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EMERGING TRENDS IN

MACROECONOMICS, INTERNATIONAL ECONOMICS, PUBLIC ECONOMICS AND FINANCIAL ECONOMICS

Etian Boress KEMGOU VOPTIA[1], Yulia STUKALINA[2]. DIGITAL INFRASTRUCTURE AND SECTORAL REALLOCATION IN SUB-SAHARAN ECONOMIES: ANALYZING HOW DIGITAL CONNECTIVITY DRIVES LABOUR REALLOCATION ACROSS AGRICULTURE, INDUSTRY, AND SERVICES SECTORS.

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Abstract

This study examines how digital infrastructure shapes labour reallocation across agriculture, industry, and services in Sub-Saharan Africa. Digital connectivity is quickly changing labour markets in the region, with workers fleeing traditional sectors, especially agriculture, and increasingly entering digitally mediated sectors, such as services.

Research purpose: The main objective of the study is to explore reallocation channels with the goal of understanding how digital infrastructure plays a role in achieving both economic diversification and sustained development in Sub-Saharan Africa, that is, analysing how digital connectivity drives labour reallocation across agriculture, industry, and services sectors.

Design / Methodology / Approach: The research involved a combination of surveys, interviews, and secondary data collection. Surveys and semi-structured interviews got used to obtain the primary data.

Findings: There exists a significant positive relationship between more internet access and labour migration, particularly into cities. However, rural areas do not benefit from improved connectivity and have fewer digital skills. Schools of thought focus on closing the historic and ongoing equity gaps between the economic have-nots and budding digital divides. This study also calls attention to the emerging demand for digital literacy programs and policies that uplift infrastructure in underserved spaces.

Originality / Value / Practical implications: The paper, therefore, contributes towards answering the question of how transformation can be achieved in Sub-Saharan Africa in a way that is inclusive of much of the population, especially the youth. It is undertaking this study that the actual value of digital infrastructure can be noted and valued. Such a viewpoint shows the absolute necessity of more digital infrastructure in Sub-Saharan Africa in addition to connecting the labour markets to actual skill so as to bridge the existing development gaps in the region.

Keywords: Digital infrastructure; Labor reallocation; Sub-Saharan Africa; Economic Inclusion.

JEL codes: O15; O33; J62

Etian Boress KEMGOU VOPTIA[1], Yulia STUKALINA[2]. E-COMMERCE ADOPTION AND LABOR PRODUCTIVITY

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Abstract

Nowadays, e-commerce mobilizes relevant actors notably businesses to play an innovative role in digital technologies adoption there by fostering sustainability efforts within the broader community and other actors such as government offices, policy makers and authorities in promoting e-commerce adoption leading to sustainable transitions towards the achievement of the SDGs such as SDG 9: Industry, Innovation, and Infrastructure and SDG 10: Reduced Inequality.

Research purpose. Therefore, to foster the exchange of ideas, experiences, and successful sustainability practices this research aims to analyze the effect of e-commerce adoption on labor productivity and job creation in Sub-Saharan Africa with a specific focus centered on the urban-rural dynamics in attaining sustainable growth. Urban areas experience drastic productivity and employment recovery due to more connectivity opportunities and digital activity than rural hubs as a result of infrastructure and a higher knowledge of basic digital skills.

Design / Methodology / Approach. The research presented in the paper, through case studies and extensive data analysis, underscored the importance of selective policies and specifically focused investments to enhance rural infrastructure development and digital literacy to enable broader access to the opportunities for sustainable economic development offered by e-commerce.

Findings. On the other hand, rural regions were significantly impacted by issues such as low connectivity and access to digital tools that restricted these areas from fully harnessing e-commerce platforms. Likewise, taking measures in the research related to e-commerce actionable expansion, could create more conditions to promote digital inclusivity.

Originality / Value / Practical implications: The following are practical implications of the research. For instance, if Sub-Saharan African nations embrace e-commerce adoption and its full potential, it would translate into more economic empowerment for both the region and for its people. When the territory gets empowered more in e-commerce adoption, it will gradually impact labor productivity. Additionally, when labor productivity is improved, it will significantly enable the inhabitants to have more disposable income, reduced inequality, higher standards of living and various SDGs achievement.

Keywords: Labor productivity; E-commerce; Digital platforms; Sub-Saharan Africa; Digital literacy.

JEL Classification: O15; O33; R58

Khatuna Dondoladze. A NEW DEVELOPMENT IN GEORGIA: THE SOCIO-ECONOMIC EVOLUTION OF 2024, POLITICAL PROTESTS, AND THE TRANSFORMATION OF EMPLOYEE BEHAVIOR IN SHAPING THE FUTURE OF LABOR UNIONS

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Abstract

Research purpose. In 2024, internal and external political processes in Georgia led to a mass protest movement that united people from different professions. Initially united for a common goal, people soon formed professional protest groups that came out with specific demands. These groups were able to create a social space, strengthen their positions through organized marches, mobilization of employees dismissed on political grounds, and other events. Although these groups were created for the purpose of protest, their activity may continue for other purposes. This movement is a new phenomenon in Georgia and may become the basis for a new type of professional union.

Design / Methodology / Approach. The study was conducted in January 2025, within the framework of which we studied the data available on social media platforms and in the non-governmental television space. We analyzed the dynamics of the formation of protest groups, including the so-called socio-economic, professional and social groups, as well as the socio-economic portraits of the participants, their motivations and behavioral patterns of these groups.

Findings. This study shows that the behavior, level of activity, number, and patterns of behavior of protest groups varied significantly, reflecting the diversity of dynamics in different professional groups. This variability is reflected in the organization of protests, the messages they addressed, the target audience, and the form of expression in which different groups organized and expressed their protests, for example, some chose to strike, while others preferred marches or public demonstrations. Despite these differences in protest methods, the basic motives of these groups were largely consistent. Social media played a key role in the formation and mobilization of these protest groups. It is a platform where information sharing and coordination of actions were and are taking place. Social media not only facilitated the rapid spread of protest movements, but also helped to foster a sense of solidarity among participants.

Originality / Value / Practical implications. This study presents the dynamics of labor group formation and the characteristics of their behavioral models. It also shows how protest groups can develop into new models of professional unions, which is important for Georgia as well as other countries affected by similar socio-political changes. The study will help develop better political and labor strategies, especially in terms of social media mobilization and support for protest groups.

Keywords: labor groups; behavioral models; professional unions; labor strategies;

JEL codes: J51; J54;

Anna Wichowska.THE SHRINKAGE OF THE REGIONS OF WESTERN AND CENTRAL-EASTERN EUROPE AND THE STATE OF THEIR ECONOMIES

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Abstract

Research purpose. The literature on the subject indicates various reasons for the depopulation of cities and regions in Western and Central-Eastern Europe. However, different histories, conditions, and trajectories of demographic processes may have similar effects on the economic situation of these regions. The article aims to assess the scale of the shrinkage process of Western European regions in comparison to Central-Eastern regions, taking into account differences (similarities) in their economic situation.

Design / Methodology / Approach. To achieve the research objective, shrinking regions of European countries were identified using population analysis. A shrinking region was considered to be one that had experienced a population loss of more than 0.15% per year for five consecutive years. Then, using the nonparametric Kruskal-Wallis test, the statistical significance of differences between the scale of shrinkage of Western and Central-Eastern Europe regions was assessed. In the next step, the same methodology assessed differences in their economic situation based on the GDP per capita indicator. The territorial scope of the study covered the region at the NUTS3 level, divided into Western and Central-Eastern Europe according to the countries currently belonging to the European Union. The research period covered the years 2017-2023.

Findings. The research indicates that the regions of Western Europe experienced a minor population loss compared to the regions of Central-Eastern Europe. The first difference concerned the number of shrinking regions – in Western Europe, there were 86 (9% of the total), while in the case of Central-Eastern Europe, there were 108 (45%). The degree of shrinkage of regions also differentiated Western Europe from Central-Eastern Europe – the shrinking regions of Central-Eastern Europe fared worse. The median of population loss in the shrinking regions of Western Europe was -0.62%, while in Central-Eastern Europe regions -0.98%. The shrinking regions of Western Europe were characterized by a higher level of GDP per capita, where its median was more than twice as high compared to Central-Eastern Europe. These differences were statistically significant.

Value. The conducted research may contribute to the ongoing discussion on the contemporary, intensifying depopulation processes experienced by European countries and the economic consequences of this process. In the literature on the subject, the causes of demographic processes are most often indicated in a local context or in the form of case studies. Still, quantitative and qualitative differences that refer to larger areas of Europe are rarely presented. This research may fill the existing research gap and provide a direction for further comparative research.

Keywords: shrinking regions; demography; demographic crisis; local development.

JEL codes: H72; J11; R51.

Ján Hunady[1], Eleonóra Demeová[2]. TAX COMPETITIVENESS AND BUSINESS R&D EXPENDITURES: DO TAXES MATTER FOR INNOVATION?

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Abstract

Research purpose. Tax policies can be seen as one of the factors potentially affecting firms' investment decisions and innovation. The paper aims to examine the relationship between tax competitiveness and business research and development (R&D) expenditures in EU countries. Specifically, it analyzes tax rules of corporate taxation in EU countries.

Design / Methodology / Approach. Based on combination of data from several databases (International Tax Competitiveness Index, OECD and Eurostat), we comprehensively examined the given relationship. Using cluster analysis and PCA on cross-sectional data, we identified countries with similar tax competitiveness in relation to business R&D expenditures. Subsequently, we identified the effects of tax policy instruments and tax competitiveness on business R&D by using panel regression models (fixed effects and general method of moments).

Findings. Our results suggest that countries that are very similar in terms of tax competitiveness and the structure of individual tax elements (especially the Baltic countries) also achieve relatively low levels of R&D spending. R&D tax credit for research and development appears to be a stand-alone instrument, which, however, without considering other tools, is not a crucial factor supporting corporate innovation. However, our results suggest that overall tax competitiveness and corporate tax competitiveness are both significant factors affecting business R&D expenditures in EU countries. The results also indicate the importance of tax instruments, which are hitherto less examined within the context of business innovation, such as tax depreciation rules.

Originality / Value / Practical implications. There is a limited number of up-to-date empirical studies examining the effects of tax competitiveness on business R&D. Unlike prior studies, this paper analyzes the relationship based on a combination of quantitative techniques, and it also classifies countries into clusters based on their similarities in tax competitiveness. The findings highlight the impact of overlooked aspects, such as tax depreciation rules. The results are discussed within the current context of policies supporting innovation, and several policy recommendations have been highlighted. They help to guide more effective tax policies to boost business R&D and innovation.

Keywords: Tax competitiveness; Innovation; Business R&D; Corporate taxes; R&D Tax credit

JEL codes: H25; O31; O32

Radovan Lapuník[1], Martin Hronec[2], Janka Beresecká[3], Štefan Hronec[4]. EFFECTIVENESS OF PREVENTIVE CARE SPENDING AND ITS IMPACT ON POPULATION HEALTH: A COMPARATIVE ANALYSIS OF SELECTED EUROPEAN COUNTRIES

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Abstract

Research purpose. Despite increasing health care spending in European countries, it is not always clear to what extent investments in prevention contribute to improving the health status of the population. In many countries, including Slovakia, the effectiveness of preventive measures is relatively low, resulting in persistently high rates of preventable mortality. The aim of this study is to identify the factors that influence the effectiveness of spending on prevention by examining the relationship between the level of investment in prevention and health indicators. The analysis is conducted in the context of selected European countries in order to compare approaches and identify the main barriers to effective implementation of preventive measures.

Design / Methodology / Approach. The methodological framework of the study involves a quantitative analysis of preventive care spending in conjunction with health indicators such as life expectancy and preventable mortality rates. The study uses regression and correlation analysis to evaluate the relationship between prevention spending and health outcomes. The focus is on comparing Slovakia with selected European countries with different models of public health financing and organisation. In addition to financial aspects, the structural efficiency of health institutions, the degree of coordination of prevention programmes and their accessibility to the population are also examined.

Findings. The results of the analysis suggest that the level of spending on prevention alone is not a decisive factor in improving the health status of the population. Countries that invest more in prevention do not always achieve better health outcomes, highlighting the importance of effective management and implementation of prevention programs. The main problems associated with inefficiency include lack of coordination between public health institutions, lack of integration of preventive care into primary health care, and inconsistent resource allocation strategies. In the case of Slovakia, significant deficiencies in the planning and implementation of preventive measures are identified, resulting in lower effectiveness and limited impact on the overall health of the population.

Originality / Value / Practical implications. This study provides a new perspective on the effectiveness of spending on prevention, highlighting that the key success factor is not only the volume of investment, but also its effective allocation and implementation. The findings point to the need for reform in public health governance, with an emphasis on better coordination of and access to prevention programs. The research provides recommendations for health policymakers, highlighting the importance of systemic reforms to enable more efficient use of financial resources and reduce preventable mortality.

Keywords: preventive care; health spending; public health; efficiency; population, health outcomes.

JEL codes: I12; M31; H51

Martin Hronec[1], Janka Vicianová Hroncová[2], Kristína Murínová[3], Denisa Jánošová[4].

ECONOMIC ANALYSIS OF OPPORTUNISM IN THE ENVIRONMENT OF SLOVAK MUNICIPALITIES: IMPACT ON THE ECONOMY AND FINANCIAL STABILITY

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Abstract

Research purpose. The aim of this research is to analyze the relationship between opportunism and the management of Slovak municipalities based on selected economic indicators. Opportunism refers to the behavior of public officials aimed at maximizing personal gain at the expense of efficiency and public welfare. It can lead to inefficient resource use, increase corruption risk, encourage short-term decisions, and reduce citizens' trust in public institutions. The research identifies these phenomena and their impact on local government management in Slovak municipalities.

Design / Methodology / Approach. The methodology analyzed data from 200 Slovak municipalities. Opportunism was operationalized by the number of political parties to which a mayor belongs. This indicator served as a proxy for political opportunism, as a high number may indicate fragmentation of interests and potential abuse of influence. Various statistical methods assessed the relationship between opportunism and economic indicators, including regression, correlation, cluster analysis, and covariance tests. The monitored indicators included municipal financial health, per capita net worth, total debt, investment intensity, liquidity, and budget revenues.

Findings. Descriptive analysis showed that municipalities with higher political opportunism had worse economic performance than those with lower levels. This suggests that political opportunism may negatively affect public resource efficiency, crucial for local economies. However, statistical tests did not show a clear linear relationship between opportunism and economic indicators, indicating that multiple factors influence local economic performance beyond political opportunism. The results also show that municipalities where mayors operate independently of political parties perform better economically than those linked to multiple parties. Independent mayors have greater decision-making freedom and fewer political obligations, allowing them to prioritize the public good and efficiency. Conversely, politically dependent mayors may face pressure to make decisions favoring short-term political gains over long-term municipal development.

Originality / Value / Practical implications. The study's originality lies in examining the link between political opportunism and economic indicators in Slovak municipalities. The findings can help design policies to improve transparency, efficiency, and local governance. The study highlights the importance of mayoral independence and control over civil servants in minimizing political opportunism and ensuring municipal stability and growth. These insights can guide policies to strengthen institutional integrity and reduce corruption risks, fostering greater public trust in local institutions.

Keywords: opportunism; municipal management; public administration; economic indicators; transparency

JEL codes: H30; H52; H72

Joana Lapkovskaja[1], Nijolė Maknickienė[2]. FINANCIAL EFFICIENCY AND RESILIENCE OF SMALL AND MEDIUM ENTERPRISES: THEORETICAL APPROACH

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Abstract

Research purpose. To find out which factors and groups of factors have the greatest impact on the financial efficiency and resilience of small and medium enterprises (SMEs), how they are interrelated and reflected in the assessment of the economic performance of the company, in order to make efficient use of the company's available resources, while helping it remain resilient in the context of financial crises and constant market changes.

Design / Methodology / Approach. The work applies the methods of the primary documents analysis, comparison, synthesis and generalisation, analysis of scientific literature and articles, grouping, graphical representation.

Findings. To summarise the analysis of the factors influencing SMEs and their relationships, SMEs operate in a context of allocative inefficiency and face challenges mainly related to the external environment, but given that SMEs are very flexible due to their size, they can quickly adapt and take advantage of the opportunities offered by Innovation, Fintech, Digitalisation and Industry 4.0. In terms of efficiency from different perspectives, the access to finance is becoming a very important factor in terms of challenges, but also in terms of the opportunity to manage business processes more efficiently by introducing innovation and other technologies, thus strengthening and improving the relationship with customers and the company's performance. It should be noted that access to finance has not lost its relevance in the financial resilience analysis, but rather has strengthened its position, and allocative inefficiency and the constant search for sources of finance are highlighted as the main barriers affecting SMEs. Financial resilience factors are defined as the foundations that allow a company to survive in the face of sudden and unexpected external changes, the most significant of which, during the period analysed, were the COVID-19 pandemic and the economic crisis. The positive opportunities offered by innovation, Fintech, Digitalization and Industry 4.0 remain a priority for strengthening the relationship with customers, expanding the market segment and, as a result, improving the financial efficiency of SMEs. Regarding performance measures, in addition to the key measures of company performance such as profit, liquidity, market segment, income, capital structure and productivity, the resilience analysis has highlighted the importance of additional flexibility in both the short and long term.

Originality / Value / Practical implications. There are no studies that analyse the financial efficiency and resilience of SMEs together, or only a few factors are analysed, usually in the context of either efficiency or resilience. Therefore, the research that focuses on efficiency and resilience synergy will help business managers and policy makers to see, monitor and assess the impact of all internal and external factors in order to make timely decisions.

Keywords: SMEs; efficiency; resilience.

JEL codes: M20; M21.

Rasa Mažrimienė[1], Daiva Jurevičienė[2]. THE REGIONAL FINANCING system AND THE IMPACT OF ECONOMIC, SOCIAL AND ENVIRONMENTAL FACTORS ON REGIONAL FINANCING

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Abstract

Research purpose. The aim of the study is to define the regional financing system and to identify the impact of economic, social and environmental factors on regional financing.

Design / Methodology / Approach. In order to achieve the objective of the study, an analysis of the selected scientific literature was carried out. A systematic and comparative analysis was applied, which allowed for the systematisation of the various scholarly views and opinions on the definition of a regional financing system. The interrelationship between the components of the system and the influence of economic, social and environmental factors on regional financing were identified.

Findings. Regional economic differentiation in the EU is prevalent, which is why the problem of sustainable regional development is widely addressed in the scientific literature and regional development is assessed. Researchers tend to assess regional development processes or analyse methodologies for determining the general state of regions. However, the scientific literature does not provide an integrated analysis of the various types of investment (EU or other centralised funds, state budget, local government budget, foreign direct investment and local direct investment) that affect regional development. The literature also fails to assess the various investments as a unified system of regional financing, or to analyse the possible restructuring of the regional financing system and its impact on the sustainable development of the national or regional economy. This paper brings together the various sources of regional finance already analysed by scholars into a single integrated regional finance system, describing the individual components of this system. It also analyses the impact of economic, social and environmental factors on regional financing and investment attraction.

Originality / Value / Practical implications. The biggest obstacle to regional development is the lack of adequate funding. Regions are financed by budgets and private sources of finance, which are difficult to attract to regions. Therefore, the definition of regions and the principles of regional financing must be based on scientifically sound economic, political, social, geographical, historical, ethnic and other criteria, taking into account the intrinsic human, technological and natural resources of regions. According to the researchers, the centralised approach to regional funding does not promote the growth of regional competitiveness and the attraction of investment. It can be argued that a shift towards an integrated and balanced system of regional financing would ensure sustainable growth of regional economies.

Keywords: development of regions; regional financing system; investments; economic, social and environmental factors.

JEL codes: R11; O40.

Tomas Pečiulis[1], Asta Vasiliauskaitė[2]. ADVANCED GARCH SPECIFICATIONS FOR CRYPTOCURRENCY VOLATILITY: INCORPORATING ASSYMETRY, REGIME-SWITCHING AND LONG-MEMORY EFFECTS

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Abstract

Research purpose. This study evaluates the efficacy of advanced Generalized Autoregressive Conditional Heteroskedasticity (GARCH) specifications in forecasting volatility for the four highest market-capitalization cryptocurrencies (Bitcoin, Ethereum, Binance Coin, and XRP). The research addresses critical gaps in cryptocurrency volatility modeling by systematically comparing asymmetric, regime-switching, and long-memory GARCH extensions, which are often studied in isolation. The primary objective is to identify the optimal model configuration—considering ARCH/GARCH order, mean specifications, and error distributions—for capturing the unique volatility dynamics of cryptocurrencies, characterized by structural breaks, leverage effects, and persistent volatility clustering. The study further examines the interplay between model complexity and out-of-sample forecasting accuracy, providing actionable insights for financial analysts and blockchain market participants.

Design / Methodology / Approach. The analysis employs a comprehensive framework, testing eight GARCH-class models—including EGARCH, GJR-GARCH, FIGARCH, HYGARCH, Markov-Switching GARCH (MSGARCH), Component GARCH (CS-GARCH), Stochastic Volatility (SV), and Log-GARCH—on daily returns from August 11, 2017, to December 31, 2024. Hyperparameter optimization is conducted via grid search over ARCH/GARCH lag orders ($p, q \in [1, 5]$), mean models (constant, AR), and error distributions (Normal, Student's t, Skewed Student's t, Generalized Error Distribution). Model performance is assessed using the Akaike Information Criterion (AIC), Bayesian Information Criterion (BIC), and out-of-sample forecasting metrics (RMSE, MAE, MCS test). Asymmetric effects, regime-dependent parameters, and volatility decomposition are quantified to interpret cryptocurrency-specific risk dynamics.

Findings. Results indicate that MSGARCH and EGARCH consistently outperform symmetric and short-memory specifications, underscoring the significance of regime-switching behavior and leverage effects in cryptocurrency markets. FIGARCH and HYGARCH demonstrate superior fit for Bitcoin and Ethereum, validating the presence of long-memory volatility persistence. Component GARCH reveals distinct long-term and transitory volatility components, with the latter dominating during market crises. Stochastic Volatility models exhibit lower forecasting accuracy compared to GARCH-family models, while Log-GARCH proves robust to distributional misspecification. Skewed Student's t and GED distributions significantly enhance model fit, reflecting the heavy-tailed and asymmetric nature of cryptocurrency returns.

Originality / Value / Practical implications. This study contributes the first holistic comparison of advanced GARCH specifications tailored to cryptocurrency volatility, integrating regime-switching, asymmetry, and long-memory effects into a unified framework. The empirical findings challenge the adequacy of conventional GARCH models for digital assets and provide a benchmark for selecting volatility models based on statistical rigor and forecasting precision. Practically, the results equip traders and risk managers with tools to improve hedging strategies and Value-at-Risk (VaR) estimations, while policymakers gain insights into cryptocurrency market stability. The methodological framework is extensible to other speculative assets, advancing financial econometrics literature in high-frequency, non-stationary environments.

Keywords: cryptocurrency volatility; GARCH models; regime-switching; long-memory effects; volatility forecasting.

JEL codes: C53; C58; G17; G32; E47.

Solange Finkelsztein. ECONOMIC COSTS OF LABOR PRODUCTIVITY LOSSES DUE TO THE INAPPROPRIATE USE OF SOCIAL MEDIA AND SMARTPHONES: THE CASE OF ARGENTINA

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Abstract

Research purpose. The objective of this research was to calculate the cost of labour productivity loss and the decrease in added value associated with distractions caused by problematic use of social media in the workplace, where users continuously check their smartphones for updates. The calculation was conducted using Argentina as a case study, based on national statistical data from the year 2023.

Design / Methodology / Approach. The design of this research is quantitative, descriptive, and explanatory, focused on measuring and analysing labour productivity losses caused by the inappropriate use of social media and smartphones in the workplace. A national statistical series from the year 2023 was used to observe and estimate productivity losses in the context of Argentina. The applied methodology includes the collection of statistical data and the construction of a simple mathematical model to estimate the economic losses associated with distractions.

Findings. The results of the estimation validate the hypothesis that distractions caused by the use of social media and smartphones decrease labor productivity, representing a cost by reducing the gross value added. The productivity losses resulting from this model for the year 2023 in Argentina account for 12.73% of the gross value added. It can also be observed that sectors of economic activity with high exposure to social media and smartphones experience productivity losses greater than their relative contribution to GDP, while sectors with medium and low exposure suffer losses below their relative weight in GDP. These productivity losses are not only significant in terms of Argentina's gross value added, but they are likely to be even greater if the analysis includes the time it takes for an individual to refocus after a distraction, a cost not included in the model.".

Originality / Value / Practical implications. The article provides an estimate of the losses in Gross Domestic Product (GDP) due to workplace distractions caused by the inappropriate use of new information and communication technologies (ICT) in Argentina, a developing country. This analysis not only measures the economic impact of this phenomenon but also opens the door to new discussions about business models and labor relations, specifically regarding how the losses may be absorbed by both employers and employees, who might be trying to counteract the distractions with faster work, but of lower quality and higher stress.

Keywords: Labor productivity loss, Social media distractions, Smartphone use, Economic impact, Gross Domestic Product (GDP)

JEL codes: D24; J24; L86; M54; O15; O33

Jurgita Pesliakaitė[1], Jelena Stankevičienė[2]. THE IMPACT OF INTEGRATION INTO GLOBAL VALUE CHAINS ON ECONOMIC ACTIVITY: AN OVERVIEW

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Abstract

Research purpose. The purpose of this study is to give an extensive overview of how the integration into Global Value Chains (GVC) affects some critical economic indicators. Specifically, the focus of this study is to review existing literature on the impact of participation in the GVC activities on the labour market, fiscal policy, corporate performance, and some other indicators, as well as non-economic variables such as climate change. This is done to discover the most suitable methods for further research.

Design / Methodology / Approach. Descriptive and evaluative analysis of the recent scientific literature in the Scopus and Web of Science Core Collection databases is carried out using the keywords "Global Value Chains", "labour market", "fiscal policy", "corporate performance" and "climate change".

Findings. The results of the review indicate several main findings: (1) Integration into GVC has extensive effects on labour market performance in economies in terms of employment opportunities, wage growth, working conditions, labour productivity, etc.; (2) Fiscal policy measures might have significant impact on the strength of supply chain resilience; (3) Integration into GVC is often found to have effect on carbon emission levels, however, the effects differ usually depending on development level of economy; (4) For corporate performance, GVC linkages, among others, improve access to global input markets and prospects of earning profits, also leads to technological upgrade; (5) The strength of the effects, the sign of the effects often depends on the type of the integration into GVC, type of industry, country specific factors, such as development level of economy, (6) In literature, methods used to conduct such type of analysis usually rely on econometric techniques such as for instance FE, GMM models, but also on matrix algebra methods.

Originality / Value / Practical implications. The results of the study refine the most appropriate methods for studying the topic of GVC and its impact on economic activity. The study results can be used by parties interested in this topic as a guideline or basis for further research.

Keywords: Trade Policy; Trade and Labor Market Interactions; Fiscal Policy; Corporate Finance and Governance; Climate.

JEL codes: F13; F16; E62; G3; Q54

Andrejs Limanskis. COMPARATIVE STUDY OF DIRECT INVESTMENTS FROM FRANCE AND UNITED KINGDOM IN LATVIA

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Abstract

Topicality is determined by challenges and opportunities in Foreign Direct Investments (FDI) that prove so significant for economic development and policy that research in FDI trends becomes mainstream globally and regionally. 2024 witnessed a cut in FDI. In the context of Latvia, detailed understanding of FDI inflows from major European economies such as France and the United Kingdom (UK) is of great importance into multi- and bilateral economic relations.

