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EMERGING TRENDS IN:

EMERGING TRENDS IN

FINANCE, ECONOMICS AND POLITICS

Beata Szluz. THE SILVER ECONOMY IN POLAND: OPPORTUNITIES FROM AGEING

Abstract

Research purpose. The human population is ageing. This phenomenon is a major challenge for the society, but it can also be a great opportunity for business and economy. The competition for a better position in the ageing segment of the economy has already started worldwide. One of the main challenges of the contemporary socio-economic development is the process of population ageing. The complexity of the changes associated with it justifies interventions taking into account the challenge of generational solidarity maintenance. Population ageing is more and more often regarded not as a threat but as challenge or even a chance for society. The evolution is related with development of the so-called silver economy. The term means all activities aimed at preparing society, organizations, and individuals for ageing, and first of all at sustaining activities, autonomy, and self-dependence of the older people. The paper is to present the concept of the "silver economy", its pros and cons, and to assess if it is possible to implement the type of activities in Poland.

Design / Methodology / Approach. Desk research

Findings. The „Silver economy" focused on developing strategies related to the ageing population, mainly in terms of special technology services. These services generally aim to support well-being through health monitoring, robotic assistance, electrical mobility or sport activities including health tourism, green care and web based home care solutions. Health and social care, health services, self-health management and senior tourism all require ready models.

Originality / Value / Practical implications. Nowadays, innovation developers focus on solutions for elderly people. Economic sectors involved in innovation and development want immediate strategies and clear visions for the next decades.

Keywords: sociology of social problems; the process of population ageing; successful ageing; silver economy; Poland.

JEL codes: Z13

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Piotr Urbanek. INSTITUTIONAL DETERMINANTS OF REMUNERATION POLICY TRANSPARENCY: EVIDENCE FROM THE POLISH BANKING SECTOR

Abstract

Research purpose. Corporate transparency understood as the free access to the information presenting a reliable picture of intra-corporate relations determines the ability to assess the quality of management processes in the company. Comprehensive disclosures provide a signal that the firm has fewer agency problems and has better governance structures. The financial crisis from 2008-2009 revealed that an ineffective remuneration policy in the banking sectors was one of the key factors that led to the crisis. High transparency was one of the fundamental aspects of reforms directed at increasing the efficiency of corporate governance standards. The purpose of this paper is to examine the influence of institutional factors on the disclosure of executive remuneration policy in Polish public banks. Two groups of transparency institutional determinants have been identified: formal institutions and informal ones. It was based on Di Piazza and Eccles' three-tier model of corporate transparency. Formal institutions refer to legal regulations which require companies to disclose a particular set of information, and they determine mandatory disclosures. Informal institutions combine ethical principles, reputation, trust, and corporate culture etc., which can influence voluntary disclosures.

Methodology. The assessment of determinants of remuneration policy transparency was conducted on a sample of 16 public banks listed on the Warsaw Stock Exchange. The study period covered the years 2005-2016. The information used in the study was collected from the banks' annual reports. The transparency of the remuneration policy was determined based on the aggregate transparency index (ATI), combining four sub-indices: the level and structure of executive pay, the variable compensation components, diligence of the board remuneration committee, and long-term incentive programs. The research hypotheses were tested using the regression model, with the aggregate index of compensation policy disclosure as the dependent variable and a set of institutional variable, corporate governance measures (the banks' boards and ownership characteristics) and several controls as independent variables.

Findings. The study demonstrates a strong influence of formal institutions on the level of disclosure which increased significantly for observations occurring after 2012, the year when new regulations were imposed on the banking sector in Poland. Among the corporate governance measures and control variables, the frequency of remuneration committee meetings, the type of controlling shareholder, and the size of the bank are significant.

Value. This study demonstrates how effective the regulatory requirements are in terms of increasing the disclosure of executive remuneration policy in comparison to the voluntary ones. It also gives a perspective on the effect of corporate governance standards on the disclosure of remuneration policy at banks with a highly concentrated ownership structure.

Keywords: Executive remuneration policy; disclosure; banks; corporate governance; regulations.

JEL codes: G21; G38; G39.

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Audrone Kvedariene, Daiva Jureviciene, Agne Simelyte. **EVALUATION OF COUNTRIES INVOLEMENT INTO DEVELOPMENT, IMPLEMENTATION AND DISSEMINATION OF HIGH TECHNOLOGIES**

Abstract

Research purpose. The high technology sectors as a rule requires the national support systems although the flow of the created value in international level is unexplored. The national innovation systems becoming globalized thus the distinct process of development, dissemination and implementation of high technologies becoming globally fragmented and therefore the international management within the high technology sectors becoming quite complex. The aim of this research is to propose methodology for the investigation of countries involvement into the development, dissemination and implementation of high technologies.

Design / Methodology / Approach. Systematic academic literature review dedicated to the globalization of national innovation systems. Research design based on the sector level therefore the peculiarities defining the high technology sectors are identified and shortcomings of sectoral data for the analysis of development, dissemination and implementation of the high technologies are highlighted. The investigation is based on 2015 world input output data for the 44 countries which enables to exclude double counting of added value inherent for the convenient import and export data and holds information of intermediate and final consumption of added value within country and between different countries. This descriptive statistics data of a comparative analysis of countries and high technology sectors enables further prescriptive statistics and the example with the human capital indicators will be investigated.

Findings. The key result of the research is to provide methodology for the positioning of the countries evaluating the involvement into the activities of development, dissemination and implementation of the high technologies.

Originality/Value/Practical implications. The evaluation of development, dissemination and implementation of the high technologies would provide insights for the international management and innovation policies.

Keywords: global innovation systems; high technology sectors; world input output data.

JEL codes: F01; 033.

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Daiva Jureviciene, Deividas Martinaitis. PECULIARITIES OF VALUATION TECHNIQUES APPLIED BY VENTURE CAPITAL FUNDS

Abstract

Research purpose. The global financial market is changing as the innovative and high-tech technology sector evolves. There is a growing need for funding of such companies, as traditional financial instruments are not always applicable due to the high risk involved. Development or future expansion of venture capital funds, which are becoming an important investor for enlargement of innovative or high-tech business, finance such companies expecting a high return. In general, venture capital is divided into individual investor venture capital and venture capital fund, where investment fund managers manage the investors' money. The venture capital funds, hoping of very high profitability and return in terms of success, are investing in innovative technologies and innovation creating companies. Moreover, venture capital funds provide an opportunity to use not only the financial capital but also the use of the intangible material expression of intellectual capital where investors help to expand and develop business and technology with their accumulated abilities and experience. Consequently, it is essential to choose the best of the best companies for investing. In spite of numerous valuation techniques, no one is applicable to all types of potential companies. This article summarizes peculiarities of commonly used companies' valuation methods.

Design / Methodology / Approach. The article is based on literature analysis using comparative, logical and systemic analysis; synthesis; generalisation; and critical analysis methods.

Findings. Venture capital funds investments are substantial for the innovative and potentially perspective companies that do not have sufficient funds for establishment or development. The intangible and tangible support for the investee expand the capabilities, which are commonly expressed by efficiency valuation.

Originality / Value / Practical implications. Choosing a particular companies' assessment technique the venture capital fund should consider not only the business of that company but also the actual macroeconomic environment.

Keywords: venture capital funds; companies' assessment methods; financial ratios.

JEL codes: G24; G32.

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Inga Brasla. DANGEROUS GOODS CONTAINING LITHIUM BATTERIES IN AIRMAIL

Abstract

Research purpose. The international regulations allow some dangerous items like equipment containing lithium batteries to be accepted and carried by airmail. The designated postal operator of Latvia "Latvijas Pasts" does not accept this kind of goods to be shipped internationally. The aim of this paper is to investigate the current situation with shipping such dangerous items by airmail.

Design / Methodology / Approach. This study is based on the descriptive, inductive and deductive research methods and it is of theoretical and practical importance. The survey of 210 staff members of "Latvijas Pasts" and 155 customers of "Latvijas Pasts" identified the problem – lack of information on the subject, accordingly threat to aviation safety.

Findings. International mail is carried by air nowadays and many items which might appear to be harmless in everyday use can pose dangers when they are carried on an aircraft either in checked baggage or as cargo or airmail. Trade globalisation and the development of e-Commerce when more and more goods need to be transported make the situation even more critical. The designated postal operator in Latvia "Latvijas Pasts" has not trained their staff to detect forbidden dangerous items offered for transportation and accept allowed items, accordingly "Latvijas Pasts" have not received confirmation from Civil Aviation Administration of Latvia to accept any dangerous goods in airmail.

Originality / Value / Practical implications. The author suggests to introduce a sample checklist for postal operators and customers at post offices to ease the process of accepting items containing lithium batteries.

Keywords: lithium batteries; dangerous goods; safety; airmail.

JEL codes: F19; K3.

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Vita Zarina, Anna Abeltina. ECONOMIC DEVELOPMENT TRENDS IN THE BALTIC STATES

Abstract

Research purpose. Competitiveness can be used in different levels: employee, company, industry and national level, in the article competitiveness will be analysed in national level. There was carried out a comparative analysis of the statistical data of Latvia and other two Baltic states in the context of the Global Competitiveness Index.

Design / Methodology / Approach. The economic development has been noted by the major business and competitiveness related indexes from Global Competitiveness Report. To evaluate business environment in the country also business companies participated in the research. Similar research were carried out in Latvia (Zarina, Zelgalve 2014) in 2014 and results will be analysed in historical concept.

Findings. The present paper summarizes the research results on selected industries to provide an insight on the historic and current trends in the three countries and business environment in Latvia. It will be basis for further in-depth studies on the subject.

Originality / Value / Practical implications. The research results show that for Baltic States the decreasing number of population has become a vital factor. There is an increasing need and consequently competition among companies for qualified labour force.

Keywords: competitiveness; business environment; economic trends.

JEL codes: F63

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Audrone Kvedariene, Daiva Jureviciene, Viktorija Skvarciany, Agne Simelyte. CONCEPT OF DEVELOPMENT, IMPLEMENTATION AND DISSEMINATION OF HIGH TECHNOLOGIES

Abstract

Research purpose. The high technology sectors, as a rule, require the national support systems although the flow of the created value in international level is unexplored. The national innovation systems becoming globalized thus the distinct process of development, dissemination and implementation of high technologies becoming globally fragmented and therefore the international management within the high technology sectors becoming quite complex. The aim of this research is to investigate the concept of development, dissemination and implementation of high technologies.

Design / Methodology / Approach. Systematic academic literature review dedicated to the globalisation of national innovation systems. Research design based on the sector level, therefore, the peculiarities defining the high technology sectors are identified and shortcomings of sectoral data for the analysis of development, dissemination and implementation of the high technologies are highlighted. The investigation is based on 2015 world input-output data for the 44 countries which enables to exclude double counting of added value inherent for the convenient import and export data and holds information of intermediate and final consumption within the country and between different countries. This descriptive statistics data of comparative analysis of countries and high technology sectors enables further prescriptive analysis the example of human capital indicators will be investigated.

Findings. The key outcome of the research is the investigated concept of development, dissemination and implementation of high technologies.

Originality / Value / Practical implications. Examining the concept of development, dissemination and implementation of the high technologies would help to create a technique for evaluating the country's ability to develop, disseminate and implement high technologies.

Keywords: global innovation systems; high technology sectors; world input-output data.

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Larisa Bule, Liga Leitane, Kristine Rozite. **ASSESSMENT OF SELECTED ISSUES OF PERSONAL INCOME TAX REFORM IN LATVIA**

Abstract

Research purpose. Personal income tax (PIT) policy in Latvia has been changed significantly in 2018 with the aim to reduce the tax burden and increase the income of working population by amending progressive tax rates and increasing the non-taxable minimum and minimum wage. The aim of this study is to estimate the impact of PIT reform by assessing the effect of implementation of non-taxable minimum, deductions and substantiated spendings on the dynamics of income and tax administration efficiency. This research has been conducted under the initiative and in cooperation with the Ombudsmen of the Republic of Latvia.

Design / Methodology / Approach. PIT theoretic and normative concepts have been analyzed, unpublished data on actual wages in 2015-2018 provided by Latvian State Revenue Service and State Social Insurance Agency have been estimated, the survey on awareness, knowledge and attitude towards the implementation of new norms of PIT has been carried out.

Findings. The main conclusion of this study is that the aim of the reform has not been achieved: income inequality hasn’t been reduced, an increase of income has been irrelevant, the gains from the reform have become unobtainable for the most unprotected groups because of unsuffiecient level of income. At the same time the reform hasn’t improved the competitiveness of Latvian enterprises in comparison with neighbour countries. Calculation of the differentiated non-taxable minimum has been based on the outdated information, therefore the implementation of the differentiated non-taxable minimum has generated PIT debts and higher administrative burden. Conclusions and proposals of the study can be implemented for the improvement of actual tax policy and for furthur research of particular outcomes.

Keywords: personal income tax; reform; tax policy.

JEL codes: H24; I31.

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Greta Keliuotyte-Staniulėniene, Gintare Smolskyte. ANALYSIS OF THE FINANCIAL TECHNOLOGY SECTOR DEVELOPMENT POSSIBILITIES AND IMPACT ON BANKING SECTOR PROFITABILITY IN LITHUANIA

Abstract

Research purpose. The development of financial technology sector (*fintech*) become a challenge for traditional financial institutions. Therefore, it is important to analyze not only how financial technologies can change, but also how this sector affects banks and their profitability. The aim of the thesis is to analyze financial technology sectors development possibilities and quantitatively evaluate impact on banking sectors profitability in Lithuania.

Design / Methodology / Approach. After analysis of academic literature and statistical data, the authors used expert evaluation method in order to identify development opportunities of *fintech* in Lithuania; and correlation-regression analysis in order evaluate the impact of *fintech* on the profitability of the Lithuanian banking sector.

Findings. According to the results of expert assessment research, Lithuania has great conditions for *fintech* enterprises to enter Lithuanian finance market; it is expected that this sector will continue to rapidly expand mostly in payments and banking business models. Correlation-regression analysis showed that *fintech* indicators has effect on banking sector profitability but the effect in not very significant. The significance of the connection is lower because banking sector adapts technologies and is influenced by *fintech* from inside and outside environment.

Originality / Value / Practical implications. The *fintech* sector in Lithuania is still new and so far very little researched. The outcomes of this research out expanded the scope of research of the Lithuanian *fintech* sector. Obtained results, would be useful and relevant to: the government sector, trying to manage risks and ensure stability in the financial sector; financial sector entities to monitor possible developments and prepare them accordingly; banking sector, analyzing the impact of technology and *fintech* entities on them and taking strategic decisions in this regard.

Keywords: financial technologies; financial services; banking sector; profitability.

JEL codes: G23; Q55; G21.

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***Maurizio Pompella*. FINANCIAL INTERMEDIARIES AND DISRUPTIVE TECHNOLOGIES, WHAT'S AHEAD**

Abstract

Research purpose. Both Fintech and Blockchain are very topical subjects nowadays, and they are of a major importance in the context of the development of new technologies for financial services. The spread of the so-called disruptive technologies, with reference to the prior set-up framework, for instance in the banking sector, is radically changing the connotations of financial markets, as the new technologies gain success.

The concepts to the base of this type of innovation, despite appearances, are few and quite simple, as well as the keywords are.

That's not the first time that information technology and the engineering of procedures populate the world of finance. This time, however, the process follows new channels and pursues different objectives. The spread of structured finance that followed the former applications of ICT, has shown all its limits with the lack of information (asymmetric information) derived from a poorly intelligible innovation (and consequently useless, or even harmful, from a social perspective). The benefits brought by the opportunities and the variety of products made possible by ICT reached only a few market actors, at the same time imposing huge costs on the community, as a result of the financial crisis.

From this perspective, the diffusion of the "culture of distributed databases" (better, of the Distributed Ledger Technology - DLT) represents a revolutionary philosophy, because its foundation lies in the immediate, simultaneous and shared dissemination of information related to any "market fact", so making information asymmetries virtually impossible, or reducing them drastically.

The goal of the research to test if the traditional approach from the Financial Intermediaries theory - according to which banks, and in general FIs do exist according to the money, credit, and (actually) the asymmetric information view – is still working, or it should be rethought.

Design / Methodology / Approach. The basic concept of the paper is that the future development of financial services market can be deepened through real examples from analogous disruption contexts. That is looking at how similarly disruptive innovations from the recent past (e.g. UBER and AIRBNB) developed and proved to be successful.
Topics dealt with are the following then:

i. The theoretical framework (Financial Intermediaries theory, why banks, delegated monitoring, asymmetric information);
ii. Banks "Uberisation" and disruptive innovation Financial Industry, from ICT to Blockchain;
iii. A comparison between financial services providers and leading actors from transport and lodging sectors (a few examples of mature disruptive technologies),
iv. UBER/DiDi/Lyft/Grab versus AIRBNB/Booking/Tripadvisor/Homeaway (licensing, regulation/Self-regulation, Safety, Asymmetric information / Transparency;
v. How did evolve the role of main actors: Regulators and Incumbents;
vi. "PROVIDER" vs "USER" relationship: monitoring, feedback, merit evaluation, enhancement; the reversal of Principal/Agent roles … who is the Agent/Commissionaire. Driving and Hosting like Lending. Banks rating rethought.
vii. Testing the reason why of banks, rethinking Money, Credit, and Asymmetric Information Views.

Findings. Given that ICT for Finance and "Fintech" are intimately connected, they do represent two different phenomena. On one hand, ICT means the use of informatics in the financial sector, on the other hand Fintech identifies some sort of business model, some sort of revolutionary way of intermediating funds and influence markets, a new philosophy.
Fintech and the Blockchain developed at different paces in various ecosystems in Western Europe, the United States of America, China and Russia, which is a non-exhaustive list of the global hubs of these technologies. The paper explores PROs and CONs of disruption, also proposing a comparison with a few analogous (but different indeed, in terms of context) technologies/phenomena which also affected transport and lodging market, by revolutionizing the existing equilibria and previous standards (such as UBER and AIRBNB, just to mention the most known of them).

