

VOLUME I ISSUE I

**FOCUS
ON
RESEARCH
IN
CONTEMPORARY
ECONOMICS
(FORCE)**

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VOLUME 1 ISSUE 1

EDITORIAL

The Editor-in-Chief and the Editorial Board are proud to present this first issue of the **Focus on Research in Contemporary Economics (FORCE)**. We are driven to establish **FORCE** which is dedicated to create a well-established venue for high quality research in contemporary Economics. Its content mirrors widespread scholarly approaches and interests within the dimensions of Economics, Finance, Accounting, Banking, Business Administration, Marketing, Management, and other related areas in Social Sciences. Therefore, **FORCE's** contributions are not limited to a specific disciplinary philosophy or a particular approach.

Our first issue features three research articles and two review articles that report essential findings and implications in contemporary economics. In the first article, Virlanuta, David, and Manea (2020) focus on the transition from circular economy to linear economy with major global concerns. This study analyzes the consumer behavior within the scope of selective waste collection at the level of Galati County with a questionnaire-based analysis.

In the second article, Jánošová (2020) explores the change in air quality with special concern to COVID-19 pandemic. Taking the goals of 2030 Agenda into consideration, sustainable behavior is scrutinized by means of daily recorded data, and managers' decision making processes are elaborated within the study.

In the third article, Olivé Serret and Doganyilmaz Duman (2020) review Euro-Mediterranean relations within an institutional level, taking Barcelona Process as the starting point, and leading towards the current UfM. In doing this, the Democratic Peace Theory is elaborated which has long been focused in order to form a basis for border securitization.

In the fourth article, Akarsu, Kurt, and Alacahan (2020) map out employment of women within the scope of entrepreneurship and innovation in senior and middle management. Kónya's (2006) causality analysis is employed in order to detect any relationship that may mushroom from the differences between women and men.

In the fifth article, Özkan (2020) asks how to create brand loyalty in food and beverage enterprises. Within a conceptual perspective, she defines approaches in brand loyalty, and investigates the importance of brand loyalty in food and beverage enterprises.

I would like to thank our authors, reviewers, and readers for their support.

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FORCE

FOCUS ON RESEARCH IN CONTEMPORARY ECONOMICS

THE TRANSITION FROM LINEAR ECONOMY TO CIRCULAR ECONOMY: A BEHAVIORAL CHANGE

Florina Oana Virlanuta, Sofia David, & Ludmila Daniela Manea |

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THE TRANSITION FROM LINEAR ECONOMY TO CIRCULAR ECONOMY: A BEHAVIORAL CHANGE

Florina Oana Virlanuta*, Sofia David, & Ludmila Daniela Manea

ABSTRACT

The circular economy is one of the major global concerns, and the transition from the linear economy to the circular economy requires not only the creation of new business models, but also a change in consumer behavior. Our research theme aims to analyze the perception of selective waste collection at the level of Galati County. As a research method we used questionnaire-based analysis with 544 respondents. The analysis was based on three working hypotheses, and in the future, we will extend the analysis to other components of the circular economy.

KEY WORDS: Recycling rate, consumer behavior, circular economy, selective waste collection.

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1. INTRODUCTION

The EU Circular Economy Action Plan underlines the impact of the circular economy on competitiveness, and its implications against resource scarcity and volatile prices, and the European Commission also considers that the circular economy will lead to the creation of new business opportunities and innovative

and efficient production and consumption models (European Commission, 2015). In addition to the favorable impact on the economy, the same European Commission Material (2015) highlights the impact of the circular economy on the environment, helping to avoid irreversible damage to the climate and the environment. Selective waste collection is only a small component of the circular economy. The objective of the circular economy is to minimize waste, increase resource productivity, optimize production by implementing innovative business models, all with the lowest impact on the environment (Ellen MacArthur Foundation, 2019).

At European level there are multiple legislative concerns, as well as strategies setting medium- and long-term objectives in the circular economy. All these states will not succeed without accepting and adapting manufacturers to new business models (Cherry et al., 2018; van Weelden et al., 2016).

Potential benefits of implementing the economic model based on the principles of the circular economy across EU-28 countries by 2035 (Henry, 2016):

- a 7% increase in GDP at EU level – 28, which will lead to economic growth;
- creating new jobs by 2035, especially in the waste management sectors;
- enhancing competitiveness and encouraging innovation;
- annual reduction of total greenhouse gas emissions by 450 million tones or 2-4%/ Year.

There is a general consensus that the efficient management of raw materials, waste, and energy is closely linked to sustainable economic and social development. In recent times, there has been an increase in the volume of waste globally but also a diversification of its flow. This is a consequence of the intensification of the urbanization process, the reduction of the product lifecycle, but also the stimulation of consumption. In the context of the sharp decline in natural resources, the rapid deterioration of the environment as a result of anthropogenic action, the problem of waste management has become increasingly current.

Raising public awareness of the implementation of a green approach is a feature of the transition to a green economy. The concept of green economy is closely linked to the concept of circular economy, both of which are components of sustainable development. The two concepts have common elements: waste

management and resource efficiency.

In Romania, the recycling rate of waste in 2017 was 13.9%, much lower than the EU-28 waste recycling rate for the same period (46.4%). In these circumstances, Romania risks not being able to meet the European targets for increasing the recycling rate of waste. In our opinion, the development of the circular economy in Romania can be supported by informing and educating the population about the selective collection of waste.

The objective of our research is to determine the perception of Galati citizens on the selective collection of waste. We believe that the transition from a linear economy to a circular economy is influenced by compositional changes among both producers and consumers.

2. LITERATURE REVIEW

Circular economy is a major concern at the global level, and can be defined as a sustainable economic model aimed at the efficient use of resources through not only waste minimization, but also waste cycled back into production processes. Morseletto (2020) considers that circular economy strategy has to include ten action directions: recover, re-use, recycling, repurpose, refurbish, remanufacture, repair, reduce, rethink, and refuse.

Implementing a system that allow to all users and businesses to engage in the circular economy, involves technological and economic challenges. Without a fundamental change in consumer behavior regarding reuse and recycling, the transition to circular economy is not possible (Planing, 2015). According to sustainability dimension (social well-being, economic resilience and environment integrity), new circular economy business models have to design their activities taking into account those dimensions (Kravchenko et al., 2019).

Even at the European level exist a lot of policies and strategies regarding management waste, in some countries, municipal waste still mainly ends at landfills. Significant investments were made in waste management centers based on mechanical-biological treatment, but the recycling rate is still low (Luttenberger, 2020).

Business models of the linear economy have led to a certain consumer behavior,

which may be an impediment to the transition to the circular economy. In a consumption-based economy it is difficult to generate demand for used or repaired products (Bittar, 2018).

Since 2015, at EU level, a plan of measures has been adopted to stimulate the circular economy and generate sustainable economic growth. The action plan includes a set of legislative proposals with regulations in the field of waste management (European Commission, 2015). The circular economy is a prerequisite for sustainable economic growth, which involves the development of innovative new business models aimed primarily at making the use of resources more efficient.

The principles of the circular economy apply to all sectors of activity through different types of synergies, which can generate cumulative effects on the economy and the environment (Parajuly, 2017). Manufacturers must adopt new product design models that respect the principles of the circular economy, favorable to the end-of-life (EoL) scenario (Atlason et al., 2017).

Circular economy becomes an important issue for the United Nations, that adopted the 2030 Agenda for Sustainable Development, mentioning the Sustainable Development Goals, and management of waste is closely linked to several goals (Good health and Well-being, Clean water and Sanitation, Responsible Consumption and Production) (Baldé et al., 2017). Ghisellini et al. (2016), considers that the transition to circular economy has just started, and for the moment is necessary to improve the present production and consumption models in order to increase the used resource efficiency.

3. RESEARCH METHODOLOGY

In order to assess the perception of Galati citizens about selective waste collection, we design a pilot questionnaire, most of questions having a five-value response scale. The questionnaire was divided in two section, 5 questions have a nominal scale for determining the profile of the respondent, and 8 questions have a semantically differentiated scale of 5 steps and address the underlying issue of the research.