Research purpose to investigate the direct investments (DI) from France and UK in Latvia in a comparative study and formulate conclusions on emerging trends. The hypothesis is "French direct investments outpace British ones in Latvia".

Design / Methodology / Approach. The research methods include both qualitative and quantitative ones. Literature review, personal observations, case study, websites content analysis, and interviews, all qualitative methods, are applied together with statistical analysis, a quintessence of quantitative. The EXCEL software provides for calculations and visualization of results of analysis.

Findings. The UK DI in Latvia started in 1991 and reached an all-time peak in the time of BREXIT referendum only to shrink 3 times by 2025. French DI slowly increased and surpassed the UK ones in 2024. From February 2022 to February 2025 French DI grew while the UK ones went on declining. Structure of the DI from France embracing 107 industries is more concentrated on monetary services while DI from the UK operate in 152 industries, although dominated by monetary services. DI in Real estate also matter in both structures. French computer facilities management investments combine with the UK wholesale of computers, computer peripheral equipment and software as well as computer programming activities and data processing, hosting and related activities with DI above EUR 1 m each.

Originality / Value / Practical implications. Originality of the research is sparkled by pioneering comprehensive analysis of emerging trends in FDI inflow in Latvia from France and the UK for the whole period of restored statehood of Latvia 1991-nowadays. For the first time, visualization of the DI for the 3-year period of war in the Ukraine is done. Dynamics and structure of the DI from France and the UK in Latvia is new knowledge for scientific circulation. Conclusions are addressed to a bunch of stakeholders in attraction of FDI in Latvia and academia. All calculations are verifiable and can be extended to the period to come. Further research directions justified.

Keywords: Foreign direct investment; France; the United Kingdom; Latvia; NACE code

JEL codes: F21; M16

Andrejs Limanskis[1], Abbos Saidkhonov[2], Islom Karimov[3]. DIRECT INVESTMENT FROM UZBEKISTAN IN LATVIA: CHALLENGES AND SOLUTIONS

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Abstract

Research background: the authors are partisans of Foreign Direct Investments (FDI) representing the country of origin (Uzbekistan) and the host country (Latvia) and are interested in disclosing the whole picture of challenges and solutions in the area.

Research purpose is to analyse direct investments from Uzbekistan in Latvia in 1991-2024 and propose solutions for acceleration of their inflow.

Design / Methodology / Approach. Design is the mix of qualitative and quantitative methods. Qualitative methods include review of literature, personal observations, interviews, case study, and content analysis of websites. Quantitative methods include dynamic analysis of financial and non-financial indicators of DI, structural analysis by industries defined by NACE codes. Secondary data is combined by primary data mined in survey of stakeholders on the basis of questionnaire and expert interviews.

Findings. The DI from Uzbekistan in Latvia approach EUR 13 million in 91 industries. The number of active enterprises reached 219. However, the inflow of DI from Uzbekistan in Latvia is uneven. The reaction of investors on top historical achievements of Latvia was slow. The peak of 2017 is not reached yet. Fortunately, recent period attracts new investors. However, regulatory and compliance barriers, market size and demand constraints, banking and financial integration issues are challenges. Structurally, the DI concentrate in hotels and similar accommodation, activities of holding companies, renting and operating of real estate, cargo handling, wholesale and retail, monetary intermediation, freight transport by road, computer programming activities and others. The largest investment in hotel business keeps frozen.

Originality / Value / Practical implications. For the first time, the historical trajectory of Uzbek DI in Latvia in financial and non-financial terms is disclosed and interpreted, including effects of Latvia entry of the EU and Eurozone as vital events. Financial results of enterprises with Uzbek DI are investigated. Original is analysis of the present structure of accumulated DI disclosing major destinations of inflows. Uzbek DI in Latvia have potential, particularly in sectors like logistics, IT, and real estate. Overcoming regulatory barriers, improving financial integration, and navigating cultural differences will be key to enhancing DI success.

Keywords: foreign direct investments; Latvia; Uzbekistan; NACE code; challenges.

JEL codes: F21; M16

Janka Vicianová Hroncová[1], Štefan Hronec[2], Kristína Murínová[3], Michal Lukáč[4].

OPPORTUNISM AS A FACTOR OF SOCIAL INEQUALITY IN MUNICIPALITIES

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Abstract

Research purpose. This study analyzes the relationship between the level of opportunism in the public sector and selected social indicators in municipalities around the world. Opportunism, which manifests itself in corruption, patronage and the misuse of public resources, has a major impact on the quality of life of citizens and the effectiveness of governance. The goal is to examine how opportunism correlates with indicators such as extreme poverty, the Gini coefficient, life expectancy, and years of education. The research contributes to the understanding of the impact of institutional integrity on social indicators.

Design / Methodology / Approach. The research used correlation analysis to identify relationships between indicators. The Corruption Perceptions Index (CPI), which measures perceptions of corruption, was used as an indicator of opportunism. This index was compared with the following indicators: extreme poverty rate, Gini coefficient, life expectancy and years of education. The research focused on communities from different parts of the world, including Europe, Africa, Asia, and the Americas.

Findings. The results show a strong direct correlation between levels of opportunism and extreme poverty, most pronounced in Europe and North America (correlation coefficient > 0.8). These findings suggest that high levels of opportunism negatively affect economic stability and access to basic needs. High levels of opportunism are also associated with greater inequality in the distribution of wealth (higher Gini coefficient), while in some regions (Africa) this relationship was reversed. Research has also confirmed that life expectancy decreases in countries with higher levels of opportunism, most significantly in North America (coefficient -0.98). Years of education showed an inverse relationship with the level of opportunism, being lower in regions with higher levels of corruption.

Originality / Value / Practical implications. This study provides new insights into the complex social consequences of opportunism, which affect living standards, education, health care, and the equitable distribution of wealth. Practical implications include the need to strengthen public sector transparency, promote institutional resilience to corruption, and improve public financial management. Research highlights the importance of investing in education and health care to mitigate the negative effects of corruption. Regional differences suggest that policies need to be tailored to the specific needs and context of each region. The findings provide a valuable tool for policymakers seeking to develop effective strategies to combat opportunism and improve the quality of life for citizens.

Keywords: opportunism; public sector; socio-economic indicators; municipalities; transparency.

JEL codes: H11; H30; H76

Kristine Uzule[1], Vita Zarina[2], Inga Shina[3]. A CONCEPTUAL MODEL FOR INTEGRATING FINANCIAL AND NON-FINANCIAL INFORMATION IN INTEGRATED REPORTS

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Abstract

Research purpose. The Integrated Reporting Framework aims to demonstrate how organizations create long-term value by integrating six capitals into a single business model, engaging stakeholders in value creation, and applying integrated (rather than siloed) thinking. This approach is expected to enhance transparency, making reports more attractive to investors. A fundamental principle of integrated reporting is the combination of financial and non-financial information within a unified framework. Previous research (Uzule et al., in progress) revealed that while financial aspects are frequently referenced, they are not explicitly linked to value creation in primary link analyses of integrated reports. This study proposes a conceptual model that facilitates the integration of financial and non-financial information within a single reporting system.

Design / Methodology / Approach. The study follows a two-phase research design. Phase one involves identifying the role of financial capital in integrated reports. The dataset consists of 54 integrated reports from various industries and countries (2021–2023), comprising approximately 2.5 million lexical tokens. A content analysis was conducted using distant-reading techniques, focusing on key integrated reporting concepts: value creation, stakeholder engagement, integrated thinking, capital, and financial capital. Open-access digital tools, Voyant Tools and AntConc, were employed for analysis. Phase two focuses on developing a conceptual model that connects financial capital with other forms of capital and value creation. This phase includes expert interviews with academics specializing in business management and finance, as well as accountants. The insights from these interviews were incorporated into the proposed model.

Findings. Preliminary findings suggest that financial capital is primarily linked to finance, value, and social aspects within integrated reports. However, other critical elements of integrated reporting—such as stakeholder engagement and integrated thinking—exhibit weak connections to financial capital. Interviews with experts pointed to barriers in connecting financial and non-financial information. Based on these findings and the Integrated Reporting Framework, a conceptual model was developed to bridge the gap between financial and non-financial information in integrated reports.

Originality / Value / Practical implications. This study contributes a novel conceptual model that integrates financial and non-financial information in corporate reporting. Expert interviews revealed key barriers in connecting financial and non-financial aspects, including short-term financial pressures, inconsistent valuation methods, and fragmented internal processes. A critical challenge is that investments in other capitals (e.g., human, social, and environmental) often reduce financial capital in the short term, while their benefits materialize over the long run. The proposed model bridges this gap by offering a structured approach to aligning financial performance with broader value creation, ultimately improving transparency and decision-making for businesses, investors, and stakeholders.

Keywords: integrated reporting framework, financial and non-financial information, conceptual model

JEL codes: M10, M14.

Angele Lileikiene. IMPORTANCE OF FINANCIAL TECHNOLOGIES (FINTECH) IN BUSINESS

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Abstract

Research purpose. With great technological advancements around the world, Fintech plays a huge role in solving various problems. Today, business is influenced by various factors, which must be considered as a changed environment, which is global, unpredictable, volatile, proactive. In this context, attention is drawn to the change of study programs. Technology-based financial innovation that enables new business models, operational programs, processes and products. Financial technologies include internet, mobile, biometric, blockchain, artificial intelligence, automation, robotics, and more. These technologies are used to make investment decisions or provide financial advice to clients and more (EIOPA, 2017). Fintech today is defined as companies that promote new technologies to create new and better services (Sanicola, 2017) and at lower prices and creating greater opportunities (Van Loo, 2018). Fintech is largely about creating models, performing financial analysis, making optimal financial management decisions.

Design / Methodology / Approach. The following fintech models were used in the study: hard-to-realize assets model and the Z models 1) Z model for business companies whose shares are quoted on stock exchanges; 2) Z model for business companies whose shares are not quoted on stock exchanges and 3) Z model for service companies.

Findings. Depending on the state of the company's finances, companies fall into: Insolvency zone, The zone of mediocrity and financially safe zone. Depending on which zone the company falls into, it is necessary to provide.

Originality / Value / Practical implications. As the research model shows, the company's financial balance depends on two mutually integrated variables: Amount of necessary finances recourses and the available number of financial resources of the business enterprise considering the analyzed variables, the company falls into nine zones according to financial stability and optimal stability is guaranteed in zones A1, A5, and A9. The problematic zone of financial stability is zone A3, and the zone of positive financial stability becomes zone A7. In this way, financial technologies (Fin Tech) can be described as services that combine technological innovation and finance. This term defines the interplay between these areas and the applicability of technology in finance to provide services to consumers. FinTech platforms are among the most advanced technologies in the world, thanks to which companies providing FinTech services can offer a wide range of services. The main services provided by FinTech are: payments and transfers, lending, investing, insurance, cryptocurrencies, data storage and analysis, savings. After assessing the changed environment, digitization processes, implementation of artificial intelligence, it also influences the study processes, when the study process and study programs are restructured.

Keyword : Fintech, financial system sustainability, capital adequacy, receive capital, economic growth

JEL code: G00; G38

Veronika Labosova[1], Lucia Duricova[2], Pavol Durana[3]. ONE MODEL FITS ALL ? EVELUATING BANKRUPTCY PREDICTION ACROSS DIFFERENT ECONOMIC PERIODS

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Abstract

Research purpose. The stability and accuracy of bankruptcy prediction models play a fundamental role in effective risk management and strategic decision-making for businesses and investors. Reliable predictive models help in identifying financial distress early, enabling timely interventions to mitigate potential losses. However, economic shocks, such as the COVID-19 pandemic, can introduce substantial volatility into financial markets and significantly impact the performance of these models over time. Such disruptions may alter the underlying relationships between financial indicators and bankruptcy risk, potentially reducing the effectiveness of traditional predictive approaches. This study investigates the stability of bankruptcy prediction models across three distinct periods: the stable pre-crisis period, the crisis period during the COVID-19 pandemic, and the post-crisis recovery period.

Design / Methodology / Approach. The study compares two modelling approaches: (1) separate models for each period and (2) a unified model incorporating a period indicator. The first approach allows for capturing the unique characteristics and financial patterns specific to each economic phase, while the second approach aims to create a single, consistent model that applies the same predictive framework across all periods. Using a comprehensive dataset of financial statements from publicly listed companies, machine learning algorithms are employed to assess the prediction accuracy of the created models.

Findings. The results reveal the differences in model performance, shedding light on whether period-specific models provide superior predictive accuracy or if a universal model can effectively adapt to changing economic conditions. This analysis ultimately helps in assessing the robustness, stability, robustness, predictive ability and practical applicability of each approach. In addition, it offers insights into how economic fluctuations affect the reliability of bankruptcy prediction models and provides recommendations for their further development and implementation in a volatile financial environment.

Originality / Value / Practical implications. This research offers valuable insights into the dynamic nature of bankruptcy risk, highlighting how economic fluctuations influence the accuracy and reliability of predictive models. By examining the performance of different modelling approaches across various economic periods, the study provides a deeper understanding of the factors that contribute to model stability and effectiveness. This research also provides practitioners with guidance on optimal modelling strategies in different economic environments.

Keywords: bankruptcy prediction; model stability, COVID-19, economic periods, machine learning.

JEL codes: C53; G33

EMERGING TRENDS IN

SUSTAINABLE DEVELOPMENT AND CIRCULAR ECONOMY

Denis Juracka[1], Marcel Figura[2], Katarina Valaskova[3]. PERFORMANCE OF THE EU COUNTRIES IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT AND CIRCULAR ECONOMY PRINCIPLES

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Abstract

Research purpose. Concern for the environment has grown recently, and governments, industry professionals, and scholars have noticed the circular economy (CE) notion as a means of achieving sustainable development. The public has long been concerned about several environmental challenges, including resource depletion, climate change, global warming, water pollution, deforestation, waste treatment, and emissions from fossil fuels. In this context, the study of various circular practices represents an important aspect of investigating sustainable behaviour.

Design / Methodology / Approach. This study suggests combining two multicriteria approaches: the technique for order of preference by similarity to the ideal solution (TOPSIS) and the analytical hierarchy process (AHP). Weights were calculated for all specified criteria using AHP and then inserted into the TOPSIS technique to rank countries. The complete approach is presented using a numerical example, and each country's rank is decided based on CE indicators. Simultaneously, discriminant analysis facilitates the development of a model based on the examined variables.

Findings. The European Union (EU) countries are developing in different ways. In the field of CE, this fact can also be declared. The AHP and TOPSIS methods demonstrated the dominant position of the Netherlands in both periods studied. Countries in the western and central parts of the EU grouping achieve significantly better results than those in the eastern and southern parts of the EU. Discriminant analysis revealed that circular material use rate has the most positive impact on a country's overall score. This means that countries with a better CE and a higher rate of this indicator are more efficient and can be considered sustainable. Similarly, the circularity of individual countries is positively expressed by investments in science and research, where higher investments in research and development are associated with higher efficiency.

Originality / Value / Practical implications. The study has several practical implications. A direct ranking of countries provides a clear overview of how individual countries compare with other EU countries. At the same time, the discriminant analysis also provided an overall score for individual countries, where factors such as circular material use rate and research and development expenditures are the most significant factors influencing the scores of individual EU countries.

Keywords: circular economy; sustainability; sustainable development.

JEL codes: Q01; 056; Q57

Ugnius Jakubelskas[1], Viktorija Skvarciany[2]. HAPPINESS IN A CIRCULAR ECONOMY: A PANEL STUDY OF EU COUNTRIES

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Abstract

Research purpose. With a growing population and an escalating environmental crisis, countries are gradually transitioning toward a more sustainable and modern circular economy. This shift aims to replace the traditional linear economy model of production and consumption while ensuring the needs of both current and future generations are met. In this dynamic world, it is also essential to explore alternative ways to evaluate progress. As a result, countries are moving away from GDP as the primary measure of growth, instead focusing on enhancing societal well-being. This research seeks to identify which circular economy indicators most significantly influence the happiness of European Union countries, , highlighting the importance of circular economy practices as a vital tool for increasing happiness.

Design / Methodology / Approach. Panel regression analysis was used to determine which circular economy indicators most significantly impact happiness across the European Union countries. Five panel regression models were developed, each representing one of the key areas in the EU's circular economy framework: global sustainability and resilience, competitiveness and innovation, secondary raw materials, waste management and production and consumption.

Findings. Circular economy practices have varying effects on happiness. This research indicates that implementation of circular economy practices can have varying effects on happiness as consumers tend to prioritize fulfilling their basic needs before engaging in sustainable or circular economy-oriented behaviours. Nonetheless, promoting local production and meeting needs with locally sourced materials has a positive impact on happiness. Additionally, prioritizing circular materials, minimizing greenhouse gas emissions, and implementing effective waste management and recycling practices contribute to both the progress of the circular economy and the enhancement of happiness. It also suggests incorporating happiness as an additional pillar for measuring progress in the transition toward a circular economy.

Originality / Value / Practical implications. This research explores the relationship between the circular economy and happiness, suggesting that the circular economy can serve as a tool to enhance societal happiness. Additionally, happiness can be considered a positive side effect of implementing circular economy practices. Policymakers can use these findings to design strategies that integrate circular economy practices with happiness-oriented goals.

Keywords: circular economy; happiness

JEL codes: Q00, Q01, I31

Mikus Dubickis[1], Romans Putans[2], Zane Hovlanne[3]. FACTORS BASED INNOVATION READINESS ASSESSMENT METHOD IN CLOTHING AND TEXTILE INDUSTRY: TOWARDS CIRCULAR ECONOMY

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Abstract

Companies in the clothing and textile industry include elements of circular economy in their businesses to make production more sustainable. Including these elements is strongly connected with innovation. However, the key to successful innovation is not always clear to companies.

Research purpose is to identify and analyze the critical factors acting as drivers in influencing innovation implementation within the clothing and textile industry, with a particular focus on the integration of circular economy principles. The authors aim to design a method for assessing the readiness of clothing and textile companies to innovate. Reaching this purpose will provide insights to guide future empirical research to advance sustainable innovation practices in the industry. The research question subsequently is: What are the critical factors driving innovation within the clothing and textile industry, specifically in the context of the circular economy?

Design / Methodology / Approach. To answer the stated research question and meet the research purpose, the research methods of the study are the systematic literature review (SLR), online survey (71 companies in Latvia), correlation analysis, analytic hierarchy process (AHP) survey, and factors` grouping.

Findings. In the research 21 factors have been identified as important for various types of innovations, all having different importance on innovation. Research and development is the most important group of factors, closely followed by knowledge spillover.

Originality / Value / Practical implications. Based on the scientific findings (factors affecting innovation), a method for assessing the readiness of clothing and textile companies to innovate is designed and validated.

Keywords: Circular economy; Sustainability; Innovation factors; Readiness assessment; Clothing and Textile industry.

JEL codes: D80; O31; O32; C38; O14; D24; L61

Yufei Wang[1], Mangirdas Morkūnas[2], Jinzhao Wei[3]. CONVINIENCE AND CONSEQUENCE: A SURVEY STUDY ON WESTERN FAST FOOD AND HOUSEHOLD FOOD WASTE IN HONG KONG

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Abstract

Research purpose. Hong Kong, a vibrant global city known for its rapid urban growth and cultural diversity, is grappling with a significant issue: the rise of Western fast-food culture is happening alongside a food waste crisis, with 3,300 tonnes of edible food thrown away each day. This study explores how the popularity of Western fast food—marked by large portion sizes, bulk purchasing, and the use of non-local ingredients—affects the amount of food waste generated in households. By examining consumer habits in Hong Kong's densely populated urban setting, the research seeks to uncover practical strategies that can align dietary globalization with sustainability efforts. The city's distinctive environment—where traditional Cantonese customs meet modern convenience—provides a valuable lens for understanding the challenges faced by global urban food systems.

Methodology. The study uses survey that targets 600 residents from all three regions of Hong Kong, ensuring representation based on income, age, and housing type (e.g. public estates and private high-rises). Participants will share how often they buy Western fast food (such as pizza and burgers), estimate how much uneaten food they throw away each week (including leftover fries and spoiled cheese), and discuss the reasons behind their food waste (e.g. oversized portions and lack of storage knowledge). Quantitative data will be analyzed using regression models to find correlations between consumption frequency and waste volume. Surveys are selected for their cost-effectiveness, scalability, and ability to capture the nuanced cultural norms present in Hong Kong's densely populated environment, where logistical challenges make waste audits difficult.

Expected Findings. The study expects to reveal three main outcomes. First, younger people, especially in busy areas like Central and Tsim Sha Tsui, are likely to generate more waste because they often use delivery apps that encourage bulk buying and have irregular eating habits. Second, the use of imported ingredients, such as dairy toppings in a cuisine that typically uses little dairy, will lead to increased spoilage due to inadequate storage practices. Third, even though there is an awareness of the effects of food waste, the convenience of modern living will take precedence over sustainability issues, reflecting Hong Kong's challenges in meeting its goal of a 40% reduction in waste. These results will highlight the conflict between urban lifestyles and environmental responsibility in densely populated cities.

Originality. This study addresses a significant gap in the literature on food waste by focusing on the unique urban and cultural context of Hong Kong, where Western dietary habits blend with traditional practices. Its originality stems from connecting the globalization of fast food to household waste behaviors—an area that has not been thoroughly examined in sustainability research.

Keywords: Western fast food; food waste; consumer behavior; urban sustainability

JEL codes: M00

Diyan Velikov. POSSIBILIITIES FOR COMBINING THE CASH AND ACCRUAL BASIS IN A DINAMIC REPORT IN THE REPORTING OF SUSTAINABILITY IN BULGARIA

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Abstract

The possibility of sustainability reporting places new demands on the management of business organizations. In the financial statements, it is necessary to indicate both the amounts paid and received, as well as the receivables and liabilities reported for the reporting period. Indicating the amounts paid and received in one report with the receivables and liabilities incurred for the period allows for reporting on environmental, social and governance sustainability in the current and future periods. The requirements for sustainability reporting in the European Union place high demands on the accounting of the reporting organization. Current and periodic sustainability reporting is in accordance with international or national accounting standards. The Activity-Based Costing (ABC) method is suitable for the allocation of environmental, social and governance sustainability costs. It is necessary to perform analytical reporting on activities related to sustainability in order to prepare data for inclusion in the sustainability report. The cash flow statement presents data on a cash basis. To prepare the sustainability report, data on the organization's accrued rights under receivables and payables are required. The dynamic balance sheet proposed by E. Koisol provides accounting information on an accrual and cash basis and can be used as an interim report for current and future cash flows. To prepare this report, a turnover statement containing data on an accrual and cash basis should be prepared. In this way, stakeholders will understand the sustainability of the organization in the current and future period. The preparation of the sustainability report prepared in accordance with European directives will be facilitated.

Research purpose. A research purpose is to propose an interim dynamic accounting statement that supports the preparation of the sustainability statement.

Design / Methodology / Approach. The methods of analysis and synthesis, observation and comparison, analogy, modeling and accounting methods of balance sheet summarization were used.

Findings. The dynamic report provides the necessary accounting information for preparing the sustainability report.

Originality / Value / Practical implications. Turnover sheet and dynamic reporting on a cash basis and accrual basis can be used in sustainability reporting in the private and public sectors.

Keywords cash; accrual basis; dynamic report; sustainability.

JEL codes: M41; Q56

Milena Serzante[1], Valeriia Yakovenko[2]. THE CIRCULAR ECONOMY IN THE CONTEXT OF EU SUSTAINABLE DEVELOPMENT: EVALUATION OF SUCCESS

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Abstract

Research purpose. This study aims to estimate the efficiency of the realisation of circular economy concepts in the European Union Sustainable development policy frame, analysing key economic indicators and how they affect the achievement of ecological and resource-saving goals.

Design / Methodology / Approach. To achieve this goal, methods such as Pearson's correlation to analyse the dependency between sustainability index score and other independent variables, multiple linear regression to clarify the relations between variables, and the COPRAS method to assess the efficiency of the circular economy policy in the EU.

Findings. The results show that resource productivity has a significant impact, especially in countries such as Germany, the Czech Republic and France, where it is closely related to sustainable development. The recycling and circular material use rates are often favourable for sustainable development. Still, in some countries, such as Poland and Romania, their effect is weak or negative, which may indicate that current recycling processes are not sufficiently robust. In turn, the sustainable development index is reduced by high energy intensity, so reducing it is an important objective to improve the performance. The COPRAS method supplements the results of the held analysis, identifying successful periods in the countries' economies according to the selected indicators, as well as potential problems that may have arisen due to various social, economic or political situations. In the early 2000s, many countries were at a low level of development. Still, each country has made significant progress through economic reforms, investment, and adoption of sustainable practices. Some of them, such as Belgium, Germany and Ireland, have seen steady growth, while others, such as Romania, Bulgaria and Croatia, have made a sudden leap in recent years. By 2023, these results will confirm the successful implementation of a circular economy as part of sustainable development.

Originality / Value / Practical implications. This study is valuable as it is a complex evaluation of the progress in circular economy pillars across the EU, which has not been the subject of significant research.

Keywords: circular economy; sustainable development; sustainability; economy.

JEL codes: Q01; Q56.

Vittoria Scalise[1], Frank Andreas Schittenhelm[2]. SUSTAINABILITY AND INNOVATION IN SMES: A SYSTEMATIC LITERATURE REVIEW

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Abstract

Research purpose. The paper analyses management and integration practices of innovation and sustainability in European Small and Medium Enterprises SMEs. Through a systematic literature review, this research aims to understand the trends, approaches, and challenges European SMEs face regarding innovation and sustainability.

Design / Methodology / Approach. This study is the outcome of a systematic literature review conducted between March and October 2024, utilizing Scopus as a database. A total of 483 articles in English were analyzed, and considering the inclusion criteria, 99 studies were identified and reviewed as the final body of literature. The authors synthesize existing knowledge into six themes: Eco-innovation, innovative practices, sustainability practices, CSR, CE, and educational programs for eco-innovation.

Findings. The study contributes to the literature on the issues of sustainability and innovation, confirming that they are a development engine for European SMEs. The results provide valuable insights for business managers in implementing business models and management tools and adhering to training programs that include the issues in the company vision.

Originality / Value / Practical implications. The literature analysis revealed the need for SME management to integrate sustainability into the corporate culture and adopt innovative digital practices. The SME play an outstanding role in the general success of sustainability and are often an important driver of innovations. Nonetheless, the diversity of SMEs makes it difficult to get clear advises on how this important part of our industries acts in practice.
Our findings suggest a holistic approach to sustainability and innovation that flows into an interconnected ecosystem to create a complete picture that goes beyond the adoption of individual practices. Our model confirmed the contributions of previous literature, according to which innovation and sustainability represent the perfect combo for following market trends and the vision of European legislation in recent years.

Keywords: SME; sustainability; innovation; systematic literature review

JEL codes: L20; O51, Q01

Gizay Daver [1], Özge Sezgin Alp [2], Guray Kucukkocaoglu[3], Caner Ozdemir[4]. BIBLIOMETRIC ANALYSIS OF INDUSTRIAL SYMBIOSIS, CIRCULAR ECONOMY, AND SUSTAINABLE FINANCE: MACROECONOMIC AND PUBLIC POLICY PERSPECTIVES

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Abstract

Research purpose. The transition to a sustainable economic model requires integrating industrial symbiosis, circular economy, and sustainable finance into macroeconomic and public policy frameworks. The study aims to highlight the highly cited items in academia in driving sustainable development and circular economy adoption. This study aims at "Enhance the awareness and acceptance of Industrial Symbiosis" deliverable of working group 3 of the COST Action 22110. In this way, in order to achieve both the CA2210 action objective "raise awareness", action tasks 3.1 & 3.2 are evaluated.

