



TOWARD THE "NEW NORMAL" AFTER COVID-19 – A POST-TRANSITION ECONOMY PERSPECTIVE

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Foreword

The coronavirus (Covid-19) being a highly transmittable, dangerous and pathogenic viral infection emerged in Wuhan city of China first and later on spread around the world. The outbreak of Covid-19 led to pandemic. A pandemic can be defined as “an epidemic occurring over a wide range of geographical area which crosses the international boundaries and also affects large number of people” (Last, 2001). The Covid-19 pandemic touched practically each country.

The pandemic is not new to us but this pandemic has put an extremely severe and strong impact on societies and economies. The sudden attack of Covid-19 and the way it affected human lives and economies manifests the VUCA concept, black swans phenomenon and wildcards’ reality. Since the late 1980s the US military used the term of VUCA to characterize the geopolitical context when the iron curtain fell (Millar, Groth, & Mahon, 2018; U.S. Army Heritage and Education Center, 2018). Heinonen, Karjalainen, Ruotsalainen and Steinmuller (2017) explain the term in detail. V means ‘volatility’, U stands for ‘uncertainty’. Heinonen et al. (2017) point to the fact that within uncertainty we may distinguish two aspects: objective indeterminacy in terms of external and internal factors beyond a company’s control and subjective unpredictability with regard to lack of knowledge about large, interconnected economic and societal systems. C means ‘complexity’ that highlights a multitude of qualitatively different factors or elements that interact in many different ways. The complexity is reflected in the fact that there exist intrinsic webs of interaction, there are no easily noticeable cause-and-effect chains just disruptions that promulgate in vague ways. A represents ‘ambiguity’ which goes in line with difficulties in interpretation and explanation of causes and effects. A visible manifestation of the VUCA reality are black swans. Black swans concept was introduced in 2007 by a former Wall Street trader – Nassim Nicholas Taleb (2007), who pointed to three attributes of phenomena that deserve the notion: unpredictability of the event, severe and widespread consequences of the event, and after the occurrence of such event, it is often rationalized as having been predictable (hindsight bias). These kind of events differ and they may be regarded as unknown unknowns, unknown knowns and knowns with negligible

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probability of occurrence, thus not believed to materialize (Aven & Krohn, 2014). Unknown unknowns events are completely unknown to the environment, are more likely to occur in the instances of severe and deep uncertainties. Unknown knowns are events unknown to those who conduct analysis, however known to others, such events are not captured because of lack of knowledge or lack of consideration, thus more thorough analysis could have identified them and knowns with negligible probability of occurrence, thus not believed to materialize are events so unlikely to occur that are ignored, those events are on the list of hazards and risk sources but then removed due to extremely low probability. Heinonen et al. (2017, p. 3) explains black swans as highly improbable events that are difficult to anticipate, but if realized, will have dramatic, global impacts, either positive or negative.

Quite similar concept is the idea of wildcard events that according to John Petersen (1999) are events with low probability and high impact. These events have direct impact on human conditions, generate broad, large, important and sometimes fundamental implications, and facilitate the rapid movement for the system do adjust to the change (Barber, 2006).

Being aware what VUCA, black swans and wildcard events mean we easily find the links with the coronavirus pandemic. And we can easily notice that the new normal reality that will hopefully emerge and be developed on the foundation of the volatile, uncertain, complex and ambiguous Covid-19 reality, will be challenging. Thus, policymakers, business people and researchers need to discuss and join forces to create the post-covid societies and economies that will respect the broadly understood sustainability priority. To boost the healthcare systems, develop businesses, maintain jobs, upgrade education, stabilize financial markets we need to first diagnose the present situation and then ask ourselves how to improve the reality.

