent to which organizations are equipped to embrace digital transformation
- The most used or known methodologies to adopt ICT tools for educational purposes
- The most used practices or methodologies to help the transition to employment
- The extent to which ICT tools can help students’/learners’ retention

Ultimately, our aim is to deliver a comprehensive picture of the situation so to understand needs, problems, practices and possible improvements. According to the results collected and those published by the relevant institutions we aim to answer the research questions.

Findings. From the investigation we have already highlighted 4 main aspects that will need further analysis. In particular:

- conventional channels for communication especially until social media will improve in credibility.
- Learners/students engagement and retention is one of the top priorities
- Digitalisation of teachers/tutors is still under development
- Different ways to structure funding schemes both at national and European level to allow digital transformation
- Augmented and Virtual reality are still not very well known. There is the need for more information and specific training about how they can be applied in education
- Learning analytic is underestimated while it plays an important role for the personalisation of learning

Originality / Value / Practical implications. Technology is changing constantly and both educators and learners do not need to be trained on the last and most updated device. They need to be capable of adaptation, to understand which is the right tool that fits their purpose. The original element of the research is that we will analyse all the issues with both the eye of the techno-enthusiastic and the more critical eye, to get more clearly at the core of the problem and possible solutions

Keywords: Digital competences; digital education; future of education; digital transformation.

JEL codes: I21.

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Jelena Jermolajeva, Svetlana Silchenkova, Larissa Turusheva. LAST YEAR UNIVERSITY STUDENTS' MOTIVES FOR LEARNING AND THE WAYS TO INCREASE THEIR MOTIVATION

Abstract

Research purpose. Monitoring and analysing the students' academic motivation allows the university teacher to look at the results of her/his work from another aspect and reflect on the ways of increasing the effectiveness of teaching. The aim of the study is to analyse and compare the groups of the learning motives of last year students at the Universities of Riga (EKA University of Applied Sciences) and Smolensk (Smolensk State University), on the basis of which propose the ways to increase their motivation.

Design / Methodology / Approach. In the international survey, which was carried out in December 2018 – June 2019, the technique "Diagnostics of educational motivation of students" was used (N = 101). The obtained data were subjected to statistical processing (average score, dispersion, coefficient of variation, mode, Mann-Whitney criterion indicator, Spearman correlation coefficient were calculated).

Findings. Data analysis shows that in both samples the group of professional motives plays a leading role in the students' learning motivation. In Latvia, the second and third places are to communication and creative self-realisation motives, in the Smolensk sample – social and communication motives, respectively.

Originality / Value / Practical implications. The study results allow teachers who have worked with students for several years, to look in detail at the motivational aspect of their learning-teaching collaboration, and to reflect on the ways of increasing students' motivation. The results of the study can be used by university teachers and study programme directors for improving the management of education and raising the quality of the pedagogical process.

Keywords: Communication motives; creative self-realisation motives; professional motives; social motives; students' learning motivation.

JEL codes: I21, J24, M53.

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Kristine Uzule. TEACHER TRAINING PROGRAMS IN LATVIA: DEVELOPMENT OF COMPETENCES RELEVANT TO CREATING E-CONTENTS AND E-ASSESSMENT

Abstract

Research purpose. The aim of this research is to review the contents of teacher training programs in Latvia in order to identify gaps in the development of teacher competences relevant to e-learning and to compare these programs and their insufficiencies with relevant aspects of teacher training programs in the UK. In order to attain this aim, first, literature review was conducted to identify a possible key set of knowledge and skills required for directing education activities in the e-environment. As a result of this review, recommendations on integrating e-learning contents into typical teacher training programs in Latvia were made.

Design / Methodology / Approach. The literature review method was used to identify skills essential for the production of e-contents and e-assessment. The methods of the content and discourse analysis were used to analyse the contents of teacher training programs at Latvian and British universities.

Findings. It was found that typical teacher training programs in Latvia, not focusing on IT or similar fields, contain little training, if at all, that can help future or current teachers develop sustainable skills essential for creating effective online contents and online assessment of learning outcomes. The comparison with the UK programs revealed some similarities but also differences in the British approach to the necessity to develop teachers' knowledge related to work on educational e-platforms.

Originality / Value / Practical implications. Firstly, the value of this research primarily lies in identification of gaps in the development of teacher competences of creating and analysing e-course contents and e-assessment at Latvian universities and the consideration of existing insufficiencies in the context of European teacher training programs on the sample of the British context. Secondly, since the virtual reality has been permeating all domains of human activities, the skills essential for productive functioning on e-platforms should be part of modern and sustainable teacher training programs because the developed knowledge and skills would enable teachers to productively work in their profession not only over a span of a few years but over a substantially longer period of time. This, in turn, is expected to enhance the quality of education overall and to reduce the costs of required further teacher training in the long run.

Keywords: E-learning; teacher training programs; Latvia.

JEL codes: I21, I23.

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***Inga Sina.* KEY FACTORS THAT MAKE FOREIGN STUDENTS CHOOSE LATVIAN HIGHER EDUCATION INSTITUTIONS**

Abstract

Research purpose. The globalization of education processes and creation of a united European education area has promoted foreign students interest to study in Europe and including in Latvia. Bologna declaration has emphasized the role of higher education. Given the increasing challenges in the labor market, EU Member States and Latvia view migration as a tool for solving an aging population, maintaining the welfare system and attracting a skilled workforce. Attraction of foreign students and internationalization of higher education is included in several planning documents, for example, in the National Development Plan of Latvia for 2014-2020. Since 2008, the number of foreign students in Latvian higher education institutions has continued to increase, reaching 9,797 or 12% of all students (in 2017 - 8,802 students or 11%).

Design / Methodology / Approach. The research will consist of three interrelated parts. In the first part of the paper will be analysed academic literature and statistical data about consumer choice factors and especially consumer choice factors in higher education. The higher education system in Latvia also will be described. The second part describes the methodology of the research – development process of the research instrument and testing the findings. In the last part, empirical findings will be presented and the significance of the main factors will be highlighted.

Findings. The main factors that make foreign students choose Latvian higher education institutions were identified and factors that hinder increase of numbers of foreign students were highlighted.

Originality / Value / Practical implications. Obtained results would be useful and relevant to the government sector and higher Institutions to analyzing the possibilities for attraction of new students.

Keywords: Globalisation; higher education; foreign students; international business administration.

JEL codes: I25, J61, M10.

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***Ann L. Saurbier, D.M.* A QUESTION OF VALUE: EXPLORING THEORETICAL FRAMEWORKS TO CONTEXTUALIZE THE VALUE OF HIGHER EDUCATION**

Abstract

Research purpose. The pursuit of higher education has, until recently, been viewed as a worthwhile pursuit. However, factors including rising tuition costs, graduate job-readiness, and the associated debt have diminished the perceived value of college degrees at all levels. This research seeks to explore literature from a wide variety of disciplines to gain a deeper understanding the value proposition of higher education in the dynamic 21st century.

Design / Methodology / Approach. An aggregative qualitative synthesis of critical literature from the disciplines of economics, marketing, education and humanities is examined for emergent themes. A meta-narrative is then constructed in an effort to not only more effectively describe the variant perceptions of value but also to explore the creation of an integrative theoretical framework to reconciles and synthesizes these views.