Design / Methodology / Approach. The study employs a bibliometric methodology using data extracted from Web of Science for the period 1980–2025. A structured search query was developed using 13 keywords, created from the most frequent words in the studies suggested by experts working in CA22110. It can be considered as a kind of expert opinion focus study. Bibliometrix package (R) was used to analyze the developments in the area. 16217 documents from 3215 sources were analysed in this study. Future directions will be listed in line with the action tasks.

Findings. The results reveal a growing research trend with 10.23% annual growth rate in the field. Industrial symbiosis and sustainable finance, particularly in relation to climate risk mitigation, ESG investment strategies, and circular economy policies are considered to be important focuses. In the broadest sense, trend topic analysis demonstrates that in recent years rather than the social side of the topic, the application phase is considered to be important. Analyses shows that implication started and knowledge deepens with the problems and possible development areas. Most frequent words appear to be "performance", "management", and "energy". Document clustering by walktrap clustering algorithm, coupling resulted in two clusters. Within this concept, industrial symbiosis is closely related to sustainability and china. Ecology, evolution and park keywords are different from these studies considered in the area at the time of evaluation. As an example, studying performance management in an ecopark and linking this to industrial symbiosis would fill a gap.

Originality / Value / Practical implications. This study extends the current collaboration network beyond the limits. Countries in different collaboration clusters are going to collaborate for strong science synergy generation. This study provides a comprehensive overview of the intellectual structure and evolution of research on industrial symbiosis, circular economy, and sustainable finance. With the studies and training programs to be determined in the field, it will be possible to reach those in need from different backgrounds with a wide learning platform from basic to advanced level. The study emphasizes the need for cross-sector collaboration, and financial innovation to achieve sustainable economic transitions. The integration of macroeconomic and public finance perspectives enhances the understanding of how financial tools and government policies can accelerate circular economy adoption.

Keywords: industrial symbiosis; circular economy; sustainable finance; financial economics; public policy

JEL codes: Q56; G00; E60; F64

Jurgita Sekliuckienė[1], Greta Danilavičienė[2]. DETERMINANTS OF SUSTAINABILITY-ORIENTED INNOVATIONS IN THE TEXTILE AND FASHION SUPPLY CHAIN

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Abstract

Research purpose. EU Green Deal related regulations mandate textile and fashion industries to adopt sustainable business practices and innovative solutions. The European Commission's Circular Economy Action Plan identifies textile and fashion industry as one of seven industries requiring strategic sustainability transitions aligned with Sustainable Development Goals (SDGs) and global challenges. Textile and fashion companies implement a lot of solutions related to sustainable production and consumption, reduction of water use, ensuring fair working conditions and adopt sustainable managerial practices and create sustainability – oriented innovations within their supply chain. Despite the fact that there is a wide global attention to sustainability, the research on sustainability-oriented innovations and circular supply chain is still fragmented. Thus, the aim of this research is to analyse determinants of sustainability – oriented innovations in the textile and fashion supply chain.

Design / Methodology / Approach. The synthetic literature review and content analysis method has been used in order to analyse factors affecting sustainability – oriented innovations. The theoretical discussion leads to the formulation of the theoretical framework.

Findings. The analysis revealed that there are three main groups of factors that affect sustainability-oriented innovation in supply chain, such as internal, market and consumers driven factors and regulatory and policy drivers. Moreover, these factors enhance efforts of companies to adopt sustainability – oriented innovation seeking sustainable value creation. Thus, the results of this paper are grounded on the conceptual model creation.

Originality / Value / Practical implications. This study contributes to the different aspects of sustainability and Tripple Bottom Line theory. First of all, it has a broader understanding about sustainability-oriented innovations within supply chains, secondly the paper tries to complement the lack of research relating drivers of sustainability – oriented innovations in the textile and fashion supply chains by proposing conceptual framework. The study's findings serve as a basis for further research by interested stakeholders.

Keywords: sustainability-oriented innovation (SOI), supply chain, textile and fashion industry.

JEL codes: M11; O31: Q56

James J. Cochran. CLEVERNESS: AN UNDERAPPRECIATED CHARACTERISTIC OF THE ACADEMIC RESEARCHER

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Abstract

When we think of what it takes to be a productive researcher and execute meaningful research, we generally gravitate to breadth and depth of understanding of the researcher's chosen disciple(s), the breadth and depth of understanding of the problem under consideration, and how well the researcher communicates (in both written and oral fashions). Although these characteristics are necessary critical to a researcher's success, they are insufficient for solving many complex problems. Approaches to such problems often require cleverness, or the ability to see a problem in a unique manner or from a unique perspective, of the researcher. In this talk, we will consider two types of research-related cleverness: direct (cleverness in actually solving the problem) and enabling (cleverness in how to see or approach the problem). In this talk, we will expand on the discussion of these two forms of cleverness and provide multiple examples of each. We will also provide suggestions on how to cultivate cleverness in ourselves and in our students.

Research purpose. In this talk, we discuss the importance of creativity for solving complex real problems and provide several interesting examples of creativity in problem solving/academic research.

Design / Methodology / Approach. We demonstrate our findings through a series of cases/examples.

Findings. We find that creativity dramatically expands the range of problems that can be addressed and the effectiveness of the efforts to address these problems.

Originality / Value / Practical implications. The findings imply that researchers should work hard to develop and expand their creativity to improve their productivity and their ability to address and resolve complex real problems.

Keywords: cleverness; creativity; research methodology

JEL codes: O31, O36, C61

Fitala Patrik[1], Skýpalová Renata[2], Adam Klement[3], Peter Šedík[4]. DATA-DRIVEN INSIGHTS INTO SUSTAINABLE STRATEGIC MANAGEMENT IN SLOVAKIAN COMMERCE: A STATISTICAL AND BIBLIOGRAPHIC APPROACH

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Abstract

Research purpose. This study explores how supportive leadership styles shape employee well-being and organizational performance in SMEs. With fierce competition necessitating continuous adaptation, understanding how leadership practices drive job satisfaction and productivity is pivotal. The research also probes the impact of cultural norms and values on leadership effectiveness, highlighting practical strategies for more inclusive workplaces.

Design / Methodology / Approach. A mixed-methods approach was used, combining quantitative data from 250 employees in diverse sectors with qualitative insights from 30 semi-structured leader interviews. Multiple regression and factor analysis were employed to uncover key patterns, while interview data contextualized these findings, offering a deeper view of leadership dynamics in various business settings.

Findings. Results indicate that transformational leadership—marked by clear communication, empathy, and recognition—strongly correlates with higher employee satisfaction. Transactional methods also yield beneficial outcomes in structured contexts. Moreover, cultural alignment between leaders and employees amplifies the positive impact on organizational performance, underscoring the importance of adaptive leadership strategies.

Originality / Value / Practical implications. By integrating cultural dimensions into leadership evaluation, this research extends current theory and informs managerial practice. Emotional intelligence and adaptable communication emerge as key competencies for bolstering employee engagement. These insights equip leaders and policymakers with actionable steps to refine leadership approaches and cultivate thriving, resilient SMEs.

Keywords: commerce; strategy; management; business.

JEL codes: M12; M14

Jelena Topić Božič[1,2], Lucija Galič[1]. CAN LIFE CYCLE ASSESSMENT HELP IN ACHIEVING SUSTAINABLE DEVELOPMENT GOALS?

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Abstract

Although the global society is striving towards a more sustainable economy and culture, the use of natural resources has more than tripled since 1970 and continues to grow. A comprehensive way to analyze the environmental sustainability of systems is by using methods based on life cycle assessment (LCA). LCA is a standardized methodology based on ISO 14040 and 14044 standards used for assessing and quantifying the potential environmental impacts associated with the entire product life cycle from raw material extraction to final disposal or recycling. Sustainable development (SD) and circular economy (CE) go hand in hand. CE has emerged as an umbrella concept to counteract resource depletion by keeping resources in the loop for as long as possible.

Energy is an essential pillar in SD constrained by climate-change issues to reduce greenhouse gas (GHG) emissions. Sustainable energy development could be achieved by saving in use, optimum and efficient generation, and transitioning towards renewable energy sources (RES). Similarly, the CE transition considers integrating RES necessary to promote more sustainable, resilient, and hopefully more just economies and societies aligning with SDG7's goal – Affordable and clean energy. LCA is a valuable tool for determining the environmental impact of different electricity mix scenarios and can be used for data-driven decision-making.

Research purpose. This research aims to evaluate the role of LCA in assessing the environmental sustainability of different electricity generation scenarios, particularly in the context of Slovenia's National Energy and Climate Plan (NECP). By applying LCA methodology, this study aims to quantify the environmental impacts of transitioning towards renewable energy sources and provide data-driven insights for sustainable decision-making. The study seeks to highlight the importance of considering country variations in carbon intensity when assessing the sustainability of energy use, thus contributing to the broader goal of aligning energy transitions with SDG 7 (Affordable and Clean Energy).

Design / Methodology / Approach. LCA methodology will be applied using SimaPro LCA software to determine the potential environmental impact of different electricity scenarios for Slovenia aligned with the national energy and climate plan (NECP). Furthermore, Electricity Map data will be used to showcase the difference in life cycle emissions for electricity generation using carbon intensity data for different countries.

Findings. The transition towards scenarios with an increasing share of photovoltaics decreases the contribution towards global warming. The difference in carbon intensity between countries showcases the necessity of considering the environmental impact of electricity in using e.g., electric vehicles, as carbon intensity varies significantly between the countries.

Originality / Value / Practical implications. The results support the practicality of using LCA to assess potential environmental impacts to ensure that transition meets the environmental dimensions of sustainability. The expansion of LCA to include life cycle costing and social life cycle assessment would ensure that transition meets all three dimensions of sustainability and that the potential drawbacks and trade-offs are identified and adequately addressed. Implementing the CE concept is also important and LCA is crucial to evaluating the environmental soundness of circular solutions in energy transition.

Keywords: sustainability, circular economy, life cycle assessment, indicators, environmental impacts

JEL codes: Q01, Q57

Inga Uvarova[1], Tatjana Volkova[2], Liga Peiseniece[3], Aivars Vembris[4], Silvija Kristapsone[5], Julija Saveljeva[6], Gatis Polis[7], Jekaterina Novicka[8]. INTEGRATING CYBERSECURITY INTO SUSTAINABILITY PRACTICES OF COMPANIES

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Abstract

Research purpose. This study examines the interrelationship between cybersecurity (CS) and environmentally sustainable and circular business practices as fundamental components of strategic resilience in organisations. Given the increasing recognition of CS as a major risk to business growth—ranking among the top threats alongside geopolitical instability—companies face mounting pressure to ensure transparency in their CS and sustainability commitments. The integration of CS into the Environmental, Social, and Governance (ESG) agenda is emerging as a crucial element in corporate social responsibility and organisational resilience. This study aims to explore how CS, sustainability and circular business practices interrelate and contribute to enhancing companies' strategic resilience.

Design / Methodology / Approach. The study employs a systematic literature review, content analysis and focus group discussions involving scholars, business, sustainability and CS practitioners to investigate the extent to which existing research addresses the interconnection between CS and environmental sustainability performance of organisations. By analysing academic publications and policy documents, the study identifies prevailing trends, theoretical gaps, and potential synergies between these domains.

Findings. The analysis reveals that the interrelation between CS and environmentally sustainable business performance has received limited attention in academic research, highlighting a clear gap in the scientific literature. This field has gained increasing relevance in corporate practice, as businesses recognise the growing need to harmonise CS and sustainability goals, key performance indicators and corporate sustainability performance assessments. Aligning these elements is essential for developing effective strategies and processes that enhance organisational strategic resilience. Findings demonstrate that sustainable CS extends beyond mere technical security measures, encompassing governance, trust, ethics, and resource efficiency. CS can be regarded as a strategic resilience resource, contributing to organisations' long-term sustainability and ESG performance. By understanding the inherent interdependencies between CS and sustainability practices, businesses can reduce their environmental footprint, enhance competitiveness, and align with global sustainability goals.

Originality / Value / Practical implications. This study contributes to the academic discourse by reconceptualising CS as a strategic resource essential for long-term business sustainability. By bridging the gaps between CS, sustainable business practices, and strategic resilience, the research provides actionable insights for businesses seeking to safeguard their digital infrastructures while aligning with global sustainability objectives. The study highlights the necessity of integrating sustainable CS within ESG frameworks, encompassing economic, social, governance, and environmental dimensions, to ensure a more resilient and secure corporate landscape.

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Keywords: environmentally sustainable business, circular principles, green cybersecurity, sustainable cybersecurity, strategic organisational resilience

JEL codes: Q01; Q56

Anna Jasińska-Biliczak. ACHIEVE GROWTH: ENETRPRISES UNDER SUSTAINABLE CHANGE

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Abstract

Research purpose. The purpose of presented research was to identify the actual trends in entrepreneurship connected to sustainability, called sustainable change. It is shown as the influence of following of green changes turns toward enterprises. The choices made by enterprises, especially those connected to sustainable change, makes them develop and stay as the active players at the market. The sustainability is presented as new economic value based at green change which allows maintain growth under sustainable development (SD) conditions.

Design / Methodology / Approach. The proposed methodology consists of three stages: desk research, deepened interview and primary data analysis (ANOVA). Such a methodology approach lets to find out the actual trends in entrepreneurship development.

Findings. There is possible to observe the change in the nowadays new enterprises grow up. Special attention was paid at those which followed the change under SD conditions. The finding is that the sustainability, especially green change, as the economics theoretical concept is more and more often the base of their development strategy. Other finding shows that enterprises, which based their development at sustainability, are characterized by the higher growth rate.

Originality / Value / Practical implications. The results of presented research allow to develop the economy by spreading the knowledge about enterprises development as well as practical implications of implementing green change to enterprises. Especially the originality of the research is pointing the connection between enterprises growth rate and their successful implementation of sustainability into their strategies. It may have practical implication for further economic growth planning.

Keywords: enterprise; sustainability; sustainable development; sustainable change; economic growth.

JEL codes: O47, O31.

Astra Auzina-Emsina. TOMMOROW TODAY: CROSS-INDUSTRY ECONOMIC EFFECTS OF GREENER TRANSPORT TECHNOLOGIES

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Abstract

Research purpose. The study aims to assess the economic impact on other industries if land transport is applying more sustainable and greener technologies in Latvia, using input-output analysis. The main focus is on land transport (H49 economic activity according to NACE rev.2 classification). The approach and main findings can be applied to other countries as well as the Baltic Sea region analysis indicated gradual technological convergence regarding applied technologies applied in land transport.

Design / Methodology / Approach. The study uses input-output analysis to assess technology replacement, employing demand-driven modelling while holding other technologies constant to identify the impact of modelled changes. The economy is disaggregated into 65 activities according to NACE rev.2 2-digit level. Three scenarios are elaborated and modelled to determine the expected economic impact at the industry level, followed by a bottom-up approach to compute the overall economic activity impact.

Findings. The modelling results claims that both goods-producing (as manufacturing, agriculture, mining and commodities producing economic activities) and also services are affected. Companies in rubber, plastics, paper production are expected to experience the largest demand decline, however, while companies in business services and finance face demand reduction. Land transport's dependency on imported materials means that companies importing goods replaced in the technological transition process will encounter demand declines, necessitating diversification or market reorientation. Land transport is vital to all other business sectors as well for inhabitants and government institutions. Technologies affecting land transport directly and indirectly impact all other activities, causing economic effects such as inflation and changes in consumption patterns.

Originality / Value / Practical implications. This study assesses the economic impact of adopting greener technologies in Latvia's land transport sector, considering intersectoral linkages often overlooked. It reveals significant effects on both goods-producing and service industries, with notable declines expected in rubber, plastics, and paper production. The findings offer valuable insights for policymakers and can be applied to other countries and regions, particularly within the Baltic Sea area.

Keywords: sustainable transport, land transport, technological shifts, input-output analysis

JEL codes: O11, O18, R15

Alise Patrīcija Dreimane[1], Natālija Cudečka-Puriņa[1,2]. THE IMPACT OF ESG SCORES ON FINANCIAL PERFORMANCE: A STUDY OF NASDAQ BALTIC-LISTED COMPANIES FROM AN INSTITUTIONAL INVESTOR PERSPECTIVE

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Abstract

Research purpose. This study investigates the impact of Environmental, Social, and Governance (ESG) scores on the financial performance of companies listed on the Nasdaq Baltic Stock Exchange, focusing on the perspective of institutional investors. Despite the increasing prominence of ESG factors in investment strategies, the financial implications of ESG initiatives within the Baltic market remain underexplored. The research examines the relationship between ESG scores and key financial performance indicators, including Return on Assets (ROA), Return on Equity (ROE), and Tobin's Q, in Nasdaq Baltic-listed companies.

Design / Methodology / Approach. The analysis provides a solid theoretical overview of ESG, exploring the factors influencing ESG performance, the role of rating agencies, and the methodologies behind ESG scores. In addition, it examines the Nasdaq Baltic Stock Exchange, outlining the region's ESG practices, trends, and recent IPO activity. The study also investigates the economic outlook of the Baltic States and how businesses integrate ESG factors into their strategies. The research employs a combination of quantitative primary and secondary data analysis and qualitative insights through expert interviews with institutional investors.

Findings. The findings reveal that at this point, there is no significant relationship between ESG scores and financial performance indicators such as ROA, ROE, or Tobin's Q. While ESG components demonstrate strong correlations with each other, particularly between environmental and governance factors, they do not directly influence financial performance. ESG factors play a moderate role in investment decisions, with ESG ratings being viewed as supplementary to traditional financial metrics. The study also identifies challenges institutional investors face, including limited market liquidity, smaller company sizes, and heightened regional risks, leading to a more cautious investment approach.

Originality / Value / Practical implications. The study offers unique insights into the Baltic region's evolving ESG landscape, contributing to understanding how institutional investors approach ESG factors in their investment decisions. It highlights the challenges investors face in smaller, less liquid markets and emphasises the importance of understanding the discrepancies in ESG ratings from different agencies. The findings have practical implications for institutional investors, companies, and regulators, providing valuable guidance on how ESG factors are integrated into investment strategies and business practices in the Baltic market.

Keywords: ESG; ESG score; financial performance; Nasdaq Baltic; institutional investor.

JEL codes: G23; G32; G34; M14; Q56.

A GREENER FUTURE WITH ELECTRIC CARS: THE CASE OF EU COUNTRIES

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Abstract

Research purpose. Electric cars are crucial for enhancing resource efficiency within the circular economy. By transitioning to electric transportation, society can reduce dependence on finite fossil fuel reserves and lower greenhouse gas emissions.The paper aims to investigate the link between electric car adoption and sustainable development in EU countries, using the Sustainable Development Green Index (SDGI).

Design / Methodology / Approach. The research is based on a multidimensional interdisciplinary approach to understanding the phenomenon of electrification of transport. Electric car sales cannot be viewed as a purely economic factor, since electrification of transport is quite a complicated phenomenon. Although there have been improvements, electric cars remain significantly more expensive than traditional cars. To enhance their appeal, government subsidies and support are essential, including tax breaks, affordable financing, and benefits for road and parking. Additionally, relevant infrastructure, such as charging stations, must be developed. Heightened environmental awareness and strong green education also play a crucial role in driving electric car sales. Electric cars are seen as a promising way to lower pollutant emissions and reduce risks to human health. The study proposes to use SDGI, which is based on the quintuple helix model. This model consists of five subsystems: economy, policy, society, education, and environment.

Findings. The main findings of the research indicate a strong positive correlation between new electric car registrations and SDGI in EU countries. This shows that countries with higher SDGI scores, reflecting better sustainability efforts, tend to have higher rates of electric car adoption. This correlation highlights the effectiveness of sustainable development initiatives in promoting the electric car market.

The correlation analysis in the research reveals a moderate positive relationship between new electric car registrations and GDP per capita in EU countries. However, higher GDP does not automatically guarantee increased electric car adoption; other factors such as infrastructure, regional policies, and cultural attitudes toward electric cars also play a significant role.

Originality / Value / Practical implications. The originality of the paper lies in its integration of SDGI to analyze electric car adoption across EU countries. By correlating SDGI scores with new electric car registrations, the study provides a novel perspective on how sustainability efforts directly impact the growth of the electric car market. This approach highlights the multifaceted connections between economic, policy, societal, educational, and environmental factors and offers valuable insights for policymakers aiming to enhance sustainable transportation solutions.

Keywords: circular economy; electric car; Sustainable Development Green Index.

JEL codes: L94; Q20

EMERGING TRENDS IN

BUSINESS ADMINISTRATION, MANAGEMENT AND CORPORATE FINANCE

Marek Nagy[1], Katarina Valaskova[2]. NAVIGATING SUCCESS: PORTFOLIO MANAGEMENT THROUGH RISK AND PERFORMANCE ANALYSIS

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Abstract

Research purpose. Both during and after the COVID-19 pandemic, the goal of this study is to investigate the increased interest in investments such as exchange-traded funds (ETFs) and public shares. Specifically, the study will focus on the reasons behind this interest. The analysis of risk and performance, in addition to the management of portfolios, are the key subjects of concentration for this technique. An actively managed portfolio of American stocks is going to be formed as part of the investigation, and its performance is going to be compared to that of a passively managed index portfolio, which will be represented by the S&P 500 Index that will be reviewed. This comparison is going to take place in order to provide meaningful insights.

Design / Methodology / Approach. Active portfolio management is accomplished by the use of three distinct methodologies: intuition-based management, the Black-Litterman model, and Modern Portfolio Theory. A quantitative technique is utilised in order to assess both the risk and performance of the actively managed portfolio in addition to the passive index. Additionally, the inquiry makes an assessment of the impact that reinvestment and transaction expenses have on the outcomes of portfolio situations.

Findings. In addition to providing a full knowledge of the performance of active and passive investing strategies in a range of market scenarios, the results indicate the relative efficacy of active and passive investment methods. Although active investing has surpassed passive investment, it is essential to recognise the several drawbacks associated with active investing, including transaction costs, heightened risk, and the need for continuous oversight of publicly listed firms. Conversely, by active investment, an investor might attain significantly better returns in a shorter timeframe compared to passive investing, but at the expense of assuming greater risk.

Originality / Value / Practical implications. Additionally, the research makes a contribution to the field by evaluating the influence that expenses and reinvestment have on returns, as well as by giving recommendations that may be put into practice for portfolio creation and management. These findings not only offer investors with essential recommendations for improving their investment strategies in a post-pandemic financial landscape, but they also give financial guidance.

Keywords: stocks; ETFs; bonds; yield; risk; passive investing; active investing

JEL codes: G30; M14

Kristine Uzule[1], Nellija Titova[2], Iza Gigauri[3]. THE CONCEPT OF VALUE CREATION IN ORGANIZATIONAL REPORTING: COMPARING INTEGRATED, SUSTAINABILITY AND ANNUAL REPORTS

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Abstract

Research purpose. Integrated reporting has emerged as a contemporary framework for enhancing organizational performance. While it offers conceptual benefits and is endorsed by consulting groups, its adoption has been relatively slow. Among the various barriers to this transition is a challenge of understanding the differences in values promoted by this framework in comparison to more traditional reporting systems. The aim of this research is to identify differences in how the concept of value is encoded in integrated reports compared to sustainability and annual reports, and to verify if the practice of integrated reporting tends to be consistent with the conceptual framework of integrated reporting.

Design / Methodology / Approach. The study employs the distant-reading method of content analysis, focusing on the key concepts of integrated reporting - value creation, stakeholder engagement, integrated thinking via combining financial and non-financial information. A corpus of each report type consisted from reports from various industries and countries over the period of 2021-2023. Each corpus comprised about 2 million lexical tokens each. The analysis was run, using open-access digital tools – *Voyant Tools* and *AntConc*.

Findings. The preliminary findings revealed that annual reports primarily delivered information about financial aspects, emphasizing the organization's financial value delivered through the concepts of assets, losses, and profits. The connection to stakeholders was non-significant in use and was primarily through financial concepts. The concept of integrated thinking was also non-significant and was related to management and risks. Sustainability reports focused on the concept of environment, commitments, strategy and business. The concept of stakeholders was connected to values only through the concept of sustainability, while integrated thinking emerged in relation to the concept of sustainability, risks and business. Integrated reports focused on the concepts of value creation, governance, and "good". The concept of stakeholders was more prominent than in annual and sustainability reports and was connected to value via the value creation concept as well as social capital and human capital. Interestingly, the concept of finance did not emerge in the primary analysis – it emerged only in the secondary analysis and was connected to value via financial value and performance concepts. Yet, the concept of financial performance was used relatively frequently in reports but not in primary link analysis. This finding points to a potential gap in understanding of how to combine financial and non-financial information in integrated reports for value creation, which is one of the fundamental aspirations of integrated reports and what, at least in theory, distinguishes integrated reporting from other formats of reporting, such as annual and sustainability reports.

Originality / Value / Practical implications. This study enhances our understanding of how value is represented across different types of reports produced by organizations, as opposed to conceptual models of reporting. It also highlights potential gaps in integrated reports, particularly their failure to connect financial and non-financial capitals effectively.

Keywords: integrated report, annual report, sustainability report, value creation

JEL codes: M10, M14.

Dorota Witkowska[1], Krzysztof Kompa[2]. DOES THE WOMEN PRESENCE ON BOARDS MATTER?

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Abstract

Efforts to increase the proportion of women in management have resulted in the European Parliament passing a quota directive for large public companies in November 2022. This law implements 40% for non-executive seats and 33% for both non-executive and executive board positions for "underrepresented sex" by 2026. Similar law has already been in effect for years in some countries, despite the fact that studies on the impact of the presence of women in management bodies on the market and financial situation of companies indicate that the effects of an increased percentage of women in management on the situation of businesses are mixed (from significantly positive to significantly negative, including no significant effect).

Research purpose of the presented study is to check whether the presence of women in the governing bodies of companies listed on the Warsaw Stock Exchange affects the performance and market value of these companies in the pre-covid period.

Design/ Methodology / Approach. The research covered 90 companies continuously listed in years 2010-2019 at the Warsaw Stock Exchange (WSE), and belonging to the portfolios of the major stock indexes of WSE. Among selected companies 73 of them are nonfinancial and 17 are financial ones. Pooled regression models are estimated to test the influence of the presence of women in statutory bodies and the companies' performance and market value. It was assumed a 6-month interval between the measurements of female representation and the readings of financial indicators. To asses performance of the surveyed companies, single financial indicators and multidimensional synthetic vector measures were used.

Findings. In general, the research does not confirm the significant impact of women share in statutory bodies on the companies' performance. However, it is noticeable that the statistically positive effects on market values are recorded more often than on financial performance. The results may be biased because the research clearly confirms that the percentage of women in the management staff of public companies in Poland is negligible and very far from the so-called critical mass.

Originality/Value/Practical implications. In research it was assumed 6 months delay between observations of women presence (measured by number or share of women in statutory boards or female heads of the boards) and measurement of the companies' performance. For the financial situation of the company, single financial indicators and tailor-made synthetic measures together with assessment market values of companies are used.