Finally, 544 filled questionnaires were analyzed in a SPSS database. According to the segmentation criteria the distribution of the population from our study

reveal that the majority of respondents are females (82.35%), while the males represent 17.65%; the majority have bachelor degree education (57.34%), 10.76% have master degree, while 29.33% have upper secondary education and only 2.57% have doctoral studies; in what concerns their age, 50% of respondents are included in the interval (18-25 years), 22.42% in the interval (36-45 years), 19.88% are over 45 years old and just 7.7% are in the interval (26-35 years).

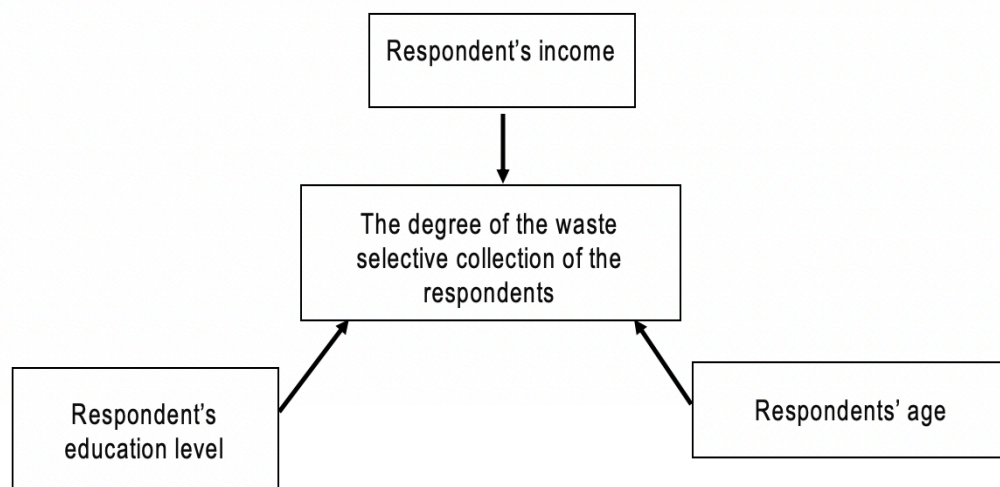


Figure 1: Conceptual model of the research

Three working hypotheses have been established, which will be analyzed according to the degree of association between the variables taken into account.

In order to test the hypotheses, we used the statistical methods that are chi-square, Pearson's R and Spearman coefficients of correlation. These working hypotheses are based on 4 variables: education, age, venue and degree of selective waste collection.

H1: The respondents' education level significantly influences the degree of selective waste collection.

H2: The respondents' income level significantly influences the degree of selective waste collection.

H3: The respondents' age significantly influence the degree of selective waste collection.

4. RESULTS AND DISCUSSION

As a result of analyzing the responses to multiple choices questions related to waste types collected by respondents and their incentives for collecting selectively the waste, the data gathered are shown in Figure 2 and 3.

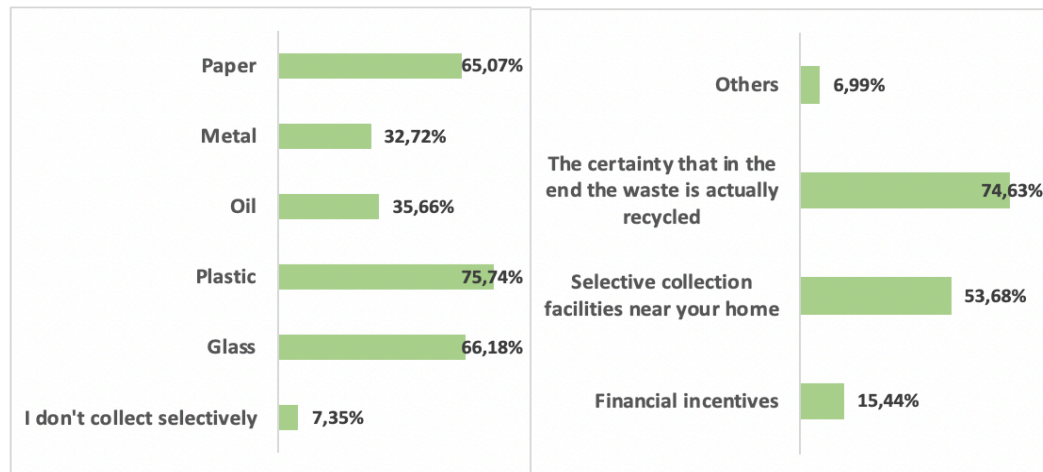


Figure 2: Type of selective collected waste **Figure 3:** Motivations for selective collection

As we observe in Figure 2 and Figure 3, the respondents selectively collect to a large degree plastic, glass and paper. This choice can be explained by the existence of collecting facilities for such waste type at the local level. Regarding the respondents' incentives for selective waste collection (Figure 3), there is a great percent (74.63%) of 'certainty that in the end the waste is recycled' responses, followed by 'the existence of the selective collection facilities near home' (53.68%). Only 15.44% of respondents are motivated by financial incentives. In the following, we test the association between the variables of the designed hypothesis.

H1: The respondents' education level significantly influences the degree of selective waste collection.

For the first hypothesis a contingency table with double entry was generated, allowing the classification of observed and expected frequencies (Table 1).

Table 1. Contingency tables associated to H1

Selective waste collection * Education level Crosstabulation								
			Education level					
			Bachelor's degree (ISCED 6)	Doctoral studies (ISCED 8)	Master's degree (ISCED 7)	Post-secondary education (ISCED 4)	Short-term higher education (ISCED 5)	Upper secondary education (ISCED 3)
Selective waste collection	Greatly (4)	Count	64a	4a	16a	8a	6a	28a
		Expected Count	68.1	3.2	13.4	6.0	4.2	31.0
		% within Selective waste collection	50.8%	3.2%	12.7%	6.3%	4.8%	22.2%
		Adjusted Residual	-.8	.5	.8	.9	1.0	-.7
		Total						126
	Highly (5)	Count	218a	10a	42a	18a	10a	94a
		Expected Count	211.9	10.1	41.8	18.7	13.0	96.6
		% within Selective waste collection	55.6%	2.6%	10.7%	4.6%	2.6%	24.0%
		Adjusted Residual	1.2	-.1	.1	-.3	-1.6	-.6
		Total						392
	Remotely(2)	Count	2a	0a, b	0a, b	0a, b	2b	2a, b
		Expected Count	3.2	.2	.6	.3	.2	1.5
		% within Selective waste collection	33.3%	0.0%	0.0%	0.0%	33.3%	33.3%
		Adjusted Residual	-1.0	-.4	-.9	-.6	4.1	.5
		Total						6
	Undecided(3)	Count	10a	0a	0a	0a	0a	10a
		Expected Count	10.8	.5	2.1	1.0	.7	4.9
		% within Selective waste collection	50.0%	0.0%	0.0%	0.0%	0.0%	50.0%
		Adjusted Residual	-.4	-.7	-1.6	-1.0	-.8	2.7
		Total						20
	Total	Count	294	14	58	26	18	134
		Expected Count	294.0	14.0	58.0	26.0	18.0	134.0
		% within Selective waste collection	54.0%	2.6%	10.7%	4.8%	3.3%	24.6%
		Adjusted Residual						
		Total						544

Each subscript letter denotes a subset of Education level categories whose column proportions do not differ significantly from each other at the .05 level.

Table 2. Chi-square test for H1 hypothesis

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	31.260	15	.008
Likelihood Ratio	24.616	15	.055
Linear-by-Linear Association	1.253	1	.263
N of Valid Cases	544		

It is noted that the significance tests of the first two measures of the association of variables (Pearson Chi-Square, Likelihood Ratio) have values less than 0.05, and the value of Pearson Chi-Square (31.260) is greater than the Chi-Square value reflected by Chi-Square Distribution Table for Degrees of Freedom (24.996).

Thus, the null hypothesis is rejected and we note that there is an association between the degree of selective waste collection and the level of education of the respondents of our study.

Table 3. Chi-squared association measures for the H1 hypothesis

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	.240	.008
	Cramer's V	.138	.008
	Contingency Coefficient	.233	.008
N of Valid Cases		544	

The result of the chi-square test of the first H1 hypothesis is also validated by the association coefficient ϕ (phi), the coefficient V Cramer and the coefficient of contingency (cc), derived from χ^2 and their significance tests. Based on these, we establish that the association is significant with a p-value of 0.008.

H2: The respondents' income level significantly influences the degree of selective waste collection.