Originality / Value / Practical implications. In spite of having been used quite often, in the recent past, the term "uberisation" of banks for instance (like many other from the same mood), no systematic comparison between mature and full evolving disruptive technologies has been issued to date.

Keywords: Fintech; Regtech, Blockchain; Disruptive Technologies; Uberisation.

JEL codes: G20; G28.

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Marta Martyniak. CHANGES IN HOUSING AVAILABILITY INDICATOR IN SELECTED POLISH CITIES IN THE YEARS 2006-2018

Abstract

Research purpose. Housing availability indicator shows the area of residential real estate possible to purchase for the average monthly wage in the enterprise sector. The research carried out in this paper is aimed at determining the current level of housing availability indicator and its detailed analysis taking into account the dynamics of changes in 2006-2018. This analysis will be carried out for primary and secondary market for selected Polish cities.

Design / Methodology / Approach. Calculations were based on the average transaction prices obtained from the transactional database of residential real estate of the National Bank of Poland and the value of the average monthly remuneration in the enterprise sector obtained partly from statistical data and official journals of the Central Statistical Office.

Findings. The analysis shows that the indicator of housing availability in Poland, despite the visible upward trend, is at a very low level, placing Warsaw at the first place. In addition, the extension of the analysis to the division of the housing market into the primary and secondary market provided more information about shaping the housing availability indicator. Whereas in the primary market in individual cities its value was at a similar level, the secondary market was subject to greater fluctuations.

Originality / Value / Practical implications. This paper is of practical nature. Due to the asymmetry of information on the Polish real estate market, especially regarding housing prices, knowledge about the value of the housing availability indicator in Poland may be exceptionally valuable. Especially for people interested in the housing market, including individual investors and market practitioners as an auxiliary source of information in purchasing decisions of households.

Keywords: housing availability indicator; real estate market; housing market.

JEL codes: R20; R31.

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Wojciech Kaczmarczyk. THE IMPACT OF ACQUISITION ON STOCK VALUE IN CASE OF WARSAW STOCK EXCHANGE

Abstract

Research purpose. 7 out of 10 companies which has won the Polish Forbes edition Merge & Acquisition 2018 Ranking are listed on Warsaw Stock Exchange. The aim of conducted research was to test if the biggest acquisitions have an impact on stocks value and is it possible for typical investor to create extra profit by using knowledge of acquisition based on public information.

Design / Methodology / Approach. Using data from Warsaw Stock Exchange (quotations) typical measures like rate of return, standard deviation (risk), correlation and volume changes were calculated. In each case results obtained for the company were compared with result for stock market indexes (WIG, WIG20, mWIG40, sWIG80). Additionally outcomes were confronted with public news (from ESBI system).

Findings. Conducted research has shown that generally successful finalization of acquisition results in changes of stock prices behaviour. Unfortunately, observed reactions were not the same. Acquisitions induced both increases and decreases in stock prices, there was also no rule in case of risk change. Generally acquisitions and merges had rather good influence in banking sector (which is still concentrating), but there was no common reaction in other sectors.

Originality / Value / Practical implications. Results will be useful for investors acting on Warsaw Stock Exhange, especially for individual investor who are not able to carry out detailed analyses. Research provide results including possible pre-effects and after-effects of making big acquisition by a large company. In addition, the negative market reactions were shown.

Keywords: stock; acquisition; investments.

JEL codes: G11; G12; G34.

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Santa Voitkane, Ingrida Jakusonoka. ASSESSMENT OF THE FINANCIAL PERFORMANCE TRANSPARENCY OF PUBLIC BENEFIT ORGANISATIONS

Abstract

Research purpose. The aim of the research is to assess the transparency of financial performance of public benefit organisations.

Methodology To achieve the aim and to accomplish the tasks set, general-scientific methods were used – the monographic method, the method of document analysis and the graphical method. A statistical analysis method – descriptive statistics – and a sociological research method – surveying – were used as well.

Findings. Since 1 October 2014 when the Public Benefit Organisation Law came into force in Latvia, the number of public benefit organisations (PBOs) has been increasing every year. On 1 January 2018, the number of organisations with valid PBO status had reached 2775. To get an insight into the opinions of Latvian PBOs on the disclosure of financial information, a questionnaire was developed. The survey was attended by 201 respondents. The questionnaires revealed that 64.68% of the respondent organisations had a website or a webpage on a social network, while only 21.89% of these respondents' websites contained some sort of financial information. In parallel with the PBO survey, a society survey was conducted to get an overview of the public opinions about the need to make PBO financial information freely available. The survey was attended by 116 respondents. The results indicated that although the PBO attitude to the disclosure of financial information was considered to be reserved, the public saw the need for such information. In view of the insufficient availability of financial information in the country and the low activity of PBOs themselves in voluntarily disclosing their financial information on their websites, it is necessary to carry out activities that either supplement free-access information resources and/or motivate the organisations themselves to provide free access to such information. **Practical implications.** Based on the experience of other European countries, the Ministry of Finance has to consider amending the PBO Law to oblige PBOs to publish their annual financial and performance reports on their websites or in an equivalent way, thereby contributing to the transparency and accountability of the PBOs towards the society.

Key words: public benefit organisation; donations; reports; transparency.

JEL Codes: L31; M41.

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Viktorija Skvarciany, Gintare Volskyte. KEY FACTORS FOR SUSTAINABLE ECONOMIC DEVELOPMENT

Abstract

Research purpose. The rapid changes in political and economic conditions, production costs, increased the degree of competition, and huge innovation and technology growth make the economy more vulnerable and unpredictable. In case of such conditions, it is hard to create a successful long-term period for the country's economic development. Due to that reason, sustainability is becoming more and more important across all countries.

Design / Methodology / Approach. The research will consist of three interrelated parts. In the first part of the thesis will be analysed and assessed theoretical aspects of sustainability, sustainable development, sustainable economic development, megatrends and theirs' impact on economic development, and also it will be analysed the factors of sustainable economic development. The second part describes the methodology of the research, indicators and the model for the assessment of sustainable economic development under the condition of globalization. In the last part will be presented empirical findings and clarify the outcomes of the calculations.

Findings. The factors leading to sustainable economic development were identified and the most import factors were highlighted.

Originality / Value / Practical implications. Sustainability plays an important role in the economy: it helps to maintain the trajectory of economic development and helps deal against various shocks and ensures lower costs

Keywords: sustainability; economic development; globalisation.

JEL codes: O10; Q01.

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Olga Piterina. Alexander Masharsky. ENERGY CONSUMPTION OF RAIL BALTICA PROJECT: REGIONAL ASPECTS OF ENVIRONMENTAL IMPACT

Abstract

Research purpose. The level of the energy consumption and green house gas emissions is a determining factor for the sustainable development of the transportation industry. High Speed Railway routes are seen as one of the most ecological types of transport. However, world's experience in the exploitation of High Speed trains has shown uncertainty of the environmental impacts related to the energy consumption of such projects. Construction of the Rail Baltica, being the part of trans-European transportation system, is focused on the creation of the direct connection between the Baltic states and European railway system together with a development of regional integration on the basis of the railway of 1435 mm. The aim of the current research consists in the assessment of the regional aspects of Rail Baltica project's final energy consumption.

Methodology. Cluster analysis based on the transport hierarchy approach was conducted in the framework of the research,. Main emphasis was made on such parameters as electricity generation, green house gas emissions, level of passenger demand, effect of traffic shifting from other transport modes. Statistical databases of Estonia, Latvia, Lithuania, UIC High Speed and Sustainable Development Departments were used.

Findings. As the result of the research, the annual number of trips, required for the compensation of the general volume of the energy consumption and green house gas emissions generated from the construction and exploitation of the new High Speed Railway Rail Baltica was determined.

Originality / Value / Practical implications. Sustainability On the basis of the results achieved, the directions for the future researches with the purpose of the development of the strategy towards the increase of the Rail Baltica project usage efficiency were determined. Moreover, authors give recommendation regarding the necessity for the obligatory inclusion of the energy consumption assessment of the High Speed Railways lifecycle during the process of investment attractiveness evaluation as the determining factor of the compliance with the requirements of the sustainable economy.

Keywords: energy consumption; environmental impact; passenger demand; Rail Baltica; sustainable economy.

JEL codes: L98; Q51; R42.

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***Renate Zujeva*, *Ludmila Verovska.* THE ROLE OF SMALL BUSINESS IN THE ECONOMY AND METHODS OF ITS GOVERNMENT SUPPORT ON THE EXAMPLE OF THE REPUBLIC OF LATVIA**

Abstract

Research purpose. The purpose of this study is to determine the role of small and medium enterprises in the economy, as well as to study and evaluate the effectiveness of government support methods for small business entities (SMEs) on the example of the Republic of Latvia. The subject of the research is the system of state regulation and promotion of SME development. The object of the research is the sphere of small business in the Latvian economy, including small business entities, infrastructure support and development of small business.

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

Findings. The research resulted in a system of state regulation and promotion of SME development in Latvia developed by the author, based on an assessment of the impact of measures provided to support small business entities, taking into account the importance of the role of small business in the economy of the Republic of Latvia.

Originality / Value / Practical implications. The practical significance of the work is that the study completes a number of conclusions and practical recommendations in the field of organizational measures for effective support and multilateral development of the small and medium business sector in the economy, recognition of the role of small business as the basis of the economic stability of the Republic of Latvia, and the effectiveness of its support as the main state economic policy goal.

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

JEL codes: E60; G28; H71; R11.

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***Una Skrastina, Juris Radzevics.* POSITION OF THE CHAIRMAN OF LOCAL GOVERNMENT COUNCIL IN THE STATE ADMINISTRATION SYSTEM**

Abstract

Research purpose. Purpose of the study is by assessing the rights and duties of the chairman of local government council to identify the legal nature and position of this post in the common public administration system, to define the topical problems and prepare proposals to address them.

Design / Methodology / Approach. Several methods used in law sciences will be applied. In addition to the grammatical method, the historical method will be applied to understand the development of the concept and the teleological method that will provide for the possibility to understand the subject matter interconnectedly with Latvian legal system. Description, comparative and analytical methods will also be applied.

Findings. Even though the chairman of a local government council is the head of a directly legitimized decision-making institution, his/her rights, duties and responsibilities are typical of the head of a state administration institution, namely the head of the executive. This has resulted from legislator's targeted and deliberate action aimed at establishing an organised single-hierarchical system.

Originality / Value / Practical implications. Several studies have been carried out so far on the functioning of local governments, both from management and from legal aspects. The study examines in depth the legal nature of the post of the chairman of local government council and there are no such studies publicly available. The importance of the study lies on the fact that it fosters the development of the legal doctrine, promotes development of a democratic society and makes proposals for legislation amendments.

Keywords: local government; chairman; state administration.

JEL codes: H57; K23.

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Stanislavs Keiss. INFLUENCE OF GLOBALIZATION PROCESSES ON THE DEVELOPMENT OF LATVIAN FINANCIAL SECTOR

Abstract

Research purpose. To explore and compile information about the influence of globalization processes initiated by international regulatory financial authorities on the Latvian sector of banking and finance after the recent turbulences therein.

Methodology. To obtain the information which is necessary to achieve the aim of the research the following general scientific research methods-descriptive method, logical-constructional method, analysis and synthesis, qualitative and quantitative methods- will be applied, which will also help to encourage theoretical discussion and to interpret the results of the research. In this research scientific literature sources and statements made by various authors in published press regarding events, facts and possible consequences in the development course of the Latvian financial sector will be used.

Findings. Research findings will help researchers, politicians and government officials, financiers and economists to get acquainted with factual data, tendencies and offered solutions aimed at the mitigation of destructive global challenges for the development of the state financial sector.

Originality/Practical implications. The originality and practical implications of the research are determined by the theoretical generalizations that are based on the analysis of the historical development of Latvian financial sector since the restoration of independence of the Republic of Latvia (1991). The results of the research will complement previous theoretical findings with an aim to search for new solutions and challenges in the economic thought of the 21st century.

Keywords: globalization; financial sector; banking; consequences of global and local financial and economic crises.

JEL codes: E52; E58; G15; G28; N1; N2.

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Olga Shulzinger, Ingrida Jakusonoka. THE REEMIGRATION IN THE CONTEXT OF THE ECONOMICS OF LATVIA

Abstract

Research purpose. The aim of the research was to study the impact of the re-emigration process on the development of the Latvian economy. In order to achieve the set goal, the following tasks were defined: 1) to analyse the current process of the re-emigration in Latvia; 2) to investigate the motivation of the re-emigration; 3) to clarify the impact of the emigration / re-emigration on the Latvian economy; 4) to make proposals for improving the process of the re-emigration.

Design / Methodology / Approach. The research methodology: 1) analysis of scientific literature and research results on the migration / re-migration processes and its impact on labor supply; 2) analysis of the demographic processes in Latvia; 3) the qualitative research approach using partially structured interviews was conducted from 9 November 2017 to 6 December 2017. The "snowball" method was used to select the sample when a first respondent is found and points to next respondents.

Findings. The Ministry of Economics of the Republic of Latvia predicts that until 2030 year, if there are no measures to facilitate the re-emigration, about 120 thousand vacancies will have to be filled with immigrant labor. According to the data of the Central Statistical Bureau, from 1996 to 2017 years, the number of people leaving Latvia is over 300,000. At the same time, according to the data of the Diaspora and Migration Research Center of the University of Latvia, 40% of all Latvians living abroad, who make up about 120,000 the potential reemigrants, have already tried to return to Latvia, but have deeply disappointed to go back to the emigration. This means that the state should focus on the support plan for re-emigrants to return their compatriots to their homes and thus fill in the missing workforce, thus contributing to a Latvia's economic growth.

Originality / Value / Practical implications. During the research it was found that the number of the potential re-migrants satisfies the need for the local labor force, which means that Latvia does not need to create additional labor attraction policy similar to the developed European Union countries, such as Germany, which due to low birth rate is forced to open its borders to labor migration. The results of the study will allow developing programs complementing the workforce of Latvia, regulating the uniform distribution of a large number of immigrants in the regions of Latvia, thereby contributing to the economic development of the regions and preventing an increase the number of unemployed migrants, while preventing the re-emigration of people due to their inability to get used to in the economic situation of Latvia.

Keywords: repatriation; re-emigration; labour; economic growth.

JEL codes: F22; J10; J61.

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Jevgenija Cesnauske. DIGITAL ECONOMY AND SOCIETY: THE BALTIC STATES IN THE EU CONTEXT

Abstract

Research purpose: The high penetration of the internet and increased level of use of digital devices create conditions for the development of the digital economy and society. Understanding and management of this model are essential for seeking to compete in the global market and to ensure a high standard of living for its citizens. However, despite the opportunities presented by the digital economy, the Baltic States has not yet fully exploited the potential of digital technologies for sustainable development. The purpose of this research is to assess the progress of the Baltic States towards developing a digital economy and society, and identify areas requiring priority investments and action.

Design / Methodology / Approach. The Digital Economy and Society Index (DESI), published by the European Commission is used to explore the potential of the digital economy. It is an index measuring progress in digital through five components: connectivity, human capital, use of internet, integration of digital technology and digital public services. DESI index is a crucial tool to reflect Baltic States performance in the context of other European countries.

Findings. The survey shows the individual performance of each Baltic country, compares them with one to another and other EU countries. Estonia has the highest DESI index comparing with other Baltic countries; however, lower scores in connectivity and integration of digital technology components are noted. Lithuania scores high in the integration of digital technology while human capital component remains lower. Latvia is a leader among connectivity, but descents to other Baltic counties in human capital and integration of digital technology components.

Originality / Value / Practical implications. The digital economy remains a widely discussed topic, however, a lack of unanimous scientific definition and detailed research on this economic model complicates understanding of digital technologies. It is essential for each government to analyze the model and focus on the improvement of the digital economy in order to ensure that the country remains digitally competitive in the world.

Keywords: digital economy; digital society; information technology; DESI; Baltic States.

JEL codes: O33; O35.

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EMERGING TRENDS IN

BUSINESS ADMINISTRATION, MARKETING AND ENTREPRENEURSHIP

***Pavol Durana, Jana Kliestikova, Maria Kovacova.* THE QUALITY OF BRAND PRODUCTS: EXPECTED ATTRIBUTES VS. PERCEIVED REALITY**

Abstract

Research purpose. The quality means a core attribute of the product. Based on consumer empirics, it is assessed if the products are of high quality. However, there may be considerable confrontations with this assessment, because quality is characterized by subjectivity. For this reason, a paradoxical situation arises, the same product we consider to be a quality product, someone else may regard as insufficient quality, other for the standard quality level, and in some cases may be the achievement of world-class quality. That's way the definition of quality product is very difficult. A brand is one of possible way to differentiate product from one to another and at the same time it is one of possible way to simplify consumer choices of choosing best product. The brand can label for many consumers a synonym for the quality. In this paper is analysed the existence of difference between expected and delivered quality of brand products.

Design / Methodology / Approach. The survey of detection of the sources of the value of the brand was realized in the year 2018 in Slovak conditions. This primary source provided the base of assessment of quality of brand clothes, cars, banks and cola drinks. Through factor analysis, supported Cronbach's alpha, checked by Kaiser-Meyer-Olkin measure and Bartlett's test of sphericity, was made comprehensive factors that enable compare expected attributes and perceived reality. The extraction method of factor analysis was principal component analysis, the rotation method was varimax with Kaiser normalization. Then were the factors analysed by chi-square test and correspondence analysis.

Findings. The objective of article was to detect the existence of differences between the expected and perceived quality of brand products in Slovak conditions. It was gained the construct of the comprehensive factors that contain information about quality of brand clothes, cars, banks and cola drinks. Dependence of expectations and reality was indicted and paper resolved the relations between individual categories of factors.

Originality / Value / Practical implications. The original survey of attitudes of Slovak consumer was made. The information about of notable sample was analysed, and this empirical study pointed out the real quality of brand products.

Keywords: brand; consumer; product; quality.