Keywords: women in management, market value, public companies, pooled regression, Warsaw Stock Exchange – GPW

JEL codes: L25; G38; M14; C38

Yusuf Enril Fathurrohman[1,2], Enikő Kontor[3]. EXPLORING CONSUMER BEHAVIOR TOWARD HALAL FOOD: THEORETICAL PERSPECTIVES, KEY DETERMINANTS, AND CHALLENGES

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Abstract

Research purpose. The halal food industry has experienced significant global expansion, driven by increasing Muslim population, rising disposable incomes and growing awareness of halal principles among both Muslim and non-Muslim consumers. According to this condition, understanding consumer behavior and purchase intentions in this sector is essential for various stakeholders. Despite extensive studies in this area, a comprehensive synthesis of theoretical frameworks, key influencing factors, and challenges remains limited. This study aims to conduct a systematic literature review (SLR) to analyze existing research on consumer behavior and purchase intentions toward halal foods.

Design / Methodology / Approach. This study employs the Preferred Reporting Items for Systematic Reviews (PRISMA) protocol to systematically review and synthesize existing research on halal food consumer behavior. The review identifies and analyses key theoretical frameworks, primary influencing factors, and existing challenges in the field. From 588 papers identified, we conducted semi- automated-screening and found 37 papers included in the analysis.

Findings. The analysis reveals that the Theory of Planned Behavior (TPB) is the most commonly applied framework, often extended with additional variables such as religiosity, halal awareness, and trust. Othe models have also been used to explore behavioral and psychological dimensions. Key determinants influencing consumer behavior include TPB variables, religiosity, halal awareness, and halal certifications. Additionally four main challenges and limitations in halal food consumer behavior research are identified: (1) methodological limitations, including small sample sizes and cross sectional study designs; (2) contextual and demographic constraints with a focus on Muslim-majority countries and limited to non-Muslim consumers; (3) theoretical gaps, primarily due to reliance on TPB without incorporating broader constructs or models; and (4) market challenges including inconsistencies in halal certification and regulatory standards, as well as consumer doubts about label authenticity.

Originality / Value / Practical implications. This study provides a systematic synthesis literature of halal food consumer behavior, offering practical insights for businesses, policymakers, and marketers to enhance halal certification credibility, improve consumer trust, and develop targeted marketing strategies. It also serves as a foundation for future studies to strengthen the global halal food market.

Keywords: Halal Foods; Consumer Behavior; Purchase Intentions; PRISMA.

JEL codes: D12; L66; M31; Q18; Z12

Elvis Dibanins[1], Ilona Lejniece[2]. ROLE OF HUMAN CAPITAL IN THE DIGITAL ECONOMY OF LATVIA

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Abstract

Research purpose. In recent years the rapid advancement of digital technologies and their implementation in commerce, transportation, education, healthcare, and industry has had a significant impact on the economic landscape of the European Union, and Latvia particularly, fundamentally altering the way businesses operate, governments deliver services, and individuals engage with the world around them. According to OECD data, although digitalization has progressed at the central government level, the digitalization of public services at the municipal level is still lagging due to weak financial capacity and a lack of management and digital skills.

This research investigates digitalization's social and economic impacts on human capital in Latvia, focusing on the relationship between digital infrastructure, skills development, and economic performance.

Design / Methodology / Approach. The central hypothesis is that investment in digital skills and competencies is a critical driver of Latvia's digital economy, with effects on productivity, innovation, and growth. The research hypothesizes that the availability and accessibility of digital infrastructure in Latvia plays a crucial role in the development of its digital economy and the effective utilization of human capital.

This study will adopt a qualitative research design, utilizing a combination of case studies, surveys, and expert interviews to gain a comprehensive understanding of the digital transformation in Latvia, the challenges and opportunities it presents for the effective development and deployment of human capital, and the overall impact on the country's economic performance in the era of the digital economy.

Findings. Positive correlation between infrastructure availability and digital economy metrics, uneven infrastructure distribution exacerbates inequalities in human capital development. Significant workforce skills gap, with significant portions of both employees and employers lacking necessary digital competencies. The digital skill gaps and the need for retraining, including the need for retraining of the workforce, create a need for upskilling.

Originality / Value / Practical implications. This paper contributes to the existing literature on the role of human capital in the digital economy by providing a detailed analysis of Latvia's digital transformation journey, the challenges faced, and the policy implications for effective human capital development and utilization.

The findings of this research can inform policymakers, business leaders, and other stakeholders in Latvia and the broader EU on the critical importance of investing in digital infrastructure, upskilling the workforce, and implementing strategic policies to harness the full potential of human capital in the digital age.

Keywords: human capital; digital economy; digital transformation; digital infrastructure; workforce upskilling

JEL codes: J24; O15; O31; O32; O33

Laima Jesevičiūtė-Ufartienė[1], Jūratė Maščinskienė[2], Gabrielė Savickaitė[3]. PACKAGING IMPACT OF CONSUMER PURCHASE DECISION TOWARDS COSMETIC PRODUCTS

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Abstract

Research purpose. Packaging not only protects the product from damage (Veflen et al., 2023), but also is needed to attract the consumer's attention, persuade them to buy and communicate quality (Prathisara & Masduki, 2023). The average product recognition time at the point of sale is approximately seventeen seconds, and it is the elements of the product packaging that are the initial stage of product recognition (Tassawa & Khumhome, 2023), and it is therefore relevant to know and understand which elements are salient and trigger the consumer's willingness to purchase the product. Although a large body of literature on product packaging is available, Harun and Moury (2019) note a lack of research on the impact of product packaging on consumer purchase behaviour, particularly for cosmetic products. Packaging of cosmetic products is important as it provides consumers with information about the product, which leads the consumer to trust the product, which has a significant impact on consumer choice (Srivastava et al., 2022). Given above, this study aims to examine what effect do the elements of cosmetic product packaging have on consumer's purchase decision?

Methodology. This study employed expert evaluation using the Analytic Hierarchy Process (AHP) method, and a consumer survey applying linear regression analysis. Experts were given a pairwise comparison questionnaire asking them to compare the importance of each element of the cosmetic product packaging on a nine-point scale ranking a cosmetic product. A Likert scale questionnaire was used for the consumer survey with 296 respondents and consistency was assessed using Cronbach's alpha.

Findings. Our findings show that 6 packaging elements have an impact on the consumer's decision to buy a cosmetic product: claims, label information, brand name, colour, shape and logo. The brand name on the packaging of a cosmetic product has the highest impact. Claims, logo and label information also have a significant impact on the consumer's decision to buy a cosmetic product. The shape of the packaging has the least impact on the consumer's decision to buy a cosmetic product, but distinctive shapes attract more consumer attention than conventional shapes. In addition, informative elements of the product packaging have a greater impact on the consumer's decision to buy a cosmetic product than visual elements.

Originality / Value / Practical implications. Expert evaluation and analysis of consumer opinion surveys can help cosmetic companies, cosmetic packaging specialists and designers to develop cosmetic packaging that effectively attracts consumers' attention, builds their trust and encourages them to make a purchase decision.

Keywords: elements of product packaging, consumer purchase decision, impact on consumer purchase decision, consumer behaviour.

JEL codes: M31; M21.

Laima Jesevičiūtė-Ufartienė[1,2], Raminta Andrėja Ligeikienė[3], Ieva Daugėlienė[4].INFLUENCE OF ORGANIZATIONAL IMAGE ATTRIBUTES ON EMPLOYEE MOTIVATION

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Abstract

Research purpose. When establishing new companies, startups, or other projects, and seeking to attract new and loyal employees, it is crucial to build a strong organizational image. An organization with a positive image is more likely to attract a higher number of candidates who wish to join and work for it. Such employees are often more loyal, productive, and motivated. Employees are one of the key components in the formation of a new organization. However, how can organizations attract and retain employees while keeping them motivated? Without a strong organizational image, employees may find it challenging to identify with the organization or work toward shared goals. Thus, the objective of this study is to determine the impact of organizational image attributes on employee motivation.

Methodology. Organizational image attributes, such as identity, reputation, culture, communication, and visual identity, are treated as independent variables in the model, while employee motivation is considered the dependent variable. Validated evaluation scales are used to examine the theoretical factors of the model. The study was conducted with employees from various organizations, involving a survey of 419 respondents.

Findings. The results revealed that each attribute of the organizational image individually influences employee motivation. However, when these attributes are combined in an overall regression model, it was found that only organizational reputation and culture have a statistically significant effect on employee motivation.

Originality / Value / Practical implications. The research provides clear insights to future research on what organisational image attributes should be focused. Human resource managers could find solution for attracting specialists for the specific company's needs.

Keywords: organisation image, image attributes, employee motivation, organisation reputation, organisation culture

JEL codes: M12; M31.

Jevgenija Dehtjare[1], Anna Strazda[2], Kristine Uzule[3]. IMPROVING THE MANAGEMENT PROCESS OF HEIS BY INTEGRATING COMPONENTS OF ENTREPRENEURSHIP AND INNOVATION

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Abstract

In a rapidly evolving global education market, HEIs must remain adaptable and competitive, able to attract students, secure funding and maintain relevance in present circumstances. Applying entrepreneurial competencies fosters a mindset of agility and proactive problem-solving, helping academic staff and students identify and seize new opportunities, and contribute to developing innovative solutions within and outside the educational environment. Integration of entrepreneurial components helps HEIs to identify and capitalize on emerging trends, and partnerships and seek new funding opportunities. The introduction of the innovation component contributes to the development of new teaching methods, and research initiatives and fosters technological advancements.

Research purpose. The object of the research is the process of higher education management. The subject of the research is the integration of entrepreneurial and innovative components into the process of higher education management. This research aims to assess the importance of entrepreneurship and innovativeness development in HEIs.

Design / Methodology / Approach. The methods used in this research consist of a literature review, case study analysis, analysis of relevant documents, and statistical interpretation, as well as the assessment of the HEInnovate self-reflection tool.

Findings. The findings of the research indicate that the integration of entrepreneurial and innovative components into the process of higher education management enhances institutional adaptability and strengthens the HEI`s competitive position in the global education market. Furthermore, it contributes to the greater engagement of academic staff and students in entrepreneurial activities, improves their competencies, and fosters a more dynamic and future-oriented learning environment.

Originality / Value / Practical implications. This research discovers a new perspective of higher education management by overlooking the strategic integration of entrepreneurial and innovative components into the process of higher education. This study gives stimuli of HEIs reshape, offering tools that may foster its more adaptive, competitive, and future-ready development. The use of the HEInnovate self-reflection tool adds more value by providing a structured, evidence-based assessment method for HEIs. The study has a high level of practical implications, as it provides actionable insights for HEI administration on how to enhance institutional agility, ensuring the institution's response to evolving market demands and policy changes. The findings highlight the need for entrepreneurial and innovation components integration into the study curriculum, fostering an environment where academic staff and students can actively engage in real-world problem-solving and business creation.

Keywords: higher education, HEInnovate, competitiveness

JEL codes: I23; M13; O31

Harsh Chauhan. EVOLUTION OF INTERNATIONAL COMPETITION WITHIN ORGANIZATIONAL BOUNDARIES: A COMPREHENSIVE LITERATURE REVIEW

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Abstract

Research purpose. To identify the process of internal competition evolving within the boundaries of an organization. Emphasis is on developing a comprehensive literature review along with a proposed causal model.

Design / Methodology / Approach. In order to develop a literature review previous scientific researches have been explored. Scientific databases such as Google Scholar, Emerald, EBSCO & Science Direct are used for selecting relevant papers. The papers are selected by using different combinations of key words creating meaningful sentences. The selected paper are categorize in the form of literature review, case studies, survey, interviews, modelling, statistical analysis, test & experiment, tools & concepts.

The methodology of selection comprises of PRISMA 2020. A preferred reporting system for reviews and meta-analysis statement. Introduced in 2009, constantly upgraded and widely recognized in academia. It is more advanced in identifying, selecting, appraising, synthesizing studies and replaced 2009 version (Page *et al*. 2021).

The literature review is developed in two parts. First part represents employees perception considering internal social comparison takes place within organizational boundaries. Second part represents organizational perspective highlighting intra-organizational evolution considering business management strategies and practices. Both the parts are segregated yet inter-connected. Part 1 is more inclined towards individual's management psychology. Part 2 corresponds with business management's decision making.

Findings. The literature review consist of two major variables internal social comparison and intra-organizational evolution.

Part 1: "Internal Social Comparison": Transformed into internal competition. It is the resultant of intra-organizational competition and intra-organizational evolution. Internal social comparison and self-evaluation creates a competitive work behavior among individuals. In organization not all employees are competition ready. Employees set standards for performance and contribution. They compare remuneration and work behavior. Internal social comparison across business units motivate managers to take risks.

Part 2: "Intra-organizational evolution": Associated with 'Variation' - decentralization of command, 'Selection' - Allocation of scares resources and 'Retention' - Managerial ability for implementing organizational strategy. Successful organizations spend more time and energy in developing autonomous process through internal experiments and effective decision making. Intra-organizational perspective of cultural selection and social phenomena are more closely related to internal competition. Environment equivocality, market heterogeneity, normative integration between units, and fungibility of unit capabilities encourages internal competition.

Originality / Value / Practical implications. The literature Review accentuate employee's perception of treating workers as competitors and organizational perspective of increasing productivity by sustaining internal competition. The level of competition between business individuals derives the span and control of internal competition. Although there are various determinants needs further examination such as organization's culture & organizational behavior, working environment conditions and other associated variables influencing internal competition. The research propose a causal model in consideration to prevailing internal competition within organizational boundaries.

Keywords: Internal competition; Intra-organizational evolution; Internal social comparison; Employees; Organizational boundaries.

JEL codes: L20; L21; M1; M10

Martina Hudecová[1], Peter Šedík[2]. GENERATION Z AND SUSTAINABLE TOURISM: THE ROLE OF MARKETING COMMUNICATION IN SHAPING PERCEPTIONS AND DECISIONS

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Abstract

Research purpose. Sustainable tourism is becoming an increasingly important element of the tourism industry. It highlights the need to balance economic growth with environmental protection and social responsibility. As Generation Z appear as a key driver in global tourism, their strong values of sustainability, digital engagement, and ethical consumption make them a main objective for marketing strategies that promote responsible travel choices. The primary objective of the study is to investigate the role of marketing communication in shaping the perceptions and decision-making of Generation Z tourists regarding sustainable tourism.

Design / Methodology / Approach. The research is based on quantitative data from the questionnaire survey applied to 265 Generation Z respondents living in Slovakia. To test the hypotheses, the Friedman test and Nemenyi's pairwise comparisons were used to determine differences in the perception of individual statements about marketing communication in the context of sustainable tourism. Furthermore, the chi-square test of independence was used to analyse the relationship between gender and the type of information they expect in marketing campaigns focused on sustainable tourism, as well as to analyse how different elements of marketing communication affect their perception of a destination's sustainability authenticity.

Findings. The results show that 62% of Generation Z travellers reported that marketing communication significantly influences their travel decisions. According to the results of the Friedman test, there are significant differences in how Generation Z respondents perceive various statements about marketing communication regarding sustainable tourism. Moreover, the chi-square test results revealed significant differences in how respondents perceive the authenticity of a destination's sustainability in marketing communication. Women were more likely to expect eco-certifications and the use of recycled and eco-friendly materials in promotional materials, while men showed a preference for real-life examples of ecological measures, such as photos and videos showing sustainable practices.

Originality / Value / Practical implications. This research paper contributes to the existing literature by understanding the perception of marketing communication regarding sustainable tourism among Generation Z travellers in Slovakia. Moreover, the findings provide valuable information for tourism businesses and marketers who aim to boost the effectiveness of their communication strategies regarding sustainability.

Keywords: marketing communication; sustainable tourism; tourist; Generation Z

JEL codes: M31

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Peter Šedík[1], Kristína Predanócyová[2], Marián Čvirik[3], Renáta Skypalová[4], Martina Hudecová[5]. SWEET CHOICES: EXPLORING FEMALE CONSUMER ATTITUDES TOWARDS REGIONAL FLAVOURED HONEY

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Abstract

Research purpose. The flavoured honey market is rapidly expanding as consumers increasingly seek unique, artisanal products that offer a taste of regional identity. The aim the study was to explore attitudes and preferences of young honey consumers towards flavoured honey of regional origin.

Design / Methodology / Approach. The study is based on primary research involving questionnaire survey among female consumers of honey. The survey was conducted in 2024 and involves 100 respondents between 18 – 24 years (Genz Z). The questionnaire included scaling questions towards attitudes and preferences. The non-parametric tests were applied by using Xlstat software.

Findings. The results showed that young female consumers prefer Slovak honey purchased directly from beekeeper and select their preferred flavoured honey based on its taste. As the most important factor when selecting flavoured honey at purchase was the type of flavour followed by country of origin, local aspect and recommendations while the least important factors was online promotion. Moreover, the studied segment indicated recommendations from family, friends and experts as the most influential source of information when purchasing flavoured honey followed by sales promotion, Instagram and influencers. The least important sources of information were Tiktok, Youtube and Facebook.

Originality / Value / Practical implications. The findings provide important insights both for producers and marketers. For producers, understanding these gender-specific preferences can lead to more targeted product development that highlights authentic regional characteristics. For marketers, the study offers guidance on tailoring campaigns that resonate with female consumers, ultimately driving brand differentiation and market success

Keywords: consumer attitudes; honey market; enriched honey, Slovakia.

JEL codes: M31, Q13

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Ludin, Daniela[1], Selin Duman[2], Valentin Kirchner[3], Monika Mikulec[4]. MORE APPOINTMENTS, LESS TIME IN WAITING ROOMS? HOW DIGITAL INNOVATION AFFECTS HEALTHCARE MANAGEMENT AND PATIENT BEHAVIOR

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Abstract

Research purpose. The digitization of healthcare has become a significant topic of interest in recent years, particularly in the context of the global pandemic caused by the COVID-19 pandemic. This has underscored the necessity for innovative solutions to enhance access to healthcare. The present study seeks to examine the influence of digital technologies on healthcare management and patient behaviour, with a particular focus on appointment scheduling, online consultation and waiting times. It aims to contribute to research of digitization on healthcare management and the resulting patient behaviour in the German context by combining the perspectives of health management, digitization and innovation management and behavioural economics.

Design / Methodology / Approach. In this study is therefore conducted a quantitative survey of patients in Germany to analyse the extend of use of digital appointment scheduling platforms and online consultation tools and consider the demographic factors that influence patient behaviour. The questionnaire was distributed in November 2024 in medical practices, rehabilitation centres and pharmacies, that were randomly picked. Participants were provided with a link to an online questionnaire. The link was made available via a Quick Response (QR) code. Given the different age groups, in addition to QR codes, the survey was printed & displayed for those who do not have internet access.

Findings. The discussion presented in this study elucidates that the digitization of the healthcare sector presents a duality of opportunities and challenges. The survey results indicate that a significant proportion of patients in recognize the advantages of digital healthcare services, including reduced waiting times and more flexible appointment options. Nevertheless, acceptance remains constrained, indicating the presence of impediments such as a dearth of confidence in digital security and the entrenched practice of scheduling appointments via telephone. The discussion presented in this study elucidates that the digitization of the healthcare sector presents a duality of opportunities and challenges.

Originality / Value / Practical implications. The study demonstrates that the integration of digital and traditional healthcare services is essential to enhance patient satisfaction and guarantee the quality of care. These findings provide a foundation for future research on the development of models for the acceptance of digital healthcare solutions and the examination of the interactions between technology, patient behaviour, and quality of care. In summary, the study contributes to the theoretical discourse on the role of digitization in healthcare and provides points of reference for the further development of existing theories. The survey reveals that patients appreciate the advantages of digital appointments in terms of convenience but encounter obstacles such as a lack of trust and knowledge. Demographic factors, particularly age and gender, influence the willingness to utilize digital solutions. In conclusion, the study demonstrates that digitization in healthcare is promising, but that targeted measures are necessary to enhance acceptance and mitigate barriers. Often, there is simply a lack of availability or knowledge of solution.

Keywords: digitization; innovation; healthcare management; patient behaviour; patient survey

JEL codes: I12; O31

Kuhnle-Schadn Alexandra[1], Simlinger Andreas[2]. FINANCIAL LITERACY OF COMPANY FOUNDERS – IMPORTANCE FOR THE SUCCESS OF THE COMPANY

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Abstract

Research purpose. The purpose of this study is to analyse what kind of financial knowledge business founders need to avoid failure in the first five years after firm foundation. The study also examines the relationship between financial literacy and business success. Finally, it identifies approaches for effective knowledge transfer so that founders can benefit as much as possible from training and advice.

Design / Methodology / Approach. Two different approaches were combined: Literature review and qualitative empirical study. The literature review was used to answer the question of the relationship between financial literacy and business success, and to identify the necessary financial literacy know-how that prevents a business from failing within the first few years. Based on the literature analysis, multi-part qualitative research was carried out: Guided interviews were conducted with eight start-up experts as well as with nine business founders. The interviews were expected to provide more in-depth information and the opportunity to ask specific questions about necessary financial knowledge, its relationship to business success and ideal conditions for successful knowledge transfer. In addition, a document analysis was carried out to analyse training documents currently used in start-up training courses in Austria to determine the extent to which they cover the financial knowledge necessary for business success.

Findings. From the academic literature, six key categories of financial literacy have been identified as essential for entrepreneurs: Financing and raising capital, accounting and bookkeeping, cash management, costing, business planning and feasibility studies. The empirical study complements these with additional categories such as income taxation, types of business entities, business valuation, risk management, outsourcing competence in the financial sector and emotional financial competence. The document analysis, based on study documents, revealed that all necessary financial topics are rarely covered in full, but that individual start-up advisory centres and start-up centres at banks provide very accurate study material. The literature analysis, consisting of theoretical models and scientific studies, as well as qualitative statements from interviewees, confirm a link between financial literacy and entrepreneurial success. Key research findings on how to organize knowledge transfer to train entrepreneurs on financial matters include the use of networks, peer exchange, training programmes tailored to knowledge levels and a combination of digital and face-to-face formats.

Originality / Value / Practical implications. This study highlights the relationship between financial literacy and entrepreneurial success. It has implications for entrepreneurs (as it provides valuable information on the financial skills needed to run a successful business) as well as for business consultants and training organizations (as it shows which financial topics should be taught and in what way to ensure successful knowledge transfer).

Keywords: Financial Literacy; financial knowledge; entrepreneurial success; knowledge transfer.

JEL codes: G53; M13

Lucrecia Valentine. FUNDAMENTAL COMPETITIVENESS AND QUALITY REQUIREMENTS FOR EFFECTIVE SMALL FRESH PRODUCE FARMING IN EMERGING ECONOMIES

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Supporting the growth of small farmers is a vital strategy for addressing rural food shortages in many developing countries, including South Africa. Small and Medium-sized Enterprises (SMEs) play a significant role in the economic growth and development of a nation. Small-scale farming is defined as practices that involve farmers with substantial agricultural knowledge, effectively cultivating small plots. There are numerous barriers that hinder the growth of SME's, including planning methods to access finances, developing marketing strategies, utilizing technology to monitor business operations, advancing customer service, and ensuring customer satisfaction to enhance business image and reputation. This paper aims to elaborate on the key competitiveness and quality requirements for successful small fresh produce farmers.

The safety of fresh produce is crucial to various stakeholders, including consumers, producers, traders, processing firms, and governments. With an increasing global trend towards consuming fresh produce raw due to its health benefits, it's essential for fresh produce farmers to be particularly mindful when applying crop protection. This ensures that their harvested crops are safe for human consumption. In developing countries, there have been a significant rise in awareness regarding the nutritional, safety, and quality aspects of food preferences, driven by a growing health consciousness and recognition of the benefits of fruits and vegetables in diets.

Research purpose. 1.To explore the concept of 'working smarter' beyond the adoption of high-tech systems or automated processes, and to examine how these strategies can be sustained as competitive advantages. 2.To investigate how fostering creative thinking and initiative among all employees within an organization can enhance idea generation, improve decision-making processes, boost quality and productivity, and ultimately strengthen the organization's competitiveness. 3. To propose a quality management framework that will consider best practices given South Africa's current environmental and economic climate.

Design / Methodology / Approach. Applied research is considered the most appropriate research approach for this research, as it has been designed to apply its findings to serving a specific, existing problem as expanded upon in the background to the research problem and the research problem statement elaborated upon earlier. Furthermore, the very essence of applied research involves the application of existing knowledge to improve management policies, which is in line with the aim of this research project (Collis and Hussey, 2009:5-8).

Findings. Although most of the research work has been completed, the project is still ongoing. The findings have the potential to guide decision-makers in enhancing the competitive advantage of small farmers. This could help them align with best practices in the fresh produce markets and address their exclusion from economic growth.

Originality / Value / Practical implications. 1. This research could form the basis for addressing or alleviating unemployment or give rise to more work opportunities within the farming communities in the Western Cape of South Africa. 2. The research outcomes could assist with recording all activities to provide the end user with the necessary confidence and assurance that products are safely produced and safe to consume. 3.In addition to the afore mentioned benefit, the buyer/customer will have further assurance that the environment (including the natural resources), have been considered during production of the fresh produce.

Keywords: fresh produce; quality; food; safety; competitiveness.

JEL codes: Q13; D40; Q18

Fitala Patrik[1], Skýpalová Renata[2], Adam Klement[3], Peter Šedík[4]. DATA-DRIVEN INSIGHTS INTO SUSTAINABLE STRATEGIC MANAGEMENT IN SLOVAKIAN COMMERCE: A STATISTICAL AND BIBLIOGRAPHIC APPROACH

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Abstract

Research purpose. This study explores how supportive leadership styles shape employee well-being and organizational performance in SMEs. With fierce competition necessitating continuous adaptation, understanding how leadership practices drive job satisfaction and productivity is pivotal. The research also probes the impact of cultural norms and values on leadership effectiveness, highlighting practical strategies for more inclusive workplaces.

Design / Methodology / Approach. A mixed-methods approach was used, combining quantitative data from 250 employees in diverse sectors with qualitative insights from 30 semi-structured leader interviews. Multiple regression and factor analysis were employed to uncover key patterns, while interview data contextualized these findings, offering a deeper view of leadership dynamics in various business settings.

Findings. Results indicate that transformational leadership—marked by clear communication, empathy, and recognition—strongly correlates with higher employee satisfaction. Transactional methods also yield beneficial outcomes in structured contexts. Moreover, cultural alignment between leaders and employees amplifies the positive impact on organizational performance, underscoring the importance of adaptive leadership strategies.

Originality / Value / Practical implications. By integrating cultural dimensions into leadership evaluation, this research extends current theory and informs managerial practice. Emotional intelligence and adaptable communication emerge as key competencies for bolstering employee engagement. These insights equip leaders and policymakers with actionable steps to refine leadership approaches and cultivate thriving, resilient SMEs.

Keywords: commerce; strategy; management; business.

JEL codes: M12; M14.