Findings. The perceived value of a contemporary higher education has been challenged, requiring post-secondary institutions to find new ways to demonstrate the benefits that accompany an advanced degree. Through a more explicit understanding of the dichotomies that exist between the various frameworks currently utilized to assess value, as well as the emergence of thematic agreements among these models, a more holistic depiction of higher education's value proposition may be created.

Originality / Value / Practical implications. The creation of a framework that allows post-secondary institutions to gain a more explicit understanding of the perceptions of value held outside the academy will allow colleges and universities to respond more directly to this critical challenge and more accurately demonstrate both the short-term and life-long value of a college degree.

Keywords: Higher education; perceptions of value; complexity theory; systems thinking.

JEL codes: I23.

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***Velga Vevere.* ETHICS AND CORPORATE SOCIAL RESPONSIBILITY FOR BUSINESS STUDENTS: DEVELOPING AN INSERT MODULE**

Abstract

Research purpose. The purpose of the current research is to work out an insert module of Corporate Social Responsibility and Ethics for business students.

Design / Methodology / Approach. The current research employs a quantitative research design – a survey of, applying 5-point Likert scale questionnaire. The research sample consists of 80 higher education institution lecturers of various subjects (purposive non-probability sampling). Data processing method is the descriptive statistics. Two research questions are put forward. Q1: Do lecturers see that knowledge of

CSR and Ethics can foster their students prospective careers? Q2: Should CSR and Ethics be taught as an independent course or as an insert module?

Findings. Although there is no unanimous agreement among lecturers regarding the role CSR and Ethics in students' professional lives, the research shows that majority of respondents think that this type of knowledge is necessary. At the same time, the majority of respondents admit that the most productive form of CSR and Ethics teaching is the one of insert module that can be adapted to tasks of their respective courses.

Originality / Value / Practical implications. The current research holds both theoretical and practical significance – an offer of adaptable insert module for higher education institutions, that can be applied in the actual teaching process.

Keywords: Corporate Social Responsibility; ethics; business environment; competitiveness; teaching CSR.

JEL codes: I29, M14.

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Ieva Bruksle, Vita Zarina, Anna Abeltina. CONFLICT RESOLUTION IN MULTICULTURAL STUDY ENVIRONMENT

Abstract

Research purpose. Every year the number of foreign students in higher education institutions in Latvia is increasing, more and more students are coming to various exchange programs, and the study environment is becoming increasingly multicultural. The multicultural environment creates specific working conditions and challenges for the lecturers, there are sometimes conflict situations and it is important to choose the appropriate conflict resolution method that would avoid the escalation of the conflict.

The aim of the study is to determine optimal conflict resolution methods in a multicultural study environment in Latvia.

Design / Methodology / Approach. To achieve the goal, theoretical approaches, conflict resolution, and the essence of multiculturalism will be described. The specificity of the Latvian study environment, its multicultural features were evaluated. Opportunities for conflict resolution in Latvian study environment are evaluated. A mixed research approach using qualitative and quantitative data acquisition methods will be used.

Findings. There are different conflict situations and different approaches for solving conflicts. Latvian high school environment is multi-cultural. It is possible to choose the most appropriate method of conflict resolution by adapting it to the situation. .

Originality / Value / Practical implications. The study is original. The results of the research can be used by lecturers from different universities who work with students from different countries and face specific situations on a daily basis, which are determined by different knowledge base and cultural heritage of students.

Keywords: Conflict; multicultural environment; student; lecturers.

JEL codes: D81, D83, I23.

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***Oksana Lentjushenkova, Ilona Lejniece.* FACTORS INFLUENCING HUMAN CAPITAL DEVELOPMENT AT HIGHER EDUCATION INSTITUTIONS**

Abstract

Research purpose. Nowadays higher education institutions (HEI) are faced new challenges. They have to compete globally and take into account modern trends in education and science. Human capital becomes one of the most significant resources for HEI performance. The purpose of study is to find out factors influencing human capital development at HEI.

Design / Methodology / Approach. The authors have analyzed the human capital development at Latvian HEI according legislation and quality standards. The expert survey was made for the determination of the factors influencing human capital development at HEI.

Findings. Factors influencing human capital development at HEI could be divided as follows: 1) factors, which are related to the conformity assessment and are linked with legislation (e.g. number of professors, staff with doctoral degree etc.); 2) quality of staff; 3) factors, which are related to scientific reputation of HEI (e.g. number of scientific publications, patents etc.); 4) financial factors.

Originality / Value / Practical implications. Human capital is one of the key factors for HEI sustainable development. Taking into account factors, influencing human capital development, HEI could elaborate human capital management strategy which allows achieve performance in long-term perspective.

Keywords: Human capital; higher education institutions; intellectual capital.

JEL codes: J24, M12, M50.

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Sandra Valantiejiene. DIFFERENCES IN UNDERSTANDING OF CONSEQUENCES OF THE USE OF PSYCHOACTIVE SUBSTANCES IN GYMNASIUMS AND VOCATIONAL SCHOOLS BETWEEN PUPILS OF 9th – 12th GRADES: LITHUANIAN CASE

Abstract

Research purpose. The use of psychoactive substances among adolescents/teenagers is one of the most acute problems not only in Lithuania but also worldwide. This age is important in a young person's life because of the increased risk-taking and also by the lack of awareness of health risks. The paper raises a problematic research question: how do the understanding of the effects of psychoactive substance abuse differs among pupils of gymnasiums and vocational schools in grades from 9th to 12th. To achieve this goal 5234 pupils from Lithuanian general education schools (gymnasiums and vocational schools) participated in the specially organized survey; the results of this survey are presented in this article.

Design / Methodology / Approach. The author performed a quantitative study. The research instrument was developed on the basis of theoretical analysis of the major consequences of the use of psychoactive substances to the behaviour of 9th-12th grade pupils and also on the basis of "Drug prevention model for secondary schools in Europe" developed by Dobson and Wright (1995).

Findings. The research showed that there is a difference between the perception of the effects of the use of psychoactive substances between pupils studying in vocational schools and gymnasiums and the assessment of the effects of psychoactive substances on health also differs. The results of the research show that pupils of gymnasiums rated the consequences of using psychoactive substances for their peers as more significant. Pupils of gymnasiums showed a better understanding and perception of the consequences of smoking and the consequences of alcohol use and such consequences as "will start to fail in school; relationships with parents will deteriorate; will be removed from the school; relationships with friends will deteriorate; addiction will occur; you will run out of money; make more friends; become more popular; will forget his worries" perception.

Originality / Value / Practical implications. The results of the study showed that pupils of gymnasiums rated their knowledge of the impact and health consequences of using psychoactive substances higher than vocational school students. Therefore, we can conclude that pupils of gymnasiums better than pupils of vocational school students know the effects and consequences for health of smoking, alcohol and drug abuse and the prevention policy (in the Republic of Lithuania) should be concentrated towards this particular target group as a priority.

Keywords: Use of psychoactive substances; consequences; perception; pupils of 9th-12th grades.

JEL codes: 121, 128, 129.