JEL codes: M30; M31.

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Aniko Kelemen-Erdos, Adel Molnar. COOPERATION OR CONFLICT? MARKETING AND SALES ORGANIZATIONAL NETWORKS

Abstract

Research purpose. The marketing and sales activity of a company can involve synergy, thus coordinated operations can contribute to the success of the latter. However, the operations of these departments often rely on individual successes which boost conflicts of interest and hinder collaboration. The main aim of the research described in this paper is to explore these factors to highlight the tools that can contribute to enhancing effectiveness. A further goal is to examine the relation, interactions and impact of both organizational units at the company level.

Design / Methodology / Approach. The empirical research applies qualitative focus-group interviews among marketing and sales employees of multinational medium-sized enterprises.

Findings. The research highlights the interfaces between the organizational processes of marketing and sales activities and results in the identification of the competence and knowledge gaps of marketing and sales department cooperation. The explored discrepancies refer to concretising market demand, the information transfer process, prioritizing departments, human relationships, and evaluations that are made during the phases of selling. In addition to these issues, we find that the thoughtless and impatient attitudes of employees can obstruct organizational operation and development.

Originality / Value / Practical implications. In comparison to other research on this topic, the present study applies focus-group interviews as a novel method which enables a deeper and more thorough picture of the related processes. The model which emerges from analysis of the results highlights problems with practical management that can contribute to the development of a more efficient management system. Employees can be trained to decrease the identified discrepancies.

Keywords: corporate performance; organizational behaviour; marketing and sales department; management system.

JEL codes: D23; L20; M30.

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Primoz Pevcin. **A NOTE ON THE EVOLUTION OF CITY LABELLING IN THE LITERATURE**

Abstract

Research purpose. Various cities labelling concepts or categories have become increasingly popular both in literature as well as in urban policy-making. I.e., it has become relatively common that cities, whether larger or smaller ones, make a proclamation that they either are, or would at least like to become, smart, sustainable, digital, creative, intelligent etc. These proclamations have become popularized for the purpose of solving complex urban problems, for electoral purposes at the local level and also for marketing reasons. Nevertheless, those city labels or categories often have a blurry line, what each label represents and should stand for. Thus, it clearly becomes evident that utilizing city categories and labelling itself, in the context of appropriate utilization of terminology, has become a rather complex issue. Consequently, this paper would like to investigate this issue, i.e., the dynamics how different city labels were used throughout the time and to which fields of science and research are specific labels related to most frequently.

Design / Methodology / Approach. We would like to investigate the dynamics how different city labels were used throughout the time and to which scientific fields are specific labels related to most frequently. For this purpose, we will focus on the content analysis of topics and titles within the Web of Science Core Collection database.

Findings. The evidence suggests that the labelling depends also on the time span we are scrutinizing and also on the scientific field the literature is being related to. For instance, some city labels have become popular just recently. Moreover, labelling depends also on the scientific field the literature is being related to, which indicates that labels are not necessary synonyms.

Originality / Value / Practical implications. The debate exists in the literature on the suitability of different city labelling and terminology utilized, as for some labels it is argued that they derive from top-down perspective, others derive from bottom-up perspective, some labels are more holistic than others, some are politically more acceptable than others etc. Simultaneously, those different labels are often used interchangeably at the same time. Thus, this paper would like to contribute to the literature by providing additional evidence and explanations on the utilization of particular city labelling.

Keywords: city categories; content analysis; labelling.

JEL codes: M39; O35.

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Sllavka Kurti, Petrit Dollani. **EVALUATION OF COMMUNICATION CHANNELS AND BARRIERS IN BANKING SYSTEM ORGANIZATIONS – A CASE STUDY FROM ALBANIA**

Abstract

Research purpose. This paper aims at identifying and evaluating the means of communication used, as well as the perceived barriers from employees of the banking system. Authors formulated the following research questions: "what are the means of communication used in the organization?", "which means are preferred and valued as the most effective?", "which are the barriers that hinder the effective communication flow in these organizations?".

Design / Methodology / Approach. Information was gathered through a structured questionnaire addressed electronically to 100 employees of different commercial banks in Tirana (Albania). The questionnaire consists of three parts: 1) socio-demographic data, 2) questions related to communication channels and 3) questions related to communication barriers. A Likert scale from 1 to 5 was deployed to measure answers.

Findings. Employees evaluated the means of communication used in their organizations as generally effective. From the horizontal perspective, they evaluated as the most effective verbal communication (face to face), followed by phone communication. While, from vertical perspective they evaluated as most effective email communication, followed by memos, reports and intranet channel. With regard to communication barriers at work, they perceived vertically time pressure and information overload, while horizontally they pointed out: emotional state, distractions and prejudices.

Originality / Value / Practical implications. Paper explores a relatively new research field in Albania. Findings might serve managers of financial sector organizations to conduct further analyses about the need for intervention and to address barriers wherever possible, with the intent of continuous improvement of effective communicating in their organizations.

Keywords: communication channels; communication barriers; banking.

JEL codes: M10

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Laima Jeseviciute-Ufartiene. CONSUMER INVOLVEMENT IN THE PURCHASING PROCESS: CONSCIOUSNESS OF THE CHOICE

Abstract

Research purpose. Consumer is becoming demanded one in the purchasing process. Thus, consumer behaviour analyses thinking about his involvement into purchase process could be solution for marketers. This article concentrates on the consumer's choice of food products in the purchase process because the author is interested to clarify connection between choice, purchase, and wasting of food. The research aim is to evaluate consumer consciousness choosing food product in the purchase process.

Design / Methodology / Approach. Quantitative method using questionnaire was applied to 643 respondents while implement formulated aim. Cronbach's Alpha analyses of 35 items (0,870) showed reliability of the research.

Findings. The research results indicated that consumer in the food purchase process is low consciousness because he does not understand that he is buying more than he needs and thus some of his purchase becomes waste. Consumer's consciousness could be seen in the choice of food packaging because customers are more frequently looking for packages that could be recycled.

Originality / Value / Practical implications. The research results could be used in practice and science. Food producing companies might use some research results making their packaging solutions. The research results for scientists could give incites for future research.

Keywords: consumer; involvement; purchasing process; customer; consciousness.

JEL codes: M310; M370.

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Delia Pop-Flanja. CRISIS COMMUNICATION. A CASE STUDY ON THE "COLECTIV" TRAGEDY

Abstract

Research purpose. The aim of this article is to tackle crisis communication and the image of the crisis at a multi-organizational level, with a focus on the public sector, in the cases of severe crises that pose threats to security and health.

Design / Methodology / Approach. As a theoretical background, the focus will be on the situational crisis communication theory introduced by the communication scholar

Timothy Coombs, who considers that effective crisis responses depend on the assessment of the situation and the related reputational threat. The crisis to be analysed is an event that took place in Bucharest in October 30, 2015, namely the "Colectiv" nightclub fire tragedy that caused the death of dozens and the injury of more than one hundred people, which had a great impact on the Romanian society.

Findings. As there have been a lot of discussions on the crisis management of this event, the purpose of this article is to assess the crisis from the point of view of the communication strategies that were used by the organizations involved, the impact of these strategies on the perception of this event at a national and international level and the role played by social media. Since there was an entire series of perceived wrongdoings after the incident *per se* took place, communication should also be analysed from different perspectives.

Originality / Value / Practical implications. The originality of the article consists in analysing this crisis from the point of view of the communication strategies of multiple actors that contributed to the manner in which the "Colectiv" nightclub fire tragedy was perceived, taking into consideration that most studies in crisis communication focus on the messages conveyed by one organization.

Keywords: crisis communication; security; "Colectiv" tragedy.

JEL codes: D83; H12.

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Marcin Komanda. PLAYING WITH PRICE SENSITIVITY AMONG FITNESS INDUSTRY CUSTOMERS: AN EVIDENCE FROM POLAND

Abstract

Research purpose. The aim of the study was to determine the pricing policy of Polish trainers in the fitness industry in relation to customer price sensitivity. Two research questions have been formulated for the need to achieve this goal. Firstly, what is the distribution of respondents' answers in questions about the frequency of using discounts for customers? Secondly, is there in the respondents' answers the dependency between the form of the service being conducted and the frequency of using price discounts for customers?

Design / Methodology / Approach. The study was based on the use of a structured questionnaire containing questions along with response proposals presented in the five-point scale. The questions concerned the frequency of discounts for new and regular customers. In the case of both questions, the variants of the answers were: never (1), very rare (2), sometimes (3), rather often (4), always (5). The research tasks were completed with the use of the programme PS Imago 5 for quantitative analysis of

collected data. With regard to the character of surveyed subjects nonrepresentative sampling in the form of a snowball method was used.

Findings. The results of the survey show that fitness trainers only sometimes use discounts for regular and new customers. There is a statistically significant relationship between the respondents' indications about the frequency of discounts for new customers and the form of service (group vs. face to face). This relationship has not been established for regular customers.

Originality / Value / Practical implications. Personal trainers in the fitness industry are an unrecognized subject in management science. Research results in literature are presented mostly in relation to fitness clubs, which are often facilities of franchise networks. The results of this study reveal an emerging pattern of coping with the price sensitivity of Polish customers by fitness trainers.

Keywords: fitness trainers; fitness industry; customers; price sensitivity.

JEL codes: M20; M13.

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Michael Levens. ENHANCING THE VALUE OF LIFESTYLE BUNDLES

Abstract

Research purpose. The study of marketing a lifestyle is important as it can allow brands from different categories to collaborate to form, essentially, a new offering to consumers. This is particularly important for brands operating in segments with significant loyalty or in segments that have become or are becoming commodities. A lifestyle offering can span categories and address latent consumer attitudes such as aspiration and convenience. Lifestyle bundles were introduced as a "way of life that individuals express by choosing to allocate their time and personal resources to a single package of two or more goods or services that they believe represent their current or desired way of life" (Levens, 2010). The initial research on lifestyle bundles was contextualized through a bundled multi-category luxury offering targeted at affluent consumers and was built on the concepts of luxury marketing, bundling and the needs, attitudes and behaviours of affluent consumers. This paper revisits the original work on this topic and explores ways to enhance interest in the underlying bundle proposition.

Design / Methodology / Approach. The methodology to explore enhancements to the lifestyle bundles involved re-analyzing the data cube used to develop the inaugural lifestyle bundle research (Levens, 2010). The data cube was mined to identify individual preferences to increase interest in the original concept. The underlying argument is that adjusting lifestyle bundle items may increase overall concept interest. Analysis

presented in this paper was completed through statistical description using SPSS software.

Findings. Initial concept evaluation identified a non-trivial level of interest in the lifestyle bundle consisting of home, vehicle and vacation club. While novelty was acknowledged as a reason for interest it was clear that utility derived from convenience and lifestyle expression was the foundation for many concept supporters. Concept rejecters also noted these attributes as influencing their opinions. Elimination of vacation club offer as part of the lifestyle bundle would have the greatest impact on increasing rejecter interest. Adding home and vehicle insurance to the lifestyle bundle would have the greatest impact on enhancing the value proposition for concept supporters.

Originality / Value / Practical implications. Lifestyle bundles are a novel approach for marketers to differentiate their products and create new opportunities among consumers that might have not previously considered their products or services. Enhancing the lifestyle bundle offer can only increase those opportunities.

Keywords: Conjoint Research; Lifestyle Bundles

JEL codes: M31

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Anna Svirina. ANALYSIS OF TECHNOLOGY STARTUP DEVELOPMENT DYNAMICS AT PRODUCT CREATION STAGE

Abstract

Research purpose. The purpose of this research is to reveal key factors influencing technology startup development on early stages of product creation.

Design / Methodology / Approach. The study is performed on the basis of case analysis. The cases are integrated and clustered by means of statistical analysis to reveal typical trends of startup development on the early stage of functioning. The case studies were acquired from the expert interviews with venture fund experts and tracers.

Findings. The research suggests that typical technology startup development trends on the stage of product creation stage growth factors can be divided into 4 main clusters, each having a typical growth pace and trend. These types are influenced by key startup team characteristics, including balance, cooperation value, collaboration value and synergy; product development characteristics, including complexity of the product and uncertainty of its development; market factors, including complexity, uncertainty and competition in the market; financial factors, including the cost of the capital and efficiency of its use. For each cluster the study reveals specific growth problems related to identified type of the technology startup.

Originality / Value / Practical implications. The results are originally extracted from this research. The practical implication of this research that the acquired results can be

used in accelerating startups programmes, and also by venture capitalists and business angels to define the risks associated with new product development.

Keywords: technology; startup; growth; cluster analysis; development.

JEL codes: O30

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Oksana Didenko, Larysa Hrytsenko. MANAGEMENT OF INVESTMENT PROJECTS IN PUBLIC-PRIVATE PARTNERSHIP

Abstract

Research purpose. The purpose of this research is the development of models of the distribution of capital investment and income flows of investment projects in the system of public-private partnership with the account of risk factors.

Design /Methodology / Approach. In current conditions, the problem of search of innovative mechanisms of investment projects implementation in the public-private partnership, which allow reaching an optimal assignment of socio-economic effects of investment and risks between parties of a public-private partnership remains actual. The absence of reasonable scientific and methodological approaches to the management of investment projects of public-private partnership predetermines the need to create appropriate tools for risk sharing and investment income between participants of public-private partnership. The systematization of the models of cash flows implementation and regulatory actions performed. The authors consider main characteristics of three basic models (with private project management, with state project management, with public-private project management) and their principal modifications, which reflect organizational features, differences in risk-sharing mechanisms and economic earnings, conditions, determining the feasibility of the recommended scope of use.

Findings. Models of cash flow distribution from the implementation of investment projects of public-private partnership considering the belonging of the subject, performing project management, to the state of the private sector of the economy, as well as the volume of investment requirements, risk level, customer satisfaction with social needs were suggested.

Originality / Value / Practical implications. In our view, their implementation provides the relationship between investment benefits gained by partners with volumes of furnished capital, the level of accepted investment risk, service level, concerning the satisfaction of social needs. Hereon, the possibility for equitable distribution of socioeconomic effects from investment implementation in the system of public-private partnership is created.

Keywords: public-private partnership; project; project management; cash flow; risk.

JEL codes: E22; H54.

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Agnieszka Dziubinska. ACTING IN UNKNOWN – LESSON FROM DEVELOPING ACTIVITIES IN EMERGING MARKET ENVIRONMENT

Abstract

Research purpose. Managers are often required to respond in adaptive ways to wicked problems, which are highly complex, ambiguous, and divergent and therefore never can be completely solved. One possible approach is to simplify the problem, achieved by reductionism. Complexity science, however opens different perspective, challenging the enduring mechanistic worldview. On that basis, strategic shift is proposed, to messy environment, more ecology than machine, but more adaptive and capable of resilience. Emerging markets are attractive research perspective of developing activities in unpredictable environment, in which an over focus on efficiency optimizes for the actual and imaginable context of the planning leads to lack the necessary inefficiencies to create adaptive effectiveness.

Design / Methodology / Approach. Drawing on data collected from one longitudinal case study, author examines how managers under the adaptive pressure of home market, deal with high uncertainty by developing activities in unknown to them environment of foreign emerging market. In the analysis, the perspective of complexity science were used.

Findings. A mechanism that account for differences and changes in the dynamics of the process over time is identified. Those changes affect how the individuals come to understand their organization's business environment.

Originality / Value / Practical implications. The findings help to explain how individuals make sense of new, and completely unknown environment, and how this process can yield different outcomes.

Keywords: emerging markets; strategy as practice; complexity.

JEL codes: L20; L22.

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Elena Malkawi, Georgios Afxentiou, George Antoniades. THE ROLE OF STRESS MANAGEMENT IN MANAGERIAL DECISION MAKING: CYPRUS HOTEL INDUSTRY

Abstract

Research purpose. The purpose of this study is to investigate the impact of self stress-management on managerial decision making within the hotel industry.

Design / Methodology / Approach. A mixed research method is applied in this study. Questionnaires will be used as a quantitative research method and interviews as a qualitative research method. Questionnaires consist of fifty questions which take five to ten minutes to complete. The sample includes middle level managers in all four-star and five-star hotels in Cyprus. The duration of the interview session is between thirty to forty minutes. The quantitative data analysis will be conducted with SPSS software while the qualitative data analysis will be conducted with NVivo software.

Findings. While personal stress management capacity has an impact on decision-making process, stress management programs are crucial for effective performance and employee well-being.

Originality / Value / Practical implications. This study focuses on the relation between self stress-management and managerial decision making within the managerial work environment in the hotel industry. It makes an important contribution to hotel management by identifying skills for employee selection and training processes.

Keywords: stress management; decision making; hotel industry; managerial performance.

JEL codes: M12; M5.

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Vita Stige-SkuSkovnika, Inga Milevica, Agnis Skuskovniks. **UNDERSTANDING OF PUBLIC RELATIONS IN SOCIETY OF LATVIA**

Abstract

Research purpose. Public understanding of public relations work and profession in general in Latvia is still unclear, often the expression of this profession is mixed with marketing, advertising and journalism. In UK the majority of PR and communications people believe that PR is a profession, at 56%. Only 35% view it as an industry, and 7% believe that PR is neither of these. (PR and Communications Census, 2018) This is the main aspect for the research purpose – to study and find out the understanding of public relations concept and forms of expressions in society of Latvia.

Design/ Methodology/ Approach. To achieve the purpose the scientific literature were studied and survey of 230 Latvian citizens was carried out and results were analysed. The survey was conducted two months – in October and November, 2018. Survey questions were designed to clarify respondents understanding and associations about public relations concept, capabilities, work directions and differences from other industries such as marketing, advertising, journalism.

Findings. The research findings emphasizes that a large part of Latvian society is unable to distinguish job responsibilities between public relations specialists and marketing representatives. Although the public relations profession in reality is highly intertwined with the duties of other professions. Survey results shows that in general public relations are mostly understood by young people or people under 30 years of age. However a lot of respondents do not go deeper into the concept and authors of this research concludes that society of Latvia has a superficial understanding of what public relations really are and do.