For the research of hypothesis H2 (The respondents' income level significantly influences the degree of selective waste collection) the relationship between the variables 'family income' and 'selective waste collection' was analyzed (Table 4).

Table 4. Contingency tables associated to H2

Selective waste collection * H2 Crosstabulation			H2			Total
			< 3000 RON	>5000 RON	3000 - 5000 RON	
Selective waste collection	Greatly (4)	Count	44 ^a	28 ^a	54 ^a	126
		Expected Count	43.1	31.5	51.4	126.0
		% within Selective waste collection	34.9%	22.2%	42.9%	100.0%
		Adjusted Residual	.2	-.8	.5	
	Highly (5)	Count	130 ^a	102 ^a	160 ^a	392
		Expected Count	134.0	98.0	160.0	392.0
		% within Selective waste collection	33.2%	26.0%	40.8%	100.0%
		Adjusted Residual	-.8	.9	.0	
	Remotely(2)	Count	2 ^{a, b}	4 ^b	0 ^a	6
		Expected Count	2.1	1.5	2.4	6.0
		% within Selective waste collection	33.3%	66.7%	0.0%	100.0%
		Adjusted Residual	.0	2.4	-2.0	
	Undecided(3)	Count	10 ^a	2 ^a	8 ^a	20
		Expected Count	6.8	5.0	8.2	20.0
		% within Selective waste collection	50.0%	10.0%	40.0%	100.0%
		Adjusted Residual	1.5	-1.6	-.1	
Total	Count		186	136	222	544
	Expected Count		186.0	136.0	222.0	544.0
	% within Selective waste collection		34.2%	25.0%	40.8%	100.0%

Each subscript letter denotes a subset of H2 categories whose column proportions do not differ significantly from each other at the .05 level.

Table 5. Contingency tables associated to H2

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.704	6	.098
Likelihood Ratio	12.195	6	.058
Linear-by-Linear Association	.766	1	.381
N of Valid Cases	544		

According to these results, it was found that there is no association between the two variables because the value of the asymptotic significance related to Pv (0.098) and the ratio of verisimilitude (Likelihood ratio chi-square 0.058) is higher than the permissible significance level of 0.05, and the Pearson Chi-Square

contingency coefficient value (10.704) is less than the Chi-Square value reflected by Chi Square Distribution Table for Degrees of Freedom (12.592).

Table 6. Chi-square-based association measures for H2 hypothesis

Symmetric Measures		Value	Approximate Significance
Nominal by Nominal	Phi	.140	.098
	Cramer's V	.099	.098
	Contingency Coefficient	.139	.098
	N of Valid Cases	544	

The result of the Chi-square test of the first H2 hypothesis is also validated by the association coefficient ϕ (phi), coefficient V Cramer and contingency coefficient (cc), derived from χ^2 and their significance tests.

Based on these, with a p-value of 0.098, it was found that it is not a significant association between variables income level and selective waste collection.

H3: The respondents' age significantly influence the degree of selective waste collection.

For the third hypothesis a contingency table with double entry was generated, allowing the classification of observed and expected frequencies (Table 7).

Table 7. Contingency tables associated to H3

Selective waste collection * H3 Crosstabulation							
			H3				Total
			>45 years	18-25 years	26-35 years	36-45 years	
Selective waste collection	Greatly (4)	Count	28a, b	54b	16a	28a, b	126
		Expected Count	25.0	63.0	9.7	28.3	126.0
		% within Selective waste collection	22.2%	42.9%	12.7%	22.2%	100.0%
		Adjusted Residual	.8	-1.8	2.4	-.1	
	Highly (5)	Count	78a	198a	24a	92a	392
		Expected Count	77.8	196.0	30.3	87.9	392.0
		% within Selective waste collection	19.9%	50.5%	6.1%	23.5%	100.0%
		Adjusted Residual	.0	.4	-2.2	.9	

Remotely(2)	Count	2a	2a	0a	2a	6
	Expected Count	1.2	3.0	.5	1.3	6.0
	% within Selective waste collection	33.3%	33.3%	0.0%	33.3%	100.0%
	Adjusted Residual	.8	-.8	-.7	.6	
Undecided(3)	Count	0a	18b	2a, b	0a	20
	Expected Count	4.0	10.0	1.5	4.5	20.0
	% within Selective waste collection	0.0%	90.0%	10.0%	0.0%	100.0%
	Adjusted Residual	-2.3	3.6	.4	-2.5	
Total	Count	108	272	42	122	544
	Expected Count	108.0	272.0	42.0	122.0	544.0
	% within Selective waste collection	19.9%	50.0%	7.7%	22.4%	100.0%

Each subscript letter denotes a subset of H3 categories whose column proportions do not differ significantly from each other at the .05 level.

Table 8. Chi-square test for H3 hypothesis

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	23.850	9	.005
Likelihood Ratio	30.912	9	.000
Linear-by-Linear Association	.654	1	.419
N of Valid Cases	544		

The value of the asymptotic significance of P_v (0.005) is less than 0.05 and the value of Person Chi-Square 23.850 is greater than the Chi-Square value reflected by Chi-Square Distribution Table for Degrees of Freedom (16.919), which indicates an association between the degree of selective waste collection and the level of education of our study respondents.

Table 9. Chi-square-based association measures for H3 hypothesis

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	.209	.005
	Cramer's V	.121	.005
	Contingency Coefficient	.205	.005
N of Valid Cases		544	

The result of the chi-square test of the first H3 hypothesis is also validated by the association coefficient ϕ (phi), coefficient V Cramer and contingency coefficient (cc), derived from χ^2 and their significance tests. We find an association between the variables analyzed, thus the hypothesis formulated by us H3: The respondents' age significantly influence the degree of selective waste collection, is validated.

In the study, measures of association for the level of education of respondents and their age were calculated to highlight the value of comparability of statistical coefficients. We note that the association between the level of education and the degree of selective waste collection (H1) is as strong as that between the age and the degree of selective waste collection(H2). Cramer's V value for H1 hypothesis is 0.138, and for H2 is 0.121.

5. CONCLUSION

As a final conclusion of our study, we can state that the education level has positive influence on the degree of selective waste collection, but the income level hasn't. Our study revealed that there is no association between income level and the degree of selective waste collection. Also, the age seems to be a determinant for the degree of selective waste collection.

As the 'certainty that in the end the waste is recycled' and 'the existence of the selective collection facilities near home' are two important incentives for selective waste collection, it is very important for the local communities to invest in such facilities for all the districts of the city, to provide facilities for all waste types, to invest in recycling industry, to motivate citizens to act responsibly.

Behavioral changes for both producers and consumers are essential in the transition from the linear economy to the circular economy. Our analysis shows that education has a strong impact on increasing the degree of selective collection, and thus on increasing the recycling rate.

The issue of waste management must be taken very seriously, given the irreversible impact it can have on the environment. Awareness of the need for selective waste collection, resource efficiency, implementation of innovative business models are essential factors for creating conditions conducive to the development of the circular economy.

The main limitations of our study were represented by the fact that we carried out the survey on citizens of one city. As a future research direction, we intend to develop the research model and to extend the analysis at the national level.

DISCLOSURE OF CONFLICT

The author(s) declare that they have no conflicts of interest.

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DECISION MAKING PROCESS OF MANAGERS TOWARDS SUSTAINABILITY AND ENVIRONMENT AFFECTED BY COVID-19

Patrícia Jánošová |

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DECISION MAKING PROCESS OF MANAGERS TOWARDS SUSTAINABILITY AND ENVIRONMENT AFFECTED BY COVID-19

Patrícia Jánošová*

ABSTRACT

The need to behave responsibly towards the environment is an increasingly addressed topic in many areas. People are increasingly trying to behave in harmony with nature, because they are aware of the fatal consequences of human activity on the environment. The current states of the world voluntarily participate in the meet of the goals of the 2030 Agenda. In order to meet the goals of the 2030 Agenda, we need to apply "sustainable behavior". The current situation in the world during the COVID-19 pandemic "helped" us to improve air quality, which in the short term helped to acquire better air quality values. This fact applies to the goal of Agenda 2030 number 11 - Sustainable Cities and Communities, which secondarily affects other goals. The subject of the article is to record and evaluate the change in air quality during the COVID-19 pandemic on the basis of daily recorded data and make a possible options of air quality states that we can expect after the end of the pandemic based on managers decisions.