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EMERGING TRENDS IN LAW AND INTERNATIONAL RELATIONS

***Philip Haellmigk.* IRAN, RUSSIA, CHINA: WHO'S NEXT? U.S. EXPORT CONTROLS AND ITS EXTRA-TERRITORIAL APPLICATION**

Abstract

Since the Trump election, the subject of extra-territorial application of national law - in particular U.S. law - has received considerable attention. This is so because the U.S. administration increasingly uses this legal tool to enforce its foreign policy interests. A legal area with a particularly strong reach of extra-territoriality is U.S. export controls as this allows the U.S. to control foreign states' business. A very recent and vivid example is the Huawei trade ban by the U.S. The purpose of this article is to show the (harsh) legal and economic effects, which the extra-territorial application of U.S. export-related laws have on international trade.

The article will focus on the approach taken by the U.S. to impose its export controls outside the U.S. It will analyse the legal framework of extra-territorial U.S. export controls and explore to which extent the U.S. laws apply to foreign business, i.e., business outside the U.S. The article will define the cases in which foreign companies are subject to U.S. export controls and therefore must comply with U.S. regulations.

The article will show that the applicability of U.S. export controls to foreign companies and their business is considerably broad. It rigorously controls the destiny of U.S. origin products and components once they have been exported from U.S. territory and also regulates the worldwide export of products that have been manufactured by using U.S. technology. In addition, U.S. export controls impose economic sanctions on countries (e.g., Iran) or companies (e.g., Huawei) and prohibit foreign companies from doing business with these sanctioned parties.

Understanding U.S. export controls and its extra-territorial reach are a challenge for foreign companies. It is a rather complex legal system that requires deeper knowledge of the underlying concept. However, foreign companies are well advised to comply with U.S. export controls, as the penalties for violations can be severe, including millions of dollars in fines and even imprisonment. In addition, the U.S. may blacklist foreign companies with the effect that business in the U.S. is no longer possible. Therefore, understanding U.S. export controls and its extra-territorial reach is vital to foreign companies.

Keywords: International trade; U.S. export controls; extra-territorial application; U.S. sanctions; compliance.

JEL codes: K33.

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Una Pujate, Jolanta Dinsberga. SURROGACY INSTITUTE, PERSPECTIVES FOR IT'S DEVELOPMENT AND ECONOMIC ASPECTS IN REPUBLIC OF LATVIA

Abstract

Research purpose. The surrogacy institute is legal in six European countries, six more surrogacy contracts are not legitimate, but neither are prohibited. The total number of countries in the world where the institute is legal is higher. Latvia is one of the rare countries where there are no public discussions on the subject and possible laundering of the Institute. The world's barren population is growing, resulting in an increasing number of medical manipulations aimed at fertilizing a woman artificially or helping her naturally get pregnant to slow down the population's total aging. In the light of all the above, it can be concluded that this medical sector is becoming ever larger, more influential and increasingly funded.

Design / Methodology / Approach. The descriptive or monographic survey method was used for a detailed analysis of the development and functioning of the Institute, which was carried out on the basis of the information gathered; The analytical method for the interpretation of legal norms was used in analyzing the information obtained, explaining the concepts at work and their nature; The Inductive method allowed individual facts to be examined in general with the legal framework and its possible changes; The Deductive Method was used to study the effects of possible legislative changes on the legal situation in the country, the doctrine of law and the national economic situation. economic and scientific development.

Findings. As a result of an analysis of the legal framework, case-law, and other reference materials, it was concluded that legalizing the surrogacy institute would not only help to solve the problem of an aging population but would also have a positive impact on medical development and contribute to the national economy.

Originality / Value / Practical implications. The study has both theoretical and practical meaning. The work is unique since it deals not only with the functioning of the Institute from a legal point of view and with potential legal risks but also with the economic benefits of legalizing the work of the Institute.

Keywords: surrogate mother; institute of surrogacy

JEL codes: I15, K12, K36;

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Ināra Brante, Ilona Lejniece, Helmut Lejnietis. RELIABILITY AND REPUTATION OF THE BOARD MEMBER IN LATVIA

Abstract

Research purpose. The purpose of this paper is to investigate the most important risk factors in the assessment of the reliability and reputation of the Board Member for the implementation of responsible business activities in Latvia.

Design / Methodology / Approach. The research methods employed in the current article are a comparative analysis of the legal bases and other regulative documents, and case studies. The case study is based

on the economic and legal analysis of legal acts using descriptive, analytical, deductive and inductive methods, on the basis of which the authors draw conclusions about the reliability and reputation of the Board Member in assessing the key risk factors of their responsibility. The following data collection methods were used to achieve the set goal: analysis of special literature and internet resources, document analysis.

Findings. The risks of the responsibility of a Board Member is still not a completely researched topic in Latvia. There is no common understanding of the reliability and reputation of a Board Member. The legal framework is incomplete, which has a negative impact on responsible business in Latvia.

Originality / Value / Practical implications.

The study contributes to the implementation of a responsible business environment by creating a common understanding of the risks of a Board Member's responsibility.

Keywords: Reliability and reputation; board member; entrepreneurship; legislation; Latvia.

JEL codes: K15, K20.

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Sofiya Shvelidze. RANKING OF PRIVILEGED MARITIME CLAIMS IN LITHUANIA: NATIONAL LAW VS INTERNATIONAL OBLIGATION

Abstract

Research purpose. The commercial failure of a ship on an international voyage had been a well-known legal issue. Moreover, ships can incur not only debts but liabilities anywhere they navigate. International community over the decades has made a number of attempts in order to develop a unified system of maritime claims to be recognized by each forum whenever the ship is in its ports. Not only the recognition of claims but ranking of the creditors having such a claim and entitled to compensation is of crucial importance. In this regard, conscious of the need to improve conditions for ship financing and the development of national merchant fleets and recognising the desirability of international uniformity in the field of maritime liens and mortgages, the International Maritime Organization adopted International Convention on Maritime Liens and Mortgages, 1993. The Republic of Lithuania has acceded to this Convention in 2008 and is bound under international law to properly domesticate its provisions. The purpose of this paper is to analyse the discrepancies concerning the ranking and enforcement of the maritime liens, mortgages and other charges having the same nature between the national legislation of the Republic of Lithuania (Law on Merchant Shipping) and the articles of the above-mentioned Convention.

Design/ Methodology/ Approach. The analytical method of comparative analysis was employed in order to identify the common parts and differences in the nature of the claims under the international instrument and domestic law, their priorities in satisfaction and enforceability. Furthermore, in order to give a practical example of the situations which may occur if no attempts to adjust the national law and make it consistent with the approach taken by the drafters of the Convention, the law-in-context method was of a great help.

Findings. The comparative analysis of the applicable instruments regulating the issue of ranking of creditors having their maritime claims secured, namely Law on Merchant Shipping of the Republic of Lithuania and International Convention on Maritime Liens and Mortgages, 1993 has revealed number of inconsistencies between the two, despite the obligation undertaken by the Lithuania to properly incorporate the Articles of the Convention by amending conflicting provisions in the domestic legislation. Such failure on behalf of the Lithuania legislative bodies not only goes against the principle of uniformity which is the core idea behind any international instrument adopted, but also hinders the right of creditors entitled to maritime liens by giving to the registered mortgagees first priority of satisfaction as per Article 62 of the Law on Merchant Shipping of the Republic of Lithuania.