Originality/ Value/ Practical implications. The identification of capabilities helps define the practice of public relations and identify areas of career growth for the profession. It provides a path to expand expertise beyond the traditional associations of media relations, crisis communications, and writing, to include social media, reputation management, internal communications, and community and government relations. Finally, it informs requirements for professional standards, educational curriculum, and professional skills development. (Thurlow et al., 2018) This research gives an insight of understanding public relations in society of Latvia which could give the opportunity for the development of this industry and profession.

Keywords: public relations; communication; survey; Latvia; society.

JEL codes: D83; L84.

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Pavol Kral, Katarina Janoskova, Pavol Durana. LINEAR MODEL FOR BRAND PORTFOLIO OPTIMIZATION

Abstract

Research purpose. This paper is primarily dedicated to the brand portfolio optimization subject. The introduction includes definition of terms such as "brand portfolio optimization", "optimal brand portfolio" and factually presented basic theoretical basis of optimization. Next part of the paper presents mathematical model of optimum brand portfolio created based on linear programming with restricting conditions, being maximum acceptable risk level and budget. Subsequently, there is an explanation of basic types of resources and basic types of relations between brands, which also enter the process of brand portfolio optimization).

Design / Methodology / Approach. With regard to the brand portfolio management analogy to management of other systems comprising of set of individual or interconnected elements in joint interaction, for proposal of characteristics for brand portfolio specified in this contribution below, we used knowledge and several years of experience of relative, mainly economic disciplines. Our assumptions were based mainly on project portfolio management, operational analysis and linear programming as well as graph theory tools and methods.

Findings. Brand portfolio management as creating, planning, organizing and then maintaining a successful brands is a long-term and costly process involves effective marketing strategies and decisions. For brand portfolio creation, it is necessary to make decision regarding number of brands as well as type of brands, to contribute to achievement of business goals.

Originality / Value / Practical implications. Brand portfolio optimization requires sufficient attention; however, rather than selection of the highest number of brands, it should be based on compilation of a set, according to pre-defined priorities, that would provide the best possible meeting of company goals for the current limitations. It should be implemented upon objective rules (in our case maximum allowable risk level and available budget). Frequent changes in the brand portfolio structure are not beneficial since they reduce the ability to achieve company's targets as well and represent excessive use of resources. It is necessary to emphasize the necessity to respect further, mainly qualitative brand characteristics, which are irreplaceable in the brand portfolio management. Due to extensity of the issue, the qualitative characteristics were not subject to our examination.

Keywords: brand strategy; brand portfolio; optimization; resources.

JEL codes: M31; M39; L19.

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Aldis Bulis, Sajal Kabiraj, Md Nur Alam Siddik. COMPETITIVENESS IMPEDIMENTAL FACTORS OF COMPANIES IN CHINA

Abstract

Research purpose. The market of the People's Republic of China is a challenging and attractive market for foreign companies, because its GDP is growing by at least 6% yearly in the 21st century and there are a lot of barriers that makes it difficult both to enter Chinese market and to do business in it. This study is devoted to investigating competitiveness impedimental factors of Latvian manufacturing companies in China, because there are no studies contributing to this issue yet.

Design / Methodology / Approach. Conceptual models and mathematical models are applied studying competitiveness of companies in the foreign markets. There are well-established models, like Porter's Diamond model, and original models that are used to investigate competitiveness of foreign companies in China. The aim of this is to investigate competitiveness of Latvian manufacturing companies in China identifying the competitiveness impedimental factors of Latvian manufacturing companies in China. Various research methods are applied to reach the aim, as literature review, expert survey and companies' survey.

Findings. The results of surveys show that the main internal competitiveness impedimental factors of Latvian manufacturing companies in China are, firstly, inappropriate marketing to sell Latvian products in the Chinese market, secondly, brands of Latvian companies are not well-known in China, thirdly, lack of Chinese language knowledge, fourthly, lack of knowledge and understanding of the Chinese market. The main external competitiveness impedimental factors of Latvian manufacturing companies in China are, firstly, logistics to China is time-consuming and expensive, secondly, lack of support from government for exporting to China.

Originality / Value / Practical implications. This study contributes to discussion on competitiveness improvement of foreign companies in China and barriers related to doing business in China. Latvian case brings new findings, as well as the full list of impedimental factors for Chinese market was developed. The study is useful both for policy makers and managers.

Keywords: China; competitiveness of companies; Latvia; impedimental factors.

JEL codes: B27; F23.

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EMERGING TRENDS IN INTERNATIONAL BUSINESS RELATIONS AND LEGISLATION

Karina Zalcmane. THE "BLACK-OUT RULE" OF THE UEFA IN LATVIA AND ABROAD

Abstract

Research purpose. Article 48 of the UEFA Statutes or so called "black-out rule", exists to protect football fans and players from the effect of competing with live coverage of football games. The rule has been subject of much disputes since it was introduced. Therefore, the research paper aim is as follow: In accordance to an analysis of previous legal issues, to determine the likely outcome of future competition law challenges in regards to the UEFA "black-out rule".

Design / Methodology / Approach. IRAC, in order to: identify the issue, state the specific rule or law applicable to the issue, discuss the law in respect to the facts, provide the conclusion.

Findings. The majority of EU countries do not have the "black-out rule", the absence of which has not affected attendances in those leagues at all. There is no statistic data in regards to attendances in case if the rule being abolished, even in those countries, where the "black-out rule" is in legal force. However, there is still a risk that allowing the broadcast of live games during the main domestic team game would have an opposing effect on attendances, which will affect not only the economic aspects of the state, but social, legal and might even be harmful for people's health.

Originality / Value / Practical implications. The results of the research could be used by Latvian Football federation and Latvian Broadcasting Association. The research is first of a kind in Republic of Latvia.

Keywords: The "black-out rule"; UEFA; EU; Sports Law.

JEL codes: K29

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Katarzyna Zak. POSITION ON THE INVESTMENT DEVELOPMENT PATH: THE CASES OF POLAND AND LATVIA

Abstract

Research purpose. The purpose of this article is to determine the progress and current position of Poland and Latvia on the investment development path.

Design / Methodology / Approach. Research tools such as the review of domestic and foreign literature were used and desk research (based on NBP, Latvijas Banka and UNCTAD statistical databases) was carried out to determine the position of the Polish and Latvian economy in the IDP model.

Findings. The result of the research will be to establish the impact of FDI on the economy of Poland and Latvia. Identified position on the IDP curve based on the NOI indicator allows to determine whether the economy improves its competitive position thanks to the inflow and its own FDI.

Originality / Value / Practical implications. Diagnosed position on the IDP curve will allow identifying factors which make Polish and Latvian economy attractive for foreign investors. The progress on the IDP curve requires also the identification of factors that will cause FDI of these countries to be competitive on foreign markets.

Keywords: Foreign Direct Investment (FDI); Investment Development Path Model (IDP Model; Latvia; Poland.

JEL codes: F21; F23; O10.

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Marina Kamenecka-Usova. THE TOPICALITY OF SPORTS LAW

Abstract

Research purpose. The purpose of the paper is to identify whether Latvian legal act on sport issues- *Sporta likums* (hereinafter Sports Law) is able to answer the questions of modern sports industry, whether it contains relevant regulations and values in order to protect the rights of its subjects.

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

Findings. In Latvia, along with such European countries as Austria, Belgium, France, Spain, Portugal, Switzerland, Italy, Cyprus and Luxembourg, there is a Sports Law. This law was adopted by Parliament in October 2002 as a single document. This practice, i.e.. the existence of a single legal document on sports, does not exist in all European countries. In Latvia, the question of whether the Sports Law meets the needs of modern sports and if it is able to solve problems and disputes, or does it exclusively contain a set of principles and rules under which the Latvian sports system operates, is often touched upon. Article 2 of Sports Law contains the answer: "The purpose of this Law is to specify the general and legal basis for sports organization and development, mutual relationships of sports organizations, State and local government institutions and basic tasks in sports development, and the basis for the financing of sport, as well as the principles that shall be followed when taking part in the international sports movement". Also, Article 1 (10) contains the following general definition of the term "sport": "all types of individual or organized activities for maintaining and improving physical and mental health, and also achievement of success in sports competitions". It can be concluded that the Sports Law rather represents a certain set of principles and

recommendations, only generally regulating the functioning of the Latvian sports sector, practically not covering high-profile sports and professional sports, as well as currently it is not able to resolve current issues of modern sports and its subjects.

Originality / Value / Practical implications. The subject of sports law and sport related disputes is one of the most arguable since McLaren report, as doping cases attracted attention of scholars and society to other unresolved questions in sport sector. Hence, topicality of Sports Law is an important question that should be touched upon in order to contribute to the development of Latvian sport system, by making it clear, transparent and modern.

Keywords: Sports law

JEL codes: K40

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Una Skrastiņa, Dzeina Gaile. EFFICIENT USE OF FUNDS AND RISK REDUCTION AS ONE OF THE AIMS OF PUBLIC PROCUREMENT

Abstract

Research purpose. The purpose of this research is to analyse one of the aims of the Public Procurement Law provided in Article 2 – efficient use of contracting authority funds and reduction of its risks. Since all legal norms should be understood in the light of the aims of the law, this aim, together with others, is important in interpreting Public Procurement Law in practice.

Design / Methodology / Approach. To interpret the aim correctly, it is important to understand its origins, history, how it is further reflected in law and how it is applied in practice. Therefore, authors analyse all those aspects using historical, comparative, descriptive, dogmatic and analytical research methods.

Findings. Understanding of this aim is important in practice since it should be applied together with other aims and principles, for example, equal treatment of tenderers and transparency, but it sometimes can even contradict them. Therefore, lack of understanding of this aim can lead to incorrect application of law and even breaches.

Originality / Value / Practical implications. There is no publicly available research on this topic, but it is important for contracting authorities and tenderers to understand the meaning, possibilities and limitations of this aim to apply it correctly. Therefore, this research is both original and practically applicable. As a result of the study, readers can gain more insight into the impact of this aim on public procurement.

Keywords: public procurement; aims; efficiency; risks; public funds.

JEL codes: H57; K23.

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Sofiya Shvelidze. RUSSIAN ARCTIC SECTOR BOUNDARIES: THE INTERNATIONAL ISSUES OF LEGAL REGIME IN THE ARCTIC REGION

Abstract

Research purpose. The regime of maritime spaces as a general rule " is determined by the principles and norms of international law relating to the oceans and enshrined in the Geneva Convention on the Law of the Sea of 1958 and the United Nations Convention on the Law of the Sea of 1982. However, the issue is that 1982 Convention practically does not fix any special regime on the Arctic, bearing in mind that the use of the Arctic spaces is rather effectively regulated at the national levels. Arctic issues in this regard lacked in-depth analysis and no attempts to develop specific norms and approaches with regard to the Arctic region were made, with the exception of Article 234 of UNCLOS, which is related to the right of the coastal States to "regulate navigation" in its Exclusive Economic Zones. The purpose of the current research is to analyze how far a State may go in the process of establishment of the laws and regulations while exercising the right granted by the Article 234 with the particular focus made on the position taken by the Russian Federation.

Design / Methodology / Approach. In order to achieve the aims of the research, descriptive method was chosen as the method for clarification on the legal regime currently applicable in the Russian Arctic Sector in particular, supported by the dogmatic method in order to understand and explain the position taken by the legislative bodies.

Findings. As the result of the research, attempts to satisfy how having interests and stakes in the region of high overall salience contribute to prioritization by Russian Federation of its rights over the region by restrictions imposed on the navigational freedoms granted to the States by UNCLOS. Additionally, suggestions are made in respect to the possible solutions necessary in order to strike a balance between national interests of the Arctic States and rights of others States to access the area without causing any harm to the environment and security of the region.

Keywords: environment in iced-cover areas; legal regime; Russian Arctic Sector; UNCLOS.

JEL codes: K32; K33; K39.

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Gediminas Valantiejus, Saulius Katuoka. UNIFORMITY OF APPLICATION OF THE EU CUSTOMS LAW: PROBLEMATIC ASPECTS IN THE BALTIC STATES

Abstract

Research purpose. European Union (EU) Customs Law is a significant branch of EU's substantive law which, on the basis of the Union Customs Code (UCC; Regulation (EU) No 952/2013) and the Combined Nomenclature of the EU (Regulation (EU) No. 2658/87 and its Annexes), regulates the international trade of the EU and its Member States with the third countries, in particular the taxation of the international trade operations by applying the customs duties/tariffs. However, after the adoption of the UCC, which imperatively requires all the customs administrations of the EU Member States to work as one, the problem of the uniform application of EU customs law remains very important. Therefore, the authors analyse the practice of the Baltic States (i.e., Republics of Estonia, Latvia, and Lithuania) in this area, based on the case law of the Court of Justice of the European Union (CJEU) in cases involving references to the CJEU by the national courts of different Baltic States.

Design / Methodology / Approach. The authors 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, the authors have selected the judicial cases of the CJEU (in the period from 2010 to 2018) related to certain theme - customs duties - and compared the practice of the CJEU in such cases, which are attributable to the relevant EU Member State in order to identify the problems of uniformity in the application of EU customs law (specific to the different Baltic States). Finally, by comparative insights and comparative method, the authors present proposals for the improvement of legal regulation to ensure the compatibility of national rules and practices with the EU law.

Findings. During the investigation, the authors established that the problems of uniform application of EU customs law in the Baltic States arose in such areas as tariff classification of goods, use of sanctions for infringements, determination of the origin and value of goods (in the case of Latvia), regulation of customs procedures (in the case of Estonia), customs duties and other import taxes preferences (in the case of Lithuania). At the same time, it was established that the national courts of the Republic of Lithuania were the least active in ensuring co-operation with the CJEU this area, which could have been caused by the improper national legal regulations.

Originality / Value / Practical implications. The authors present (after the assessment of the experience of the Baltic States) the proposals for the improvement of both the legal regulations of the EU customs law, 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 international trade regulatory measures. While some of the similar studies were completed in the recent years (e.g., by K. Limbach

(2015)), they do not provide a detailed comparative analysis of the issues which were investigated, specifically considering situation in the Baltic States.

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

JEL codes: F13; K34.

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Oksana Lentjusenkova, Ilona Lejniece, Inese Stankevica. **LEGISLATION INFLUENCE ON INTELLECTUAL CAPITAL AT HIGHER EDUCATION INSTITUTIONS: CASE OF LATVIA**

Abstract

Research purpose. According to legislation and The Standards and Guidelines for Quality Assurance in the European Higher Education Area, higher education institutions (HEI) have to meet different criteria. Most of them are related to the research and creative activities, human resource quality and informational provision. HEI are responsible for the development of their human resource quality, research quality, research outputs etc. Fulfilling all criteria, the intellectual capital of HEI could be created and developed. The purpose of study is to find out development trends of the intellectual capital at HEI in coherence with the legislation and quality standards.

Design / Methodology / Approach. The authors have analyzed development of the intellectual capital of Latvian HEI according to legislation and quality standards, using different criteria. The criteria are elaborated on the basis of intellectual capital structure and quality standards in higher education.

Findings. The authors conclude that there is no unique approach in data disclosure and reporting despite of legislation and quality standards. Latvian HEI focuses on the academic staff and research development. It can be explained by existing quality standards, which require certain quality of academic staff and research. Leading HEI show better indicators in the field of intellectual capital.

Originality / Value / Practical implications. The results show the main trends in the formation and development of the intellectual capital at HEI. The intellectual capital of HEI, especially human capital, is one of the key factors for HEI sustainable development. Nowadays the HEI have become centres for knowledge creation and sharing, which capacity depends on their intellectual capital. HEI could develop the intellectual capital

by meeting legislation requirements and quality standards. This approach promotes competitiveness and sustainability of HEI.

Keywords: intellectual capital; quality; legislation; higher education institution.

JEL codes: K11; K29; D23.

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Anna Saltikova. LEGAL DISPUTES IN ENTERTAINMENT INDUSTRY: A CASE STUDY

Abstract

Research purpose. The purpose is to develop a description of a legal dispute/ case study, typical of entertainment industry and based on a real life situation, that can be used in the study process for developing legal competences.

Design / Methodology / Approach. During the preparation of the case study description, it is intended to present conditions of a real situation, integrating the information collected during interviews with its participants, adding the dispute related documents (e.g. agreement texts), preparing a list of the key legislative acts required for resolving this case, developing guidelines for teachers how to use this case study in the study process (e.g. describing the expected learning outcomes and their assessment criteria, independent tasks, a list of questions to encourage discussion, several scenarios to resolve the case, etc).

Findings. The case study description will be developed on the basis of a real life situation and, in the course of resolving this dispute typical of entertainment industry, law students will have the possibility to develop their knowledge and understanding of legal framework regulating commercial transactions and deals with consumers, consumer right protection mechanisms in Latvia and the European Union, as well as to develop skills to analyse and resolve such disputes, considering and analyzing the dispute from the viewpoints of 3 dispute parties.

Originality / Value / Practical implications. In Latvia, for law students, there are very few case study descriptions of commercial deals and consumer right protection issues involving several parties. In addition, the present description is based on a real case typical of preparing a deal in the practice of entertainment industry that may trigger the

emergence of a legal dispute, while the change of practice and more accurate design of such deals could prevent the occurrence of such disputes.

Keywords: case study; consumer rights; commercial law; civil law.

JEL codes: K13; K15; K33.

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Tatjana Kalin, Tatjana Polajeva. RESIDENCE ASSOCIATION AS FORM OF MANAGEMENT OF REAL ESTATE: THE LEGAL STATUS OF LEGAL ENTITY UNDER LEGISLATION OF THE REPUBLIC OF ESTONIA

Abstract

Research purpose. The aim of this article is to analyze a residence association as a form of management of real estate under the legislation of the Republic of Estonia. The following features of a residence association are analyzed: organizational unity, severability of property, severable liability and business name.