KEY WORDS: COVID-19, sustainable development, environment, economy, management.

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1. INTRODUCTION

Air pollution is one of the most important environmental problems in the world. Air quality significantly affects sustainable urban development (Tanaka, 2015). The control and recording of air pollution has recently become a major topic of socio-economic development. Ambient air quality is deteriorating significantly in developing countries. Pollution is mainly caused by production emissions (Alvarado et al., 2017). People are becoming increasingly aware that it is industry, transport and human activity that have a negative impact on the environment. It is human activity that is the cause of air pollution, which hinders the achievement of sustainable development goals. The direction of sustainable development is influenced by several environmental stimuli.

The world is currently battling the COVID-19 coronavirus pandemic, which has affected almost every country in the world. During this pandemic, we encounter much cleaner air, especially in developing countries. Manufacturing companies produce fewer products, world transport has fallen sharply, and overall industrial life has slowed. Much less emissions are released into the air, which significantly improves air quality, especially in industrial areas.

Topic of pandemic impact on environment is widely worldwide discussed (Zhang et al., 2014). The COVID-19 pandemic is causing changes in the lives of people around the world. The governments of almost all states have taken measures that have led to the cessation of industrial and transport activities to prevent people from meeting.

However, we can say with certainty that this situation is only temporary. We can notice that in places where factories have been put back into operation, air quality values are deteriorating. It is important to think about ways in which air quality values can be kept "green". Also, we need to think about how managers can be more responsible and think more environmentally in decisions carrying out production activities.

2. LITERATURE REVIEW

Polluted air has a negative impact mainly on the lives of humans, animals but also all ecosystems. The quality of water, soil, air is declining and we are growing up in a unhealthy world. Nowadays, respiratory and lung diseases, cough, asthma, skin problems, heart attacks and premature death belongs to a part of

our lives. Zhu et al. (2020) show in their study a significant synergistic impact on human mortality is due to air pollution and the extent of residential greenery around.

Air pollution is also a serious problem in Europe (Štefánik et al., 2020). In 2015-2017, 13 to 19% of the population exposed to polluted air was above daily limits (EEA, 2018). More than half of Europeans living in cities breathe excessively polluted air. The Slovak Republic is one of the countries in the European Union that has not been able to meet the goal of reducing PM_{2.5} particulate matter in recent years. The Slovak Republic is also one of the countries with the highest PM₁₀ values in the European Union. Italy and the Slovak Republic are among the countries with the highest measured values of PM₁₀ and O₃.

The situation regarding air pollution in China is far worse than in Europe. China belongs to one of the most polluted countries in the world. Chinas people in ordinary life cannot imagine leaving the house without face protection, just as they forgot what the night sky looks like due to never-ending smog. Industrialization and urbanization in China is growing rapidly. Chinas GDP is high at the expense of environmental pollution.(Tao et al., 2012). Recent years in eastern and central China have been showing an increasingly negative impact on the health of people who are increasingly suffering from various respiratory diseases (Xia et al., 2017).Polluted environment is one of the biggest obstacles to achieving sustainable development goals in China. Air pollution in China is one of the largest causes of human death in the country (IHME, 2018). For example, the Beijing-Tianjin-Hebei region is one of the eight most prominent areas in China (Zhang, 2019). This region covers an area of 216 thousand square kilometers and is home to 110 million people. Air quality measurements are constantly monitored in the region, and at the same time the government is looking for new ways to prevent this negative trend of air pollution.

2.1. Pandemic COVID-19

The COVID-19 pandemic, which has been gradually affecting the whole world since 2019, has a significant impact on people's lives as well as the environment. This pandemic has significantly affected the current situation, but its consequences will persist for several years in the world. In many countries, there has been a decreasing of social life, production and transport. People spend most of their time at home, many companies have moved to an active home

office, but on the other hand, many people have lost their jobs as a result of a pandemic.

Researchers at Harvard University have found in their research that in regions where the measured value of PM2.5 is higher, there is also a higher mortality from COVID-19. This is because small particles known as PM2.5 penetrate deep into the body, thereby promoting hypertension, respiratory burns, leading to health complications in patients with coronavirus disease. Research from Manhattan (new epicenter of COVID-19 infection in April 2020) showed that if PM2.5 were lower over the last two decades, far fewer people would die (Gardiner, 2020).

According to scientists, the quality of the environment has significantly improved in the area from Wuhan Province to Italy. Even in India, a place that is one of the most polluted in the world, people can clearly see the Himalayas during a pandemic. Some people in India have not seen the Himalayas never before. This is due to a significant decrease in PM2.5 particles, the value of which has rapidly decreased by 70%.

Detels et al. (2003) found in the SARS outbreak in 2003 that the mortality rate in highly polluted areas of China was twice as high as in less polluted areas. Scientists think that viruses bind to fine particles, on which they survive longer. . Based on his own analysis, Professor Burke (2020) of the University of Stanford presented several conclusions that the disease COVID-19 causes in relation to the environment and human life. These include saving more lives in the world due to cleaner air than the number of victims with COVID-19. According to the scientist's calculations, 53-77 thousand lives will be saved in China during the coronavirus pandemic. In China, about 1.2 million people die each year as a result of air pollution.

Myllyvirta argues that we can only achieve cleaner air in the world by switching to clean energy and transport (Gardiner, 2020). According to her, cleaner air is just proof of how quickly we can reduce air pollution if we reduce the burning of fossil fuels. This fact is considered an unexplored area for the definition and design of new tools that would help maintain the "green values" of air quality in the future due to more environmentally friendly production.

3. RESEARCH METHODOLOGY

The primary aim of this article is to determine the change in air quality during the COVID-19 pandemic on the basis of daily recorded data. The secondary aim is to identify the options states of air quality that we can expect after the end of the pandemic. In order to effectively achieve the defined goals, it is necessary to analyze, compare and synthesize key findings from the available secondary data.

The first step is to define the theoretical basis for the studied domestic and foreign literature. The second step consists in obtaining primary data. We obtained these data through daily recording of average air quality values in selected territorial units - Slovakia, Italy and the province of Wuhan in China. The data was provided to us by a company that continuously records air quality data through government sensors, satellite data, meteorological and other information. The data are further processed using algorithms to calculate air pollution. The company that displays the current data of air pollution quality is based in Israel. We chose it as the primary source of relevant data due to the high number of displayed air pollutants (Figure 1). I recorded the data every day during the first month of the pandemic COVID-19 in Europe from 22 March 2020 to 22 April 2020. The purpose of the data was to detect changes in air quality due to government measures resulting from the COVID-19 pandemic.

Pollutant	Sources of Pollution	Health and Environmental Impact
PM10	Combustion processes (fire), Mechanical processes (construction building, agriculture) Biological processes (Bacteria and Fungi)	Cough, heart and lung diseases, rarely death
O3	It is the result of a chemical reaction between nitrogen oxides, carbon monoxide, organic compounds, atmospheric oxygen in the presence of sunlight	Cough, respiratory diseases
PM2,5	Power plants, exhaust gases, transport, Mechanical processes (construction, mineral dust), Biological processes (viruses and bacteria)	Respiratory diseases, cough, heart attack, premature death
NO2	Fuel burning	Asthma, decreased lung function, risk of respiratory infections
CO	Power plants, car exhausts	Nausea, dizziness, headache, loss of consciousness
SO2	Power plants, industry, transport	Cough, respiratory diseases
C6H6	Car exhaust, industrial emissions	Headache, loss of consciousness, confusion, eye and skin irritation
NO	Industrial emissions, transport	Respiratory diseases, greenhouse effect

Figure 1: Elements of air pollution used in measuring the resulting values

4. RESULTS

The following figures show the maximum and minimum levels of air pollution during the period March-April 2020 in Slovakia, Wuhan and in Italy. During the defined period, the maximum value (72) was measured in Slovakia on 15 April and the lowest value (60) on 24 March (Figure 2). The average value of air quality in Slovakia was 67.5. The highest measured value (73) in Italy was on 15 April and the lowest value (46) was recorded on 28 March (Figure 3). The average value of air quality in Italy was 67.22. The highest value (74) during the period was measured in Wuhan Province on 28 March, the lowest value (13) was recorded on 6 April (Figure 4). The average value of air quality in Wu-chan Province was 39.75.