Keywords: International Convention on Maritime Liens and Mortgages, 1993; Maritime Lien; ranking of privileged claims; ship mortgage, Uniformity.

JEL Codes: K4, K33, K39.

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***Marina Kamenicka-Usova.*WHAT IS SPORTS LAW?**

Abstract

Research purpose. As far as this branch of law- Sports law- is rather new and exotic to Latvian jurisprudence, the purpose of the research is to provide overview and reflection of sports law institute and to define this concept.

Design / Methodology / Approach. The research is based on empirical-analytical group of the research methodology.

Findings. There are three positions regarding the debate whether sports law constitutes a substantive area of law: 1) the traditional view - no separately identifiable body of law exists that can be designated as sports law and the possibility that such a corpus of law will ever develop is extremely remote; 2) the moderate view- although sports law does not presently represent a separately identifiable substantive area of law, recent development suggest that in the near future it will warrant such recognition; or 3) the sports law designation-a body of law presently exists that can appropriately be designated as sports law.

Originality / Value / Practical implications. According to the opinion of well-recognized British sports law scholars - sport is a truly global phenomenon. As a social activity, whether it is in terms of participation as a recreational pastime, competitive playing at amateurs level, the elite and mainly professional level or in terms of spectating, sport assumes immense cultural significance. Hence, Sports law is an emerging concept that should be touched upon in order to contribute to the development of Latvian sport system, by making it clear, transparent and modern.

Keywords: Sport; law; sports law institute.

JEL codes: K39.

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Karina Zalcmane. SPORT EVENT SAFETY AND SECURITY: FINANCIAL AND LEGAL ISSUES

Abstract

Research purpose. Hosting mega sport event is a unique challenge and opportunity for any host city due to the sheer scale and complexity of sport event with a large number of client groups. The aim of the research is to detail the main elements, and their inherently interdependencies, of a sensible safety and security framework for major sport events in Latvia, which identifies the strategic path to achieve a successful, well-managed and resilient event.

Design / Methodology / Approach. The content analysis was used in the research in order to gain a qualitative understanding of financial and legal issues within the sport event safety and security aspects.

Findings. The results exposed that a successful security model in mega-sport events is based on two main aspects: service excellence that depends on the time spent in the venue and the communication with customers, and mainly on the cooperation between all security forces in charge.

Originality / Value / Practical implications. The results of the research could be implemented into the new Sport Policy Guidelines of Latvia 2020 – 2026.

Keywords: Sport events; safety and security; sport policy.

JEL codes: K42; Z28.

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Jolanta Dinsberga. ESTABLISHMENT OF AN APARTMENT RIGHT BY A COURT JUDGMENT

Abstract

Research purpose. The Civil Law of the Republic of Latvia contains a broad legal framework for easements. The servitude shall be divided into personal servitudes and servitudes. The fact that the right of use is granted to a particular person is characterized by the payment of the rights of use from the service services, personal servitudes. One of the types of personalized individuals is apartment rights. According to Section

1227 of the Civil Law, it is the right to use a foreign house as an apartment without harming the house itself. It is also possible to establish personal services either by law, the judgment of the court or will. In some cases, the apartment right creates several legal and practical problems due to its uncertainty, establishing it by judicial means. It is, therefore, necessary to amend the legal framework for the establishment of easements.

Design / Methodology / Approach. The study uses general study methods: descriptive, inductive, deductive. Legal interpretations: grammatical, systemic and teleological.

Findings. As a result of an analysis of the rules governing the law of the apartment, the author concludes that the Civil Law does not provide for exceptions, in which cases there is/is no right to establish the right of the apartment based on a judgment of the court. This creates the misconception that anyone wishing to use a stranger's apartment as a home can apply to the court with a claim.

Originality / Value / Practical implications. The study has both theoretical and written meaning. In the final part of the study, the author proposes to amend the Civil Law and to determine the cases in which it is/cannot be established by a judgment of an apartment. This would set the limits for the application of Article 1232 (2) of the Civil Law by , reducing the number of civil disputes and the burden on courts.

Keywords: Apartment rights; servitude.

JEL codes: K12, K36.

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Atis Bickovskis. LIMITATION OF THE RIGHT TO DEDUCT INPUT TAX ON THE BASIS OF THE JUDGMENT OF THE EUROPEAN UNION COURT OF 10 JULY 2019 IN CASE C-273/18

Abstract

Research purpose. The objective of the paper is to analyse the court practices of the Republic of Latvia regarding the involvement of merchants in fraudulent transactions by using Latvia and at least one member state of the European Union other than Latvia to develop a consecutive chain of supply of goods with the purpose of obtaining a fiscal advantage in the form of deductible tax.

Design / Methodology / Approach. The author analyzed the case law of the European Union Courts and of the Latvian Administrative Courts in relation to the European Union Court of 10 July 2019 judgment in case C-273/18 proceedings between SIA 'Kuršu zeme' and the State Revenue Service of Latvia recognized, namely that the Article 168(a) of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax, as amended by Council Directive 2010/45/EU of 13 July 2010, must be interpreted as meaning that, for the purposes of refusing the right to deduct input value added tax (VAT), the fact that an acquisition of goods took place at the end of a chain of successive sale transactions between several persons and that the taxable person acquired possession of the goods concerned in the warehouse of a person forming part of that chain, other than the person mentioned as supplier on the invoice, is not in itself sufficient to find the existence of an abusive practice on the part of the taxable person or the other persons participating in that chain, the competent tax authority being required to establish the existence of an undue tax advantage obtained by that taxable person or those other persons.

Findings. The analysis of the court practices of Latvia has led the author to the conclusion that, on the basis of the decrees of the European Union Court on the taxation dispute cases of the Latvian Administrative

Court, a trend is observed, whereby the tax administration is obliged to prove the fiscal advantages in the form of deductible tax. In the opinion of the courts, the detection of abusive practices performed by the tax payer or other persons participating in the chain of transactions alone, is insufficient. The author has observed cases, where the administrative deed fails to contain detailed information on which taxpayer has not made payments into the budget. At the same time, the author draws attention to the fact that, in the aforementioned cases, the administrative deed provides a detailed summary of facts, which prove the abusive practices of the taxpayer or the facts that prove that they knew or had to know that the taxpayer is involved in transactions with the purpose of generating fiscal advantages.

Originality / Value / Practical implications. Each case of tax dispute differs on the merits in terms of the actual conditions, as well as the detection of the fact of the unsubstantiated use of deductible tax. Since the law does not provide for the right of input tax deduction, if the transaction has not actually been performed, the deduction of input taxes on a transaction that has actually not occurred, is definitely an unjustified fiscal advantage, since actual funds are paid from the state budget, although no added value has been generated. In the opinion of the author, in the cases where the transaction is obviously fictitious in nature and entered into with the purpose of gaining a fiscal advantage, the tax administration should not be required to additionally explain such advantage and prove the amount of fiscal advantage, as well as prove which of the participants involved in the transaction scheme has gained the advantage.

Keywords: Value added tax; tax fraud; fiscal advantage.