EMERGING TRENDS IN
SOCIAL IMPACT RESEARCH

Andriew Lim[1], Fabian Fagel[2]. ESG CHALLENGES FOR SMEs COMPETITIVE ADVANTAGE IN HOSPITALITY INDUSTRY

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Abstract

The integration of Environmental, Social, and Governance (ESG) principles has been increasingly crucial for businesses across all industries, including hospitality. Small-Medium Enterprises (SMEs) in the hospitality sector, who make up the majority of the businesses operating around the world and therefore play a vital role in local economies, face unique challenges in adopting ESG practices while maintaining their competitive advantage. Some challenges SMEs face in addressing ESG issues are internal factors, such as a lack of resources and awareness, and external problems, such as non-existent tailored social sustainable standards and lack of institutional support. This paper explores the key ESG challenges that SMEs in hospitality encounter when integrating ESG principles into their business, while at the same time assessing the benefit, they would have from implementing ESG practices. Through an exploratory study, a strategic entrepreneurship framework is applied to define the competitive advantage of SMEs in hospitality in the Netherlands. The framework provides a structural approach to analyse entrepreneurial innovation, strategic resource management, and market adaptability as the roadmap to the competitive advantage. Based on this framework, various strategic challenges are expected to act as the barriers for SMEs in hospitality to integrate ESG principles into their business, such as high implementation costs, limited resources, stakeholder pressure, and regulatory complexities. Navigating theses complex requirements can be time-consuming and resource-intensive, especially for SMEs that lack of legal and administrative expertise to ensure full compliance. Despite these barriers, effective ESG integration can unlock significant competitive advantages for the SMEs in hospitality industry. While the initial investment for the eco-friendly initiatives may be high, the adoption can lead to substantial cost savings over time, improving overall efficiency and reducing financial risks, that would eventually increase long-term profitability.

Research purpose. This research aims at gaining an insight on the challenges faced by small-medium enterprises (SMEs) in hospitality industry on their competitive advantage when they have to comply with Environmental, Social, and Governance (ESG) based requirements as set by the government.

Design / Methodology / Approach. The research is designed as exploratory research on hospitality industry in the Netherlands. Twenty semi-structured interviews will be conducted with various stakeholders in the hotel and F&B sectors, including restaurant owners and employees, suppliers, and experts. In addition, a focus group discussion will be organised with the same participants. The interviews and the focus group discussion will be transcribed and analysed as Thematic Analysis.

Findings. Initially, various strategic challenges are expected to act as the barriers for SMEs in hospitality to integrate ESG principles into their business, such as high implementation costs, limited resources, stakeholder pressure, and regulatory complexities.

Originality / Value / Practical implications. Based on the findings, recommendations for SMEs can be formulated on how they can leverage innovative strategies, collaborations, and digital solutions to overcome ESG-related obstacles and gain a competitive edge. By balancing sustainability goals with business performance, SMEs in hospitality cannot only comply with growing ESG expectations but also drive value creation and resilience in an evolving market.

Keywords: ESG; SME; hospitality industry; competitive advantage.

JEL codes: L26; L83; M10; M16.

Jaqueline Backes[1], Marius Schönberger[2]. ARTIFICAL INTELLIGENCE LIVING AS A SOLUTION TO THE NURSING CRISIS: ACCEPTANCE AND POTENTIAL IN GERMAN ASSISTED LIVING FACILITIES

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Abstract

Research purpose. The increasing shortage of skilled nursing personnel, exacerbated by demographic changes, requires innovative solutions to ensure the quality of elderly care. Artificial Intelligence Living (AI-Living) offers technological support for assisted living residents through AI-driven assistants or robotic caregivers. This study examines the acceptance, potential, and limitations of AI in prolonging independent living while alleviating the burden on human caregivers.

Design / Methodology / Approach. A qualitative study was conducted among residents of an assisted living facility in Germany. The methodology included structured, guided interviews to assess awareness, willingness to adopt AI-enabled care and perceived benefits and concerns. The data was analysed to determine patterns in AI acceptance, differentiating between demographic factors such as age, health status and previous use of the technology.

Findings. The findings indicate that while general knowledge of AI remains low, a significant portion of respondents acknowledges its potential to support independent living. However, scepticism persists, particularly regarding data security, loss of human interaction, and usability concerns. Residents already experiencing health challenges were more receptive to AI-assisted care than those who remain highly independent. Additionally, a lack of direct exposure to AI-driven technologies contributes to uncertainty about their effectiveness.

Originality / Value / Practical implications. This study contributes to the ongoing discourse on digitalisation in elderly care by providing empirical insights into the perceptions of AI in assisted living. The results highlight the necessity of targeted awareness campaigns and hands-on demonstrations to improve acceptance. Moreover, AI-Living can serve as a complementary solution to mitigate the nursing shortage by automating routine care tasks, thereby enhancing the efficiency and well-being of both residents and caregivers. Future research should focus on longitudinal studies evaluating the practical implementation of AI solutions in elderly care environments.

Keywords: Artificial Intelligence Living; Elderly Care; Nursing Shortage; Smart Healthcare; Aging Population

JEL codes: I10; J14; O33

Aija Sannikova[1], Kristine Uzule[2]. THE NEED FOR KNOWLEDGE MARKET DEVELOPMENT IN THE SOCIAL ENTREPRENEURSHIP SECTOR

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Abstract

Research purpose. The aim of this study is to describe the lifelong learning needs of social enterprises in Latvia in the reality of their economic activities.

Design / Methodology / Approach. The present research is based on a review of theoretical literature and a survey of social enterprise managers. The research conducted a questionnaire survey, thereby obtaining quantitative and representative data. The authors focused on the impacts of two factors "region of operation of social enterprises" and "education of social enterprise managers" on the demand for lifelong learning by social enterprises. The research methods used: the monographic method for a review of theoretical literature, a survey of social enterprise managers in Latvia and statistical analysis for processing the data obtained. A questionnaire was used for data collection. SPSS was used for data analysis

Findings. The study found that the factors "region" and "education" affect the demand for lifelong learning among social enterprise managers in Latvia, but the factors do not have the same impact on the demand for specific knowledge, skills and competencies.

Originality / Value / Practical implications. The sustainability of social enterprises depends on several factors, including the continuous training of the company's management staff. The theoretical analysis showed that there were different opinions in the scientific community about the competencies required for successful social enterprise managers. The researchers also found that the location of an enterprise in a particular region could be both a factor that promoted and hindered the development of the enterprise. Therefore, in order to create a balance between the demand and supply of lifelong learning in the knowledge market, it is necessary to study the needs of social enterprises for increasing their competencies. The study expanded public understanding of processes in social enterprises, provided new knowledge about the demand for lifelong learning in the knowledge market of social enterprises in the field of entrepreneurship and can help create a lifelong learning offer in the social entrepreneurship ecosystem.

Keywords: social entrepreneurship, management personnel, competencies, regions, Latvia

JEL codes: L31, I23 A2, R00

Jurgita Paužuolienė[1], Ilvija Pikturnaitė[2], Saidas Rafijevas[3], Julija Mironova[4]. CHALLENGES AND OPPORTUNITIES FOR YOUTH INVOLVEMENT IN VOLUNTARY ACTIVITIES: A COMPARATIVE STUDY OF LATVIA AND LITHUANIA

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Abstract

Research purpose. This study investigates young people's attitudes towards volunteering, examining the reasons that discourage them from volunteering, and the benefits they perceive or receive from engaging in such activities.

Design / Methodology / Approach. This study uses a quantitative research method, utilizing a structured questionnaire to collect data from Lithuanian and Latvian respondents.
The study focuses on young people aged 15–29, a group often considered particularly important in promoting civic engagement and social responsibility. At the EU level, the 15–29 age range is most commonly used for statistical purposes, making it the appropriate choice for this study. A total of 250 young people from Lithuania and 220 from Latvia participated. This selection allows for a detailed analysis of trends, behaviors, and patterns specific to these countries.

Findings. The analysis revealed that young people perceive various benefits of voluntary activities. The most prominent benefit is the professional advantage that youth gain through volunteering. It also becomes evident that only about eight percent of respondents from Latvia are currently engaged in volunteering, with only about three percent in Lithuania. The main factors that would encourage young people to volunteer are visible results, family support, and financial compensation. The key challenges for the low engagement in voluntary activities are identified as the lack of financial compensation, lack of time, and insufficient information about volunteering. While young people recognize the benefits of volunteering, various obstacles prevent them from actively participating. Overcoming these challenges requires concerted efforts to improve awareness, offer flexible opportunities, and provide economic support to make voluntary activities more attractive and feasible for youth.

Originality/value/practical implications. This study is a new contribution, providing a comparative cross-border analysis of youth engagement in volunteering. While existing research may examine youth volunteering, this study provides valuable insights into young people's attitudes towards volunteering, revealing both the barriers and incentives that influence their participation. The findings contribute to the academic discourse on civic engagement, social responsibility and youth development, while informing voluntary initiatives. .
By understanding the specific reasons why young people hesitate to volunteer, stakeholders can develop more effective recruitment strategies, remove barriers to participation and strengthen incentives.
Implementable recommendations are proposed to increase youth engagement in volunteering, which can have long-term benefits for social cohesion and community development.

Keywords: volunteering, wellbeing, youth.

JEL codes: J1; H7

Oļegs Ņikadimovs. CORPORATE SOCIAL RESPONSIBILITY AND COMPANY PERFORMANCE: THE CASE OF COMPETITIVE ADVANTAGE AND REPUTATION

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Abstract

Research purpose. Small and medium-sized enterprises (SMEs) are integral to global economic development, representing a substantial portion of employment and GDP in the majority of nations. Corporate social responsibility (CSR) continues to gain importance in organisational strategies, this study aims to assess how CSR initiatives influence a company's reputation and, in turn, how reputation contributes to the company's competitive advantage. The purpose of this study is to examine the relationship between CSR and competitive advantage, with a specific focus on the mediating role of reputation. The study aims to explore how CSR initiatives can be utilised to improve the companies' market position and long-term sustainable development, with a specific focus on small and medium enterprises (SMEs).

Design / Methodology / Approach. This study utilises both qualitative and quantitative research methods. The literature review assesses the relationship between CSR, corporate reputation, and competitive advantage, which has been extensively studied, offering a comprehensive theoretical and empirical basis for the study. Empirical data was collected through a survey to assess the perspectives of internal stakeholders on the role of CSR in enhancing companies' reputation. The survey was conducted among SME representatives comprising 100 respondents on how CSR activities improved the perceptions of financial indicators, organizational processes, brand, loyalty and trust. The study also examines how different CSR facets, including environmental responsibility, ethical responsibility, and social responsibility, are related to competitive advantage and the mediating role of the companies' reputation.

Findings. The literature review emphasises the critical importance of CSR in promoting sustainable development, enhancing corporate reputation, and providing competitive advantage, while also noting emerging research trends in governance, strategy, and environmental innovation. The findings indicate that CSR positively enhances competitive advantage, with reputation being a mediating factor. The results indicate that reputation and competitive advantage mediate the relationship between CSR and companies' performance. SMEs that implement CSR activities tend to improve their reputation, which improves their competitive advantage in the respective industries. The study results indicate that reputation influences stakeholder behaviour, including customer purchase decisions, loyalty, and trust. Furthermore, the study highlights the possible barriers to CSR implementation in SMEs, such as limited resources to implementing CSR, difficulty in measuring the impact of CSR activities, lack of expertise in CSR implementation, challenges to communicating CSR initiatives effectively to stakeholders, and lack of the state support in CSR education and implementation.

Originality / Value / Practical Implications. This study contributes to the discussion on CSR and strategic management, offering practical insights for SMEs by exploring the mediating role of reputation in the relationship between CSR and competitive advantage. The results offer valuable insights for SME managers and owners, suggesting that CSR should be integrated into long-term strategies and that a positive reputation is crucial for capitalising on CSR as a competitive advantage tool. The findings emphasize the transparency and importance of communication CRS initiatives to build a sustainable reputation that supports competitive advantage. The practical implications of the study suggest the need for SMEs to align their CSR initiatives with their company values and stakeholders' expectations to ensure consistency between companies' actions and claims to avoid reputational risks.

Keywords: corporate social responsibility; competitive advantage; corporate reputation, sustainable development

JEL codes: M14; Q01

Marta Barbara Wysogląd[1], Anna Janus[2]. SOCIAL SERVICES CENTERS AS A PROCESS OF DEINSTITUTIONALIZATION IN POLAND AND EUROPE ON SELECTED EXAMPLES

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Abstract

Research purpose: The aim of the article is to analyze how social services centers contribute to the deinstitutionalization process and to assess their effectiveness in coordinating and delivering social services. A comparative analysis helps identify good practices and challenges related to the implementation of this model. The article examines social services centers (SSCs) as a key tool in deinstitutionalization across Europe and Poland, focusing on their role in decentralizing services and improving social assistance. SSCs function as local hubs integrating multiple support mechanisms, making services more accessible and efficient.

Design / Methodology / Approach. This study uses a mixed-methods approach, combining policy review, comparative case studies, and stakeholder perspectives to assess SSC effectiveness in deinstitutionalization. It examines policy documents, legislative frameworks, and European service models. Interviews and surveys provide insights from policymakers, service providers, and beneficiaries. Public policy analysis situates SSCs within broader social policy and welfare transformations.

Findings. The study confirms that social services centers (SSCs) are crucial for deinstitutionalization, improving accessibility and community engagement. Their effectiveness depends on financial stability and policy support, with well-funded SSCs operating more efficiently. Financial sustainability remains a key challenge, requiring diversified funding and institutional backing. Ultimately, SSCs' success relies on clear legal frameworks, sustainable financing, and cross-sectoral collaboration.

Originality / Value / Practical implications. Social services centers (SSCs) represent an innovative shift from institutional care to inclusive, community-based support models. This study highlights how different European countries have adapted SSCs, showcasing best practices and challenges. It contributes to the debate on SSC sustainability, emphasizing the need for stable funding, cross-sectoral cooperation, and policy standardization. The findings offer practical recommendations for policymakers and administrators to enhance social support systems.

Keywords: deinstitutionalization; social services centers; social policy; community-based services; service coordination.

JEL codes: H75; I38

Jana Kozáková[1], Skýpalová Renata[2], Boris Rumanko[3]. GENDER PERSPECTIVES AND ETHICAL CHALLENGES: CZECH REPUBLIC, POLAND AND SLOVAKIA CROSS-COUNTRY STUDY

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Abstract

Research Purpose: Explores how gender dynamics influence corporate governance and ethical conduct in organizations across the Visegrad countries (Czech Republic, Poland, Slovakia).

Design/Methodology/Approach: Comparative analysis of questionnaire data examined gender-related factors (CEO gender, female board participation, employee gender majority) and ethical indicators (ethical scandals, formal ethics policies) in companies.

Findings: Companies with varying female board participation showed notable differences in ethical scandals, though formal ethics policies did not vary significantly. Poland had consistent patterns, while the Czech Republic and Slovakia displayed more nuanced distributions.

Originality/Value/Practical Implications: This study enriches understanding of how gender shapes organizational ethics in the Visegrad region. Insights can guide more effective, gender-informed governance strategies and underscore the need for further research to address underlying discrepancies and advance uniform ethical practices.

Keywords: gender differences, ethical practices, corporate governance, comparative analysis organizational behaviour, Czech Republic, Slovakia, Poland

JEL codes: G34; M14; J16

Diana Lapkis[1], Maria Povilaite[2]. SOCIAL INNOVATION ECOSYSTEM IMPACT ASSESMENT FRAMEWORK STUDY

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Abstract

Research purpose: The purpose of this research is to identify, systematize, and evaluate practical tools used in the measurement of impact within social innovation ecosystems. The study focuses on how Social Economy Organizations (SEOs) across different European contexts apply impact assessment frameworks and indicators to measure their societal contributions in fields such as inclusion, sustainability, and community well-being.

Design/Methodology/Approach: The research employs a mixed-methods approach combining comparative case studies, stakeholder interviews, and an extensive literature review. A particular emphasis is placed on the Theory of Change as both a strategic planning and evaluative tool that helps organizations articulate how and why their activities lead to desired outcomes. Other tools explored include Social Return on Investment (SROI), Outcome Mapping, and digital evaluation dashboards. The study develops a typology of tools based on their purpose, complexity, required resources, and usability across various types of SEOs.

Findings: The findings reveal that while many SEOs are committed to understanding and demonstrating their impact, there is no one-size-fits-all solution. The Theory of Change stands out as a highly adaptable and participatory method that supports organizations in capturing both tangible and intangible forms of value. It enables SEOs to visualize pathways of change, clarify assumptions, and integrate non-numerical aspects of impact such as empowerment, trust, social cohesion, and behavioral shifts—factors that are often difficult to quantify but essential to long-term systemic change. The most effective tools are those that combine quantitative indicators (e.g., number of beneficiaries, cost-efficiency) with rich qualitative insights gathered through participatory processes. Factors such as internal capacity, stakeholder engagement, and contextual relevance strongly influence the adoption and effectiveness of impact assessment tools.

Originality / Value / Practical implications: This research offers a structured overview of practical impact assessment tools suitable for SEOs and other social innovation actors. It highlights the need to move beyond purely numerical metrics and embrace mixed-method approaches that respect the complexity of social change processes. By framing impact assessment as both a learning and accountability mechanism, the study provides valuable insights for practitioners, funders, and policymakers working to strengthen the visibility, credibility, and effectiveness of social innovation initiatives.

Keywords: Impact assessment, social innovation, Theory of Change, Social Economy Organizations, evaluation, qualitative indicators

JEL codes: L31; O35

EMERGING TRENDS IN LAW

Erika Krutova. THE IMPACT OF ILLEGAL IMMIGRATION ON THE INTERPRETATION AND PRACTICE OF THE UNIVERSALITY OF HUMAN RIGHTS

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Abstract

Research purpose. The aim to offer a critical assessment and stimulate debate on new approaches to human rights practices in the context of illegal immigration.

Design / Methodology / Approach. Historical method, Empirical analysis, Quantitative analysis of data, Case studies.

Findings. Deviations from international human rights standards occur in the context of illegal mmigration, which countries justify on security and legal grounds. The universality of human rights is called into question in situations where national sovereignty and border security conflict with individual fundamental rights. Interpretation of international human rights norms varies considerably between countries and regions. A fundamental ethical dilemma exists between the universality of human rights and the rights of States in situations of emergency. Political considerations prevail over individual dignity and rights. Existing international norms and institutions are unable to effectively address the challenges posed by illegal immigration.

Originality / Value / Practical implications. The interpretation of human rights in the twenty-first millennium is affected by various challenges. One of the most pressing global challenges affecting the application of human rights is illegal immigration. On the one hand, states are committed to international human rights standards, but at the same time they are obliged to protect national borders and national security. There is thus a challenge to balance these two obligations. Human rights standards guarantee fundamental rights for everyone, meaning that regardless of legal status. The author assesses the impact of illegal immigration on the development of the idea of human rights by analysing the clash between national policies, international norms and public opinion. Based on concrete examples from Europe, the USA and the Baltic States, the reconciliation of legal, ethical and social principles in the contemporary migration crisis is explored.

Keywords: Human rights; national security; illegal immigration; ethical principles

JEL codes: K37; K38

Marina Kamenecka-Usova[1], Karina Zalcmane[2]. GLOBALIZATION OF FOOTBALL: GOVERNANCE, CHALLENGES, AND THE FEASIBILITY OF THE BALTIC FOOTBALL LEAGUE

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Abstract

Research purpose. The research "Globalization of Football: Governance, Challenges, And The Feasibility of The Baltic Football League " aims to analyze the feasibility of establishing a cross-border football league in the Baltic region. The study investigates governance structures, financial models, youth development strategies, and broadcasting opportunities while considering the challenges faced by similar transnational leagues in Europe. The research also explores the role of sports governance principles and stakeholder engagement in shaping the success of such initiatives.

Design / Methodology / Approach. The study employs a comparative analysis method, drawing insights from structured interviews conducted with key stakeholders from established football leagues, including the Swiss Super League and the Dutch Eredivisie. A semi-structured interview methodology was utilized to gather qualitative data on governance frameworks, financial sustainability, and regulatory considerations. The research also incorporates document analysis, stakeholder consultations, and engagement with industry experts, including FIFA and CIES, to validate findings and assess practical implementation challenges.

Findings. Initial findings suggest that the success of a transnational football league depends on well-structured governance models, financial stability, and strong youth development programs. Comparative analysis of existing European leagues highlights key differences in governance independence, media rights distribution, and league autonomy. The research also identifies critical barriers such as limited market appeal, fan engagement challenges, and the necessity of strategic partnerships. The study further reveals the importance of aligning league objectives with national football federations to ensure sustainable development.

Originality / Value / Practical implications. This study provides a unique legal perspective on transnational football governance by applying a structured comparative approach to assess the feasibility of a Baltic Football League. The findings contribute to the broader discourse on globalization in football and provide actionable recommendations for policymakers, league organizers, and governing bodies. The research also offers insights into potential economic benefits and challenges, helping to inform future strategic decisions on the development of cross-border football competitions. The results presented in this study are interim findings from the broader research project "Globalization of Football – The Emergence of the Baltic Football League and Legal Analysis of Optimal Governance Practices for Success," funded by the FIFA Research Scholarship.

Keywords: football governance; transnational leagues; Baltic Football League; sports law; globalization of football

JEL codes: K29; Z20

Anna Di Giandomenico. THE EUROPEAN AI ACT. EMERGING LEGAL ISSUES

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Abstract

Research purpose. The paper aims to delve into the legal issues, emerging from the European AI Act, the world's first law regulating Artificial Intelligence. Based on the requirements for trustworthy AI, already outlined by the European AI Strategic Plan (2018) and the subsequent AI White Paper (2020), this Act aims to regulate the subject matter, promoting a human-centred approach to AI and prohibiting in this view AI applications that may threaten citizens' rights.

Design / Methodology / Approach. The analysis of such legal issues is provided according a legal theory perspective and begins by outlining the development of European approach in ruling Artificial Intelligence, from the definition of the Strategy Plan for the AI, the subsequent adoption of the *White Paper on Artificial Intelligence* up to the adoption of the AI Act.

Findings. The analysis of the AI Act reveals some distinctive features of the European approach to AI regulation, aimed at ensuring a high level of protection of health, safety and fundamental rights, as enshrined in the Charter of Fundamental Rights. Based on this aim, we can say that the AI law has a fearful approach to the issue: an approach that has led to the prohibition of certain AI applications that threaten citizens' rights (e.g. biometric categorisations based on sensitive characteristics). Is this the only possible approach? Furthermore, how can we hope that the provisions of this Act will be effectively enforced, considering the difficulties of control due to software intellectual property issues, already emerged in the context of black box medicine?

Originality / Value / Practical implications. The paper analyses the legal issues arising from the application of the AI law. Exploring these legal issues could lead to criticism of the fearful approach to AI regulation, being aware of the difficulties of controlling such technologies due to their particular nature and all the intellectual property issues.

Keywords: European AI Act; European Fundamental Rights; Intellectual Property Right.

JEL codes: K19; K38

Gediminas Valantiejus. PROBLEMATIC ASPECTS OF APPLICATION OF THE EU CUSTOMS LAW: LESSONS FROM THE PRACTICE OF BALTIC STATES SINCE 2020

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Abstract

Research purpose. One of the basic and fundamental parts of the European Union (EU) law is EU's customs law, which regulates its Common Commercial Policy towards the third countries and establishes the basic principles and provisions for the functioning of the EU as the economic and customs union on the international scale. The significance of this area of EU law is undoubtedly growing significantly in the context of today's geopolitical realities (especially in the current decade of 2020's), while facing the constant threat of trade wars, increased application of trade protection measures, and wide application of various international sanctions which must applied uniformly throughout the EU Member States. For this reason, the author analyses the practice of the Baltic States (i.e., Republics of Estonia, Latvia, and Lithuania as EU Member States) based on the case-law of the Court of Justice of the European Union (CJEU) in cases involving EU customs law issues where references to the CJEU by the national courts of different Baltic States in 2020's (since 2020 up to 2025) were presented by seeking to identify which problematic aspects hinder the uniform application of EU customs law.

Design / Methodology / Approach. The author used the thematic analysis method and the method of generalization of professional (judicial) practice as the basis of the chosen methodology and its design. Therefore, first of all, the author have selected the judicial cases of the CJEU (in the period from 2020 to 2025) related to a certain theme - customs duties/tarriffs and EU customs policy (functioning of the EU Customs Union). Secondly, by using comparative method the author compared the practice of the CJEU in such cases to identify the problems of uniformity in the application of EU customs law (specific to the different Baltic States) and to propose their solutions.

Findings. While conducting the investigation, the author established multiple problems of the uniform application of EU customs law in the Baltic States, especially in Lithuania and Latvia. Such areas were tariff classification of goods (in the case of Latvia) and mainly the determination of the customs value of goods and procedural aspects of customs formalities (in the case of Lithuania). It was established that the national courts of the Republic of Estonia were the least active in ensuring co-operation with the CJEU this area.

Originality / Value / Practical implications. The author presents the proposals for the improvement of both the legal regulations of the EU customs law itself, as well as national legal regulations (in particular – in the Republic of Lithuania) to improve the areas which cause systemic irregularities of the uniform regulation of EU's customs law. None of the consistent similar studies were completed since 2020 by investigating the situation in the Baltic States and all existing studies were either conducted before 2020 (S. Katuoka et al. (2019), K. Limbach (2015) etc.) or take the form of episodic reviews of individual cases of the CJEU (see e.g. K. Ketners (2020)), they do not provide a detailed comparative analysis of the issues which were investigated.

Keywords: international trade; customs duties; Court of Justice of the EU; national courts; Baltic States

JEL codes: F13; K34

Marina Kamenecka-Usova[1], Janis Zidens[2], Elina Greine[3]. SHAPING THE EUROPEAN SPORTS LEGAL FRAMEWORK: THE INTERACTION OF SPORTS GOVERNANCE AND LEX SPORTIVA

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Abstract

Research purpose. This study aims to explore and clarify the dynamic relationship between European sports governance and Lex Sportiva. The convergence of these regulatory frameworks forms the foundation of the European sports legal system, influencing the effectiveness and fairness of sports governance. By identifying the key principles, challenges, and opportunities within this interaction, the research seeks to provide valuable insights for optimizing the European sports legal environment. Additionally, aims to develop a methodology for assessing national sports regulations within the broader European governance structure, with Latvia serving as a case study.

Design / Methodology / Approach. The research employs a multidisciplinary methodology, integrating legal analysis with insights from sports science. The study examines legal texts, case law, and governance models to evaluate the interaction between EU law and Lex Sportiva. Furthermore, qualitative interviews with key stakeholders, including policymakers, legal practitioners, and sports federation representatives, provide a deeper understanding of how regulatory principles are applied in practice. The study's methodological approach ensures a comprehensive evaluation of sports regulation across different European nations, focusing on Latvia as a representative case to assess national compliance and integration within the broader European framework.

Findings. The findings reveal that the European sports legal system is shaped by a continuous interaction between EU law and Lex Sportiva. While this dual legal framework ensures a cohesive regulatory structure, it also presents challenges in balancing uniform standards with the diverse cultural and legal traditions of individual nations. The analysis highlights key issues such as regulatory fragmentation, jurisdictional conflicts, and governance inefficiencies. The assessment of Latvia's regulatory framework demonstrates both strengths and areas requiring improvement, offering a valuable reference for broader European comparisons.

Originality / Value / Practical implications. By combining legal scholarship with sports science expertise, the study offers a holistic understanding of the European sports legal framework. The development of a methodology for evaluating national sports regulations provides a systematic tool to assess regulatory effectiveness and alignment with EU principles. Furthermore, the study contributes to the ongoing debate on the role of Lex Sportiva in European governance, offering recommendations for policy reforms that enhance legal coherence and governance efficiency. These insights are particularly relevant in light of recent legal developments, such as the European Court of Justice's rulings on sports governance issues, which continue to shape the legal landscape of European sports.

Keywords: Lex Sportiva; sports governance; sports legal framework; European sports;

JEL codes: K33; Z28.

Jolanta Dinsberga. LEGAL AND PRACTICAL ASPECTS OF ESTABLISHING A LIVESTOCK ROUTE EASEMENT

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Abstract

Research purpose. One of the types of road easements is a livestock route easement, the establishment of which often requires connecting to or crossing state or municipal roads. According to the first and second parts of the Law "On Roads," written permission from the road owner is required when connecting to a road. Additionally, such a connection must not endanger traffic safety on other roads.