Design / Methodology / Approach. The authors were mostly focusing on the juridical side of the residence association, giving the answer, why it is important to start research of residence association from this angle of view. The General Part of the Civil Code Act, Condominium and Residence Associations Act and Accounting and Tax Acts were considered as the main sources for the research.

Findings. Residence association founded in private interest as a form of administration of real estate stands in civil legal relations as subject of law –legal entity under private law. Due to the fact that its main activity is not earning profit, residence association refers to the type of legal entity – a non-commercial association. Meanwhile, presently the institute of residence association is a specific form of legal entity under private law.

Originality / Value / Practical implications. Residence association cannot be unequivocally considered a non-commercial association, because during the founding process of the residence association, it is not infrequently that the principle of voluntary membership in non-commercial association is not observed for all members of residence association. On the other hand, the residence association, being a non-commercial association, meets the main features of economic organization.

Keywords: real estate; property; owner; residence association; legal entity; management of real estate.

JEL codes: K11; L85.

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Jolanta Dinsberga. CONCEPTUAL MEANING OF A SERVITUDE AS THE RIGHT IN RESPECT OF THE PROPERTY OF ANOTHER

Abstract

Purpose of research. To identify the particularities of the content of the notion of servitude and problem issues related to practical application thereof, as a result drawing conclusions and providing proposals for the development of the legal framework.

Methodology. Descriptive, analytical, indicative, deductive, graphical.

Findings. The definition of a servitude is provided in Section 1130 of the Civil Law. In the definition, emphasis is put on the words 'the property of another'. This means that a servitude may be established only for the benefit of another person or an immovable property belonging to a third party. As is apparent from this definition, a servitude may not be established in respect of one's own property. Consequently, in the event of situations where a unit of land owned by its owner is divided into several units of land for the purpose of further sale thereof, the access road must be provided for in land surveying documents, yet it is prohibited by law to establish and to record a servitude of right of way in the Land Register. The aforementioned causes problems in practice when the subdivided unit of land is being sold as the fact that a road has been planned does not give the right to move along this road. Furthermore, in cases where the buyer and the seller do not agree immediately on establishing a servitude of right of way or the seller concurrently sells all units of land to various buyers, later on the new owners are faced by the problem of establishing a servitude of right of way.

Practical implications. Upon examining the problems identified in current practice and searching for solutions to prevent this problem in the future, one of the possible solutions could be the possibility to include a provision in the Civil Law which provides for recording a servitude in the Land Register in the form of an entry also in respect of own property in certain cases.

Keywords: road easement; right of use.

JEL codes: P14; K11.

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Jolanta Dinsberga. DECISION ON PROVISIONAL REGULATION IN CASES RELATED TO ESTABLISHING A SERVITUDE OF RIGHT OF WAY AT COURT – NECESSITY AND IMPLEMENTATION PROSPECTS IN LATVIA

Abstract

Purpose of research. To draw conclusions and provide possible proposals for introducing provisional regulation in cases related to establishing a servitude of right of way examined at court as the result of research and analysis of the legal framework on access to immovable properties, problem issues and provisional regulation.

Methodology. Descriptive, analytical, indicative, deductive, graphical.

Findings. Access to immovable property is one of the factors for a person to be able to fully exercise the property rights stipulated in Article 105 of the Constitution of the Republic of Latvia. Unfortunately, there are many immovable properties in Latvia that can be accessed only by crossing the immovable property owned by another person. In cases where access to own immovable property cannot be ensured through agreement, on the basis of a will or by law, it is necessary to address court. Within the scope of research, the author came across the fact the legal proceedings usually take three years and during this period it is not possible to access the relevant immovable property. At present, if respect for human rights of a person is jeopardised which consequently calls for immediate (urgent) regulation, provisional regulation is applied in the case of administrative proceedings. In addition, the Civil Procedure Law provides for the right of a court to take a provisional decision in respect of certain property categories. Unfortunately, there is no provisional regulation in respect of cases related to establishing a servitude of right of way.

Practical implications. In the opinion of the author, provisional regulation in cases related to establishing a servitude of right of way where a provisional decision is taken by a court is one of the solutions by which it would be possible to ensure the property rights of a person and to balance the interests of the conflicting parties during legal proceedings. Especially if as a matter of fact in nature there is a passable road and no loss is caused to the owner of the land by passing through this territory.

Keywords: road easement; provisional regulation.

JEL codes: P14; K11.

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Inara Brante, Aina Joppe. **BOARD LIABILITY FOR LOSSES CAUSED TO A COMPANY**

Abstract

Research purpose. The liability of a board member for losses caused to a company in Latvia has not been sufficiently researched to date. At the same time there is a lack of publications and summaries of court practice in Latvian. This creates problems for a uniform application of normative acts in practice. The purpose of research is to analyze such topical issues as the conditions of the liability of a board member, the presumption of guilt of a member of the board in the light of the Commercial Law, the limitation period of the claim.

Design / Methodology / Approach. Method of analysis, comparative method, logical method and systemic method.

Findings. The liability of a board member for the losses caused to the company.

Originality / Value / Practical implications. Analysis of the existing situation and the basis of normative acts determining the liability of board members. The present research contributes to the study of business issues in two aspects: 1) the presumption of guilt of an official in the light of the Commercial Law; 2) legal conditions that affect the role and liability of a board member in case of losses to a company.

Keywords: board member; liability; presumption of guilt; legislation; business.

JEL codes: K20

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EMERGING TRENDS IN EDUCATION AND PEDAGOGY

Grzegorz Palus. **FORMATION AND EVALUATION OF ACADEMIC GOVERNANCE OF POLISH PUBLIC UNIVERSITIES ON THE EXAMPLE OF THE UNIVERSITY OF SILESIA IN KATOWICE**

Abstract

Research purpose. My motivation to write this article are changes which are taking place in the Polish higher education system, related to the new priority goals set for Polish universities, as well as the and newly adopted law on higher education and science. One of the key changes affecting the evaluation of the academic governance is the change of priority from didactics to conducting scientific research. The aim of the article is to discuss the concept of academic governance and its presentation on the example of the University of Silesia in Katowice.

Design / Methodology / Approach. The presentation is based on the existing conditions which are shaping the academic governance and forecasted changes related to the entry into force of the new law. The article also attempts to classify the ratings for which the academic governance is assessed. The research was conducted based on the information and data gathered from the rector's team, which prepares concepts related to the functioning of the university on the basis of new regulations.The research also used information available in the Public Information Bulletins of the studied universities.

Limitations/Problems. Due to the fact that the topic of academic governance in Poland is a research topic with a brief history, I have encountered limitations related to the clear definition of a closed catalogue of factors affecting the formation and evaluation of the academic governance. One should be aware that some of the presented concepts are still in the design phase and may be subject to modifications.

Findings. The most important determinants influencing the formation and evaluation of academic governance of Polish public universities were specified as a result of the observations and analysis made.

Originality / Value / Practical implications. The factor that distinguishes the content of the article from other studies dealing with the subject of academic governance is the practical inclusion of the academic governance and embedding it in the University of Silesia in Katowice's situation.

Keywords: governance; academic governance; higher education.

JEL codes: H83

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***Aigul Niyazova*. THE ROLE OF FOREIGN LANGUAGES LEARNING IN THE PERIOD OF INTERNATIONALIZATION OF THE MODERN EDUCATION SYSTEM**

Abstract

Research purpose. Kazakhstan is developing in the era of internationalization of world education. This paper is devoted to the consideration of role of learning foreign languages in the modern world. The research was conducted to study the current situation of language teaching in the modern world. The study involves the study of the opinions of modern scientists, their works. The purpose of this work is to study what the world education is facing and what problems worry the scientists.

Design / Methodology / Approach. The article discusses the views of scientists, new trends in language learning. The views of modern methodists and their articles allowed to get acquainted with the issues of concern to the scientific community of the world. The article analyzes the current situation in the world on the problem of learning languages, the role of the English language, issues of multilingualism. The author of the article used such research methods as theoretical analysis and generalization of foreign scientific literature on pedagogy, methods of teaching foreign languages, empirical methods of pedagogical observation, statistical processing of the data obtained. The paper is based on a retrospective study of the works of modern scientists, the analysis of ideas.

Findings. The article deals with the development of trilingualism and multilingualism, multilingual education and multiculturalism. These problems are the most discussed in the world and are directly related to the sphere of primary, secondary and higher education in our country.

Originality / Value / Practical implications. The idea of the article is due to the need to further development of the theory of professional language personality in an interdisciplinary aspect, which is associated with the relevance of training multilingual specialists for various spheres of professional activity. Today in Kazakhstan there is an important question of the language training of professionals for various fields of activity. Issues of three-lingual and multi-lingual training are also discussed by Kazakhstani methodists. The ideas of foreign scientists and the study of the current situation in language teaching in the world make a significant contribution to the development of language teaching in our country. The urgency of the scientific problems of the study is due, firstly, to the social needs of society, which are focused on multilingual specialists for various fields of professional activity of the constantly changing labor market. Secondly, the problem of theoretical substantiation of methods applicable in the context of modernization of the educational system is relevant. The scientific and practical significance of the project study is determined by the need to find new approaches to language learning in higher educational institutions, taking into account the current language situation, the language policy pursued and the reforms implemented at the current stage in the educational system.

Keywords: language education; English for special purposes; vocationally-oriented language learning; competent specialist; multilingual specialists.

JEL codes: not applicable

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Aizhan Baltynova. "CHALLENGE" APPROACH IN TEACHING FOREIGN LANGUAGES

Abstract

Research purpose. The given article is devoted to research in the field of language and deals with the subject of the importance of challenges in foreign languages teaching and the issues. Many of students do not know, neglect or pay not enough attention to how to deal with the task of learning a foreign language even after years of study; only a few students who have used a set of strategies, have been able to succeed and hence, learn the language. This article contents some strategies to promote learning process which is based of using challenges in learning English language.

Design / Methodology / Approach. Knowing about the students' needs is one critical matter for the teachers to work on their weak points and strengthen their self-esteem and motivation in what is their goals are. Most of students in Kazakhstan tend to participate in communicative activities type to learn English. Some students tend to have more opportunities to participate in free conversation classes, expressing their wish towards a more communicatively oriented approach. On the other hand, there are those who prefer more emphasis on grammar teaching and learning. Thus, the syllabuses should be observed based on all students' requirements and interests. Challenges are now so popular all around the world. They consider not only education, but entertainment, healthy life style, politics, economics, religion: every sphere of our life. Challenges are competitions with group of people or self-competitions during certain period of time. In L.N. Gumilyov Eurasian National University on the Department of Theory and practice of foreign languages we organized several challenge projects which were effective in learning English language. They had excellent motivational and practical results. And students are eager to take part in these challenges. First example of challenge is that students had to complete their homework through website. It's an online learning, which is considered very crucial and modern in our contemporary life. One more challenge project was to organize movie challenge. Every day group of students with different English background were given the task to watch a movie an online platform. Devoting special time to finish watching movies is actually very challenging, especially if student's schedule is very tight. Yet it is a very interesting way of doing homework.

Findings. Before and after the experiment Students were examined on their level of English. Every challenge lasts 1 semester and feedback is taken every day through WhatsApp or any other frequently used social networks. Teacher should be available 24/7 because most of students finish their challenge tasks in their free time. It is important to show the student that you are interested in their challenge program. The tasks should not be too complicated and students should have the choice to make the task. And the challenge should correspond to interests of student and their goals.

Originality / Value / Practical implications. One of the major problems of language learning in Kazakhstan is that most of our students do not have the capacity to express themselves in the foreign language fluently after studying English at school for eleven years. In other words, they cannot communicate in English. I tried to examine the reasons behind the failures of the Kazakh students to acquire the expected level of

proficiency in English in spite of learning English for about 9 years. And challenging them to practice in speaking activities by making up speaking challenges will be great opportunity for them to improve their English skills. For most learners, learning English is a duty — something that they have to, but don't want to do. They don't see pleasure in learning English. These students have low motivation to participate in class, and they simply try to get a passing mark to get rid of the course. Other students attend the classes to learn some special points to be successful in the University Entrance Examination so they pay attention to special parts of the book. To be successful in this kind of examination, only a good grasp of vocabulary, some grammatical points, and reading comprehension are sufficient, so the students pay little attention to speaking, listening and writing skills. Another demotivating factor is that English is considered as a general subject compared to special subjects such as physics, chemistry, mathematics and biology. In the university entrance exam, the scores for special subjects outweigh those for general ones. So, students spend more time on studying their special subjects than general ones. Learning any new activity, be it driving a car, cooking, or a new language, comes with its own set of challenges. Learning a new language is tricky and the English language is not an exception. However, there are some challenges exclusive to the English language that new learners may face and should be prepared for.

Keywords: language education, challenge, teaching foreign languages, methods of teaching.

JEL codes: not applicable

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Akzhan Abdykhalykova. MODERN TECHNOLOGIES IN FOREIGN LANGUAGE TEACHING: THE CASE OF L.N. GUMILYOV EURASIAN NATIONAL UNIVERSITY

Abstract

Research purpose. The relevance of the problem is due to the fact that the teacher of higher education should motivate students to use modern information technology training to study the discipline and develop professional competencies in foreign language teaching. Research purpose is to highlight the problem of finding the optimal didactic capabilities of modern information technologies used for improving the system of training specialists in the field of foreign languages teaching and to discuss the results of current studies in this direction.

Design / Methodology / Approach. The authors summarized the relevant literature and results of the research and teaching experience. The main theoretical methods of research are modelling and designing the process of incorporating modern information technologies into foreign language teaching at the university. Theoretical methods are supplemented by empirical methods, such as observation, survey, testing, experimental work and methodological analysis.

Findings. The article reveals the main components of the system of using modern teaching technologies of foreign languages at Theory and Practice of Foreign Languages Department of L.N. Gumilyov Eurasian National University. The article presents training and monitoring online programs their approbation in real conditions of pedagogical activity, the results of a pedagogical experiment, which proves the effectiveness of using the modern technologies in the training of foreign and second language students.

Originality / Value / Practical implications. The electronic educational materials, recommendations developed by the authors can be used in the teaching of foreign language and can serve as a basis for the development of information, communication and instrumental provision in other subjects. The values for further research are as follows: to create online platforms, multimedia and testing programs, to develop variants of using modern technologies in foreign language teaching.

Keywords: modern technologies, foreign language teaching, multimedia technology, online platform, the testing program

JEL codes: not applicable

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Nazgul Narmukhametova. FIGURATIVENESS OF THE ECONOMIC DISCOURSE

Abstract

Research purpose. This article proposes a framework of studying metaphorical terms in the sphere of economics.

Design/Methodology/Approach. The following methods were used in the process of investigation on the given abstract: method of informational generalization, descriptive and substitutional method as well as a phrase-centered approach helping economists to feel more comfortable with the metaphoric language.

Findings. Due to their attractiveness and eye-catching properties metaphors in economic discourse can be interpreted as “little texts”. Their main functions are summarizing and attracting attention to the full text. The usage of metaphors in economic texts help to arose someone’s curiosity, to persuade readers/consumer to read the whole article.

Originality/Value/Practical complications. Data has been presented to indicate the wide extent of the use of metaphors in the production and understanding of financial texts.

Key words: metaphors, figurative language, substitution, conventional associations, financial texts.

JEL codes: A12

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Natalja Verina, Inga Shina. DIGITAL TRANSFORMATION IN HIGHER EDUCATION IN LATVIA

Abstract

Research purpose. Digital transformation is an actual trend in modern world. It affects and change almost all spheres in the life. The higher education is one of spheres, where digital transformation takes place. Technologies influence and highly change the processes of teaching and learning, administrative processes, relations between university and students, etc. According to Navitas Ventures study, the university leaders, students or edtech founders, at least 50% of respondents expect the traditional university model will disrupted by 2025. This study purpose is to explore a variety of digital transformation factors in higher education, as well as their importance perceived by administrative staff of Latvian higher education institutions.

Design / Methodology / Approach. To achieve the research goal, representatives of the top-level administration staff of Latvian higher education institution were surveyed, using the author's developed questionnaire. The data was processed, applying such methods, as frequency analysis, analysis of means and ranking.

Findings. The research results point to the fact that of the main barriers for digital transformation in higher education institutions is staff unwillingness to support the organizational changes towards digitalization. This factor should be investigated to reveal the main reasons for staff resistance to changes.

Originality / Value / Practical implications. There are no studies in Latvia about digital transformation factors in higher education. The current research provides a basis for further investigation of issues regarding digital transformation processes in Latvian companies representing different business sectors.

Keywords: digital transformation; higher education; Latvia.

JEL codes: O32; M12; M15; I23.

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Jelena Jermolajeva, Tatiana Bogdanova, Svetlana Silchenkova.
PROFESSIONALISM AS VIEWED BY TEACHERS FROM LATVIAN AND RUSSIAN SAMPLES

Abstract

Research purpose. The aim of the article is to study the modern school teachers' understanding of the content of the concept "professionalism" and reveal differences in views and professional intentions of urban and rural teachers from Latvian and Russian samples.

Design / Methodology / Approach. The study is focused on the structural components of teacher professional identity (TPI) that relate to teachers' understanding of professionalism: Professional Knowledge and Skills, Professional Roles, Professional Attitude to Work. In the international survey the questionnaire "Professional Identity of School Teacher" was used (N = 433). The obtained data were subjected to statistical processing (average score, dispersion, coefficient of variation, mode, Mann-Whitney criterion indicator, Spearman correlation coefficient were calculated). The data of the two samples (Latvian – Russian) and of the four subgroups (urban/rural teachers) were compared.

Findings. The analysis shows that compared with urban colleagues rural teachers of both countries have closer contacts with students and are more involved in the educational process. At the same time it is more difficult for them to present their achievements and experience to the teaching community; besides, they have problems with research activities.

Originality / Value / Practical implications. The original technique of self-assessment of TPI elaborated in the framework of the Latvian-Russian research project has made it possible to analyse the views of the respondents on the concrete aspects of the teacher professionalism. The identified strong and weak points in the self-evaluation of teachers require attention of teachers, school administrators, and education officials. The results of the study can help teachers to achieve a greater balance of TPI. They can also be used for further research on TPI and development of programs of in-service and out-of-service teacher training.