JEL codes: not applicable

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***Gediminas Valantiejus.* LEGAL CHALLENGES OF IMPORT VALUE ADDED TAX HARMONIZATION IN THE EU: LITHUANIAN CASE**

Abstract

Research purpose. EU tax law is based on the provision that indirect taxes (value-added tax (VAT), excise duties, customs duties) have a much more significant impact on the functioning of internal market and the free movement of goods, services, persons, and capital as they are part of prices of goods or services. Article 113 of the Treaty on the Functioning of the European Union contains a direct reference to the harmonization of legislation on indirect (turnover taxes, excise duties) and other forms of indirect taxation, giving the Council of Europe the prerogative to adopt provisions for the harmonization of such legislation. Correspondingly, the harmonization of indirect taxes, of which the VAT is the most important to the EU and national budgets as they receive the largest share of income from VAT revenue, is the primary focus.

Design / Methodology / Approach. The implementation of the provisions of this Directive is also ensured by the Court of Justice of the European Union (CJEU), which in individual cases assesses whether EU Member States have fully and adequately transposed the provisions of Directive 2006/112/EC to the national law. For this reason, the article analyses national judicial cases, related to application of VAT, in which national courts (in the Republic of Lithuania) made referrals to the CJEU.

Findings. The practice of the CJEU in applying and interpreting Directive 2006/112/EC has recently primarily focused on the regulation of VAT reliefs in the Republic of Lithuania, emphasizing that EU Member

States are not authorized to impose additional conditions or to restrict the application of VAT reliefs, in particular when such regulation does not comply with objective, clear and precise criteria (cases C-308/16, C-700/17, C-145/18).

Originality / Value / Practical implications. The author of this article investigates the implementation of VAT harmonization in the Republic of Lithuania and, in particular, the practice of applying import VAT reliefs (over the last five years from 2014) and its problematic aspects at the level of national judicial practice and case law (formed in tax disputes), and highlights what are the differences between the national practice and the practice (case law) developed by the CJEU. Based on the study, the article makes proposals for regulating VAT tax reliefs and exemptions (such as reliefs on the cross-border supplies) and other related issues in the national VAT law to ensure its compliance with regulations of the EU Directive 2006/112/EC.

Keywords: Tax harmonization; value-added tax (VAT); VAT reliefs; Directive 2006/112/EC; Court of Justice of the European Union; national courts; tax disputes.

JEL codes: H25; K34.

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EMERGING TRENDS IN ICT SOLUTIONS FOR ECONOMY, BUSINESS AND SOCIETY

Marco Carradore. PEOPLE'S ATTITUDE TOWARDS THE USE OF ROBOTS IN THE SOCIAL SERVICES

Abstract

Research purpose. Robots have been employed in the industrial sectors for over half a century; however, their appearance in the domestic sphere is a modern phenomenon of the last ten years, and they are being used to carry out a variety of 'human tasks' as well as actually interacting with human beings. Technological developments are transforming the traditional perspective of the robot such that we may now 'meet' robots with a very human aesthetic that will actually interact with humans or with other robots in a way that replicates how a real person might interact. These kinds of robots – known as social robots – are now being used in welfare services, providing assistive services and companionship for the infirm or elderly and even children. The use of social robots in everyday life has thus triggered an animated debate about the acceptance of these devices by their end users.

Design / Methodology / Approach. In this paper, regression analysis, using data from the Eurobarometer survey, is applied to investigate the individual and the national conditions that influence how robots are accepted in the realm of the social services.

Findings. Results show that individual socio-demographic characteristics impact on the social robot perception, as well as the place of leaving. Furthermore, the use of technologies influences the robot's acceptance in social services.

Originality / Value / Practical implications. The results will provide important information to help social policies makers, educators and organizations to consolidate initiatives and formulate precise guidelines, best practices and identify the most relevant variables to consider in order to facilitate the acceptance of social robots in domestic contexts.

Keywords: Social robot; technology acceptance; welfare; Europe; Eurobarometer data.

JEL codes: I3, I31.

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Uwe Busbach-Richard. A PATTERN LANGUAGE FOR ICT POLICY AND MANAGEMENT

Abstract

Research purpose: Decisions and legislation in the field of ICT policy and management often lead to insufficient implementation. According to the Chaos Report of the Standish Group, for example, about 20 percent of all software development projects have regularly failed for more than 20 years. Likewise, some laws in the field of digitization in Germany, such as e-identity and open government, are lagging far behind in their

implementation. The various stakeholders from the fields of politics, administration and technology have different objectives, approaches and languages, which lead to misunderstandings in political and administrative decisions in the field of ICT. Consequently, resources are either wasted or not made available to a sufficient extent for successful implementation. Conflicts that further complicate mutual understanding are the result. To overcome this negative spiral, a description scheme for patterns is being developed to describe successful but also unsuccessful decision-making and legislative processes in the ICT sector. The patterns described in the schema can be tested for their usefulness in the concrete problem context in the future and adapted if necessary.

Design / Methodology / Approach: On the one hand, existing approaches to pattern use in the disciplines of architecture, music and especially software development - design patterns - are deductively investigated. On the other hand, unsuccessful decision-making and legislative processes in the ICT field will be inductively analysed in order to discover fundamental attributes relevant for a description of patterns. Based on these two analyses, a description scheme for patterns in the field of ICT policy and management will be developed.

Findings: A pattern language serves as a basis for improved communication between the various stakeholders from the fields of politics, administration and technology. An analysis of which patterns are suitable in a context leads to a deeper understanding of the problem on hand. This is a first step towards achieving better results in decision-making and legislative processes in the ICT sector. In addition to using positively evaluated patterns to solve a problem, errors can be avoided by analysing anti-patterns. An essential aspect of the description scheme is the inclusion of key figures that make the concrete implementation of a pattern in a context measurable. However, patterns offer no guarantee that costly mistakes can be avoided. All stakeholders need to engage with the pattern language approach. Patterns must be initially described in the description schema and subsequently maintained. In this process, the conflicts based on the different objectives, approaches to solutions and languages of the stakeholders, which the pattern language is trying to overcome, may reappear. Furthermore, it is unlikely that a single pattern can cover the complexity of the decision-making and legislative processes in the ICT sector. Although the isolated implementation of one pattern may lead to better results, these will usually be suboptimal without the inclusion of other patterns. In this respect, it will be necessary in the future to cluster patterns based on the description scheme and to depict dependencies between patterns in order to address the complexity of reality more accurately.

Originality / Value / Practical implications: The pattern language for decisions and legislation in the field of ICT policy and management adapts the successful approach from the fields of architecture, music and software development. A new description scheme for patterns will be developed, which contains inherent key figures that verify the successful implementation of a pattern. This approach is not included in the existing pattern languages of the other disciplines. Furthermore, it is relevant for practice that the pattern language can be used to overcome silos between stakeholders from politics, administration and technology.

Keywords: Pattern language; ICT management; ICT Policy.

JEL codes: M15.