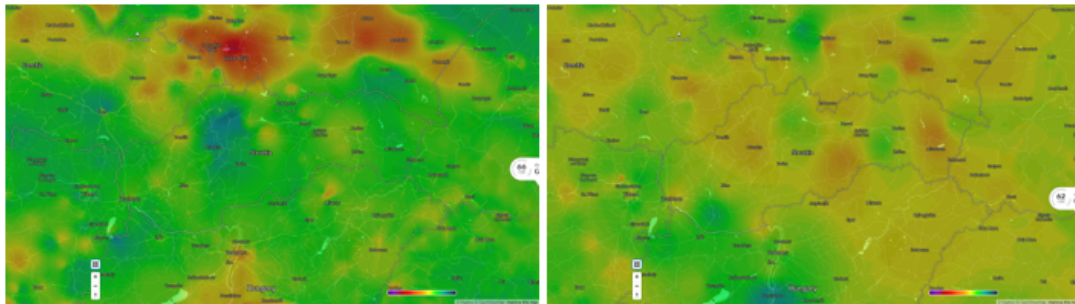


Figure 2: Maps of the lowest and highest values of air pollution in Slovakia during the observed period

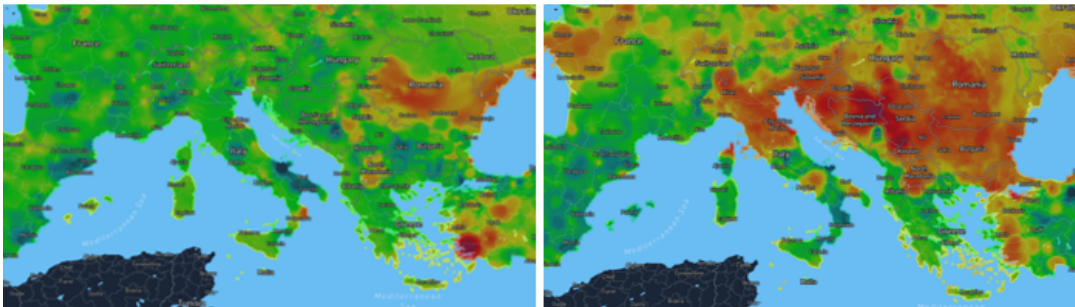


Figure 3: Maps of the lowest and highest values of air pollution in Italy during the observed period

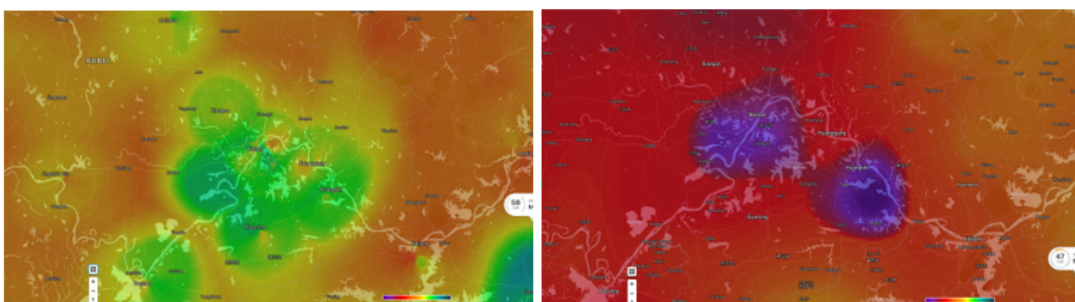


Figure 4: Maps of the lowest and highest values of air pollution in Wu-chan Province during the observed period

Graphical representation (Figure 5) of air quality values has a significantly more dynamic character in the case of Wu-chan. The reduction in transport and production was significantly demonstrated at the end of March 2020, when there was a significant improvement in air quality. The peak occurred on March 28, when the value was 74. Paradoxically, it was the highest value, which represents the cleanest level of air quality among all recorded values of Slovak Republic, Italy and Wu-chan Province. In April 2020, restrictions began to ease, with air quality rapidly deteriorating. At present, air quality in China has have similar values as air quality in pre-pandemic period. Slovakia and Italy are European countries whose air quality values are at a similar level.

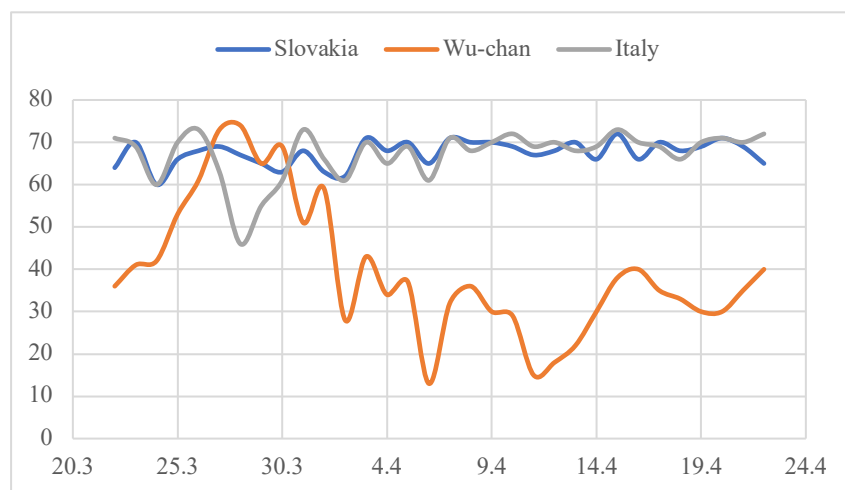


Figure 5: Air quality measurement in Slovakia, Italy, and Wu-chan province

Based on expert articles and monitoring the situation in the world, I suggested 3 options that may occur after the COVID-19 pandemic (Figure 6). Each of these options assumes a significant impact on the economy in the form of a financial crisis, which will have an impact on all spheres of life for an indefinite period. The first "expected option" presupposes a return to the situation before the pandemic. Another option is the "negative option". At this stage, the air would be much more polluted than before the pandemic. The reason is a much larger increase in the production of companies that will want to additionally produce all products that were not produced during the pandemic. Another reason is the fact that people may be afraid of COVID-19 in urban transport, so many more individuals will travel by own car. The last option I propose, the "positive option", is the case where companies start producing less than before the pandemic, due to low demand, lack of capital and financial problems. Another reason is the restriction of traffic on the grounds that people who have lost their jobs will stop

coming to work by means of transport. The last situation, i.e. the "positive option", is the best possible solution from an environmental point of view. On the other hand, this situation represents the worst impact on the economy. The problems of the pandemic have an impact not only on human health and the quality of the environment, but have affected the economy at both the micro and macro levels.

In this case, I see the potential in the decision-making of company managers who can help the right direction in the corporate area. Managers should focus primarily on "kick-starting" the economy by producing products and offering services, but not at the cost of environmental pollution. We can see that the suspension of production plants (apart from the quarantine impacts of people in homes) has led to a significant improvement in the environment. It is up to all managers to promote types of production that are as environmentally friendly as possible, so that we can see declines in air pollution in the world even after the end of the pandemic.