Keywords: professionalism; school education; teacher professional identity.

JEL codes: I21; J24; M12.

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Ann Saurbier, D.M. STUDENTS AS STAKEHOLDERS: EXPLORING THE STUDENTS' STAKE IN POST-SECONDARY BUSINESS EDUCATION

Abstract

Research purpose. Although formal systems of education have existed for two millennia, post-secondary business schools are little more than a century. The dynamic, complex and competitive higher education landscape today demands that schools of business meet the needs of an extremely diverse set of stakeholders. This research explores the students' stake in post-secondary business education.

Design / Methodology / Approach. This paper first examines the existing literature on Freeman's (1984) stakeholder theory to develop a framework that can be used to classify and categorize not only the various stakeholder but also the stakes each holds. Utilizing this framework, a qualitative phenomenological review of student perceptions is used to code the data and determine the themes that explicate the student stake.

Findings. The creation of a framework to understand more systematically the wide variety of stakeholders, and a deeper understanding of the critical student population, can assist business schools in meeting these expectations. Further, as the diverse needs of stakeholder groups often conflict, these findings may assist business schools in systematically balancing these expectations.

Originality / Value / Practical implications. As the perceived value of a post-secondary business education continues to be challenged, adaptation of Freemen's (1984) stakeholder theory to the unique business higher education context has the ability to assist colleges in leveraging this knowledge to this knowledge to create an institutional stakeholder management system.

Keywords: Higher Education; Stakeholder Theory; Ethical Theory; Public Goods; Systems Thinking.

JEL codes: I23

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Elena Prendjova. **USE OF THE BUZZER IN THE UNIVERSITY CLASSROOM**

Abstract

Research purpose. It is commonly and stereotypically believed that university studying should be "serious" and sterile. Furthermore, it is said that the more fun and games there are in the classroom, the younger of age the students are. Thus, fun and participatory learning, or hands-on learning, are associated to young learners, and it seems that university students are "doomed" to sterile, lecture-style instruction, or teacher-centred instruction. The purpose of the paper is to find an alternative way to participatory learning in the university classroom through the use of, particularly, the buzzer in the university classroom. Moreover, the purpose of the paper is to find out as many uses of the buzzer in the academic classroom, and, thus, to demonstrate that the participatory learning is not, and should not be, a taboo in the academic teaching process.

Design / Methodology / Approach. The methods used in order to arrive at the results of the research are practical and experimental. Different types of methodology teaching approaches have been used, as well as various types of exercises commonly used in the ESL classroom in order to test the possibilities of the effective usage of the buzzer in all those contexts. The target group involved were university students of law and IT in their first year of studies, all of them attending lectures in the course of English with Specific Purposes.

Findings. The findings of the practical research were positive and surprising. First of all, although it was expected for students to be familiar with the buzzer and the buzzer's use, as part of the pop (music) and show business culture they are much familiar of, their positive reaction to its many uses in the class was unexpected, even though, sometimes, it is used as a signal to mark wrong answers. Secondly, what was unanticipated was the fact that the students grew so much fond of it that they themselves requested its use in the class.

Originality / Value / Practical implications. The paper concludes that teacher-centred instruction is to be outdated in university classrooms. University lectures are to be student-centred and participatory, and one of the steps to accomplish this is to draw the classroom nearer to the pop culture elements, such as the use of the buzzer. Getting familiar to it through the pop culture, students become "native" to its use, and this, further on, helps the teacher, with its use, to stimulate students' learning and participation in class. In addition, the buzzer's countless uses and in many different contexts and types of exercises makes its use not only fun but also desirable by students.

Keywords: university classroom; ESL classroom; buzzer; participatory learning; student-centred learning.

JEL codes: I2

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Agnieszka Pawluk-Skrzypek, Monika Jurewicz. **PREPARING STUDENTS OF PEDAGOGY TO WORK WITH A PUPIL IN A CHRONIC CONDITION IN THE PERCEPTION OF THEMSELVES**

Abstract

Research purpose. The main problem addressed by the authors is recognizing the position of the chronically ill pupil in school as perceived by students of pedagogy. The central idea has become the search of an answer to the key questions: Are the teacher of the early-school education and the pedagogic psychotherapist prepared to the work with the chronically ill child? Do students of pedagogy have an appropriate level of knowledge and ability to diagnose children with special educational needs? The issue seems socially significant, especially today when data from different sources (Central Statistical Office of Poland, among others) prove that more and more children and young people suffers from long-term health problems.

Design / Methodology / Approach. The study used the method of a diagnostic survey with the technique of the questionnaire. The survey was conducted in October 2018 within the capital city of Warsaw. Purposive sampling method was used in order to make the results representative. The subjects of the study were pedagogy students of the Faculty of Social Sciences at Warsaw University of Life Sciences – SGGW. A total of subjects was 113 students: 65 3rd year 1st cycle students (bachelor's degree), major in teaching – early childhood and pre-school teacher education, major in pedagogical therapy and supporting child's development, as well as 48 2nd year students (supplementary Master's degree studies), major in school teacher education and therapy.

Findings. One of the key issues which was to be answered by the above mentioned research was the level of the respondents' knowledge on a pupil with a chronic condition at school. Based on the generated results it may be inferred that a vast majority of respondents, i.e. almost 97%, declare that they know the notion of chronic conditions. Concurrently, as follows from the detailed analysis of the gathered study data, a vast majority of respondents declare also that they are not able to recognise, without help, any basic symptoms of chronic illnesses - 45%. The distribution of answers may suggest that the respondents in the direct contact with a pupil suffering from a chronic illness may react unprofessionally, i.e. they may either ignore individual needs of a pupil or even infantilise the course of the educational process due to deficits in the basic knowledge on the specific functioning of a child. Their knowledge relating to working with children with chronic illnesses is assessed by the majority of students as weak, almost 46% of such indications were reported. Additionally, over 18% respondents indicated the level insufficient within this scope and 11% declared that they did not have any knowledge on working with children suffering from chronic conditions. Only 26% respondents described the level of their own knowledge as sufficient. A vast majority of respondents, i.e. almost 64%, think that children with chronic conditions at school should have additional privileges, such as longer working time, being not graded for mistakes, individual approach to a pupil. At the same time, it is worth noticing that almost 28% respondents are of an opposite opinion, i.e. they think that children with chronic illnesses should not be covered with any individualisation of teaching and educational impacts! Respondents asked whether they saw any need of inclusion in the present educational programmes on the studied major, content relating to working with a pupil with a chronic illness, in almost 92% declare the need to widen the knowledge with contents related to working with a pupil suffering from a chronic illness. At the same time, slightly over 7% students indicate that they rather do not see such a need.

Originality / Value / Practical implications. It must be noted that numerous positive changes have been reported recently in Poland which occurred to the benefit of children with special educational needs. Unfortunately, at the same time it must be emphasised that the level of functioning of children has not changed only under the influence of legal regulations. Actual changes must be made personally both in the group of people directly engaged in working with children and also in the group of deciding people managing and organising the educational system both on the academic and school levels. Because, as noticed by J. Bałachowicz: a clear and consistent adoption of the pupil-focused education (especially on a pupil with special educational needs - authors' note) will contribute to the development of a rich educational environment, supporting the child's activity in construing their individual relations with the culture, creating the possibility and space for shaping their subjective and social competences, enabling the child to successfully prepare for further education and creative adaptation in the volatile reality (J. Bałachowicz, 2010, p. 34).

Keywords: chronically ill pupil; preparation to the work with the chronically ill child; knowledge and ability to diagnose children with special educational needs.

JEL codes: not applicable

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Sandra Valantiejiene. RELATIONSHIPS BETWEEN THE QUALITY OF PREVENTION IN THE GENERAL EDUCATION SCHOOL AND THE LEARNING OF THE CLASS LEADERS TO IMPLEMENT PREVENTION ACTIVITIES

Abstract

Research purpose. The quality of prevention activities in general education schools is becoming a more and more important topic in various countries of the world, including the Republic of Lithuania. In this regard, the article analyses the links between the quality of implementation of prevention activities in general education schools and the class leader’s learning to implement prevention activities, based on the Iller's (2007) learning theory. The main aim of the research is to reveal the peculiarities of the quality of the implementation of the prevention activities in schools by analysing the experiences of the class leaders which were acquired during their learning process in the field of prevention.

Design / Methodology / Approach. The author chose a narrative interview to reveal the topic. To analyse the answers given by the informants to the interview questions, a method of inductive qualitative content analysis (see Elo, Kyngas, 2008) was chosen, as this specific method creates the conditions to draw specific conclusions from the texts which were being analysed.

Findings. Summarizing the results of qualitative research, it can be stated that the training of the class leader to implement prevention activities at schools is expressed as the interaction of both internal (experiential) and external (based on participation/involvement) levels through three dimensions: interaction, content, and incentive. The inner level is understood as the constant formation (and transformation) of the similar attitudes, values , and motivations of the class leader, which takes place through constant experience, emerging feelings and emerging expectations based on formal, non-formal and informal learning. The results of the research show that the external element of prevention activity is perceived by class leaders through two essential aspects - learning to interact and self-expressive engagement opportunities, which include a diversity of actions as well as the involvement of children. In this context, the emphasis was placed on the importance of flexibly adaptable, individual impact prevention measures based on a permanent interaction between the prevention subject (class leader) and the subject (pupil).

Originality / Value / Practical implications. The links between the quality of prevention activities in general education schools and the class leader's learning to implement such have not been studied extensively as most of the relevant studies focus on other aspects. Therefore, the results of the research can be used to improve the quality of prevention activities at schools.

Keywords: quality of prevention activities; general education schools; class leaders.

JEL codes: I21; I28; I29.

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Iveta Cirule, Monta Micule, Irena Komarova, Ina Gudele. SENIOR DIGITAL UP-SKILLING - ERASMUS PLUS PROGRAMME PROJECT DIAL CASE STUDY

Abstract

Research purpose. With the current and progressive ageing of the population globally, in Europe over the past three decades, the urgency of creating a specific theoretical and educational model for older adults, in which the professional purpose is not the most important. Senior digital up-skilling is one of the pathways to widen the horizon of senior citizens (aged 55 plus) to be socially included both in society and labour market. The research article reveals the results of project "DIGITAL ACQUISITION THROUGH

INTERGENERATIONAL LEARNING” (DIAL No 2017-1-LV01-KA204-035455, Erasmus Plus programme) senior survey on training needs of digital skills from Latvia.

Design / Methodology / Approach. Research development is based on a quantitative survey conducted in four project partner countries in 2018 totally reaching out almost 800 respondents. Latvia sample represents 224 adult learners aged 55 plus. The survey was conducted based on two scales skills self-assessment and study needs and 5 subscales computer essential, communication and collaboration, content creation, hardware, internet. The main aim of research was to estimate situation in project countries and based on survey results develop training and teaching materials for adult learners and teachers.

Findings. The main finding reveals the senior digital skills self-assessment and study needs. Majority of respondents agreed that they lack skills of communication in social media at the same time they are willing to learn how to use Facebook and Viber but not interested in WhatsApp and Twitter use for communication purposes with friends and family. Respondents are interested in e-governance service use and taking videos with mobile phones. These are only some findings from almost 70 survey statements.

Originality / Value / Practical implications. The training materials in five languages (English, Latvian, Portuguese, Turkish, Greek) was developed based on the senior digital skills self-assessment and study needs survey. These training materials will be publicly available in Moodle platform for adult learners in June 2019 free of charge. This is a practical implication and value of the project DIAL – creation of innovative teaching materials for senior digital up-skilling.

Keywords: Education; Non-formal education; Adult learners; Senior students.

JEL codes: A29

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Jelena Titko, Tatjana Tambovceva. **AWARENESS OF CIRCULAR ECONOMY AMONG THE STUDENTS**

Abstract

Research purpose. Circular economy concept has become increasingly popular, emphasizing that resources and their effectiveness are crucial for economic and business prosperity and the achievement of sustainable development goals. The main goal of the research is to investigate the level of awareness of circular economy among the students of Latvian higher education institutions. This study was conducted within the framework of the Erasmus+ KA203 project "Online Master Study Programme for Circular Economy" (2017-1-MK01-KA203-035392).

Design / Methodology / Approach. Bachelor and master level students of Latvian higher education institutions were surveyed, using the authors' developed questionnaire. Statements regarding the core of circular economy, its elements and related concepts were offered to respondents for evaluation, using 5-point scale to express their (dis)agreement. Frequency analysis and ranking procedure were used to process the survey data.

Findings. In general, the students aware of the importance of circular economy. However, the overall level of understanding should be increased. This, in turn, confirms the project's topicality.

Originality / Value / Practical implications. Considering that the number of researches in the field of circular economy, as well as the number of published scientific works in Latvia, is quite limited, the results of the given research is quite interesting for Latvian researchers. The main result of the project is a development of a programme curriculum. Thus, the preliminary investigation of students' understanding of the concept of circular economy is important to achieve sustainable project results.

Keywords: circular economy; concept; survey; Latvia.

JEL codes: Q50; C83.

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Abbas, Syed Ali. **ASSESMENT OF STUDENTS‘ BRAND LOYALTY IN HIGHER EDUCATION INSTITUTIONS**

Abstract

Research purpose. In an era which demands higher education branding like branding of other FMCGs and luxury products, it beomes significant to analyse as what is demanded by the prospect cutomers I.e. students. In this domain, Pakistan, a country in South Asia with population over 200 million having 60 % youth is an active education market, where institutions are marketing themselves aggressively to get customer/ student attention. Considering the very fact, this paper aims to investigate the students‘ choices and their current state of loyalty with their HEIs as an outcome of Brand awareness and quality of services being provided by these HEIs (Higher Education Institutions).

Design / Methodology / Approach. Validated questionnaire from previous studies was used to gather quantitative data. A sample size of 139 was taken from public and private universities in Lahore city of Pakistan. These universities were selected based on their involvement in continuous brand promotion and their established recognition as quality education providers. Further, Inferential statistics was employed using SPSS (Statistical Package for Social Sciences) for results output.

Findings. Results revealed that both brand awareness and service quality have statistically significant impact on brand loyalty of educational institutes. Though the contribution of service quality ensures long term brand loyalty, still the importance of brand promotion can’t be put aside and should be continued accordingly as part of respondents are found to be appealed by advertisements of competing brands as well, yet again relying wholly solely on it is not desirable. Also, students enrolled in bachelors’ program are found to be more loyal with their chosen brand of university, foreseeing a good sign for these HEIs to consider them as Master study clients in future.

Value/Practical implications. The research is of immense importance considering it opens horizons for educational institutes to not only design promotional strategies to strengthen their brand loyalty, but also to focus on enhanced service quality measures.

Keywords: Higher Education Institutions; Brand Loyalty; Brand Management; Service Quality.

JEL codes: M36; M37.

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EMERGING TRENDS IN APPLIED LINGUISTICS AND TRANSLATION

Zaiga Kabuce, Gatis Dilans. **TRANSLATION VARIATION IN THE EUROPEAN MEDICINES AGENCY BILINGUAL CORPUS**

Abstract

Research purpose. Lately, the use of corpora in translation field has increased – in research, in the development of machine translation as well as in translation process itself verifying the adequacy of translation. Although medical texts contain large number of terms, their translation sometimes is not consistent, thus resulting in translation variation. In short, the study aims to investigate translation variation in the European Medicines Agency (EMEA) parallel bilingual corpus (EN-LV).

Design / Methodology / Approach. The study employs quantitative method, which involves the analysis of corpus data aiming to identify most frequent keywords in the EMEA bilingual corpus (9.31M) while qualitative method is used to perform descriptive analysis of obtained data.

Findings. Translation variation in the EMEA corpus was identified. As for the reasons of such variation, some examples showed that it occurs due to the differences between source and target languages (EN and LV) similarly as Castagnoli (2009; 2011) noted in her studies. For example, one of the translation variants of the noun THERAPY was substituted with the verb[participle]-preposition collocation ĀRSTĒJOT AR – this variant may have been used due to the different and context-dependent grammatical structures between EN and LV, thus creating translation variation. Another cause of variation may have been the individuality or experience/competence of translators. However, one of the main reasons for translation variation appeared to be explicitation (Olohan, 2002, 155) – one of the much discussed translation universals.

Originality / Value / Practical implications. Considering the necessity of translating the documents of EU institutions and constant developments in medical field, the application of corpora in translation of medical texts may be very useful both educationally and professionally.

Keywords: corpus linguistics; bilingual corpus; translation studies; translation variation; medical translation

JEL codes: not applicable

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Jolanta Lacka-Badura. ONLINE CONSUMER REVIEWS AND TESTIMONIALS AS WORD-OF-MOUTH: A COMPARATIVE SPEECH ACT ANALYSIS

Abstract

Research purpose. The paper seeks to compare the speech acts identified in two types of electronic word of mouth (eWOM): online consumer reviews and testimonials. It also aims to discuss the impact that the communicators' and recipients' awareness of the similarities and differences between these two text types and their contextual surrounding may have on their interpretation of particular speech act sets.

Design / Methodology / Approach. The analysis is based on a comparison of 2 corpora: a sample of 150 consumer testimonials published on the home pages of 7 retailing companies, and 150 consumer reviews of products sold by the same retailers, extracted from three (supposedly independent) consumer review websites. The paper discusses the illocutionary forces of the numerous *micro-acts* found in both corpora, further on attempting to determine how the micro-acts contribute to the entire *macro-speech-acts* of consumer reviews and testimonials. It then seeks to rationalise the possible interpretations and potential perlocutionary effects of the micro- and macro- acts.

Findings. The analysis reveals some interesting patterns in the evaluative and persuasive/promotional use of (often ambiguous) micro speech acts contributing to the realisation of the communicative functions of consumer reviews and testimonials. It also indicates that the assignment and interpretation of the addressor/addressee roles in the two text types is far from unequivocal.