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Sergei D. Karakozov, Marina V. Khudzhina, Elman Dzhambetov, Patriks Morevs. DIGITAL COMPETENCIES IN MATHEMATICS EDUCATION

Abstract

Digitization of social and economic aspects of human life is one of the major trends in the development of modern civilization and includes the implementation of a comprehensive system of digital cognitive tools used by a human enabling a smooth transition between audio, graphics, and digital text as well as supporting algorithmic intelligence (logic) and intuition (artificial intelligence). Lev Vygotsky's and Alexei Semenov's innovative writings show that the inclusion of such tools in human activity creates a number of new functions connected to their implementation and use, eliminates the established natural processes originally carried out by the tools, and transforms these processes by displacing the functions. Thus, new cognitive tools recreate the whole structure of the behavior just as the technical tools recreate the entire system of labor operations. The structure of cognitive activity is changed against the background of the implementation of new digital tools. The history of education and its development shows three leading technologies of socialization in the context of the transfer of knowledge and experience. Sound and visible action technology refers to oral speech, music, signals, dance, and theater. Image technology includes writing, maps, schemes, and drawings. Artificial intelligence technology involves the automation of intellectual tasks (such as calculation, text writing, and design). Consequently, the structure of competencies to be acquired by an individual in the process of his/her socialization is gradually changing, with the process of change involving the stages of both revolution and counter-revolution. This structure on different levels is studied in various papers (UNESCO report, the reports of leading universities and digital companies). This paper particularly analyzes the combination of traditional and digital competencies in mathematics education in the Russian Federation mostly connected to the development of the notion of a mathematical proof and the extension of the scope of the notion of being calculable with the integration of cognitive tools.

Keywords: Mathematics; education; digital competences.

JEL codes: I20, I21, I29.

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Tatiana Aleksashina, Victoria Smagina, Karina Fionova. SOCIO-ECONOMIC ASPECTS OF DIGITAL MATURITY MANAGEMENT IN TRANSPORT COMPANY

Abstract

Research purpose. The article analyzes what the process of digitalization is manifested and connected with among employees, as well as how to determine the level of digital workload for personnel in a transport organization using the example of Russian Railways.

Design / Methodology / Approach. Formal and non-formalized surveys, surveys and studies of the transport industry through the analysis of statistical reports, observation, comparison, ranking, etc.

Findings. It is shown empirically that the level of digital maturity can vary at different levels of management and depending on the level of the unit in the structure of the company (central directorate, regional center, linear unit). Moreover, it is worth identifying resources that have uneven access (in our example, e-learning).

Before moving to a higher level of digitalization, it is advisable to optimize organizational and managerial processes and optimize information processing procedures at all levels, otherwise this leads to information overload.

Originality / Value / Practical implications. Digitalization is an objective phenomenon and its inhibition will result in shortfall of Russian Railways up to 150 billion rubles, and for the country's economy and partners, the loss of positive external externalities, according to various estimates, from 400 to 500 billion rubles, so it is necessary to take into account the degree of preparedness of the processes and staffing.

Keywords: Digital transformation; levels of digital maturity.

JEL codes: O15.

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Anna Svirina. SHAPING DIGITAL STARTUP DEVELOPMENT ON THE BASIS OF SOCIAL MEDIA PROMOTION STATISTICS

Abstract

Research purpose. The aim of this research is to define to what extent can social media promotion statistics shape digital startup development strategy.

Design / Methodology / Approach. The study is based upon the data acquired from the expert interviews with venture fund financed projects (the venture fund's specialty is digital sphere). According to the procedure, the venture fund collects data on digital startup performance, and the data on promotion in digital sphere (mainly by means of social media). This data is being checked for consistency during 30-minute long interviews with startup founders, and is later processed in this study. Within this paper, we evaluate the influence of digital promotion data in IT-startups to their performance indicators (using quantitative methods and SPSS software). By means of qualitative methods we assess how the owners shape their decisions in relation to social media statistics, including their approaches towards hypothesis setting and result measuring.

Findings. Within the carried study we have identified, that almost half of the startups are not using social media promotion statistics for results measuring; their digital marketing strategy is considered to be consequential to overall strategy, and in the majority of cases the hypotheses remain unchanged even in case they are not supported by the data from social media. Second, we have identified positive strong correlation between digital social media promotion statistics measuring (i.e. using this data to shape hypotheses) with digital startup performance – on average, the startups which used social media statistics to support or reject hypothesis were 5-15% more efficient than the ones who did not use such approach.

Originality / Value / Practical implications. The results of the study are original as they use a specific sample acquired from expert interviews. The theoretical implications of the study are that it supports previous findings on the importance of measuring digital promotion, yet it improves existing knowledge by measuring the range of such influence. For practitioners, the study provides a mechanism which can be implemented in IT startups to ensure their high quality performance.

Keywords: Digital media; digital start-ups; IT-start-ups; social media statistics.

JEL codes: M13, M21, O30.

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Yulia Efimova, Lyudmila Teplykh. DEVELOPMENT OF LEXICAL DATABASES AND SOFTWARE PACKAGE TO IMPROVE THE EFFICIENCY OF MASTERING PROFESSIONAL LEXICAL UNITS BY STUDENTS OF IT SPECIALITIES

Abstract

Research purpose. The purpose of our research is to develop and to test experimentally a structural and functional model and a software package based on this model that is used to improve the efficiency of students' acquiring of professional lexical units which are used in programming languages and computer science in general.

Design / Methodology / Approach. Within the framework of the functional-structural approach, the following methods were used in the study: the influence of the English language proficiency quality on the

efficiency of working with keywords, constructs and functions of programming languages, both when writing the program text and when debugging it, was analyzed. A number of programming languages is analyzed to identify the most frequently encountered professional software lexical units using computer and manual processing of large source codes of programs with different programming styles and paradigms. Lexical units were identified by the method of frequency generalization and multi-level glossaries of English terms were compiled, which were later used in the testing software package, acting as vocabulary databases. Experimental verification of the hypothesis was carried out among of 1-2-3 year students of Information Systems major.

Findings. A structural and functional model of interaction between the students and the information and learning environment in the process of learning English was developed. A comprehensive lexical database was formed, containing a testing database developed by the authors and variable databases of lexical units proposed by the students. Software testing complex classifying the course acquiring level was developed and implemented. The increase of students' motivation and acquisition of more lexical units have been achieved while their creating "project" databases with modern software slang that update the one developed by the authors.

Originality / Value / Practical implications. Lexical databases based on frequency analysis of the source code of programs and original articles on professional topics were used for the first time. This software package can be used as a part of professional foreign language study, for final and intermediate testing of students in modules.

Keywords: Programming languages; frequency analysis; English glossary; interdisciplinary interaction; educational process; lexical units.

JEL codes: D83, L86.

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***Mourine Achieng, Ephias Ruhode, Tatjana Tambovceva.* CAUSAL MECHANISMS IN HEALTHCARE INFORMATION SYSTEMS IMPLEMENTATION IN PUBLIC HEALTH CARE SETTINGS**

Abstract

Research purpose. There has been a renewed interest in the implementation of Healthcare information systems (HIS) in the public healthcare sector in the past decade. This has been as a result of an increase in existing implementation process yielding undesirable outcomes such as uncoordinated thus fragmented silo systems. The implications of such outcomes has been that much of the health care information public

hospitals are either never captured, or captured incorrectly or inefficiently. Consequently, the retrieval of these information for decision making purposes at different levels of a health system has been a challenges for relevant stakeholders. The role of generative mechanisms that impact the implementation process of HIS in public healthcare facilities within resource constrained environments is explored.