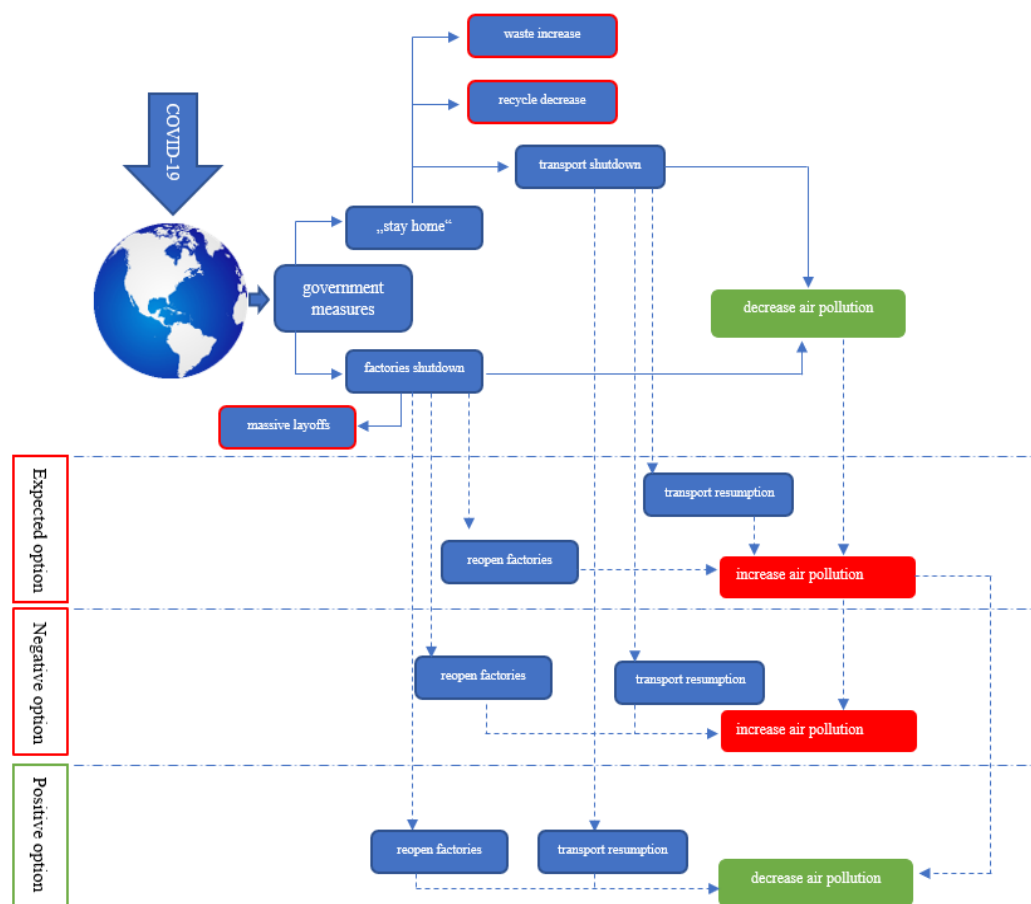


Figure 5: The current situation and three possible situations after the end of the COVID-19 pandemic

5. DISCUSSION

This article focuses on examining the impact of COVID-19 on the environment. The current situation has brought many positive and negative effects on the environment. The positives certainly include an air purifier and a water purifier around the mainland. On the contrary, the big negative is the increased volume of waste and the reduction of waste recycling. The direction of this article is on air quality caused by the suspension of human activity. After the closure of production plants and the suspension of transport, air quality has changed in many parts of the world. This state of clean air is only short-lived. I think that it is precisely due to the COVID-19 pandemic that we can realize how quickly people can change air quality through their activities. In my opinion, it is necessary to be aware of the consequences of factory and transport activities for the future. Managers (mostly in factories) have the opportunity to re-evaluate their actions and direct the volume, quality, material used, etc. in a sustainable direction. This change in managers' decision-making will create a suitable precondition for a successful sustainable trend towards a cleaner and better life on earth. These considerations create an area for the assessment of the impacts of the COVID-19 pandemic on the economic as well as the social area, which are connected with the mentioned environmental area.

I think that every area of sustainable development has been affected by the pandemic. It is up to all entitled people to promote views and decisions based on fair synergies between all areas of sustainable development without focusing exclusively on one area of sustainable development. In recent months, several documents have been created for managers, which form the pillars of the strategy in this challenging period. These are, for example: "COVID-19 and the world of work: Impact and policy responses" (ILO, 2020) or "Workforce Principles for the COVID-19 Pandemic Stakeholder Capitalism in a Time of Crisis" (WEF, 2020) which regulate standards and proactive measures for relaunch companies in practice. The documents primarily focus on strengthening the socio - economic situation in the company, which should lead to the solve problems caused by the COVID-19 pandemic. The environment is only minimally taken into account during the end of the COVID-19 pandemic. Most of the measures that are being developed are mainly of an economic character in order to save the economy and eliminate the consequences of the financial crisis. In connection with this issue, the need for further research focused on creation of documents defining standards and

measures for the environmental field is called for.

6. CONCLUSION

The COVID-19 pandemic has brought several significant changes in the lives of people around the world. After the end of the pandemic, there will not be many things as before. The pandemic significantly affected the environment. The reason is to limit the production of companies, transportation limit and to suspend social life for a certain period. The cleaner air we encountered during the pandemic can be considered a short-term situation. After the end of government measures, the production plants will resume their production, aircraft, buses, cars and other modes of transport will start operating again. It is very likely that air pollution levels will be much higher than in the past after the end of the COVID-19 pandemic. It depends on whether the production plants will want to "catch up with missed production" or not. An increase in the number of cars on roads is also expected if people are afraid to use public transport. How the situation after the pandemic will actually develop is still uncertain. It is very important for people to ensure that the quality of the air and the cleanliness of the environment even after the end of the pandemic. Defining appropriate measures can contribute to maintaining a better environment in the world and meeting the goals of the 2030 Agenda.

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DISCLOSURE OF CONFLICT

The author(s) declare that they have no conflicts of interest.

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A QUARTER CENTURY AFTER THE BARCELONA PROCESS: UFM IN THE MEDITERRANEAN POLITICS

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A QUARTER CENTURY AFTER THE BARCELONA PROCESS: UfM IN THE MEDITERRANEAN POLITICS

Enric Olivé Serret, & Didem Doganyilmaz Duman*

ABSTRACT

The Mediterranean Basin has been homeland for various societies throughout history since it stands at the connection point of the Old World. Within the modern political structure, the Basin can be divided into the North that represents the European Union and its members and the South consist of Arab countries and Israel with not only their different social structures, but also socio-political and socio-economic orders. Since the abolishment of the colonial rules in the southern Mediterranean, there have been various attempts to establish cooperation based on partnership and the Barcelona Process has become the most significant one, of the last quarter of the 20th century, since it paves the way for a union, the Union for the Mediterranean (UfM). This study analyzes the Euro-Mediterranean relations within an institutional level starting from the Barcelona Process and the current UfM. The quarter-century long initiative has been focused within the Democratic Peace Theory in order to form a base for both trade-oriented and institutionalized structure of relations alongside border securitization concerns of the European Union. It puts UfM's political effectiveness at the center and provides an analysis regarding the capability of its responsiveness to certain political issues of the Mediterranean Region.

KEY WORDS: Mediterranean, the Union for the Mediterranean, Euro-Mediterranean relations, democratic peace theory.

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1. INTRODUCTION

Throughout history, the Mediterranean has become a geopolitically important region where western and eastern values met. The interaction between the North and the South has always been kept alive due to political, cultural, sociological and economic differences. This importance of the Mediterranean has not been vanished within time; hence political and economic relations have been improved with bilateral and/or multilateral agreements.

The word 'Mediterranean' is originated from *Mediterranie*, from Latin 'Mediterraneus' that means midlands with the sense of the *sea in the middle of the earth* as in Mar Mediterranean (Online Etymology Dictionary, n.d.). This denomination refers to its geological location since it is placed in the middle of Europe, Africa and Asia, the three continents of the Old World. In fact, this reference has not been limited with Latin-originated languages. For instance, in Arabic '*Al-Bahr al-Mutawāsiṭ*' (Bordonado Bermejo & Zúñiga Rodríguez, 2008, p. 2) or in Turkmen language '*Ortaýer Deňzi*' (Glosbe Dictionary, n.d.); they both mean 'the sea in the middle'.

Shores of the Mediterranean have always demonstrated adverse structures. With respect to these diverse characteristics, it would not be wrong to claim that the Basin is divided into two as the North and the South. Northern shores of the Mediterranean consist of southern countries of Europe. For this part of the Basin a supra-national structure attracts the attention; in other words the European Union (EU) with democratic, economically stabile, wealthy and industrialized states, alongside Turkey as a candidate county represent the North (Uzun, 2003, p. 3). The South, on contrary, demonstrates unstable characteristics with the lack of similar economic and political development resulted by their relatively young independence and long-lasting authoritarian regimes, recent Arab Revolution movements, regime changes and consequent political and economic aspects. Briefly, the North can be pointed out as an example of developed characteristics both in national and macro-regional level, the South has not achieved these standards.

In terms of forming sustainable relations between the North and the South of the Basin, all aforementioned characteristics have become negatively effective. As it will be discussed in detail, cooperation attempts have mostly focused on developing the South. The reason was about the neighborhood; since the EU

has intended to control and to securitize its southern borders with investing in economic, social and political stabilities of Arab countries in order to achieve a decrease in emigration. Since domestic conflicts of southern countries have become a concern around the North; development was pointed out to solve the *issue* of migration permanently. Consequently, various attempts have been carried out in order to cooperate.