Driving livestock across a road is undoubtedly associated with risks, especially in areas with poor road visibility. The movement of animals is not always predictable or controllable, and not all drivers comply with traffic regulations or are able to react quickly to unexpected situations on the road.

To mitigate or prevent risks associated with the establishment of a livestock route easement, it is important to address the involvement of competent authorities, the necessity of issuing written permits, and the significance of obtaining such permits when planning to connect a livestock route easement to a state or municipal road.

The aim of this study is to identify and analyze the legal challenges related to the establishment of livestock route easements and to provide conclusions and possible solutions for improving the legal framework governing road easements.

Design / Methodology / Approach. The descriptive (monographic) research method was used for an in-depth study of the concept of the livestock route easement, as well as for characterizing the expression and development of its legal regulation. The analytical method was applied to examine the obtained information and to explain the specific features of establishing a livestock route easement. The inductive method allowed for the consideration of individual facts in the broader context of legal regulation and its potential amendments. The deductive method was used to assess the impact of possible regulatory changes on the legal landscape of the country, legal doctrine, as well as national economic and scientific development.

Findings. Regulatory enactments do not establish specific requirements for connecting a road designated as a livestock route easement to a state or municipal road. The author argues that regulations governing the construction of private access roads should be applicable to livestock routes. Additionally, another prerequisite for establishing a road easement by contract is obtaining written permission from the road owner for the planned connection of the livestock route easement.

Originality / Value / Practical implications. The study is original because the issue of establishing a cattle road and the related issues have not been studied in depth in legal doctrine to date. Therefore, the study has both theoretical and practical significance.

Keywords: highway, livestock route easement

JEL codes: K15

Ilona Lejniece[1], Marina Kamenecka-Usova[2], Janis Zidens[3], Signe Luika[4], Andra Fernate[5].

THE ECONOMICS AND SUSTAINABILITY OF STADIUMS SAFETY: COSTS, INVESTMENTS, AND LONG-TERM IMPACT

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Abstract

Research purpose. While ensuring safety involves significant upfront costs, the potential economic consequences of neglecting it - loss of life, lawsuits, loss of reputation - are far greater. Balancing safety investments with economic considerations is a key challenge for stakeholders in the sports industry, ensuring the sustainability of stadium safety. This study investigates economic impacts on stadium safety sustainability, focusing on the relationship between costs, investments, and long-term impact.

Design / Methodology / Approach. This study explores the economic and sustainability dimensions of stadium safety using a multidimensional analysis, comparative case studies, and sustainability evaluations. It examines the growing discourse on sustainable development in major sports events, offering a comprehensive assessment of stadium safety while balancing costs, investments, and long-term impact. Financial data on security expenditures from past sports mega-events are analysed to identify trends and optimize investment efficiency.

Findings. The study finds that while safety investments require significant initial funding, their long-term benefits outweigh the costs by reducing liability risks, enhancing fan experience, and attracting sponsors. Economic analysis demonstrates that inadequate safety measures can lead to substantial financial losses due to legal consequences, reputational damage, and potential event cancellations. Correlation between sports infrastructure availability and safety, at the same time insufficient funding exacerbates inequalities in sports industry development in Latvia. The significant lack of funding in the sports sector, as well as the difference in the investment climate between sports, creates a need for the creation of a new funding model that affects not only the industry as a whole but also the need to promote safety in stadiums.

Originality / Value / Practical implications. This study contributes to the existing research on the role of stadium safety in major sporting events by providing an analysis of economics, sustainability, and policy implications for major sporting events' costs, investments, and long-term impact.

The findings of this study can inform sports policymakers, investors, businesses, and other stakeholders about the critical importance of investing in sports infrastructure and accurately calculating the costs, thus promoting long-term sustainability, and preventing disasters.

The study was written as part of the project “Innovations, methodologies and recommendations for the development of the sports sector in Latvia. VPP-IZM-Sports-2023/1-0001.”

Keywords: stadium safety; major sporting events; economics and sustainably in sports

JEL codes: Z20; Z23; Z28

Julija Liodorova[1], Marius Barkauskas[2]. CALCULATION OF LOST PROFITS IN FORENSIC ACCOUNTING: APPLICATIONS IN COMMERCAIL AND CRIMINAL CASES

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Abstract

Lost profits represent the income a business would have earned had a disruptive event not occurred. Calculating lost profits is an important aspect of financial and legal investigations in both commercial and criminal cases. Forensic accountants play a crucial role in quantifying these losses, particularly in legal contexts where accurate assessments are essential. Compensation for lost profits is an accepted practice in foreign countries, which is still not relevant in Latvia; in Lithuania it is implemented to a slightly greater extent. Representatives of Latvian and Lithuanian companies are increasingly turning to courts with a claim to compensate for lost profits. Judicial practice in such cases is still developing. Practicing forensic accountants explore the possibilities of calculating lost profits and the theoretical framework of this concept. This article examines the methodologies used in calculating lost profits and the legal considerations outlined align with the American Institute of Certified Public Accountants (AICPA) guidelines and the authors' experience. The study systematically compares various lost profit calculation models including traditional accounting-based methods and less frequently considered methods. The study provides a focused view of how lost profit estimates are used in different industries. This paper extends the application of lost profit calculations to economic crimes. The article includes examples from court cases in which forensic accountants have provided key analyses.

Research purpose is to explain the concept of lost profits and the methodology for calculating it in order to promote judicial practice in the field of compensation for economic damages in both commercial disputes and criminal cases.

Design / Methodology / Approach. The study used comparative and contextual analysis, analysis of regulatory frameworks and professional guidelines, and case studies, including analysis of the authors' examples.

Findings. Lost profits calculation requires industry-specific expertise, economic adjustments and legal awareness. This is critical in both commercial litigation and criminal investigations, ensuring accurate claims for financial damages. The case studies show that lost profits analysis is an integral part of financial justice. Courts require well-reasoned analyses that establish causation, reasonable certainty and quantifiable impact. Advances in forensic methodologies, economic modeling and legal frameworks continue to refine the accuracy of lost profit estimations.

Originality / Value / Practical implications. The study provides a legal and forensic intersection and connects forensic accounting methodologies with legal requirements; a comprehensive comparative analysis of various lost profit calculation models, including less frequently discussed methods; industry-specific applications, including industry-specific cases; criminal cases integration, extending the application of lost profit calculations to economic crimes. The results of the study are intended for practitioners and will provide an objective picture to parties involved in disputes, financial investigators, prosecutors, and judges.

Keywords: lost profits, economic damages, forensic accounting, calculations, case studies

JEL codes: K13; M41; K41

EMERGING TRENDS IN PEDAGOGY AND EDUCATION

Kutlu Ergün. THE DETERMINANTS OF DEMAND FOR FINANCIAL EDUCATION IN DIFFERENT SOCIETIES: A COMPARATIVE ANALYSIS AMONG ROMANIAN AND TURKISH STUDENTS

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Abstract

Research purpose. Financial education is not mandatory in most countries' curricula and is not even an optional course. In this study, students indicate which topics they need financial education on and evaluate their own needs for financial education. This study aims to determine whether there is a relationship between positive financial behaviors and possible determinants of financial education needs. Thus, it is tried to determine whether the level of financial behavior determines the need for education.

Design/Methodology/Approach. This quantitative study is based on an online survey shared with university students in Romania and Turkiye. The survey was developed using a literature review by the author. The survey questions used in this study include known and accepted behaviors related to positive financial behaviors. The survey also asked questions that could determine students' potential financial literacy needs. The survey link hosted on the Google Survey tool was sent to students. The positive financial behavior scores were calculated from close-ended questions. The relationship between total financial behavior score and possible determinants of the need for financial education was examined by The Independent Samples t Test, which compares the associated population for statistical evidence. 279 respondents from Romania and 269 respondents from Türkiye were included in the statistical analysis.

Findings. This study showed that Romanian students have higher levels of positive financial behavior than Turkish students. This study also revealed that gender is not a determinant of positive financial behavior but that previous education in personal finance has a positive effect on positive financial behavior. It emphasized the importance of information obtained from the Internet as a source of financial information. Romanian students, whose level of financial behavior is significantly higher than Turkish students, also have a significantly higher demand for financial education than Turkish students. The study concluded that as positive financial behavior increases, the demand for financial education also increases.

Originality/Value/Practical implications. Financial literacy is one of the most important skills in a world where financial instruments are becoming increasingly complex. Individuals need financial education to make the sound financial decisions. Financial education must be provided according to the needs, considering different determinations. This study focused on the possible needs of students in two different societies regarding financial education. The approach directly identifies the need for financial education, which is uncommon in the literature. The principal value of the research is that it reveals possible determinants of financial education so that more effective financial education programs can be developed to increase financial literacy.

Keywords: Financial education, financial behavior, financial decision making, financial literacy

JEL codes: D14; D91; G53; P36.

Gita Actiņa. CROSS-CULTURAL ANALYSIS OF STUDENTS' ATTITUDES TOWARDS SUSTAINABLE ENTREPRENEURSHIP

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Abstract

Sustainable entrepreneurship involves the establishment of businesses that not only pursue profit but also aim to reduce environmental impact, promote social responsibility, and foster innovation. As a potential solution to the pressing societal challenges of today, sustainable entrepreneurship has garnered increasing attention. Sustainable entrepreneurs are individuals who proactively respond to the demand for sustainable development, underscoring the necessity for a comprehensive approach to integrating sustainability within business practices.

Higher education institutions play a pivotal role in shaping the attitudes and perspectives of future entrepreneurs by providing the knowledge, skills, and mindset needed to promote sustainable business practices. These institutions have the unique ability to influence students' entrepreneurial inclinations, preparing them to navigate and address the challenges of sustainable entrepreneurship in their careers.

Cultural values and societal norms are key factors influencing individuals' perceptions of entrepreneurship, including their understanding of the desirability and feasibility of sustainable entrepreneurship. An analysis of the results of scientific research publications highlights the significant role that culture plays in shaping entrepreneurial attitudes and behaviours. However, the exploration of cultural factors that influence students' attitudes towards sustainable entrepreneurship remains an under-researched area, with a limited number of studies focusing on the comparative aspects of these attitudes across different cultural contexts.

Several studies conducted at the EKA University of Applied Sciences have analysed environmental values and attitudes toward sustainable entrepreneurship among students from various countries. These studies indicate a general willingness among respondents to reduce plastic consumption and alter their shopping habits and lifestyles to address environmental concerns. Another study, focused on Latvian and Lithuanian students, found that gender and age influence personal environmental attitudes but do not significantly affect the intention to start a sustainable business.

By examining a range of cultural factors, including values, beliefs, and societal expectations, this article aims to explore how such factors can either facilitate or hinder students' engagement with sustainable entrepreneurship. The research aims to enhance understanding of students' attitudes towards sustainable entrepreneurship from diverse cultural backgrounds, offering a comprehensive analysis of cultural differences that may inform future educational programs and policy initiatives.

Research purpose - to summarize the available research findings and provide valuable insights that can help design and implement more effective entrepreneurship education programs and policies.

Design / Methodology / Approach. This review employs a systematic and scoping approach, analyzing studies published between 2006 and 2024, using predefined inclusion and exclusion criteria tailored to this research, resulting in 104 articles.

Findings. The diversity of students' educational backgrounds influences entrepreneurial intentions, gender differences in barrier perceptions vary across cultures, and attitudes towards entrepreneurship and entrepreneurial self-efficacy are consistent predictors of intentions, with the influence of subjective norms varying across cultures.

Originality / Value / Practical implications. Creation and implementation of specialized and effective entrepreneurship education programs and policies in universities

Keywords: sustainable entrepreneurship; students; higher education.

JEL codes: L26; Q01

Ilvija Pikturnaite[1], Jurgita Paužuolienė[2], Julija Mironova[3], Małgorzata Karczewska[4].

LEAVING NO ONE BEHIND IN ACCESS TO HIGHER EDUCATION IN BALTIC STATES

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Abstract

Research purpose. The article presents the research of accessibility of higher education in Baltic countries and its compliance with the principle of Leaving No One Behind (further – LNOB). The theoretical analysis and practical research aim to analyze the importance of SDG4 "Quality education" and the achievements of the Baltic countries (Lithuania, Latvia, Estonia, Poland) in implementing this goal, to assess how the countries' admission requirements and tuition fees comply with the principle of the LNOB.

Design / Methodology / Approach. The qualitative research method – document analysis was employed. European Sustainable Development Reports, national documents regulating the admission requirements for entry to higher education (furter – HE) institutions and tuition fees set by the state and/or higher education institutions were analysed.

Findings. The research indicates the challenges of equal opportunities for everyone in the region to acquire HE. In Lithuania, to participate in admission to HE institution, examinations must be passed at state / higher level, while in Latvia, Poland, and Estonia, lower (basic / optimal) level examinations are suitable. Also, the minimum admission scores established by Lithuanian law exclude people with learning gaps from entering HE. In Latvia, Poland, and Estonia the minimum scores are set by HE institutions based on achievements of applying candidates'. In Lithuania, there are no exceptions or privileges for ethnic minority pupils and persons with disabilities, which makes it less accessible for these vulnerable groups to access higher education. There is also a clear difference in the economic accessibility of HE between the neighbouring countries: in Poland full-time studies are free of charge, while the most expensive university tuition fees are in Lithuania. The ratio between the cost of the cheapest studies in university tuition fees and the minimum monthly salary in Lithuania is 4.17 and in Latvia 2.91. The findings indicate a confrontation of increasing requirements to admission to HE with equal opportunities: people with lower results or learning gaps in secondary education are deprived of access to higher education for all life and their opportunities to avoid being left behind are lower.

Originality / Value / Practical implications. The originality of this research lies in concentrating attention on admission regulation and tuition fees alignment with equity and inclusion principles in neighboring Baltic countries (Lithuania, Latvia, Estonia, and Poland). The findings indicate exclusion of specific groups of people (native minorities, peoples with disabilities) from HE system, less possibilities not to be left behind. These findings indicate necessity for governments and universities to make admission and tuition policies more inclusive.

Keywords: Leave No One Behind, higher education, equity, Baltic countries.

JEL codes: I24; I28

Anna Strazda[1], Jevgenija Dehtjare[2], Julija Mironova[3], Remigijus Kinderis[4]. THE INFULENCE OF AI TOOLS ON E-LEARNING PROCESS IN HIGHER EDUCATION

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Abstract

The introduction of artificial intelligence tools to the processes of education has significantly transformed the learning landscape, particularly the e-learning area. AI tools enhance the accessibility, personalization, and efficiency of the study process. Its integration into the digital learning process provides both students and teaching staff with new opportunities for both teaching and learning process improvement. With the help of AI tools is possible to personalize the learning experience, and analyse student performance thus tailoring study content to their individual needs. AI-based systems can provide real-time support and feedback to students and automate the grading process, reducing the workload for educators. AI tools help in the creation of interactive content thus engaging students more and analyse the amount of data related to students' performance and attendance, they also help break language barriers in e-learning. With the help of AI is possible to detect plagiarism and maintain academic standards. This is also a great tool to ensure inclusive education, for instance by offering tools like speech-to-text for students with disabilities, etc. The introduction of AI tools made a revolution in the e-learning process in higher education and its continued development promises a more efficient, accessible, and interactive learning environment.

Research purpose. The object of the research is higher education institutions of different fields. The subject of the research is the application of AI tools to the e-learning process in higher education. This research aims to explore how the academic staff perceives the role of AI tools in improving its practices in e-learning processes.

Design / Methodology / Approach. The methods used in this research consist of a survey, a literature review, and statistical interpretation. Data was collected through a survey distributed via Google Forms and it targeted faculty members from higher education institutions in Latvia and Lithuania.

Findings. The findings of the research indicate that, according to the academic staff perceptions, the introduction of AI tools enhances teaching practices, student engagement, and efficiency of the academic staff.

Originality / Value / Practical implications. This study contributes to existing research made within the topic of AI adoption in e-learning and addresses research gaps regarding the impact of AI on academic staff practices. The obtained results help to underscore the importance of AI literacy for the academic staff. The research provides practical recommendations for AI adoption in higher education institutions, in e-learning environments in particular.

Keywords: higher education, e-learning, AI, academic staff

JEL codes: I21; I23; O33

Jevgenija Furgasė[1], Indrė Knyvienė[2]. BRIDGING THE GAP: ARTIFICIAL INTELLIGENCE AND THE FUTURE OF ACCOUNTING EDUCATION

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Abstract

Research purpose. The integration of Artificial Intelligence (AI) in education is a modern shift in pedagogy, replacing traditional teaching methods with interactive and personalised learning experiences. This paper presents the evolution of AI in accounting education, examining its current application and future perspectives. The analysis focuses on the field of accounting to explore its impact on science. Artificial intelligence, through the use of intelligent tutoring systems and the experience of tutors, can assess better learning outcomes by enabling personalised learning experiences and facilitating instant feedback. However, their connectivity raises certain ethical and practical issues, such as the privacy of the data used and the impact on learning. This paper discusses the key elements to fully understand the impact of AI on accounting teaching and learning processes, to identify discrepancies and to anticipate future research. The paper provides insights that are of particular relevance to lecturers working in accounting fields to optimise the role of AI in improving educational practices in teaching accounting in degree programmes.

Design / Methodology / Approach. The study will be based on an analysis of existing academic literature and a survey of higher education teachers. It will seek to understand how IoT is already being applied in accounting education and how it can be improved. The limitations of the study are related to the geographical coverage - only higher education teachers from Lithuania, Latvia, Estonia, Finland and Poland will participate in the survey - and the selection of respondents - only accounting lecturers are involved in the study, without including students' or employers' perspective.

Findings. The study showed that accounting teachers find it difficult to adapt to the use of AI in the context of their teaching.

Originality / Value / Practical implications. This study stands out because it analyses the potential for integrating AI in the Baltic and Nordic context, where no studies of this kind have been carried out before. The results of the study will be useful for higher education institutions seeking to modernise accounting curricula.

Keywords: Artificial Intelligence, Accounting Education, Higher Education, Digital Transformation.

JEL codes: A22; M41; O33

Anna Limanovskaja[1], Vida Davidavičienė[2]. DIGITISATION IN HIGHER EDUCATION: CHALLENGES AND TRANSFORMATION DIRECTIONS

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Abstract

Research purpose. The purpose of this research is to analyse the challenges and transformation directions of digitization in higher education institutions (HEIs), with a specific focus on management processes. The study aims to identify and systematize the educational processes directly affected by digitization and assess its impact on student-faculty interactions, academic performance, and institutional competitiveness. Additionally, the research seeks to highlight areas where effective management solutions are lacking to ensure a smooth and sustainable adaptation of HEIs to digital change.

Design / Methodology / Approach. The study is based on secondary sources, including legislation, policy documents and publicly available studies. The study adopts a systems approach to the digitalisation of higher education, focusing on aspects such as the transformation of education, process transformation and the governance of digitalisation of education processes.

Findings. Digitization is reshaping the core functions of higher education institutions and transforming traditional activities into new formats. The study identifies challenges in managing digital transformation and highlights areas where effective management solutions are lacking for a smooth and sustainable transition.

Originality / Value / Practical implications. This research contributes to the understanding of digital transformation in higher education by offering insights into the challenges and opportunities associated with digitization. By addressing key management issues and identifying gaps in current digital strategies, the study provides valuable guidance for HEIs seeking to implement digital technologies effectively.

Keywords: digitization, education processes, management, challenges.

JEL codes: I23; M15; O32; O33

Algirdas Justinas Staugaitis[1], Česlovas Christauskas[2]. ARTIFICIAL INTELLIGENCE IN FINANCIAL AND MANAGEMENT ACCOUNTING: THE IMPORTANCE OF HIGHER EDUCATION

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Abstract

The rapid development of information technology creates challenges and opportunities for the accounting profession, especially in relation to digitalisation, artificial intelligence (AI), and how these affect the tasks and activities of accountants.

Research purpose. The purpose of this study is to analyse how the implementation of AI is changing the role of the accountants and to explain how higher education can assist in providing new abilities, especially regarding the implementation of AI tools and skills.

Design / Methodology / Approach. A survey was done in Lithuania. A total of thirty-two accounting professionals were surveyed. Regression analysis, factorised boxplot analysis, and the t-test are used to analyse the data.

Findings. The findings demonstrated that the accounting industry is changing. Most notably, accountants require additional skills, especially in areas like cost allocation and transaction registration, where automated processes and AI are used to detect mistakes and avoid repetitive tasks. Therefore, greater knowledge of automation and AI is required to maintain productivity and labour market competitiveness. Another important result is the respondents' high interest in learning more about automation and AI, thus highlighting the importance of education's role in providing these skills and knowledge, also forming guidelines on how to successfully implement AI tools into financial and management accounting curriculum.

Originality / Value / Practical implications. Since the higher education system may provide more resources to teach, improve, or refresh knowledge about data analysis, process automation, and the use of AI to handle the challenges provided by the digitalisation of accounting operations, the findings have significant practical implications.

Keywords: artificial intelligence, accounting, accountant role, digitalisation

JEL codes: M00; M40

Kristine Uzule[1], Inta Miķele[2], Jevgenija Dehtjare[3], Anna Strazda[4], Bojan Kitanovikj[5], Edgars Čerkovskis[6] IMPLEMENTATION OF DIVERSITY IN HIGHER EDUCATION INSTITUTIONS: PERCEPTIONS OF EMPLOYEES

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Abstract

Research purpose. Better working conditions and well-being support can naturally foster a more inclusive and diverse work environment, where employees feel secure, valued, and encouraged to express their views. This research aimed to identify, if there is a relationship between openness to diversity and well-being in Latvian higher education institutions by analyzing academic and administrative staff perceptions. As workplaces inherently consist of people from different backgrounds, equitable well-being policies may serve as a foundation for fostering openness to diversity by promoting fairness and social cohesion.

Design / Methodology / Approach. This study employs a quantitative research method, specifically a survey, using a 35-question questionnaire divided into three main sections: participant information, openness to diversity in higher education institutions, and well-being aspects. Openness to diversity was assessed through two groups of questions - one focusing on identity and special needs and the other on acceptance of diverse opinions. Well-being was examined across financial, professional development, and social aspects. The study aimed to survey approximately 100 academic and administrative staff members from higher education institutions in Latvia.

Findings. Preliminary findings show that employees from five higher education institutions participated, with 70% being academic/research staff and 30% administrative. Regarding openness to diversity, the explicit (objective) average score - calculated from multiple survey questions within this category - was 2.90. Meanwhile, the explicit average score for well-being aspects was 3.34, indicating a slightly more positive perception of well-being support. Statistical analysis revealed that the mean difference of 0.31 was not statistically significant. The lowest-rated aspect was staff employment opportunities for individuals with diverse identities and special needs (2.65).

Originality / Value / Practical implications. The findings suggest that while both diversity and well-being policies exist in Latvian higher education institutions, they operate independently rather than reinforcing each other. This highlights a crucial insight: well-being initiatives, though essential, do not inherently foster diversity and inclusivity, suggesting that diversity and inclusion require dedicated strategies rather than being treated as an extension of broader well-being policies.

Keywords: diversity and inclusivity, well-being, higher education institutions, Latvia.

JEL codes: M10, M12

Marta Adamczyk[1], Piotr Dzik[2]. EMPLOYER BRANDING: THE ROLE OF SOCIALLY RESPONSIBLE MANAGEMENT AS A COMPETITIVE ADVANTAGE IN A PRIVATE UNIVERSITY SETTING

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Abstract

Research purpose. This study explores the role of employer branding as a competitive advantage for private universities, focusing on the impact of socially responsible management in higher education institutions (HEIs). The research aims to assess how employer branding influences institutional reputation, employee engagement, and stakeholder trust.

Design / Methodology / Approach. A mixed-methods approach was used, incorporating a literature review, case study analysis, and surveys. Empirical data were collected through structured questionnaires distributed among students, faculty, and administrative staff. The study also utilized the HEInnovate self-reflection tool to evaluate the effectiveness of employer branding strategies in private universities.

Findings. The findings indicate that employer branding significantly contributes to the attractiveness of HEIs as employers, improving recruitment, employee retention, and institutional reputation. Socially responsible management practices enhance employee satisfaction, fostering a positive institutional culture. Additionally, a well-developed employer branding strategy helps universities maintain competitiveness by aligning internal and external perceptions of their brand.

Originality / Value / Practical implications. The study provides insights for university administrators on how to strengthen employer branding through socially responsible practices. Recommendations include enhancing internal communication, integrating corporate social responsibility (CSR) into institutional policies, and leveraging digital marketing for employer brand positioning. These strategies can help HEIs attract top talent and improve stakeholder engagement. This research highlights the underexplored nexus between employer branding and socially responsible management in private universities. It provides a comprehensive framework for integrating ethical and strategic branding elements into HEI management, offering a competitive advantage in a rapidly evolving educational landscape.

Keywords: employer branding, higher education institution (HEI), image, socially responsible management

JEL codes: I23; J44; M3; M12; M50

Oxana Kirichok[1], Juliya Kharkova[2], Nitika Doohan[3]. INVESTING IN MINDS: THE ROLE OF HIGHER EDUCATION IN ECONOMIC GROWTH THROUGH LABOR MARKET TRENDS, LEGAL REFORMS AND LIFELONG LEARNING POLICIES

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Abstract

Research purpose. This study aims to analyze the impact of higher education on economic growth, underlining the trends of the labor market, policies based on skills and government regulations designed to promote permanent learning and the development of human capital. The premise of this research is based on the awareness that the advanced educational achievement provides people with the necessary skills and skills, thus improving productivity and promoting innovation in the labor market. A multifaceted methodological approach was used, which included the quantitative analysis of the labor market data in various sectors, qualitative interviews with politicians and cases study of Kazakhstan and India that demonstrate various degrees of investments in higher education.

Design / Methodology / Approach. This study uses a mixed method approach to analyze the influence of higher education on economic growth in India and Kazakhstan, with particular attention to the dynamics of the labor market and permanent learning. The quantitative data will be collected through polls aimed at graduates and employers, evaluating the results of employment and the applicability of skills. The qualitative intuitions will be collected through semi-structured interviews with educational stakeholders, including students and university administrators, to explore the prospects on permanent learning initiatives. The integration of these sources of data aims to provide a global understanding of how higher education contributes to economic development in both countries, I enrich the discussion with contextual differences and similarities.

Findings. This analysis explores the critical intersection of the alignment of higher education with the demands of the labor market and the implementation of legal reforms as strategies to promote sustainable economic growth in India and Kazakhstan. In India, the variances in governance models complicate the integration of educational curricula with the needs of the labor market, revealing systemic challenges. On the contrary, the centralized approach of Kazakhstan tries to simplify this alignment but has to face its bureaucratic obstacles. The conflicting governance structures in both nations present unique obstacles, highlighting the need for adaptive policies that not only respond to market fluctuations, but also encourage the innovation and readiness of the workforce, essential to achieve long -term economic profitability.

Originality / Value / Practical implications. This research not only underlines the importance of higher education in promoting economic progress, but also provides insights for politicians and educational leaders on how to effectively optimize the development of human capital. The result of this analysis supports aggressive investments in higher education and skills -based training programs to meet the evolution needs of the modern economy.