Design / Methodology / Approach. A case study strategy using a critical realist methodology approach is employed. The methodology is then illustrated through analysing data collected using a step-by-step approached leading to identification of the four element mechanism. Semi-structured interviews and observations were used for data collection. Normalization process theory is employed as an explanatory theoretical framework to explain why the implementation of HIS in public healthcare facilities does yield desired outcomes of improving public healthcare service delivery.

Findings. The findings in the study highlight context-based mediators such as leadership and management, availability of adequate ICT infrastructure, Healthcare policies and strategies, maldistribution of resources, skills and competency among others, to have enabling or inhibiting effects on healthcare service delivery in public hospitals. Further, the findings also highlight generative mechanisms such as the degree of coherence, cognitive participation, collective action and reflexive monitoring to have causal effects on the implementation process of HIS in a particular setting such public hospitals in resource constrained environment.

Originality / Value / Practical implications. . The study contributes to the body of knowledge by illustrating the use of critical realism methodology to identify causal mechanisms in the implementation of HIS.

Keywords: Healthcare Information systems; Implementation; healthcare service delivery; resource constrained environments

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Dmitrijs Finaskins. SECURE NEAR REAL-TIME DATA PROCESSING IN AWS CLOUD USING DOCKER CONTAINERS

Abstract

Research purpose. The focus of the research is to analyse the possibilities of running custom machine learning algorithms in Amazon Web Services public cloud in containerized Docker environment fast, securely and in cost-efficient manner.

Design / Methodology / Approach. Docker containers are widely used for development, deployment and running applications in public cloud as they provide more flexibility, convenience and cost-efficiency in comparison to traditional development and deployments techniques. Python application has been developed in a Docker container for pre-processing and analysing data arriving in near real-time and containing stock price information. AWS cloud has been used for hosting this solution as it provides almost unlimited possibilities for scalability and highly secured environment.

Findings. It was proved that using multiple services provided by AWS it is possible to ingest near real-time data from a custom data source, transform data, as it is required for an application running in a Docker

container to understand it and analyse data to generate recommendations buy/sell for a particular stock. This could be done in a secure manner when data is encrypted and only authorized persons and/or applications can access it.

Originality / Value / Practical implications. The paper could be used as a general guide for developers and organizations wanting to deploy their custom containerized applications into AWS cloud, but are concerned about data / application security. Cost-efficiency, if it is compared to traditional computational models (on premise data centre and virtual machines in a cloud), will be another valuable outcome to consider for organizations and individuals thinking about migrating to Docker containers.

Keywords: AWS; cloud security; Docker container; machine learning; AI.

JEL codes: C61, C63.

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***Sanita Meijere, Tatjana Tambovceva.* HOW COMPANIES CAN INCREASE THEIR OPERATIONAL PERFORMANCE BY DATA DRIVEN DECISIONS**

Abstract

Research purpose. The goal of the research is to identify the problems the organization face with implementing and using data analytics solutions and how to implement those solutions to reduce / eliminate the identified problems. The aim of the research is to identify a model / framework to ensure successful implementation of data analytics solution in an organization to increase its operational performance.

Design / Methodology / Approach. The paper is based on a very extensive literature review of scientific papers covering data analytics, artificial intelligence and machine learning based projects' implementations and usage within organizations, general user acceptance influencing factors of any kind of IT solutions and cloud solutions adoptions. Research methods used by the authors as well includes experiments, qualitative and quantitative surveys. Limitation of the research – the focus is particularly to software as a service based data analytics solutions. Based on the findings from the literature review, the authors created a model / framework that can be used in business organizations when they are willing to implement software as a service based predictive analytics solutions. Practical tests of the model / framework were conducted in eight companies that followed proposed framework. Companies, where practical tests were conducted, are global businesses and located in different countries –Spain, Poland, Russia, Latvia, three of those companies have brunch network even up to nighty countries. All these companies operate in financial sector. The communication between the companies and the authors during the project implementation stages happened through remote communication tools, i.e., Skype, Slack, Google Hangouts, Zoom, WhatsApp.

Findings. Information communication technologies (ICT) are important to any organization, no matter public or private. Huge resources are devoted to ICT projects, although failure rate of ICT initiatives is extremely high – more than 45% of projects fail due to not fitting in the budget, additional failure aspects come from not being completed within deadline, not complying with the initial requirements (failed quality of the solution). In theory organizations are encouraged and willing to make data-based decisions but in practice the situation is different. Organizations face various to have reliable data-based decisions. From the observations and surveys done by the authors in 2019 and beginning of 2020, the most frequently mentioned obstacles are: lack of historical data, poor structure of historical data, lack of financial resources

to implement contemporary data analytics solutions, lack of knowledge and general understanding of data processing, various biases and distrust to ICT solutions. One of the most important factors is how organizations manage the implementation of new ICT solutions.

Originality / Value / Practical implications. As a result of the study, the authors propose a model / structure that should be followed for the successful implementation of data analytics solutions.

Keywords: AI (Artificial Intelligence); business processes; ML (Machine Learning); management; predictive analytics.

JEL codes: O31, O32.

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EMERGING TRENDS IN CULTURE, CREATIVE INDUSTRIES AND DESIGN

Deimante Krišiukenienė, Vaida Pilinkienė. TRADE COMPETITIVENESS ANALYSIS OF CREATIVE INDUSTRIES IN EU

Abstract

Research purpose. Research purpose is to evaluate and to compare EU creative industries sector trade competitiveness.

Design / Methodology / Approach. The paper is organized as follows: section 1 presents a short theoretical conception of creative industries; section 2 presents theoretical background of trade competitiveness indexes; section 3 introduces the research data set, method, and variables; section 4 discusses the results of revealed comparative advantage index and cluster analysis; the final section presents the conclusions of the research. It should be noted that the research does not cover all possible factors underlying the differences in external sector performance and thus may need to be complemented with country-specific analysis as warranted. Methods of the research include theoretical review and analysis, evaluation of comparative advantage indexes and clustering.

Findings. The analysis showed that the Europe Union countries may gain competitiveness due to the globalization effects and increasing creative industries sector. The increase in RCA index over 2004 – 2017 period shows rising EU trade specialization in creative industries. Although in three countries – Austria, Ireland and Croatia - have lost competitive advantage.

Originality / Value / Practical implications. Analysis related to creative industries becomes increasingly noticeable in science research. Fast globalization growth influence processes where closed economy together with specific sectors cannot be competitive in the market anymore, because the productivity of countries and particular economy sectors depend on trade liberalization, technology and innovation. There is a gap in scientific literature in trade competitiveness analysis in creative industries sector.

Keywords: Creative industries; RCA; EU; competitiveness; trade.

JEL codes: F14, L82, F12.