In international relations discipline, cooperation is linked to liberal theory that encourages inter-national and/or supra-national relations and consequent inter-dependent actors within the international system in order to maintain the peace in the system. Regarding the Democratic Peace Theory, there are different focus points to maintain a peaceful characteristic within the international system; improved trade relations for a deepened inter-dependent structure and institutional connection for a more legitimized cooperation, alongside various other aspects. Even though the theory has been criticized strongly, it has a strong effect within liberal theory and a concrete background that is based on the philosophy of Kant (Mello, 2017). For the purpose of this study, this theory possesses significant important, in accordance with institutionalization of relations between two sides of the Mediterranean Basin. As it will be explained in upcoming paragraphs, relations were first developed on the basis of economic interests via bilateral agreements, then the frame of cooperation have been widened starting with Barcelona Process that turned out to be a 'union' after all.

This paper analyzes the historical process of developing and institutionalization of relations between the South and the North from the very beginning, how cooperation projects have been resulted and how countries have reacted them. With all these aspects, an evaluation of a quarter-century-old international actor, the Union for the Mediterranean (UfM) will be provided in terms of its efficiency in Mediterranean politics, as well as the international system.

2. HISTORICAL BACKGROUND OF THE COOPERATION IN THE MEDITERRANEAN BASIN

With the end of colonial connection in 1960s, a new era started in terms of relations between the North and the South. Once colonialism terminated, mutual dialogues have become the base of relations and that paved the way through a modern understanding of relations between two sides of the Basin. With establishing a dialogue, the intention was to response social, political and

economic needs of the South (Kurtbağ, 2003, p. 74).

Foreign policy of the EU, the European Economic Community (EEC) back then, mostly focused on trade and development and used to lead the foreign affairs of the non-member states (Kahraman, 2008, p. 1731). That was applied for southern neighbors as well, and various steps were taken in order to develop relations within the frame of foreign trade and development policies. Economic, social and political gaps between the EEC and its neighbors brought about the necessity to invest in relations meanwhile it was considered as an obstacle once taking further steps was intended.

Even though relations between the South and the North was initiated and developed on the basis of economic cooperation, analysis with the limits of trade and/or economic aspects within a wider perspective would be deficient and lead the research to achieve one-sided results. It would not be wrong to claim that another reason to invest in Euro-Mediterranean relations during 1960s was the lack of control over southern borders as a result of the end of colonial ties. Improved relations would be the core element to respond interests of the EEC in terms of security. Economic reasons were used to develop Euro-Mediterranean relations where the EEC was independent in terms of foreign trade apart from the petroleum while the South was dependent for various goods with low level of development. In addition to economic dependency, low level of development and its consequent results were considered as probable risks for macro-economic and sociological problems and increasing the level of welfare of southern neighbors was agreed. With this intention, implementations to bring about development to the southern part of the Basin were planned to be initiated; however, it was not welcomed and be suspected as being a different strategy of the North to protect its own interests.

Topics with aforementioned necessities such as securitization of borders, increase of economic development, and so on were implied as a complete project for all countries of the Mediterranean Basin in 1970s and in addition to bilateral agreements of the time between 1972 and 1974 two concrete initiatives were implied with the focus on the Basin. Global Mediterranean Policy was launched with a significant definition of the 'region' from Turkey to Spain, and Euro-Arab Dialogue that involved members of the Arab League (Guasconi, 2013).

In addition to various bilateral agreements, till the end of the 20th century various summits alongside conferences, working groups, and initiatives were carried out to enhance cooperation within a regional level, including the Five plus Five Dialogue (MedThink 5+5, n.d.), the Conference for Security and Cooperation in the Mediterranean (UN, 1999), the Mediterranean Forum, Middle East and North Africa (MENA) Summits (U.S. Department of State, 1997), the Arms Control and Regional Security Working, the West European Union Mediterranean Initiative Group (Del Sarto, 2006, p. 60) alongside many more. However, the most concrete one with was the Barcelona Conference that initiated the Euro-Mediterranean Partnership as a process that led to the formation of the union.

3. FROM BARCELONA PROCESS TO A 'UNION'

The idea of establishing a union has not come to the agenda in a sudden, since the process possesses significant attempts itself. After completing aforementioned steps in terms of economic cooperation on a bilateral level, concreting certain focus points was decided in 1995 during Barcelona Conference. With significant policy-making steps, Barcelona Conference has been a milestone even there was not a clarified reference to a union.

On 27-28 November 1995, the EU declared a new policy focusing on the Mediterranean Region during the Barcelona Conference in order to establish a stronger partnership with Algeria, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey, and the Palestinian National Authority. The initiative was supported by France, Italy, and Spain during the Corfu and Essen summits of the European Council (EC) in 1994. There were three main subjects that were focused on during the Conference: political and security dialogue; economic and financial partnership; social, cultural and human partnership (Barcelona Declaration and Work Program, 1995). The initiative has become the first to be applied on the region entirely and with this characteristic it can be pointed out as the most concrete step for a future union.

Conference results were declared as the Barcelona Declaration, and the process itself was called the Barcelona Process as well as Euro-Mediterranean Partnership (Euro-Med), which was launched with a joint declaration of foreign ministers from the EU members and Mediterranean partners, with a significant reference to the region. As aforementioned, even though the initiative was supported by Mediterranean countries of the North, they were represented

within an institutional level as the EU was part of the Declaration which was soon to be a part of the European Neighborhood Policy (ENP). The Euro-Med and the ENP were founded with different motives since the former emphasized both the interests, which defines common ones as goals to be pursued, and shared values with an emphasis on region building process, whilst the latter largely focused on EU's interests. Still, the EC underlined the importance of commitment to shared values – like democracy, rule of law, human rights – and the EU's self-tailored role to be the normative power in the region (Del Sarto & Schumacher, 2005). Additionally, it was critically pointed out that there was the dominance of the North over the South that paved the way for a deteriorated relationship with trust issues. Del Sarto and Schumacher (2005) address to a 'center-periphery' approach between the North and the South instead of an equal partnership, since the EU acted to be the center whilst the periphery consists of the non-EU partners.

The overall objective was to provide a framework for a strengthened dialogue and a comprehensive cooperation in the Mediterranean Basin; hence, during the annual meetings further steps were established. The partners have, *somehow*, agreed upon a strategy with the basis of forming sustainable peace, stable and welfare structure over the region, which can be pointed out totally in line with the aforementioned Democratic Peace Theory. However, obstacles based on failed approaches to the understanding of a *partnership* have jeopardized the process. Nevertheless, a decision was set up for establishing Euro-Mediterranean Free Trade Area by 2010 that would carry each bilateral agreement to a more region-based level.

The Barcelona Process and the decisions were intended to be consolidated with annual meetings throughout the years towards the decision of the union. There have been different channels in terms of institutional approach as it is visible in the ENP, but Action Plans with goals of domestic political and economic reforms became the common tools for these different structures. Thus, there are different institutions from both structures working on the same policy issue, carrying the risk of overlapping areas of responsibility. Hence, a balance between these different channels had to be restored in order to maintain a sustainable approach for policies with certain actors. At this very point, the idea of a union could be savior only if with a concrete structure.

4. INSTITUTIONALIZATION OF THE COOPERATION: THE UfM

A union for the region was proposed by then French President Nicholas Sarkozy, first mentioned during his presidential campaign speech in February 2007 (Süel, 2008). The process of creation of the UfM, itself, was born with a significant relation with the attempt of the French presidency of the EU, to remake a French policy of greater presence in the entire Mediterranean (Tasche, 2010). President Sarkozy tried to retrieve a proposal to gain the leadership of the region, most specifically in economic, but also in cultural and in political orders, that France had lost since at least the end of World War II.

France initially wanted to create a 'Mediterranean Union' which is composed only of the countries of the Mediterranean Basin, but with an exterior support and aid from the EU. Inherently, that proposal was rejected by the Chancellor of Germany Angela Merkel and with a less reaction by the EC, not for a specific interest in a Mediterranean policy, but for the lack of the control of the will be paid European funds. As Germany is the principal contributor, the lack of the control was to become a very significant problem.