Keywords: Higher education; economic growth; labor market trends; legal reforms; human capital development

JEL codes: I25, J24, O15

Buldybayev Timur[1], Kudaibergenova Renata[2], Abeshev Kuanysh[3], Aryn Assel[4]. ACADEMIC EXCELLENCE INITIATIVE: INTERNATIONAL PRACTICE AND KAZAKHSTANI CONTEXT

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Abstract

Achieving academic excellence by universities has become a global trend aimed at improving the quality of higher education. Since the early 2000s, more than 30 countries have implemented approximately 40 Academic Excellence Initiatives (AEIs). AEIs are special programs funded by governments and aimed at accelerating the development of universities. Despite the lack of a single international register of AEIs, all countries strive to improve the global status of their universities, using world rankings as a key indicator of success.

Global experience shows that AEIs are accompanied by large-scale reforms and government support. China's Double First-Class initiative aims to transform national universities into leading research centers by 2050, while the academic excellence programs of Malaysia, Taiwan, South Korea and Japan are focused on international recognition. In Europe, the Horizon and Erasmus+ initiatives promote science, innovation and international cooperation.

Research purpose. The success of foreign initiatives led to an understanding of the need to launch the Academic Excellence Program in Kazakhstan in 2023. The Program includes 15 regional and 5 pedagogical universities. The goals of the program are to improve the quality of higher education, strengthen scientific potential and develop institutional culture. Unlike foreign practice, the Kazakh Program considers the development of the third mission of universities and the impact on regional development. In accordance with the principle of "Strong regions - strong country", this approach is aimed at eliminating educational imbalances and supporting regional universities. This approach is also relevant for other countries with the problem of regional inequality. Currently, the program is at the initial stage of implementation, and issues of its strategic development remain relevant. Kazakhstan's experience in developing academic excellence is of scientific and practical interest, especially in the context of global trends and regional characteristics.

Design / Methodology / Approach. The article presents the results of surveys and in-depth interviews aimed at determining the level of understanding of key actors of the goals and model of the Program. The survey involved 1,435 respondents from 36 universities. 32 experts in the field of higher education took part in in-depth interviews.

Findings. The study showed broad support for the academic excellence program, highlighting its importance for the competitiveness of universities and institutional development. Key success factors are infrastructure modernization, development of teaching staff, scientific ecosystem and international cooperation. Implementation of the program requires an integrated approach with government support, sustainable funding and stakeholder involvement.

Originality / Value / Practical implications. The findings serve as a strategic basis for the effective implementation of the program in Kazakhstan.

Keywords: university, academic excellence, ranking, competitiveness, higher education.

JEL codes: I23; I28; O15; R58

Akzhan Abdykhalykova[1], Larisa Turuševa[2], Aygul Tadjibaeva[3], Lyazzat Beisenbayeva[4], Balaban Aida[5]. PODCASTS IN CONVERSATIONAL ENGLISH LEARNING: METHODOLOGICAL AND PRACTICAL ASPECTS

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Abstract

Research purpose. The study aims to determine whether integrating podcasts into English as a Foreign Language (EFL) instruction alongside traditional classes enhances students' speaking skills. Additionally, it seeks to explore the effectiveness of podcasting as a learning tool, providing insights into improving teaching methodologies. The research was conducted with Elementary and Pre-Intermediate level students from various faculties at L.N. Gumilyov Eurasian National University.

Design / Methodology / Approach. The study employed a mixed-methods approach, including surveys, testing, monitoring students' development in listening and speaking, and a pedagogical experiment. The research involved analyzing existing scientific works, designing a program for spoken language development using podcasts, and implementing experimental teaching with students. The methodology included an incoming survey and outgoing questionnaire, a language proficiency test, structured discussions, and monitoring improvements in oral communication.

Findings. The results of the study confirmed the positive impact of podcasting on students' speaking proficiency. The integration of podcasts into English lessons helped learners enhance their conversational skills, increase motivation, and improve listening comprehension. The experimental results demonstrated that students who engaged with podcast-based learning showed better fluency and confidence in spoken English compared to those who relied solely on traditional classroom instruction. Additionally, the study identified students' attitudes toward podcasting as a learning tool, with most respondents expressing interest in its continued use.

Originality / Value / Practical implications. The scientific novelty of the study lies in the theoretical justification for supplementing English courses with podcasts to develop conversational skills. The research contributes to the methodological advancement of teaching EFL by incorporating modern digital resources. The practical significance is determined by the potential for widespread application of these findings in university curricula, professional development programs, and instructional design. The developed methodology and recommendations for integrating podcasts into English lessons provide educators with effective tools for improving students' speaking proficiency. The study's results can also serve as a foundation for developing teaching aids, author programs, and courses in foreign language methodology.

Keywords: podcasts, spoken English, foreign language learning, digital learning tools, pedagogical experiment, language proficiency, EFL instruction, listening comprehension, conversational skills

JEL codes: F69; I29

Nataļja Verina. DIGITAL TRANSFORMATION IN LATVIAN HIGHER EDUCATION: EXPERT PERSPECTIVES INTO INSTITUTIONAL AND PERSONAL BARRIERS

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Abstract

Research purpose. Digital transformation is essential for improving educational accessibility, institutional sustainability, and competitiveness. However, adoption is often hampered by a number of issues, especially those with organizational and human roots. The aim of the study is to examine the institutional and personal barriers hindering the advancement of digital transformation (DT) in Latvian higher education institutions (HEIs), based on the author's previous studies on the topic since 2019, expert opinions and empirical data.

Design / Methodology / Approach. The research adopted three main methods: expert interviews, a comprehensive literature review, and a pilot survey administered to academic and administrative personnel at many HEIs in Latvia. The goal of the expert interviews was to obtain in-depth perspectives on the main challenges, patterns of resistance, and situation-specific strategies for assisting DT in educational settings. The survey instrument developed by the author included questions assessing respondents' perceptions of institutional and personal barriers. The data was analyzed using frequency analysis and procedures of comparing independent samples.

Findings. The study's results highlight that the most critical institutional challenges to digital transformation are lack of time, insufficient financial resources, and low employee motivation. On a personal level, the main barriers include limited digital skills, lack of time, weak support from management, and psychological factors like a resistance to change. Experts pointed out that digital transformation in higher education differs from the business sector, as it is deeply rooted in a broader socio-educational mission, requiring a more people-focused and culturally sensitive approach. Additionally, the interviews stressed the importance of clear communication, tailored staff training, and flexible leadership to overcome resistance and strengthen institutional preparedness for digital change. From the expert viewpoint, at the individual level, the main obstacles to digital transformation include a lack of motivation (insufficient understanding of why changes are necessary), time constraints, and a lack of relevant skills.

Originality / Value / Practical implications. The originality of the study lies in its multidimensional approach to examining barriers to digital transformation in HEI. By integrating qualitative insights from expert interviews with quantitative data from staff surveys, the research provides a more comprehensive understanding of both institutional and individual challenges. This dual-perspective methodology offers practical implications for institutional leaders aiming to design more effective and inclusive digital transformation strategies. The findings highlight the need to align strategies with employees' skills, motivation, and psychological readiness to ensure successful and sustainable digital transformation in higher education.

Keywords: digital transformation, staff barriers, high education institution, staff resistance

JEL codes: I23; O30

Ann L. Saurbier. EXPLORING THE IMPACT OF PERCEPTIONS OF VALUE IN THE BROADER HIGHER EDUCATION STAKEHOLDER CONTEXT

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Abstract

Research purpose. As the perceived value of higher education continues to decline, a focus on not only the product but also the consumer may assist colleges and universities worldwide in addressing the resultant enrollment declines. Building forward from prior studies (Saurbier, 2020; Saurbier, 2021) this research is designed to explore the various values and behavior of stakeholders within the higher education industry. Informed by literature on consumer behavior, value-based marketing, schema theory and signaling, and situated within the larger stakeholder context, this study aims to delve more deeply into the value proposition challenges higher institutions face today.

Design / Methodology / Approach. In an integration expansion of previous research examining the perceptions of value in higher education (Saurbier, 2020) this study expands the initial aggregative content analysis to enhance and further synthesize qualitative data in a meta matrix. Application of these insights then is applied to refine the stakeholder-focused institutional decision process conceptual framework (Saurbier, 2021).

Findings. The application of business models to the higher education is both informative and complicated. Current business-oriented models and theory must be adapted to the unique combination of product and service that a postsecondary education embodies. New frameworks that not only synthesize and expand on these constructs, but also specifically situate these theories within the unique higher education context help both universities and students more fully understand the overlap and disconnects of these perceptions and the behaviours they drive.

Originality / Value / Practical implications. The global pace of change and increased application of technology to all aspects of business necessitates a well-educated workforce able to meet new challenges as they arise. The continued assault on the value of the process that produces a highly trained and competent workforce however complicates the accomplishment of that goal. By extending and integrating the contextual understanding of higher education's stakeholders, their perceptions of value and the impact those perceptions have on college-going consumer behaviour, a deeper understanding of not only the environment but also the decision processes to impact these decisions may be gained.

Keywords: Higher Education; Stakeholders; Perceptions of Value

JEL codes: I23; M31

EMERGING TRENDS IN

ICT SOLUTIONS FOR ECONOMY, BUSINESS AND EDUCATION

Celine Blettner[1], Marc Ritter[2], Esther Berkemer[3], Gerhard Raab[4]. EXPLORING THE ACCEPTANCE AND APPLICATION OF A HUMANOID ROBOT: INSIGHTS FROM THREE FIELD STUDIES

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Abstract

Research purpose. Germany is undergoing significant demographic shifts, which are expected to have profound implications for the country's labor force. Technological solutions are essential, not as replacements for skilled labor, but as a support, addressing the existing shortage of qualified workers across various sectors. This research project addresses this need by testing a humanoid robot in three different settings, a museum, a film festival and in a day care centre, with the aim to provide sustainable and meaningful insights into the sensible use, acceptance and application of a humanoid robot.

Design/ Methodology/Approach. A mixed-methods approach was used across three exploratory field studies, integrating qualitative and quantitative data collection. The humanoid robot was made available for interaction with both visitors and employees, facilitating a comprehensive evaluation of its use and acceptance.

Findings. The findings reveal that the majority of participants had no prior experience interacting with humanoid robots. Additionally, acceptance levels varied based on demographic factors such as age and familiarity with technology. In cultural settings, the robot primarily served as an information provider, whereas in daycare environments, it was most effective as a source of entertainment. Although participants found the robot intuitive and engaging, its limited perceived usefulness highlights the need for enhanced interactivity and functionality to maximize its economic and operational potential in addressing skilled labor shortages.

Originality/Value/Practical implications. This research contributes to the growing field of human-robot interaction by providing empirical insights into the acceptance and perception of humanoid robots across diverse real-world settings. Unlike many studies that focus solely on controlled environments or specific user groups, this study explores how a humanoid robot is received in cultural and caregiving contexts, offering a broader perspective on its practical potential and challenges. The findings highlight the importance of tailoring humanoid robots to the specific needs and expectations of different user groups, such as enhancing interactivity in cultural settings or addressing functionality gaps in caregiving environments. These insights provide valuable recommendations for developers, businesses and policymakers, including the need for improved design and features to maximize the utility of humanoid robots in supplementing skilled labor shortages, particularly in industries such as healthcare.

Keywords: demographic change; humanoid robotics; human-machine interaction; technology-acceptance model; field research.

JEL codes: O33; J21

Viktorija Politika[1], Jelena Pundure[2], Andrejs Sisovs[3], Tatjana Tambovceva[4]. INTEGRATION OF UNMANNED AERIAL VEHICLES IN THE DIGITAL TRANSFORMATION OF FIRE AND RESCUE SERVICES

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Abstract

Research purpose. The integration of Unmanned Aerial Vehicles (UAVs) into fire and rescue operations marks a notable shift in emergency management. By combining real-time data transmission, thermal imaging, and advanced analytical tools, UAVs enhance situational awareness and improve resource distribution. Despite growing adoption, many aspects of their full potential remain uncharted. This study examines UAV applications to boost efficiency, streamline management processes, and support digital training in emergency services.

Design / Methodology / Approach. A mixed-method framework was employed, integrating document analysis, expert interviews, and focused case studies. The evaluation centers on metrics of data acquisition, ICT infrastructure integration, and overall operational impact. Case studies on UAV-assisted fire detection and risk assessment provide concrete insights, while interviews with fire service professionals reveal challenges in training and regulatory compliance. Comparative analysis of international trends further contextualizes technological advancements in this field.

Findings. The results confirm that UAVs are pivotal in fire surveillance, search and rescue missions, and hazardous environment assessments. Enhanced aerial intelligence improves decision-making and optimizes resource deployment. However, persistent issues such as legal constraints, cybersecurity risks, and operator training gaps continue to hinder broader implementation.

Originality / Value / Practical implications. This research enriches our understanding of ICT applications in fire and rescue services by delivering a comprehensive evaluation of UAV-based solutions. It underscores the need for robust automation, effective data management, and enhanced interagency collaboration to achieve operational excellence. Recommendations are directed at policymakers, service administrators, and technology developers, emphasizing the importance of standardized integration frameworks aligned with regulatory and cybersecurity standards. The implications extend from immediate operational improvements to long-term strategic planning.

Keywords: UAVs; fire and rescue; ICT solutions; emergency management; digital training

JEL codes: L86; O33; H56; O38.

Regina Veckalne[1], Tatjana Tambovceva[2], Niginakhon Rakhmatillaeva[3]. AI-DRIVEN INNOVATIONS IN SOCIAL MEDIA: OPPORTUNITIES, CHALLENGES, AND FUTURE TRENDS

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Abstract

Research purpose. The rapid advancement of Artificial Intelligence (AI) has significantly transformed the social media market, influencing marketing strategies, user engagement, and economic growth. This study aims to analyze the impact of AI-driven technologies, specifically the generative AI, on social media platforms. The research examines how AI enhances content creation, optimizes targeted advertising, and influences consumer behavior. Furthermore, it investigates the ethical concerns related to AI implementation, including data privacy and algorithmic bias. The objective is to provide a comprehensive overview of AI's role in the evolution of the social media market and its implications for businesses and consumers.

Design / Methodology / Approach. This study employs a qualitative approach. A literature review and bibliometric analysis of existing research on AI in social media market is conducted to establish a theoretical foundation. Additionally, content analysis of annual reports of major social media platforms are analysed to illustrate real-world AI applications.

Findings. The study reveals that AI-driven technologies significantly contribute to the development of social media market by enabling personalized content recommendations, automating customer interactions, and enhancing targeted advertising. The findings suggest that AI-powered algorithms increase user engagement, leading to higher retention rates and improved customer experiences. However, challenges such as data privacy concerns, ethical considerations, and potential job displacement due to automation are identified.

Originality / Value / Practical implications. This research contributes to the existing literature by providing an in-depth analysis of AI's transformative role in social media market development. The study offers valuable insights on leveraging AI responsibly to drive innovation while addressing ethical concerns.

Keywords: Artificial Intelligence; Social Media Market; Generative AI.

JEL code: O33

Galina Robertsone[1], Leonards Budniks[2], Inga Lapiņa[3]. DIGITAL CAPABILITIES AND PRODUCT AND SERVICE INNOVATION IN MANUFACTURING

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Abstract

Research purpose. In a contemporary dynamic and changing environment, innovation performance is crucial for manufacturing companies to secure their sustainable growth and competitive advantage. Key trends such as automation, digitalization, and digital transformation are driving progress in the manufacturing industry. A company's competitiveness and sustainability also rely on the capabilities they possess, particularly digital capabilities, which are essential for adopting advanced technologies. Innovation, as a key driver, enables the creation of new products, services, and processes, fostering sustainable growth. However, there is limited research on the role of digital capabilities in manufacturing companies' innovation performance. This study aims to explore the significance of digital capabilities in predicting innovation outcomes among manufacturing companies in Europe.

Design / Methodology / Approach. A sample of survey data from 300 manufacturing companies in Latvia and Lithuania, forming a subset of the 2022 European Manufacturing Survey (EMS) dataset was utilized in this research The EMS, an international consortium of universities and research institutions from 19 European countries, collected the data using a standardized questionnaire. The data then was processed and analyzed using factor analysis to reduce dimensionality and a Decision Tree algorithm in Python to assess the significance of various digital capabilities in predicting innovation performance.

Findings. Certain digital capabilities are significant in predicting product and service innovations in manufacturing companies, while others have very little or no impact. Adaptability and continuous learning capability, Innovation thinking capability have demonstrated the highest importance in predicting innovation performance, followed by Cybersecurity capability.

Originality / Value / Practical implications. The research results add to the body of knowledge of dynamic capabilities theory. The results also provide insight and have a practical application for the management of manufacturing companies pursuing innovations as the research identifies what digital capabilities are crucial and need to be developed. The research limitation is that the relatively small number of manufacturing companies participating in the survey represent only two European countries. Further research shall include the datasets from other European countries that participated in EMS 2022. Another direction of further research could be an analysis of the evolution of digital capabilities in manufacturing companies and their impact on innovation performance.

Keywords: Decision Tree, Digital capabilities, Innovation, Manufacturing companies

JEL codes: O31; O32; L60

Olga Cherednichenko [1], Vladyslav Maliarenko[2]. TOWARD DEVELOPMENT THE AUTOMATED DECISION-MAKING PROCESS FRAMEWORK

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Abstract

Research purpose. The DMN (Decision Model and Notation) is specifically designed for business professionals to facilitate the modelling of business decisions, with the decision table as its core construct. The given research aims to bridge the gap between decision modelling and natural language descriptions, which are often the format used to convey business logic. The growing popularity of Large Language Models (LLMs) has opened numerous use cases of these models. The primary aim of the research is to assess how well LLM can automatically extract decision rules from textual descriptions and convert them into decision tables.

Design / Methodology / Approach. A decision table is one way to represent the decision logic. It organizes related input and output expressions into a tabular format, with rules that define which output entry corresponds to a given set of input entries. Since the DMN table structure is essentially XML code created under a strict specification, we investigate the most relevant LLM for working with XML code—Anthropic AI. It utilises XML tags, which are crucial for structuring data. These tags enable developers to format requests effectively, ensuring the AI accurately understands the context and intent behind the transmitted data. One of the key issues with pure LLMs when generating structured outputs is hallucination – where models generate content that doesn't exist or deviate from the required structure. A proposed solution is retrieval-augmented generation (RAG).

Findings. Manually compiling decision tables and converting decision rules from natural language format to decision tables is a time-consuming and complex process. In this paper, we propose implementing a framework to model decisions based on the DMN standard. Our proposal contributes to the generation of decision rules and tables from a text description analysis. The conducted experiments show that by integrating RAG, LLMs can retrieve structured data from reliable sources, enhancing both factual accuracy and adherence to the required data format. By combining LLMs with RAG, it becomes possible to translate natural language rules into structured DMN outputs with improved accuracy and contextual relevance.

Originality / Value / Practical implications. DMN decision tables offer a standardized framework to model decisions in a transparent and analysable format. They enable organizations to formalize decision-making by mapping input data to outputs through predefined rules. This standardization facilitates analysis, validation, and optimization of decision models, ensuring accuracy and consistency across automated workflows. DMN improves decision quality, supports transparency, and enhances organizational adaptability to frequent changes in business rules. The results have shown that our framework is able to generate correct DMN tables and it provides the tool towards automated decision-making process.

Keywords: ICT for business; Decision Model and Notation; Decision Making; Large Language Model; Decision Tables

JEL codes: C02; C4; D81; M19

Daniels Jukna. MACHINE LEARNING MODELS IN CREDIT RISK ASSESSMENT: A LITERATURE REVIEW ON ADVANCES, CHALLENGES AND FUTURE DIRECTIONS

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Abstract

Research purpose. This research reviews the integration of machine learning (ML) models in credit risk scoring systems, focusing on their ability to predict borrower behavior and creditworthiness. It evaluates ML techniques, including Random Forest, XGBoost, Support Vector Machines, Neural Networks, and ensemble models, comparing their performance in credit risk assessment. The review highlights how these models handle complex, imbalanced datasets and incorporate alternative data sources, such as digital footprints, to enhance credit evaluations, especially in dynamic market conditions.

Design / Methodology / Approach. This study systematically reviews over 100 peer-reviewed studies on ML models in credit risk assessment. It compares performance indicators such as accuracy, AUC, precision, misclassification cost across various ML models. The reviewed studies use diverse data sources, including traditional financial data, behavioural data, and digital footprints. The review examines how ensemble methods, deep learning, and hybrid models outperform traditional approaches, and addresses challenges like model interpretability, data quality, and class imbalance.

Findings. The review finds that ensemble models like Random Forest and XGBoost offer superior predictive power, especially for complex datasets. Deep learning techniques like neural networks and LSTM models capture non-linear relationships, improving default prediction accuracy. However, these models face challenges with interpretability, which is crucial for industries requiring clear decision-making explanations. Incorporating alternative data sources, such as digital footprints, enhances model accuracy, particularly for borrowers with limited credit histories. Techniques like SMOTE help address class imbalances, further improving performance.

Originality / Value / Practical implications. This review synthesizes the state of ML in credit risk assessment, offering insights into the strengths and limitations of various models and their integration with alternative data. Adopting ML-based systems can improve loan default prediction and risk management for financial institutions. However, practical application requires addressing issues like interpretability and fairness. Future credit risk models should aim to be transparent, fair, and adaptable to diverse data sources and dynamic conditions.

Keywords: machine learning; credit risk; credit scoring; predictive modeling; ensemble methods.

JEL codes: C45; G21; G32

Jegors Fjodorovs[1], Anastasija Vasiļjeva[2]. RISK-AWARE PORTFOLIO OPTIMIZATION WITH COPULA-GARCH MODELS: A COMPUTATIONAL FINANCE APPROACH FOR EUROPEAN INVESTMENTS

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Abstract

Portfolio optimization is vital for enhancing risk management and maximizing returns. This study examines the use of copula functions and Generalized Autoregressive Conditional Heteroskedasticity (GARCH) models in portfolio construction, focusing on the European stock market. Traditional methods like the mean-variance model often fail to capture dynamic dependencies and tail risks. This research evaluates copula-GARCH models in optimizing portfolio performance and minimizing downside risk, measured by Conditional Value at Risk (CVaR). High-performance computing (HPC) enables simulations on 10,000 portfolios to efficiently process large datasets. The study compares copula-GARCH models with traditional methods to find the most effective risk-adjusted return strategies. The research addresses the limitations of the mean-variance model by using copula functions to model joint dependencies of asset returns, without assuming normality. The Student's t copula, combined with an Exponential GARCH (eGARCH) model, effectively captures tail dependencies and volatility asymmetries. Various GARCH models are compared, with eGARCH showing the best performance for European stocks. CVaR is used to assess downside risk, revealing that portfolios with the Student's t copula and eGARCH consistently outperform traditional mean-variance portfolios. This approach offers better risk management, demonstrating the benefits of copula-GARCH models and high-performance computing in portfolio optimization.

Research purpose. The research aims to bridge the gap between traditional financial theories and modern computational finance by integrating sophisticated risk models to enhance portfolio resilience and investment decision-making.

Design / Methodology / Approach. The study employs a quantitative research approach, leveraging statistical modeling, financial econometrics, and high-performance computing (HPC) to optimize portfolio risk management. The research follows a comparative analysis framework, where different portfolio optimization models (Copula-GARCH, Historical CVaR, and Mean-Variance) are tested and benchmarked using empirical financial data from the European stock market.

Findings. The study finds that the t-Copula eGARCH model significantly outperforms traditional mean-variance and historical CVaR models in terms of profitability and resilience, particularly in volatile market conditions. While the Copula-GARCH approach effectively captures non-linear dependencies and extreme co-movements, leading to higher returns in both bear and bull markets, the historical CVaR model remains superior for minimizing downside risk. Additionally, leveraging high-performance computing (HPC) for large-scale simulations demonstrates the potential of advanced computational finance techniques in optimizing portfolio performance and risk management.

Originality / Value / Practical implications. This study introduces a novel application of Copula-GARCH models in portfolio optimization, leveraging Student's t-Copula with eGARCH to better capture market dependencies and volatility while utilizing high-performance computing (HPC) for large-scale simulations to enhance scalability and robustness. The findings provide practical value for investors and asset managers by demonstrating that Copula-GARCH models can improve risk-adjusted returns, enhance portfolio resilience in volatile markets, and serve as a powerful tool for balancing profitability and downside risk in strategic investment decision-making.

Keywords: copula, GARCH, CVaR, portfolio optimization, European stock market, high-performance computing, simulations

JEL codes: C58; G11

Patriks Morevs[1], Mikhail Li[2], Nasiba Salikhova Ibadullayevna[3], Jurijs Radionovs[4].

TOWARDS EFFICIENT TEACHING: A 3D GAME ENGINE CREATED FROM SCRATCH BY STUDENTS OF EKA

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Abstract

Nowadays IT skills make a person competitive at the labour market. To become a professional software developer, it is important to learn and understand basic concepts of programming and the idea of learning through creation of games from scratch is a good way to start the career from the early age. Creation of browser games from scratch is an perfect and involving approach for young generation to acquire basic programming skills while having fun and obtaining valuable experience. The paper demonstrates the approach used by authors in teaching IT to university students and the secondary school children. Taking into account the importance of STEM subjects nowadays and the high role of IT in modern education a new teaching approach has been elaborated and approbated by the authors. The method involves teaching several programming techniques and also cooperation in a form of teamwork. The technologies used in the proposed teaching techniques are JavaScript, HTML, CSS, Git, Student centred approach. While performing experiments students managed to create a game from scratch, under supervision of a teacher. After the experiment students created a ready web solution that was uploaded as a repository to github.com and also has been presented at the student conference last year. Students expressed large interest when participating in the experiment and improved their knowledge and skills in programming. The results of the paper can be used by new and experienced teachers to implement in their courses. The methodology has been approbated among university students and secondary school children. Both groups showed large interest and high level of involvement. The paper results can be used for further research and the next step is to broaden the ides of such project to other types of IT fields.

Research purpose. Introduction of a new approach in teaching programming skills for representatives of young generation.

Design / Methodology / Approach. Students centred approach has been used to create a game from scratch in a team of students.

Findings. It has been found out that students acquire basic programming skills much faster when they work in a team in a project that they really like and see the result. It is a good way also to learn how to distribute tasks among students taking into account their level of knowledge and skills and how to monitor their progress.

Originality / Value / Practical implications. The proposed approach can be used by teacher in universities and schools to enhance student skills and create interesting and involving projects.

Keywords: JavaScript; Game creation; 3D game engine; Basics of Programming

JEL codes: C60; I20

Maksims Žigunovs[1], Eugenijus Mačerauskas[2]. MUSHROOM COMMUNICATION ALTERATION IN ORDER TO TRAIN THE MUSHROOM TO GENERATE SIGNALS IN A NEEDED FORMAT / STRUCTURE

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Abstract

Research purpose. The research purpose is to find out a way to modify the mushroom communication signal generation method in order to produce the needed series of the signals for specific tasks. The aim of the whole research (this abstract held the initial phase of this research) is using the mushroom communication network as a module that solve tasks of optical recognition. The assumed as positive result is implemented optical character recognition.

Design / Methodology / Approach. The implemented method uses the regular natural biological model neural network with same signals as mushrooms use for between mushroom communications. These signals are being modified and normalized for training the neural network in order to introduce principally not same signals as those which are used in basic theory and practice of AI and neural networks. The mushroom signal alteration method being used from mathematical point of view is a filter that increases and decreases the signals similar as it such actions are being used in electronics.

Findings. In addition to the previous findings related to mushroom signal usage for optical recognition it was found that using the signal amplifiers it is possible to train (to make to get used to) to alter both signal sender and the signal itself.