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Jelena Jermolajeva, Natalia Bragina. THE DOLL IN THE PAINTINGS OF THE LATE 19TH – EARLY 20TH CENTURIES: HERMENEUTIC ANALYSIS

Abstract

Research purpose. The doll is never an accidental or unimportant component of a painting; it reveals deep psychological and symbolic undertones. Each art style deals with this topic in its own way. The aim of the research is to analyse the interpretation of the image of the doll in various styles of painting of the second half of the XIX century – beginning of the XX century: in realistic painting, in symbolism, impressionism, and modernism.

Design / Methodology / Approach. The research methods are the analysis of relevant literature, the descriptive method, the hermeneutic method, and the comparative analysis method.

Findings. The doll plays not only the role of decoration or childhood's marker in the painting, but also becomes the semantic center of the work, complicating and concretizing the content of the painting. Each art style manifests different meanings and connotations in the interpretation of the doll. In paintings made in realistic manner, artists focus on the psychological side of the child's interaction with the doll, making it possible to observe various aspects of the child's character: from soft tenderness to aggression and a riot of emotions, from active development of basic civilizational skills to awakening eroticism. In symbolism paintings, the anthropomorphism is emphasized in the doll, so that she becomes the signifier, while man is the signified; however, this manifests not individual qualities, but certain essential aspects of human nature. The impressionists move even further away from psychological realism; in their paintings the doll is an aesthetic object, a colorful spot that holds together the composition and saturates it with emotion. Finally, in paintings of modernism the "man-doll" relationship reflects the mythological foundations of culture: it is a pair of the two equipollent entities from the different worlds, a complex metaphor for all binary oppositions.

Originality / Value / Practical implications. The semantics of the doll in painting is not sufficiently investigated in art history and culture studies. The present study contributes to a deeper understanding of the phenomenon in the question. The findings may be useful for researchers in art and cultural studies, they can also be used at school and university courses in the History of Art and Culture.

Keywords: Doll as a cultural phenomenon; child and doll; image of doll in painting; interpretation of doll in various art styles.

JEL codes: Y91, Z11.

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Jelena Budanceva. THE CONTRIBUTION OF LOCAL ENTREPRENEURS TO THE DEVELOPMENT OF THE IMAGE OF LATVIA

Abstract

Research purpose. The global world is smelling borders not only in geography and time dimension, but also in understanding economy and policies. As Helleiner and Pickel mentioned, we are observing the transformation from Nation-State to the Brand-state (Economic Nationalisms in a Globalizing world, 2005). The international competition includes not only prices and location advantages, but also some 'intangible', emotional aspects and resonances, and one of them is the brand – not only a brand of a company, but also a brand of a state. As Lithuanian authors Junevičius and Puidokas mentioned by comparing strategies of state-image forming, « nowadays states are setting a strategic goal of its image forming in their national strategies more often and achieving this goal by using public diplomacy and nation branding» (Junevičius, Puidokas, 2015). In case of Latvia for developing and promoting the state is responsible a special institution – Latvian Institute, with its main goal: promotion of Latvia's positive international recognition, through creation of competitive identity for the state. To achieve this goal, EKA University of Applied Sciences together with Latvian Institute initiated a study to find out the role of local companies in promoting Latvia abroad, as well as to understand the achievements of individual companies and later use them to promote Latvia on the state level.

Design / Methodology / Approach. To achieve the research purpose the author conducted a survey, using own developed instrument – questionnaire. In total, 42 respondents – Latvian companies – participated. The survey was conducted in December 2019 using snowball sampling. The developed questionnaire contained the questions regarding the data about the company, business profile regarding cooperation with foreign countries and strengthening of Latvia's image abroad, as well as questions on special things participants are proud about. All the questions were grouped into 3 sections: A) Respondent profile, B) Questions about business profile in export field, C) Questions about achievements of the local entrepreneurs which could be useful for the building of state image abroad.

Findings. Findings will be presented during the conference – data is currently being processed.

Originality / Value / Practical implications. The results of the research will be used by the Latvian Institute by preparing a new PR campaign showing achievements of Latvian entrepreneurs in different fields – from new technologies to intangible capital.

Keywords: Image; intangible contribution; entrepreneurship.

JEL codes: Z1, M3.

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Ance Gricmane. ART AS A TOOL FOR SELF DEVELOPMENT IN FOUR CASE STUDIES

Abstract

Research purpose. Design / Methodology / Approach. This article examines four case studies from the praxis of art teacher, phd candidate in art history A.Gricmane where during the „self-development” and team building sessions techniques of art making - such as oil painting, drawing and methods of art therapist C.Malchiodi such as intuitive drawing of self portrait, are practiced, to show how the art making process becomes for self development./ As a method Art therapist C.Malchiodi speaks about healing process art provides people with stress disorders etc. Four case studies are chosen for a further performance, descriptions include a clinical background, age group, gender, techniques explored, resume of the sessions. / There are two individual self-development and two group master classes. Individual courses are given to the female persons in ages 12 and 35. Team building groups are made from company employs (wide age group and mixed gender). Master classes are built in the way that opens the insights of person. /

Findings. These four case studies approve assumption that art teaching process becomes for art therapy even if that is not a goal for the clients. This praxis opened a question „is the teacher a person who comes across with mentally and clinically ill people in different age groups during the art teaching process? Art as a tool teaches self development through creating. The future goal of art teaching will not be academically professional drawing, painting or any other discipline, but the main purpose will be to help in emotional education, maturation process not only for children, youth, but for the people after age of 30.

Originality / Value / Practical implications. During these four case studies self development overcame the art making process. The value was not created object rather the feelings felt during the process. It is a value for all studies to encourage students for self development using art therapy methods since it opens the scholars to „think out of box”.

Keywords: Education; health; self - development; art – therapy tool.

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Ieva Andzane. IMPACT OF COVID-19 ON DIGITAL COMMUNICATION OF LATVIAN MUSEUMS

Abstract

Research purpose. In past few decades museums have transformed their functions, focusing not only on preservation and research of their collections, but also on communication with their visitors. They have morphed into centres of educational activities, meeting and recreation spaces and in some cases in social activists. The importance of communication is especially significant since the beginning of COVID-19 outbreak, that resulted of closing of many museums around the globe to general public. The presentation focuses on impact of COVID-19 on museum digital communication. Its aim is to trace some general trends from worldwide experience and track the situation in Latvian museums.

Design / Methodology / Approach. The research is based on analysis of digital data and survey among communication specialists of Latvian museums. Since the situation is new, the survey can be treated as initial research that should be continued in wider scale.

Findings. Since the beginning of COVID-19 outbreak museums around the globe have paid special attention to digital communication. Many have shared previously unavailable digital content in home pages and social media accounts, focusing on their collections, education, and recreation. In some cases, museums have involved themselves also in fight against the consequences of COVID-19 as active participants. This situation is similar in Latvian museums, many of whom have shared previously prepared or newly created digital content. The poll shows that Latvian museums views the promotion of collections and education as the most important topics in their communication, and in some cases are ready to serve as communication platforms for other pressing topics that are closely connected to consequences of COVID-19 outbreak. Since the situation is new, museums mostly react to changes with tactical, not strategic communication decisions.

Originality / Value / Practical implications. The paper traces the existing state of green thinking in Latvian museums, aiming to raise wider discussion about experiences in this field.

Keywords: Museums; Covid-19; communication; digital communication; social media communication.

JEL codes: Z1.

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