An attempt to join and facilitate the discussion on the causes, impacts, consequences and recovery strategies in the pandemic realm is the presented collection of 21 chapters addressing the challenges for societies, economies and businesses prepared by researchers from the Institute of International Economy and Business at the Poznań University of Economics and Business. The book is divided into three parts. Part one touches the supranational and national level aspects of the Covid-19 pandemic. Part two focuses on business sectors and industries. And part three provides the perspective of companies. In part one the authors identify and assess the complexities of Covid-19's impact on an economy; shed light on the instruments and solutions proposed within the framework of the cohesion and budget policy in the European Union (EU), investigate trade measures implemented EU as the aftermath of the Covid-19 outbreak and define general potential effects of the current economic turbulences on the future shape of the Common Commercial Policy (CCP). They discuss the future of the migration and asylum

policy in the EU. In this part readers find the chapter in which the authors compare the behavior of selected central banks, which are most significant for the global economy, in order to identify similarities and differences in anti-crisis policies, a study investigating correlations between domestic assets (represented by stock exchange indices in CEE post-transition countries) and foreign assets (represented by changes in selected global exchange indexes) and comparison of interdependencies among stock exchanges in the analyzed periods with the CBOE Volatility Index (VIX) representing investors' expectations for volatility of S&P500 index which is a proxy for the global risk. Within this part readers find a chapter discussing the effects of the Covid-19 pandemic on FDI, too. Part one wraps up with the presentation of the impact of the Covid-19 pandemic on the finances of multinational enterprises from the perspective of the structure of financing, investments and dividend policy.

Part two sheds light on the Covid-19 and post-covid reality within business sectors and industries. This part starts with the analysis of the substitution processes in the tourism market caused by the Covid-19 pandemic. Then authors examine the extent and level of the pandemic impact on sports, videogames and tourism industry using emotional narration of articles related to Covid-19 effects on these industries. In the next chapters authors indicate what effects in transport companies performance in Poland result directly from Covid-19 and speculate on the nature of external support expected by these enterprises, define the threats to the logistics real estate market in Poland, which are posed by the Covid-19 pandemic, and identify trends that shape the functioning conditions on this market in the time of the pandemic. Another sector presented in this part is the agri-food sector. The authors try to answer the question, what was the reaction of Polish agri-food markets on the first wave of the pandemic, which in the case of Poland can be perceived as the period from March until August 2020. Since Covid-19 reality is closely linked with the digital transformation the another chapter provides a model of consumers' AR acceptance in e-commerce. Then the the development of new partnerships and R&D alliances in the biopharmaceutical industry in the time of Covid-19 pandemic is verified.

In part three we learn about the challenges for companies. First, authors briefly present the adoption of Industry 4.0 technologies among Polish companies in the realm of the VUCA world. These solutions may be recognized as recovery measures towards "the new normal" reality. The "new reality" may need new competences, thus in another chapters the authors ask what competences seem necessary for future managers in the pharmaceutical industry in a turbulent environment. Since the pandemic pointed to tremendous challenges in terms of sustainability, the next chapter provides comparison of the declarations of local and international companies regarding the maintenance of sustainable development initiatives in

case of a crisis. Another aspects touched upon in this part of the book are challenges that women entrepreneurs face during Covid-19 and how have women entrepreneurs reoriented their business. Then, challenges in the currency derivatives management in the OTC (over-the-counter) market in Poland during pandemic era are discussed and selected activities undertaken by Polish commercial banks in this regard in the period March-November 2020 are presented. Part three ends with chapter on conditions that allow companies to become beneficiaries of altruistic fundraisers carried out through donation crowdfunding, as well as on potential of this type of crowdfunding to provide relief for small businesses.

The book presenting diverse impacts and consequences that economies, businesses and companies face in the pandemic period and will cope with in the “new normal” after Covid-19 is to be a voice in discussion on how to create a better world. Covid-19 revealed many weaknesses of the global economy, national economies, business sectors and companies. Nevertheless, it is the turning point and opportunity to use the expertise we got and the post-covid recovery strategies to simultaneously address the climate change, biodiversity loss, growing inequalities, future of work, consumption patterns and the issue of distribution of wealth.

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