Originality / Value / Practical implications. The paper value is based on specific signal usage and communication network that is living being. That means that the practical implication assumes influence on it's working process in order to get the system used to generate signals that are needed for particular task solution. Such tasks fields are related to 1) optical character recognition 2) path and direction selection based of light observed areas 3) servomotor configuration and usage based on trained network applying motivation factors (incoming signals to the mushroom).

Keywords: mushrooms, signals, AI, specific neural networks.

JEL codes: L86

EMERGING TRENDS IN

CULTURE STUDIES AND INTERNATIONAL CULTURE PROJECT MANAGEMENT / CREATIVE INDUSTRIES, ART AND DESIGN

Aija Poikāne-Daumke. THE SIGNIFICANCE OF PSYCHOLOGICAL TRAUMA IN NINA WILNER`S NOVEL FORTY AUTUMS: A FAMILY`S STORY OF COURAGE AND SURVIVAL ON BOTH SIDES OF THE BERLIN WALL

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The paper deals with the themes of psychological trauma and literature in a specific historical context, namely, in the context of the Berlin Wall and Cold War. Nina Willner's narrative (2017) gives us an insight into the people's lives and feelings living in the German Democratic Republic. Born in the United States, Willner narrates a story of her German mother's family in the aftermath of WWII. Her mother named Hanna escapes to the West, leaving her whole family behind the Iron Curtain. The family, thus, faces the pain of separation and loss. Despite the difficulties the Willner family is forced to endure, they manage to maintain their dignity and values. The emotional wounds, however, – as the novel suggests – persist long after the Berlin Wall is torn down.

Through close reading of the particular narrative, the author demonstrates that trauma continues to affect the survivor long after it occurred. The author argues that certain oppressive political, historical, and cultural circumstances not only create a psychological trauma within an individual but also influence that individual's identity. In fact, it becomes evident that trauma – along with painful and sad experiences – becomes part of one's identity.

With the help of the literary analysis, the author elaborates on the relationship between trauma studies and literature, particularly focusing on the personal and cultural aspects of trauma. The author explains both the meaning and significance of trauma and how it has become part of cultural identities of some individuals. The understanding of trauma theory is based on the writings of Sigmund Freud, Cathy Caruth, and Judith Lewis Herman. The author attempts to show that it is difficult – if not impossible in some cases – to utter traumatic memories aloud. As soon as these memories are given shape, a proper context and harmonious narrative may be built. Furthermore, it is believed that such context and narrative reflect on the development of a certain society.

The author also demonstrates that literature provides us with a tool for investigation into trauma and its forms, at the same time elucidating how certain historical and cultural circumstances have shaped our identities and present understanding of the world. In addition, the art of writing becomes a means of self-reflection and may also serve as a process of healing.

Research Purpose. To examine the relationship between trauma studies and literature in a particular historical, political, and cultural context.

Design Methodology /Approach. Holistic approach, literary analysis.

Findings. Trauma is understood as a disruptive experience that affects an individual's emotional state and perception of the outer world.

Originality/ Value / Practical Implications. Literature is taken as the key site for investigations into trauma (personal, cultural, historical) and its manifestations.

Keywords: Trauma studies; manifestations; literature; the Berlin Wall; survivors.

Jel Codes. Not applicable.

Audrius Dabrovolskas. FROM VALUE TO MARKETS IN THE BALTIC FILM EXHIBITION: FILM POLICY MODEL FOR THE SMALL FILM INDUSTRIES IN LITHUANIA, LATVIA AND ESTONIA

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Abstract

Films are experience goods with a highly uncertain demand. Film exhibition, on the other hand, is essential in linking the cinema supply and demand, but in European film industries it is not as emphasized as film production. During the recent years financial support for film production in various European film industries grew, but the film exhibition did not receive sufficient attention even though being heavily affected by the COVID-19 pandemic. As the Nordic example showed, the decision-making that involves the stakeholders from public policy and business creates conditions for the new value creation, which crystallizes into content diversity, its quality and better accessibility. Thus, the complexities of the small film industries such as Lithuanian, Latvian and Estonian are complicated in terms of national film production and distribution (marketing) budgets, which in the end has an impact for the audience attendance. Therefore, in order to create value for the national film production and co-production in the Baltic film industries – mission-economy approach is proposed as it emphasize market co-creation, co-shaping, partnerships between business and public sector.

Research purpose. The aim of this study is to establish and propose a film policy model for small film industries in Lithuania, Latvia and Estonia based on the mission-economy approach and principles.

Design / Methodology / Approach. The study used both qualitative and quantitative methods for data extraction and analysis. Firstly, descriptive statistics as a method was used to analyze the financial support for national film production, market share of national feature film exhibition and the number of national films produced. Furthermore, 5 semi-structured interviews with experts from the Baltic film industries were conducted.

Findings. As a result of the research, the author concludes that the film policy model for the small film industries in Lithuania, Latvia and Estonia based on mission-economy approach and principles suggests the direction and processes in order to create value of national film production and co-production. The model emphasizes the national and supranational levels of film policy that addresses participation, partnership, distribution, organization and financing processes. The value chain for the film policy model is also proposed that emphasize the value creation and its delivery to the markets (film exhibition), which links supply and demand in the film industries.

Originality / Value / Practical implications. As a result of the study, the author has developed a film policy model that is proposed for small film industries in Lithuania, Latvia and Estonia. The results of the research can be used by Lithuanian Film Centre, National Film Centre of Latvia and Estonian Film Institute to continue establishing "Baltic Film and TV Fund". The research results will be partly used for further research within the framework of Audrius Dabrovolskas doctoral thesis.

Keywords: film policy, film exhibition; creative industries, mission economy, the Baltic film industries

JEL codes: M1; Z1; Z110; Z180

Marcin Komańda. CONTEMPORARY CHALLENGES IN MUSEUM MARKETING COMMUNICATION

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Abstract

Research purpose. Communication between museums and the recipients of their offer is an issue related to various areas of the social sphere and the activities of cultural institutions. The purposefulness and solutions used in this communication also depend on the development of technologies and the scope of their use by society. The scientific aim of the article is to recognize the role of new technologies used in the marketing communication of cultural sector entities such as museums.

Design / Methodology / Approach. The implementation of the research goal will include the analysis of scientific literature published published after 2010 and related to the problems of museums' activities and the technological solutions they use. It is also important to take into account pandemic experiences in the analysis, which required cultural institutions, including museums, to take a creative approach to the implementation of the mission.

Findings. Museum marketing communication must be based on a number of communication solutions (including traditional ones) to reach a wide range of society. However, it is modern technological solutions that allow for building effective communication in terms of reaching selected target groups, personalizing the content provided, ensuring interaction with the museum itself, and building experiences from communing with museum exhibitions. What is more, new technologies most often also interpenetrate in terms of use, providing opportunities for unique shaping of value for potential recipients of the museum offer. Its embedding in digital technologies is also based on building multi-sided interactions, including building experiences of all parties to the communication process.

Originality / Value / Practical implications. Marketing communication of cultural institutions such as museums must, on the one hand, support the implementation of their mission, and on the other hand, create an offer that will be appreciated by the stakeholders of their activities. Practical implications resulting from the results of the literature analysis are indications of the support and interpenetration of so-called new technologies both in creating an interesting cultural offer and maintaining relations with its recipients. Moreover, this offer can also be of a mixed nature (e.g. scientific and didactic/popularizing), which indicates the possibilities of simultaneous realization of the interests of different groups of recipients and multi-threaded implementation of the mission by these institutions.

Keywords: museum, communication, marketing, new technologies

JEL codes: M10; M30

Zane Veidenberga. THE ROLE OF COMBINING THEORETICAL AND PRACTICAL RESEARCH METHODS AND INSTRUMENTS IN THE PROCESS OF DEVELOPING SUPPORT TOOLS FOR TRANSLATORS

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Abstract

Research purpose. The array of skills required for translators to overcome challenges caused by the differences of the source and target text languages and cultures is vast, therefore there is a need for comprehensive and practical support tools that can assist translators, especially novice translators, in their translation process and remind them what translation solutions, linguistic means and other resources are at their disposal. The aim of this Paper is to offer an insight into the creation process of the *Guidelines for transferring implied values of the Latvian source text diminutives into English*, illustrating the significance of a step-by-step approach combining findings from theoretical research with various practical research methods and instruments when developing a support tool for translators.

Design / Methodology / Approach. An interdisciplinary approach, focusing on cognitive research findings, linguistic means used to express diminutivity in different languages and possible translation solutions was used as a theoretical background for drafting a practical support mechanism – the Guidelines. The draft Guidelines were piloted in a student translation experiment, their end products and feedback were analysed, as well as suggestions from translation field experts – translator trainers were collected with the help of a questionnaire.

Findings. The process of developing the Guidelines and its outcomes demonstrate that a practically applicable and meaningful support tool for translators to overcome challenges caused by the differences of the source text and target text languages and cultures can be obtained only via a step-by-step process combining the findings from interdisciplinary theoretical literature analysis and practical research.

Originality / Value / Practical implications. As a result of this research, not only the Guidelines for translators to address the difficulties caused by Latvian diminutives have been developed, but also their development process has been analysed and described in detail. It can serve as an inspiration for developing teaching and learning aids for translator training and practical support tools for addressing challenges caused by various culture and language specific phenomena in the translation process.

Keywords: cultural differences; diminutivity; novice translators; teaching and learning aids; translator training

JEL codes: not applicable

Jana Horová[1], Magdalena Sawczuk[2]. RE-THINKING AUDIENCE ENGAGEMENT: HOW MUSEUMS IN POLAND AND CZECHIA NAVIGATE RECENT CHALLENGES

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Abstract

Research purpose. The main purpose of the study is to explore and conceptualize how regional museums in Poland and the Czech Republic implement audience engagement strategies in response to contemporary socio-economic challenges. Although audience engagement seems to have been explored in the museum literature, the topic is still relevant. Especially in the current post-pandemic era, we are witnessing many challenges for museums – from economic or technological, such as the strong pressure for innovation, financial stability, digitalization, to social or cultural – creating space for dialogue, inclusivity, dealing with the impact of migration, demographic and climate changes and many others. The research investigates different institutional and cultural settings and identifies and categorises key approaches to audience engagement.

Design / Methodology / Approach. Through comparative analysis, the study develops a typology of engagement strategies and assesses how museums adapt their practices to different audience groups. The study applies a qualitative research approach. First, a purposive sample of 10 Polish and 10 Czech regional museums was created. Then, data from official websites were selected and coded, based on a coding list agreed in advance and updated in the process by two researchers. Using thematic analysis, the codes were then used to create main categories reflecting different approaches to audience engagement strategies.

Findings. The findings contribute to a broader discourse on post-pandemic museum practices in terms of audience engagement. Hence, study identifies new typologies of audience engagement strategies and suggests purposeful balancing, in particular between long-term relationship building and episodic activities, active and passive participation, general and targeted audiences, traditional and contemporary approaches. It also outlines different institutional frameworks of engagement as educational, entertainment-driven, community-building, or participatory.

Originality / Value / Practical implications. By including museums from two countries, the study is an informative, in-depth exploration of engagement practices and presents different aspects of the phenomenon. Ultimately, the study offers strategic recommendations for museums to effectively navigate these approaches and align engagement models with the institution's mission and audience needs. Consequently, despite the context studied, the findings may be relevant to other institutions as museums in other settings face similar challenges.

Keywords: audience engagement; museums; society; social changes

JEL codes: Z1; Z32

Magdalena Sawczuk. CROWDSOURCED MUSEUM? EXPLORING AND SYSTEMATIZING CROWDSOURCING PRACTICES IN THE MUSEUM CONTEXT

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Abstract

Research purpose. Museums nowadays have become gradually more open to collaborating with various stakeholders. Such a situation is mainly caused by social and technological changes and can be perceived both as a challenge and an opportunity. Even if it is rather a generally agreed assumption that collaboration is necessary, more in-depth and systematic exploration is needed, as many concepts and options exist, and crowdsourcing is one of them. This idea is known in the museum context yet is rather fragmentarily analyzed. Therefore, this study aims to explore and systematize the concept of crowdsourcing and its practices concerning museum organizations.

Design/Methodology/Approach. The study has an exploratory and qualitative character. At first, the literature review method was applied to explore and systematize the theoretical underpinnings regarding museum crowdsourcing. Then, 15 Polish museums were purposively selected to explore crowdsourcing initiatives in practice. Data were collected from the official websites and official Facebook profiles. The process of searching for information was focused on such keywords/topics as open calls, invitations, or searching for specific types of resources. Those keywords had primary character, and more in-depth searching was also employed. This process was qualitatively oriented, focusing on how specific initiatives were described and what their place was within all other museum activities.

Findings. Findings revealed that the current state of the literature about museum crowdsourcing is somewhat fragmented: even if crowdsourcing is explored in the museum literature, it is more focused on describing cases than in-depth scientific exploration. When looking at the selected sample of museums, it can be observed that they applied crowdsourcing-related initiatives, yet not as the main focus of interest. Such practices are mainly (with one exception) occasional initiatives rather than constant elements of the offer. Crowdsourcing is mostly closely related to the core activities of museums (exhibitions, working with artifacts). An interesting example is the volunteering programs, which are a constant element of the museums' program.

Originality/Value/Practical implications. In light of the growing importance of employing museums' social orientation, crowdsourcing is an issue that can be considered and applied to the museum practice. The specific form may depend on the profile and range, yet with proper planning, it can improve museums' activity. It is also related to the fact that in a world dominated by technology and new media, museums are no longer sole authorities, and connecting with the communities may help them to (re)define their social roles. An important issue regards also whether it should be a constant element of the offer or just an occasional program.

Keywords: crowdsourcing; innovation; management; museum; society

JEL codes: D26; L30; L39

Keisha LaRaine Ingram. BRIDGING CULTURES: EFFECTIVE STRATEGIES FOR MANAGING INTERNATIONAL CULTURAL PROJECTS IN A GLOBALIZED WORLD

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Abstract

Research purpose. In an increasingly interconnected world, cultural differences play a crucial role in the success or failure of international projects. This study explores the complexities of international cultural project management, emphasizing strategies for navigating cultural diversity, communication barriers, and stakeholder expectations.

Design / Methodology / Approach. The research employs a qualitative approach, drawing on case studies from various industries to examine best practices in fostering cross-cultural collaboration. It also integrates insights from project management frameworks and cultural intelligence models to analyze the role of leadership, adaptability, and technology in international project environments.

Findings. The study identifies key strategies for mitigating conflicts, leveraging cultural intelligence, and enhancing project outcomes in multicultural settings. It highlights the importance of digital tools and virtual collaboration in managing culturally diverse teams, as well as the impact of cultural awareness on project efficiency, innovation, and stakeholder engagement.

Originality / Value / Practical implications. This research contributes to the growing field of international project management by offering actionable strategies for professionals working in culturally diverse environments. By understanding cultural dynamics, project managers can implement inclusive strategies that foster collaboration, reduce misunderstandings, and ensure the sustainable success of international cultural initiatives.

Keywords: International Cultural Project Management; Cross-Cultural Collaboration; Cultural Intelligence; Global Project Management; Intercultural Communication.

JEL Classification Codes: F23; M16; Z10; Z13; L31

Consuelo Diodati. WOMEN CERAMIST IN THE ABRUZZO MOUNTAINS

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Abstract

Research purpose. The women ceramic artisans of Castelli, a mountain village in the Gran Sasso National Park, represent a peculiar case of working with artefacts, in some instances artistical.

Design / Methodology / Approach. The research has implied the use of mix methods: secondary analysis of statistical data available, together with qualitative consisting in free interview to the women creating/working with ceramic artifacts.

Findings. Gender and geographical marginality can represent an element of double social exclusion. Meanwhile, this very condition can be the basis for employment and territorial promotion in a sector that combines art with everyday products. The relevance of such a case is also due to the importance of local identities (mountain villages) in global societies.

Originality / Value / Practical implications. The flattening of identities often implicit in global societies can lead to the re-emergence of forms and attempts to reconstruct significant living spaces – artistical ones in particular - where people can work expressing significant human needs. In the case under analysis, the women working on ceramic in the Abruzzo's National Park collaborated with an artist from the provincial capital in an attempt to link artefacts with art and relaunch their works towards a broader dimension, from the local to the global one.

Keywords: gender; marginality; work; local identity.

JEL codes: Z13

Emna Boudaya[1], Velga Vevere[2]. CULTURAL INTELLIGENCE AS A CONTRIBUTING FACTOR FOR INTERNATIONAL STUDENT RECRUITMENT PROJECTS

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Abstract

Research purpose. The purpose of this study is to elucidate how Cultural Intelligence (CQ) improves international students' enrolment and engagement. Championing ways on how the support given to international students could be improved with an aim of achieving favorable academic and social results through culturally sound recruitment. As highlighted by this research, cultural intelligence should be incorporated into recruitment to better the organization of academic environment.

Design / Methodology / Approach. This research utilized online survey, focus group interview Data analysis methods included multiple linear regression, summary analysis, interview transcript analysis, and content analysis to understand students' attitudes towards cultural intelligence in international student recruitment.

Findings. The study results suggest that cultural intelligence increases the quality of communication and trust in relationships with the audience and also increases the effectiveness of decision-making in recruitment activities. In the same regard, culturally intelligent practices in institutions yield higher student diversity retention and positive learning and living outcomes for the international learners.

Originality / Value / Practical implications. In the context of internationalization of higher education the concept of cultural intelligence plays a growing role in Latvia, proposals on the basis of the study will help to make the recruitment process by the higher education establishments more effective.

Keywords: Education Sector, Cultural Intelligence, International Student Recruitment Projects

JEL codes: I23; O15

Olegs Krasnopjorovs. SATISFACTION WITH CULTURAL FACILITIES ACROSS EUROPEAN CITIES: INSIGHTS FROM THE EUROBAROMETER SURVEY

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Abstract

Culture is a constitutive part of life quality. Most of Europe's cultural heritage is found in cities. This makes cultural facilities in the European cities integral parts of nation's image. This research employs the most recent wave of the Eurobarometer survey on the quality of life (year 2023) data to study satisfaction of cultural facilities across 83 European cities.

Research purpose. The purpose of this research is to rank European cities in terms of perceived quality of cultural facilities, examine whether satisfaction with cultural facilities in European cities changed over time, as well as to assess which individual characteristics of respondents of the Eurobarometer survey are associated with higher or lower satisfaction with cultural facilities across Europe.

Design / Methodology / Approach. Research employs micro data of the Eurobarometer survey on the urban quality of life with a special focus on the perceived quality of cultural facilities (concert halls, theatres, museums and libraries), which is assessed by respondents on a 5-point Likert scale, from "not at all satisfied" to "very satisfied". Given that Eurobarometer survey covers 83 European cities with 800-900 respondents in each city, this research employs data on answers from more than 70 000 respondents. Research employs econometric methods, particularly, ordinal logit and ordinal probit models, to find out which individual characteristics of respondents (age, gender, education level, economic activity etc.) are associated with higher and lower satisfaction with cultural facilities across European cities.

Findings. Residents of Zurich, Vienna and Groningen are the most satisfied with cultural facilities in their cities, while residents of Tirana, Valletta and Skopje are the least satisfied. Regarding the capital cities of the Baltic countries – residents of Tallinn are slightly more satisfied with cultural facilities compared to residents of Riga and Vilnius. Across Europe, women usually tend to show higher satisfaction with cultural facilities than men. Moreover, people with higher education degree and living in more dense city areas tend to be more satisfied with cultural facilities.

Originality / Value / Practical implications. First, this research employs the most recent wave of the Eurobarometer survey on the quality of life in European cities (year 2023) and focuses on satisfaction with cultural facilities. Second, rather than using just aggregated data on satisfaction with cultural facilities on city level (one value per city), it employs micro data on respondent level. Third, it employs econometric methods, particularly ordinal logit and ordinal probit models, to assess which individual characteristics of respondents are associated with higher or lower satisfaction with cultural facilities across Europe. Findings of this research are crucial for policy makers aiming to improve the efficient use of cultural facilities and satisfaction with cultural life across Europe.

Keywords: urban quality of life; cultural facilities; Eurobarometer survey.

JEL codes: C35; Z13.

Janka Beresecká[1], Denisa Jánošová[2], Alexandra Ďurovová[3], Jaroslav Bednárik[4].

TRADITIONAL CRAFTS AS A KEY TO TOURISM DEVELOPMENT THROUGH NEUROMARKETING

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Abstract

Research purpose. In today's digital world, where technology is evolving at breakneck speed, traditional crafts are finding it increasingly difficult to hold the attention of young people. Having grown up in an environment of ever-changing trends and digital innovation, Generation Z values authenticity, originality and a personal touch. It is in this context that neuromarketing, combining insights into the brain and consumer behaviour, can offer a powerful tool to make crafts relevant and attractive to this target group. The aim of the research is to analyse the level of interest in craft categories by Generation Z and to propose measures to increase awareness of them, through a combination of biometric and declarative methods.

Design / Methodology / Approach. Based on the objective, two hypotheses, four research questions were formulated. Twenty respondents participated in the research in the neuromarketing laboratory. The selection of respondents was done by random selection to ensure equal gender representation. The experimental procedure consisted of methodological phases using Eye-tracking experiment, Biometric metrics and data analysis which was processed based on Fixation count, Dwell time, First fixation duration, Revisit count metrics. Heatmaps were subsequently processed.

Findings. The research combined quantitative biometric measurements with qualitative declarative analysis to enable a comprehensive assessment of Generation Z's perceptions of the crafts, namely cobblers, furriers, lace makers, and basket makers. It focused on analysing the visual engagement and declared preferences of Generation Z in their perception of traditional craft products. By combining biometric measurements (eye-tracking) and declarative responses, it was possible to reveal not only the conscious preferences of the respondents, but also their subconscious visual behaviour. For women, visual engagement and declared preferences largely coincided, with one product being dominant in both evaluations. For men, there was a mismatch between visual attention and declared responses. The discrepancy suggests that the biometric data also reveals aspects of perception that the respondent may not be fully aware of or willing to verbalize. This knowledge qualitatively advances the application of methods in neuromarketing research and the applicability of such research and results in practice.

Originality / Value / Practical implications. The qualitative exploratory study highlights how neuromarketing can help crafts to better reach Generation Z and create a stronger emotional connection with customers. The research focused on identifying the attractiveness of selected crafts based on respondents' visual saliency and subjective preferences. Crafts that are part of culture and heritage create potential and added value of use and not only in tourism, so spreading awareness of their existence is significant for the development of this sector, destinations, landscapes.

Keywords: cultural heritage; crafts; development; neuromarketing; tourism.

JEL codes: Z39; M39

Renate Cane[1], Kaspars Steinbergs[2]. Innovation in cultural and creative industries as a factor for sustainable regional development in Latvia

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Abstract

Research purpose. Cultural and creative industries (CCIs) have long been recognized as important drivers of economic growth, social cohesion, and innovation in regional development. However, their full potential is still not fully exploited, especially outside large cities. This study examines the development and innovation potential of CCI companies in Latvian regions, taking into account their role in sustainable regional development. The aim of the study is to identify the challenges and obstacles for CCI companies in implementing innovations and their impact on sustainable regional development in Latvia. Previous research has shown that even though the growth of CCIs is emphasised as one of the top priorities in Latvia's policy planning documents at different levels, things aren't always what they seem to be when figuring out how these businesses help the region grow and when planning ways to help them and encourage innovation.

Design / Methodology / Approach. The study used a qualitative research approach, conducting semi-structured interviews with representatives of CCI companies in all five planning regions of Latvia. In addition to the interviews, an analysis of planning documents at the planning region level was conducted to assess the importance of CCI defined in them. Thematic analysis was used as a data processing method, identifying challenges and obstacles that CCI companies face in implementing innovations and their role in regional development. The study also showed that the importance of CCIs in sustainable regional development varies across different planning regions of Latvia, which is related to the greater focus of such companies on creating cultural rather than economic value.

Findings. The study confirms that CCI companies make a significant contribution to sustainable regional development, promoting innovation and economic diversification and strengthening cultural identity. However, their growth is hampered by limited financial resources, fragmented policy support, and challenges related to digitalization. The study concluded that it is essential to stimulate the innovation capacity of CCI companies, which allows them to grow and impact regional development.

Originality / Value / Practical implications. The study resulted in recommendations for regional and local policymakers to promote the innovation development and overall growth of CCI companies. This is particularly important because, although policy documents emphasize the regional importance of these industries, not all planning regions implement appropriate support measures, and there is a lack of understanding of the activities of CCI companies and their contribution to the economy and regional development.

Keywords: cultural and creative industries, regional development, planning regions

JEL codes: R58, R11, L26

Jeļena Budanceva[1], Yohan de Silva[2].RISK AND RESILIENCE IN INTERNATIONAL LITERATURE FESTIVALS: A MIXED-METHODS STUDY

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Abstract

Research purpose. To investigate the specifics of risk management within international literature festivals and identify best practices for enhancing security and efficiency.

Design / Methodology / Approach. A mixed-methods approach was employed. This involved a web-site analysis of 135 international literature festivals, semi-structured interviews with festival organizers, and a survey of 299 respondents (147 attendees and 152 non-attendees).

Findings. The study identified a scientific gap in the area of risk management studies in organizing literature festivals. The analysis identified key risk categories, including financial, operational, safety, reputational, and cultural risks, and assessed their impact on festival success. Survey results revealed that environmental risks (67.3%) and safety and security risks (66%) were perceived as the most common risks by attendees. Qualitative data from interviews highlighted the importance of proactive planning, stakeholder engagement, and flexible response strategies. Analysis revealed a need for proactive risk management planning, effective stakeholder engagement, and flexible response strategies. The comparison of risks perceived by organizers and visitors was made.

Originality / Value / Practical implications. This research contributes original insights into risk management within international literature festivals, a largely under-researched area. The findings offer practical guidelines for festival organizers to improve planning, enhance resilience, and promote sustainable practices. The mixed-methods approach provides a comprehensive understanding of the diverse risk factors and their impact on festival outcomes.

Keywords: Risk Management; International Literature Festivals; Event Management.

JEL codes: Z11; Z13; L83

Imants Lavins (Ļaviņš). LATVIAN LITERATURE AND THE NOBEL PRIZE. MEDIA DISCOURSE (1920-1930)

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Abstract

Research purpose. The Nobel Prize in Literature, awarded annually by the Nobel Committee of the Swedish Academy, is the world's most prestigious and popular recognition in the field, and the media all over the world, even those whose priorities are not cultural news, do not forget to report on it. Authors have been nominated for this prize since 1901, and many of its recipients are deservedly ranked among the world's literary classics. The Nobel Prize Committee has been reproached for the marked dominance of European, and especially Scandinavian, authors among the prize winners. The prize committee has also been reproached for the conspicuous rarity with which Asian and African writers have received the prize. The apparent under-representation of women among the prize winners has also been rightfully criticised. Public opinion has been influential in these areas, with positive developments in recent decades.

Approach. Methodology. The focus of my research is to study the press' overview of this nominee process in Latvia and the attitude of press people to Latvian poet Rainis. The main method used in the study is narrative analysis.

Findings. The press overview exploration, doing this research, is a kind of self-reflection, it is also about the way a nation sees and accepts its own high-ranking intellectuals. In any case, literary prizes (and some similar ones like American Film Academy Prize) are a simbolical capital (according to P. Bourdieu's theory), which in the case of conferring the award, grant the expected prestigue, recognition, and dignity for both the individual and the nation.

Keywords: Media; Rainis; Nobel Prize in literature; nomination; self-reflection.

JEL codes: not applicable