Originality / Value / Practical implications. The paper may contribute to the body of research in the area of linguistic pragmatics focusing on speech act ambiguity and the role of contextual information as a significant parameter affecting the felicity of speech acts. At a more general level, it may also contribute to the literature on word-of-mouth communication.

Keywords: speech acts; word-of-mouth, consumer reviews; consumer testimonial.

JEL codes: not applicable

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Klaudia Muca. **TRANSLATION IN FAVOUR OF THE BLIND. AUDIODESCRIPTION AS A MEASURE OF INCLUSION POLICY**

Abstract

Research purpose. The research aims at examining audiodescription as a translation that is performed in order to support people with vision impairment by translating what is being presented in images into texts. Such intersemiotic translation is a vital supporting practice that makes the world more accessible and strengthens cultural literacy.

Design / Methodology / Approach. The research project focuses on translation of works of art into written form (a script of audiodescription) and involves critical text analysis as a methodological basis. Two examples of translation in order to create an audiodescription are being examined. What is also being included in the research project is an overall perspective of disability studies, translation studies and heritage studies. Disability, translation and heritage are the main ideas in the project and function as a three main analytical fields in the context of audiodescription of works of art.

Findings. The research project proves that translating works of art into texts is crucial for introducing and performing inclusion policy. Such translation makes available various elements of national and world heritage that cannot be seen by people with vision disability. What is also important is the fact that creating audiodescription is a way of diversifying narrations on works of art that are present in culture.

Originality / Value / Practical implications. The presentation introduces a new perspective of analysing cultural practices that are taken up in favour of various minority groups, such as a minority of people with vision impairment. It is crucial to include minorities in our holistic narrations about culture and to create textual environment that supports their understanding of cultural heritage. Inclusion policy should involve facilitations regarding culture such as audiodescriptions.

Keywords: audiodescription; disability; translation; heritage.

JEL codes: not applicable

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Rima Jasnauskaite, Zavinta Silingaite. **HOW TO SURVIVE IN THE JUNGLES OF METHODS AND TECHNIQUES: ON TRANSLATION OF FILM TITLES FROM ENGLISH INTO LITHUANIAN AND RUSSIAN**

Abstract

Research purpose. With a great number of English feature films entering the markets of cinematographic production in non-English speaking countries, film titles become the first thing that the audience get to know about the new release as well as the translated versions of their titles might lead to a hauling success or unpredictable failure of the film itself. The analysis of selected examples of feature film translations from English into Lithuanian and Russian, the paper aims to reveal the major methods and techniques applied in translating.

Design / Methodology / Approach. The paper suggests the theoretical coverage of the requirements for how to create a well-built title, what major functions are performed by the title as well as the theoretical review of existing translation methods and techniques that are possible to apply in translation of titles. For practical analysis 100 examples of English film titles with their corresponding translations into Lithuanian and Russian were selected. The descriptive comparative linguistic method was applied for processing the data selected. The analysis performed enabled to reveal the translation tools that were used by the translators and to identify the cases of different choices made by Lithuanian and Russian specialists.

Findings. The analysis showed that in order to achieve the main marketing goals, i.e. to inform and attract, translators exploited a vast spectrum of translation methods and techniques: from literal translation, partial translation, transformation (addition, grammatical transformation, modification, omission and explication) and up to providing a new title. However, the very choice of the one and the best method of translation might be different with every translated title as each case might represent a different cultural context and carry different connotative value. The translator is to assess the potential of the target viewer audience to decode the implications of cultural context as closely to the message encoded in the source language film titles.

Originality / Value / Practical implications. The popularity of the film is often largely determined by its title, because the well-constructed title is much easier to attract the attention of the viewer than the description of the content of the film itself. It is no wonder that translators are to face the imperative to perform the translation of film titles at high professional quality level to enhance the chances of the financial results. The analysis results and research findings might show the variety of possible translation ways as well as encourage translators to rely more on their subjective interpretation.

Keywords: translation method; translation technique; literal translation; partial translation; transformations.

JEL codes: not applicable

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Tatjana Mette. COMPOUND ADJECTIVES

Abstract

Research purpose. The research elaborates the problem of translating compound adjectives from English into Russian proceeding from their morphological patterns. The aim of the research lies in outlining possible ways of rendering compound adjectives as described in translation theory, in analyzing the collected practical material paying due attention also to translation adequacy, and in establishing, if possible, additional ways of translating the studied linguistic phenomenon, those that are not registered in scholarly publications.

Design / Methodology / Approach. The article is divided into two parts. The first chapter, theoretical, is based on the material elaborated in translation studies. This part contains the general classification of compound adjectives from the point of view of their morphological structure and semantics, the basic rules of their spelling, and methods of their translation. The second chapter presents practical analysis, the material comprising original English texts and its translation into Russian. All the collected examples of compound adjectives are divided into groups according to their structure and methods of translation. In the course of the research the following methods were used: the method of total selection, the method of analytical observation, the statistical method, and the descriptive method.

Findings. In the course of research, additional ways of translating compound adjectives, those that are not mentioned in theoretical sources, were established.

Originality / Value / Practical implications. The research represents a comprehensive study of the linguistic phenomenon. The topic of compound adjectives is poorly covered in the theory of linguistics and translation. Thus, the compiled classification could be helpful from the viewpoint of educational and research purposes.

Keywords: compound adjectives; structural types; adequacy of translation.

JEL codes: not applicable

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Zane Veidenberga. TRANSFER OF EMOTIONAL CONNOTATIONS EXPRESSED BY LATVIAN DIMINUTIVES: PERSPECTIVE OF TRANSLATION STUDENTS

Abstract

Research purpose. The present paper is a part of research on translation solutions used for transferring the meanings, connotations and functions of Latvian diminutives in literary translations. The aim of the present paper is to find out whether translation students find Latvian diminutives as a challenge during the translation process and what decisions they make in such cases.

Design / Methodology / Approach. To achieve the aim, a translation experiment was developed and carried out – 15 students translated fragments containing diminutives (sources: *Bendes meitiņa (Hangman's Daughter)* by K.Skalbe and *Gaiļu kalna ēnā (In the Shadow of Rooster Hill)* by O. Zebris). During the translation process students recorded Think Aloud Protocols and after the translation experiment they took part in an interview. Data were processed anonymously and coded, afterwards triangling student translations with their interview answers and information gained from Think Aloud Protocols.

Findings. The results of the translation experiment show that approximately half of the emotional nuances implied by diminutives in the Latvian source texts have been lost in the English translations done by students. In their interviews and Think Aloud Protocols the experiment participants have admitted that the diminutives used in the Latvian source texts connote emotional attitudes and nuances, and they have difficulties with transferring them into English. Therefore, it can be concluded that during the translator training process there is a need to focus on the practical application of approaches how to deal with langue and culture differences.

Originality / Value / Practical implications. The obtained data and findings will be further used for developing training material for students how to overcome langue and culture differences in the translation process – what tools, resources and translation solutions are at their disposal to solve such challenges.

Keywords: diminutive; emotional connotation; translation; translator training

JEL codes: not applicable

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***Aija Poikane-Daumke*. INTRODUCTION TO AND TRANSLATION OF CHILDREN'S LITERATURE**

Abstract

Research purpose. One of the main difficulties in defining the concept of children's literature is its immense scope and the numerous functions it is supposed to fulfil. My paper investigates both the concept and meaning of children's literature and its translation. Through close reading of *Mary Poppins's* books (Pamela L. Travers) I examine the theme of "the magical nanny" and analyse how these texts have been translated into the Latvian language and adapted to the children's audience in Latvia.

Design / Methodology / Approach. In my paper, I implement qualitative methods. Being aware of the fact that children may have a limited capacity to perceive and understand the foreign and unfamiliar, I pose the following question: What approaches and methods have the translators (Vizma Belševica and Ieva Elsberga) implemented in order to adapt the above mentioned texts to the understanding and needs of children in Latvia?

Findings. My analysis provides evidence that children's literature has become quite interdisciplinary and contributes to an understanding of a wide variety of theoretical issues and historical developments.

Originality / Value / Practical implications. Despite the fact that a number of scholars have extensively published on children's literature and its translation, many areas remain vastly unexplored. The adaptation of the texts demonstrates not only the intricate relationships that may exist within the children's texts but also reveals what methods the translator has used in order to explain the concept of "the foreign".

Keywords: Children's literature; translation, domestication; foreign.

JEL codes: not applicable

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***Larissa Turusheva.* CRITICAL READING AS A BASIS FOR ACADEMIC WRITING**

Abstract

Research purpose. Graduate and post-graduate students show the results of their studies in their bachelor/master thesis. Quite often, their problem is in writing a serious, argumentative research paper, paying attention to the rationale for the selection and interpretation of the evidence presented, and the construction of the argument. Students have to be ready for the academic debate and make their own evaluation. The judgements and interpretations students make of the texts they read are the first step towards formulating their own approach. While critical reading, students find out how the evidence is used, whether it is statistical, literary, historical or other, as well as learn to understand if the sources are primary or secondary, if the evidence can be interpreted differently, if the method of analysis is problematic.

Design / Methodology / Approach. The research has been held in the frame of quazi-experiment, using qualitative descriptive and interpretive methods based on observation and monitoring.

Findings. The research results show that students never use all the 12 strategies of critical reading (annotating, contextualizing, reflecting on challenges to students' beliefs and values, paraphrasing, outlining, summarizing, exploring the figurative language, looking for patterns of opposition, evaluating the logic of an argument, recognizing emotional manipulation, judging the writer's credibility, analysing the writing in other disciplines), thus often not being able to grasp how evidence is used to develop the argument, if the sources are primary or secondary, if the evidence can be interpreted differently. Critical reading should be aimed on approaching the text by asking *How do I read looking for ways of thinking?* rather than *What information can I get out of it?*

Originality / Value / Practical implications. The research is analytic and establishes why the problem with critical writing occurs and how it can be solved. The results can be used by the academic staff to improve students' critical reading, and as a result academic writing skills.

Keywords: critical reading; academic writing; information; way of thinking.

JEL codes: I23; Z13.

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EMERGING TRENDS IN
CULTURE, CREATIVE INDUSTRIES AND HUMANITIES

Lukasz Szwejka. FUNCTIONS OF THE CLOSED CIRCUIT TELEVISION (CCTV) CREATED BY THE MEDIA

Abstract

Research purpose. The purpose of the speech is to present the desk research results on the Closed Circuit Television (CCTV) functions constructed by the media. The research was inspired by the media narrations which link CCTV and crime reduction.

Design / Methodology / Approach. The research was created based on the two approaches. In first phase the systematic review was conducted. The aim of the systematic review was to select the papers on the subject of CCTV and crime reduction. To achieve this aim, the internet databases were searched, as a result of what the group of full-text were included to the further analysis. In the next step full-text contents were coded based on the grounded theory approaches. Thanks for coding the broader, analytical categories were created.

Findings. The basic category oscillate around the vision of the social reality. The public spaces are created in terms of insecurity and danger. Media describe the ordinary people as a potential victims of random crime. Similar narration of insecurity and danger is created in the school setting. Anticipating solution of modern problems is implementation of cameras in public space. Media narration present the link between cameras occurrence and public safety. Thanks to the conducted analysis it was possible to highlight how the media manipulate the perception of social reality and how they try to promote social behaviors.

Originality / Value / Practical implications. The use of systematic review and grounded theory analysis in the field of media creation of social reality, gives the opportunity to deeper insight of constructivist processes. Thanks to that analysis it is possible to better understand how media affect our perception of social reality.

Keywords: Closed Circuit Television; social constructionism; systematic review; grounded theory.

JEL codes: not applicable

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Aija Staskevica. THE SPECIFIC NATURE OF THE COMPETENCY-BASED APPROACH IN CREATIVE INDUSTRIES IN LATVIA

Abstract

Research purpose. Competency-based approach findings evolve in time, and competency-based management and the definition of key competencies have become quite topical nowadays. The competency-based approach is effective in a rapidly changing business environment as it focuses on solving practical tasks and the ability to learn quickly. Creative industries, in turn, are specific. They are closely related to individual skills, talent and intellectual capital. The development of competencies in creative industries is a new challenge since, given the specificities of these industries, research on the competency and personal characteristics of entrepreneurs are still limited. The purpose of the research is to determine the specificity of the competency-based approach and the challenges of determining competencies required in creative industries in Latvia.

Methodology/Approach. In the research, scientific articles and documents are analysed, and statistical analysis methods have been applied. This research will be used as a basis for the next research phase which will be an empirical study.

Findings. In order to ensure management activities in line with market requirements, competency requirements that are common to all companies in a particular industry must be identified. This way, human resources can be developed reasonably. Taking into account the diversity of creative industries which include more than 15 sectors, it is possible to define competencies required in creative industries in each sector individually. There are two main directions of the competency-based model research. First of all, the specific models of work are focused on the development of specific skills in particular jobs, and, secondly, the competency-based research is focused on the development of general competency models. General models pay more attention to entrepreneurial, personal and managerial competencies and place less emphasis on technical skills. The results of the research show that the representatives of creative industries admit that in general the educational programmes offered in Latvia do not meet market requirements. It is also concluded that entrepreneurial and management competencies in creative industries should be studied separately since their range is very wide and the quality of management's work has a strong impact on the company's success.

Practical implications. Competency-based models are a useful tool because defining competencies provides the possibility to develop and implement appropriate and industry-specific training and development programmes. Based on them, competency standards are developed that provide information on the prospective job duties, skills and knowledge which a person needs to carry out his or her professional activity.

Keywords: competencies; competency-based approach; creative industries.

JEL codes: J24; M59.

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Rafał Rydzewski. **MARKET-TO-BOOK RATIO AND CRATIVE INDUSTRIES – EXAMPLE OF POLISH VIDEO GAMES DEVELOPERS**

Abstract

Research purpose. There are many reasons for which a growing interest in research and analysis of video game developers is observed. Firstly, it results from the attractive high rates of return and enormous production budgets. Secondly, video games developers, in the author's opinion, constitute a good combination of business and culture which is a ground for development of creative industry. A capital-intensive process of production and the intangibility of video games causes a problem in valuation of developers. Market participants who value future cash flows are in conflict with the historical cost approach used in accounting. This leads to a question if the confrontation of these two extreme ways of valuation could be a valuable measure of unrecognised assets for the analysis of video games sector and, as a consequence, of creative industry. The aim of the study is to explore a possible role and use of market-to-book ratio for analysis of this sector.

Design / Methodology / Approach. The study is started with a literature review on market-to-book ratio applied to knowledge-based industries. The second part of the research is a comparison of results obtained for twenty biggest listed representatives of video games sector in Poland to other sectors of Warsaw Stock Exchange. Further analysis juxtaposes the twenty Polish representatives with world's biggest ones of this sector. This will allow to draw conclusions about the usefulness of the examined ratio.

Findings. The research shows that the video games sector represents noticeably higher level of market-to book ratio than other industries in Poland and is comparable to the world 's representatives. It can be stated that the market's valuation takes into account unrecognised assets (intellectual capital), which are greatly related to possible future cash flows. What is interesting, for some of the selected Polish companies market-to-book ratio keeps decreasing compared to the levels at IPO. This refers to market efficiency in relation to possible speculative bubbles which companies of this sector are often accused of.

Originality / Value / Practical implications. The obtained results are applicable both for the investors, analysts and managers of this sector. The research conducted enables a better understanding of the market-to-book ratio as an indicator of economic standing of creative industry companies and its earnings prediction.

Keywords: creative industry; video game sector; market-to-book ratio; intellectual capital.

JEL codes: M40; G10.

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***Kaspars Steinbergs, Kristine Freiberga, Agnese Hermane, Paula Podniece*.**
CHALLENGES FOR THE EVENT INDUSTRY IN LATVIA

Abstract

Research purpose. The event industry in Latvia is wide, fragmented and weakly organized. There are many event management organizations in Latvia that cover all the kinds of events. Although event management organizations are considered to be a part of the creative industries and are growing in last 3 years, there are no studies on this topic that allows to evaluate firstly the amount of event management organizations and secondly their impact on the Latvia's economic development. Despite the obvious data on the industry's growth, the sector is still considered marginal among other economic sectors. Another issue of the industry covers its quality: although the quantitative supply of different types of events is growing rapidly, the quality doesn't correlate to that directly.

Design / Methodology / Approach. Our research is based on analysis of available quantitative data in two national databases - Lursoft (annual reports of organisations, working in collaboration with the Register of Enterprises) and State Revenue Service (data on payments made by businesses in the general government budget). Financial data is compared between years 2013 and 2017, firstly showing what percentage of the organizations are new to the market, secondly showing the development dynamics of the industry.

Findings. Analysis shows that the same people - event managers - are founders of several organizations with different legal statuses, brands and financial situations, making research work complicated and the field disordered. As observed from the budget data analysis, there are many organizations (approximately 60%) that do work with financial loss, and the founders decide to create new enterprises, leaving the field disordered and deformed. There is a clear tendency that during the years 2014 - 2017 the number of new event management organizations has increased by at least 20%. At the same time survival of the organizations is dependent on the private and corporate investments (owners' own funding, sponsors, donors) as well as on the state budget (participating and attracting funding in the project competitions).

Originality / Value / Practical implications. For the first time in Latvia this research allows to have an overview of the event industry - including analysis of event organisations, event types and business indicators. Based on Getz's classification the most popular type of event organisations is connected with arts and entertainment sector (including concerts, art and music festivals, performances, exhibitions, award ceremonies etc.). The second most popular type of event organisations works with private event planning (for example, weddings, birthdays, children's parties, reunions etc.).

Keywords: event industry; event companies; event management.

JEL codes: L25; L82.

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Vita Stige-Skuskovnika, Dace Briede. TRENDS OF SOCIAL MEDIA COMMUNICATION OF CINEMAS IN LATVIA

Abstract

Research purpose. The purpose of the research is to study and compare the social media communication of largest cinemas in Latvia and reflect the main trends of social media communication making suggestions for its improvement in the future.

Design/ Methodology/ Approach. Research design includes the study of three largest cinemas in Riga (Cinema *Citadele*, *Multikino*, *Cinamon Riga*). Research methods – survey (270 social media followers of cinemas); interviews with representatives of cinemas. The survey was conducted from October 1st to December 20th, 2018 online and consisted from questions about follower habits in social media searching for information about cinemas. The purpose of interviews was to find out the basic principles of planning social media communication of cinemas.

Findings. The most part of the respondents admit that information about cinema activities is obtained directly from the Internet and cinema website. The most popular social media platforms used by respondents are *Facebook*, *Instagram* and *YouTube* which mostly are used with smartphones. The cinema representative pointed out that followers in social media are looking for information about contests, although a very small percentage of respondents of the survey said it would attract them.

Originality/ Value/ Practical implications. The Latvian business news portal *Dienas bizness* mentioned that corporate accounts in social networks have become an important source of information for citizens, especially for so-called millennium generation (Petrāne, 2017). Consumer engagement behaviour can differ with respect to brand-related content in social media and it can be evaluated as the result of successful brand communication. The positive and negative content created by consumers about brands in social media platforms can be evaluated as part of company marketing communication (Zailskaite-Jakšte et al., 2018). These are some of the reasons why authors consider this topic as topical both in the communication field and in enterprises social media communication.

Keywords: social media; communication; cinema; Latvia; trends.

JEL codes: D83; L32.

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Imants Lavins, Dace Lavina. CONSTRUCTING THE REPRESENTATION OF CULTURAL IDENTITY AT THE INTERNATIONAL FORUM PARIS INTERNATIONAL EXHIBITION OF MODERN DECORATIVE AND INDUSTRIAL ARTS, 1925

Abstract

Research purpose. The International Exhibition of Modern Decorative and Industrial Arts, 1925 was the first international exhibition that was organized after the First World War. One of its aims was to acquaint "old Europe" with its new post-war neighbours – the new , independent national states. In this respect, Latvia was not the only one. Our closest neighbours and exhibition participants were Soviet Russia and Poland (countries which had originated after the fall of the Russian Empire). Paris exhibition was the platform where Latvia, like other newly-built countries, showed its identity and demonstrated to the whole world how we differed from "others"; both: from the countries we were previously territorially and politically included into and also Latvia's new neighbours. It was a propaganda work disseminating knowledge and promoting the new state. The participation in the exhibition shaped notions of modernity and national identity, and read them as a broader self-presentational discourse.

Approach. The research will analyze and compare such aspects as – the common and the different. It will be based on archive materials, scientific articles and press publications, exhibited artworks and the manner of their presentation.

Findings. Until now this is the first research of the kind in cultural studies looking at this issue in a more comprehensive way because previously this phenomenon was examined in isolate way in each country (Poland, USSR, Latvia) separately.

Keywords: Cultural identity; Paris International Exhibition of Modern Decorative and Industrial Arts 1925; new national countries.

JEL codes: not applicable

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Velga Vevere. THE IMPACT OF CULTURAL BACKGROUND ON BUSINESS STUDENTS' ATTITUDES TO CORPORATE SOCIAL RESPONSIBILITY IN LATVIA. A PILOT RESEARCH

Abstract

Research purpose. Businesses today have to juggle between the need to survive due to increased competition and the pressure to become socially and environmentally responsible business entity. Consistent with the intensification of discussion about the importance of embracing CSR among businesses, the issues now has expanded to the concern over the future of CSR. In view of this, the future of CSR will depend on how the future generations perceive the importance of embracing CSR in business operations. The purpose of the current study is to create a methodological framework and research design for the further study on business students' attitude to corporate social responsibility.

Design / Methodology / Approach. The mixed research design is applied in the study – expert interviews as well as target group survey (pilot testing).management;

Findings. The result of the study – the methodological framework and design of the future empirical research

Originality / Value / Practical implications. The originality of the current research lies in the fact that this is the first study on the business students' attitude to corporate social responsibility in Latvia. The results will be used to improve the business study curriculum.

Keywords: corporate social responsibility; business studies; cultural diversity.

JEL codes: M 14; I 23.

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Jelena Budanceva. THE CONSUMPTION OF CULTURE: YOUNG MIGRANTS IN LATVIA

Abstract

Research purpose. In according to the World migration report 2018 there are approximately 244 million international migrants globally (or 3.3% of the world's population). One third of the world's international migrants (75 million) lived in Europe in 2015. The problem of refugees and economic migrants has received the greatest coverage; in turn, migration with the aim of obtaining education has so far been studied relatively little. If, in the case of European students, problems of integration into the social and cultural context rarely arise, for the representatives of the Muslim world it is more difficult to cope with cultural shocks and social challenges. Continuing a series of studies on the topic of cultural consumption, the author examines young students from Muslim countries and the degree of their integration into the culture of the host country - Latvia - through the issues of consumption of cultural products and services. Statistics speak of more than 9,000 foreign students in Latvia – and approximately 2 000 of them are Muslims from Uzbekistan, India, Kazakhstan, Turkey, Azerbaidzhan, Tadzhikistan, Pakistan, Egypt, Shri-Lanka, Morocco, Algeria and Kirgizstan (in descending order). The purpose of the study is to learn the habits and obstacles of the consumption of cultural goods by Muslim students in Latvia.

Design / Methodology / Approach. To achieve the research purpose author conducted a survey, using own developed instrument – questionnaire. In total, 178 respondents – foreign students studying in Riga - participated. The survey was conducted in December 2018 using snowball sampling. The developed questionnaire contained the questions regarding the cultural consumption in general, preferences and obstacles, as well as the questions on cultural consumptions patterns. All the questions were grouped into 2 sections: A) Respondent profile, B) Questions about consumption on cultural goods and service in Latvia, C) Questions about the financial aspects and cultural consumption patterns at their homeland.

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

Originality / Value / Practical implications. The results of the research can be used in two aspects: for the development of the offer of cultural goods and services, interesting for Muslim students on the one hand, and for the increasing of their integration into the Latvian society - on the other.

Keywords: culture consumption; educational migrants; integration; culture services; culture products.

JEL codes: not applicable

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Ainur Tashmakova. **THE IMAGE OF KAZAKHSTAN IN BRITISH NEWSPAPERS (THE GUARDIAN, THE DAILY MIRROR) BETWEEN 1991-2015**

Abstract

Research purpose. This study will show the findings of content analysis carried out on these newspapers published in a period of 24 years between 1991-2015. The aim of the research is to identify whether there is a certain image of Kazakhstan in the newspapers. According to Kerlinger (1973, p. 525), most content analysis, 'by contrast, has been used simply 'to determine the relative emphasis or frequency of various communication phenomena'. This research has also measured the frequency of the of chosen categories.

Design / Methodology / Approach. This paper has used quantitative content analysis and qualitative discourse analysis to make conclusions about an image of Kazakhstan in articles of the Guardian and the Mirror between 1991-2015.

Findings. This study revealed that there are several fields, where Kazakhstan has already established the image. Even though, it is not, necessarily positive reputation the country has, but it is strong enough to define the country. The findings of the study demonstrated that Kazakhstan is mainly popular by its sport and Borat's image in both the Guardian and the Mirror. The later newspaper primarily focused on Kazakh sport, while the Guardian provided more political news about Kazakhstan.

Originality / Value / Practical implications. The research tried to show the strong influence of stereotypes on the image creating process. In case of Kazakhstan, the main stereotype of Borat has impacted on the sport and politics reporting and even on the economics .

Keywords: Kazakhstan; image; reputation; stereotype; content analysis.

JEL codes: not applicable

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EKONOMIKAS UN KULTŪRAS AUGSTSKOLA

ALBERTA KOLEDŽA

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EMERGING TRENDS IN

ICT SOLUTIONS FOR BUSINESS, MANAGEMENT AND EDUCATION

Uwe Busbach-Richard, Brian Gerber. **ASSESSING SMART CITY RESILIENCE IN THE FACE OF NATURAL HAZARD AND CYBER-ATTACK VULNERABILITIES**

Abstract

Research purpose: In the past decade or so, smart city projects have become more widespread and popular. The steady increase in city population size and density (as a global trend) and the complexities of city management has led to an interest in using smart information and communication technologies to support a higher quality of urban life and enhanced public services. Smart cities are designed to enable the linkage of high technology, green environment and increased well-being for citizens. The dependence, and concomitant vulnerability, of smart cities on IT infrastructure, however, is a topic that is seldom or infrquently mentioned in discussions of smart city efficacy. Cyber-attacks on the IT infrastructure of smart cities are a major vulnerability – but relatively little systematic evaluation exists on the topic. Likewise, IT infrastructure as the basis for smooth operation of the services expected by citizens and businesses is vulnerable to natural disasters too - and the risk of more severe natural disasters in the context of a global trend toward massive cities is increasing dramatically.

Design / Methodology / Approach: This contribution describes and explains the risk profile for which smart cities are exposed by both natural disasters and cyber-attacks. Similarities between both are identified and a common risk profile is developed. At the same time, the paper examins whether and which measures and policies Smart Cities have developed in order to cope with the risk profile and the relative efficiacy of those risk mitigation efforts.

Findings: An essential characteristic of the term "smart" seems the efficient provision of services for citizens and businesses, attempts are also being made to design efficient precautions for natural disasters and cyber-attacks. Essentially, this often means a reduction funding in infrastructure security without the development of new, really smart security and response concepts. This is in stark contrast to the increased impact that can be expected in the event of disasters in smart cities. Conversely, the aim would have to be to significantly increase the resilience of smart cities in order to reduce the damage to citizens and businesses.

Originality / Value / Practical implications: An initial definition of Smart City Resilience will be developed in relation to unforeseen disruptions such as deliberate cyber-attacks and those caused by environmental systems through natural disasters. Based on this definition, criteria are derived that can give an initial indication of the extent to which smart cities have implemented resilient methods and policies to avert danger.

Keywords: disaster management; ICT security; smart city resilience; infrastructure vulnerability.

JEL codes: Q55; M15.

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Dmitrijs Finaskins. DATA PRE-PROCESSING AND MACHINE LEARNING CAPABILITIES IN APACHE SPARK

Abstract

Research purpose. The 21st century is a century of data. Data comes from a variety of sources every second. Its volume is so big that traditional methods and tools in most cases cannot be used to process it. The problem related to big data volumes could be separated into 2 parts – data processing and data exploration. Data processing is data initial onboarding either from streaming sources, like server log files coming in real-time and at very high rate, or receiving "snapshots" of a system state at regular time intervals or based on some triggers. Data processing should also include some activities related to data pre-cleaning and transformation. The main purpose of this activities is to make data ready for exploration / insights extraction. In this paper, it will be shown how we can easily do both steps defined above using Apache Spark. Historical data related to English Football Premier League will be taken, pre-cleaned, transformed and some machine learning algorithms will be applied to make predictions about future matches winners.

Design / Methodology / Approach. For data pre-processing and application of machine learning algorithms Apache Spark will be used. It allows to consume and process data both in batch mode and near-real time fashion. In this paper it will be shown how batch processing works.

Findings. Building the whole Extract – Transform – Load pipeline and applying machine learning algorithms on top of pre-processed data for forecasting results of future events based on historical data available using Apache Spark.

Originality / Value / Practical implications. This paper shows how complicated tasks like data pre-processing and cleaning on large data sets could be easily done using Apache Spark and by applying machine learning algorithms forecasts for the future events could be obtained. The pipeline design is universal and could be re-used for any kind of data.

Keywords: machine learning; data pre-processing; Apache Spark; data mining.

JEL codes: C53; C55.

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Yulia Efimova, Artem Gavrilov. **SYSTEM JOURNALS MONITORING FOR REVELATION OF SUSPICIOUS ACTIVITY IN CORPORATE NETWORKS**

Abstract

Research purpose. The purpose of this research is to develop an algorithm for revelation of suspicious activity in corporate networks based upon system journals monitoring. It aims to create a software package that produces data mining, based on mathematical statistics and machine learning that is able to recognize suspicious activity in networks.

Design / Methodology / Approach. The study is performed on the basis of case analysis and desktop research. For the purposes of the study we have used 5 cases of system journal monitoring alongside with evaluation of open data on use of system journal monitoring in suspicious activity revelation.

Findings. The algorithm includes: log files creation; information analysis and filtering; allocation of key features and splitting of syslog events into two clusters (cases not related to system failures and suspicious activity cases). Within training sample, the source log file contains information on user actions, including time marks for standard business processes, and also including suspicious activity cases. As the data on user actions are not fixed in length and vary significantly, they are to be divided into frames. Each frame contains a set of standard expressions and time variables linked to user actions. Within vector creation the frames are divided into semantic structures, which are assessed by means of intellectual analysis. The obtained model allows defining any log file activity by the degree of suspiciousness in relation to information security.

Originality / Value / Practical implications. The results are originally extracted from this research and testing of the developed algorithm. The practical implication of this research is that results can be used for assessing suspicious activity corporate networks, that leads to decrease in corporate spending.

Keywords: system journals; monitoring; suspicious activity; corporate networks; algorithm

JEL codes: O30

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Tatjana Tambovceva. BIG DATA AND CITY MANAGEMENT

Abstract

Research purpose. Ubiquitous access and cloud technologies provide instant access to a huge amount of data. All this allows to obtain analytical data, which, when managing the city, allow to make decisions quickly. The purpose of this study is to analyse recent trends in the application of big data for city management.

Design / Methodology / Approach. The study is based on the extensive literature review, case studies, surveys, and analyses of statistical data.

Findings. Effective analysis and use of big data is a key success factor in many business and service areas, and can also be used for city management. Urban big data is still in its early stages. Urban big data are connected with stakeholders and physical objects in cities. Big data can be collected from different sources, for example, geographic information systems (GIS), sensors, apps, images and videos, user behaviour etc. The data collection may be in real time or at irregular intervals (such as daily, weekly or monthly). This means that different pieces of information can be used together in different combinations for different purposes. As example of big data in city management can mention: environmental concerns and wastes, energy and electricity, buildings, transportation, public safety etc. Results of the research show that there are several opportunities for using big data in city management and development; however, to achieve a better use of this technology, we have to solve many problems.

Originality / Value / Practical implications. The main contribution of this research is the development of knowledge and frameworks for big data use for cities. Big data technologies can help to improve quality of life and the productivity of cities over the long run.

Keywords: big data; cloud computing; city management.

JEL codes: C8; R0; O33.

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Dora Konstantinou. MAKERSPACES: THE WAY TO DEVELOP THE LEARNING AND INNOVATION SKILLS(4C'S) OF THE 21ST CENTURY

Abstract

Research purpose. The purpose of this research is to examine the use of Makerspace in STEM education and its contribution in the development of the 4C's (Collaboration, Communication, Creativity and Critical Thinking), which have been declared the Learning and Innovation skills of the 21st century

Design / Methodology / Approach. A mixed research method will be applied on the investigation of the significance of Makerspace in 4C's skills development. The factors of Collaboration and Communication will be examined through a qualitative method in the form of semi-structured interviews with the participants. The factors of Creativity and Critical Thinking will be examined through a quantitative method which indicates a pre-test and posttest evaluation using the TTCT (Torrance Test of Creative Thinking) and Watson Glaser Test of Critical Thinking.

Findings. The research on the contribution of makerspaces on the 4C's revealed that there is a positive impact on student and adult education by improving interpersonal skills such as creativity, critical thinking, problem solving, collaboration, social responsiveness and entrepreneurship.

Originality / Value / Practical implications. Makerspaces have been in existence for only a few years and there is a few research related to the topic. Although a variety of findings from research indicate that Makerspaces can contribute positively to general education, no research have been carried out on the development of the 4C's for college/university students. The results of the above research will help the local community understand the benefits of makerkspaces and encourage the development of such places in university/college libraries available for public use. At the same time those results will provide further information to the research community.

Keywords: makerspaces; STEM; education; 21st century skills; 4C's.

JEL codes: I20

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Janis Peksa. ROAD MAINTAINERS IN REPUBLIC OF LATVIA

Abstract

Research purpose. Consists of the fact that it is necessary to investigate and understand the existing situation in the road maintenance in the Republic of Latvia. Researching a state of the road maintainers it possible to start to understand how the current condition can be improved in the road maintenance situation. It is possible to further the data sets and other factors of existing meteorological stations to improve the existing road state. The meteorological stations are located near road surface, and data are available within a 5-minute interval. With this data, carry out some forecasting models to conclude which model can deliver the most consistent results and then make forecasting dynamically through this model. When forecasting is obtained the decisions can be made that can improve the road surface situation in the winter season.

Design / Methodology / Approach. First, comes design that allows understanding the situation in road maintainers in the Republic of Latvia fully — creating the concept of the structure of data flow and gathering process from existing meteorological stations. The road maintenance work is one of the most important works for infrastructure improvement and its functional components in the Republic of Latvia. One of the cases is the winter anti-slip material smudging the road surface. Second, is the systematic and theoretical analysis of the methods applied to the road maintainers study. It will comprise the theoretical analysis of the body of methods and principles associated with a branch of knowledge. It is gathering scientific research similar papers that will prove the same associated knowledge that will be used for road maintainers in the Republic of Latvia. Lastly, all gathered information about the road maintainers and data sets from the meteorological stations are set in one place for analyses. Understanding that data sets of those data are a time-series that can be used for forecasting in the future. These forecasting can allow the road maintainers to have better decisions for sending out trucks for smudging the road surface with anti-slip materials in specific regions.

Findings. One of the best conclusion is that those data sets are time-series and they can be used for forecasting and for building better decision-making platform that can be used for the road maintenance in the Republic of Latvia.

Originality / Value / Practical implications. Uniqueness consists of the fact that these forecasting in the Republic of Latvia are not designed to be able to perform adaptively several forecasting models in one place. The key value is that road maintainers will be able to dynamically follow forecasting results and make decisions sooner before any factor has intervened. A practical solution to develop a platform capable of operating data in real-time and capable of forecasting and delivering milestone results for the road maintainers.

Keywords: road maintainers; road surface; transportation; forecasting.

JEL codes: C53; E17; R41.

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