The German opposition and the negative reaction of the EC forced Sarkozy to modify the initial proposal of the 'Mediterranean Union' to transform into the 'Union for the Mediterranean'. But, in both cases, the union was born with the idea of partnership and ownership shared by all Mediterranean countries, Europe, the Maghreb and Mashreq. The partnership intended to give same level of responsibility to both European and non-European countries, aforementioned regions, and multinational institutions such as the Arab League, Anna Lindh Foundation and the World Bank, alongside the institutions with questionable efficiency such as the Alliance of Civilizations and the Islamic Conference.

In terms of sustainable peace process that was intended to be established by the EU to securitize its southern borders was not in motion at the time due to long-lasting authoritarian leaders of the southern countries. The popular uprisings that led to the Arab Revolutions in countries with such leaders like Hosni Mubarak, Zine El Abidine Ben Ali, Basar Al Assad or Moammar Gaddafi, put the political structure of the Paris Summit of 2008 – which was based on the idea of *equality* of all EU members and candidates with democratic systems, the 12 Mediterranean countries with mostly authoritarian regimes, the Balkan countries – in a very delicate situation, as well as the World Bank, the Alliance

of Civilizations, the African Union, Anna Lindh Foundation, the Islamic Conference. Nevertheless, it should be distinguished that it has been the Arab Revolutions that challenged the entire institutional framework of the UfM, which was then co-chaired by the former president of Egypt, Hosni Mubarak.

The questionable structure of the *union* proposal has been distinguished by the (future) members as well. There have been various reasons for a negative reaction and different actors focused on different issues. Turkey, for instance, highlighted the union's being an alternative for its long-lasting relations with the EU – expected to be ended with membership (Emerson & Tocci, 2007). It struggled significantly with the very first intention of Sarkozy and this start caused an uneasiness regarding Turkey's approach to the initiative. Among the South, on the other hand, there were various reactions. Israel, Morocco and Tunis significantly supported the initiative, whilst Muammar Gaddafi, then president of Libya, put a reservation with highlighting a probable existence of a hegemonic establishment of the North over the South under the name of a 'union'. Among the EU members, there were also different approaches since the region itself demonstrates diversity in terms of its proximity to the Mediterranean. Spain, Italy and Greece had been totally supportive since the very beginning, but the EC and Germany have taken the process slower with assured actions. The declaration of the EC was as follows; 'These initiatives that are developing regional cooperation are good, but it should have developed within the existing structures.' These words can be interpreted as a question for necessity of a new union. Similarly, German Foreign Minister also stated that Barcelona Process was sufficient to maintain sustainable development alongside deepened relations and cooperation. A similar opinion was declared by representative of Slovakia as well, which was at the presidency of the Council of the EU at the time (GNAT, n.d.).

Despite the critics, the UfM was established on 14 June, 2008 with the entire EU members and 15 southern and eastern Mediterranean countries to contribute to regional stability, human development and integration (UfM, n.d.). The UfM prioritized six projects as a reformulation of the three main objectives of the Barcelona Process. The projects concentrated on topics as follows; de-pollution of the Mediterranean Sea, maritime and land highways, civil protection initiatives to combat natural and man-made disasters, the Mediterranean solar plan, higher education and research, Euro-Mediterranean University in Slovenia and Fez, Mediterranean business development initiative (Martínez, Aragall, & Padilla,

2010). Within this arrangement, the EC was accepted to become a full associate to function as a link between the two unions (EU and the UfM) (Tasche, 2010).

The UfM was intended to be established as a new institution started with the Barcelona Process and continued by the EC in line with the ENP, but in the meantime, it would not be wrong to claim that it was ceased by these three key elements:

- Unlike the Barcelona Conference, the UfM, intended to base on a framework of equal terms to all member countries.
- Obviously, differed from the ENP which gave significant privileges to the ex-Soviet Union countries and Caucasian republics, the UfM focused on the Mediterranean-Balkan region.
- The UfM intended to pause the most controversial issues such as the Arab-Israeli conflict, but instead, it focused on economic and infrastructural topics, alongside higher education system.

It should be noted that the drafters of the Barcelona Declaration, unlikely the UfM, thought that the only way to progress with the partnership was to put aside cultural and educational aspects in order not to enter political and cultural arguments those could cease the relations. Accordingly, the Barcelona Declaration made limited references to the educational and cultural aspects. However, after a while it was realized that those were some of the most significant aspects that may consolidate and allow a shared and a genuine understanding of a region. These aspects were detected immediately, in order to achieve to a significant success with the 'EuroMed Civil Forum' which was held in Barcelona, in 1995.

The 10th anniversary of the Barcelona Declaration, which was celebrated in 2005, was the perfect timing to amend the Declaration of 1995 with intention to make special emphasis to intercultural dialogue, in a particular time when the world was still criticizing the September 11. There would not be a more appropriate time to build bridges not only for economical/infrastructural aspects but also and more importantly to create an intercultural dialogue. But during the Paris Declaration, that leads the establishment of UfM, the co-operators of the Barcelona Declaration made the same mistake. They were thinking that the intercultural dialogue was more a liability than an encouraging initiative. With a last-minute change, an addition regarding the importance of the higher

education between the North and the South was actualized, as it was seen as a key element for a more successful cooperation between two sides of the Basin.

Recently, the UfM has focused on development-based security with regional solutions for regional problems (UfM, n.d.) and even though it has been criticized since the very beginning of the idea, it provides a significant platform for regionalization of the Euro-Mediterranean Area. Even though its effectiveness has been discussed within a scholarly based approach and different theories (Behr, 2010; Calleya, 2009; Gillespie, 2011; Duman, 2019), it focuses on various topics within political framework, via regional dialogue platforms with projects and initiatives (UfM, n.d.). It has been a quarter century that the first concrete step has been taken, and currently the UfM has conducts more than 50 projects by gathering thousands of stakeholders with a focus on different aspects.

5. DISCUSSION: WHAT WENT WRONG?

When the EC seemed to begin to understand the tensions in the Mediterranean region, whose main reason was the lack of intercultural dialogue between different sociopolitical and economic structures, the UfM put these topics on its fields of activities. In contrast the Barcelona Process, the newborn *union* was challenged to stop the cultural issues which was assumed to be the origin of the conflict and focus on the economic and infrastructural factors with all its effort in order to balance the scales of development from one side to another of the Mediterranean. The UfM was not born as a cultural or educational development project, instead a project of economic development, basically. The reason was not only for a credence of political implementations but also for a utilitarian approach because it was believed that it would be easier to courage investors for the infrastructure and/or for the solar energy. This idea, as a result of the foundation act of the UfM, foreseen almost no public funding sources but insisted on the idea of looking at the private sector investment in need for the projects.

Unsurprisingly, the aforementioned approach with the basis of neoliberal idea was difficult to put on life in the South, where the main structural lacks were the adaptation to new challenges of globalism with all aspects including social integration, gender equality and level of education. In fact, with these decisions and implementations, UfM sent a political message that embodied a greater role for the business world in structures and nothing for the basis of promoting better

ground for an intercultural dialogue that might pave the way for peace or improving and/or establishing educational aspects alongside cooperation. After a while, the UfM considered that the cultural debate has been an obstacle for implementations of structural development projects with no chance to ignore, different actors were put into action, like Anna Lindh Foundation, which has focused on cultural issues to be covered and to start dialogue to prevent conflicts since 2003 (Anna Lindh Foundation, n.d.). However, the main issue in the Mediterranean Basin, which were the lack of dialogue, politics and the socio-economic imbalance and at the backstage the economic development, was highlighted clearly during the popular Arab Revolutions.

The 2011 Arab Revolutions of all countries have a common denominator; the right to dignity. These were not the demonstrations about the prices, or infrastructural deficiencies, or similar concrete reasons, instead they were about abstract and idea-based necessities to be referred. The revolutions were for dignity, for the same rights those are owned by their northern neighbors who have democratically elected governments. And these are the revolutions for the right to work and to be educated. It would not be wrong to claim that these are the issues that have been neglected by the UfM and its founding. Besides, there was the reality that the UfM has missed the point that the union has overvalued its authoritarian partners.

The reaction of the UfM against revolutions in its southern members was to remain silent, since it canalized just the entrepreneurial function with the energy sector, infrastructure with hesitation to involvement any political and/or cultural discussions. Obviously, this attitude put the UfM in a tough situation for an alleged *union*, which has been overtaken by the reality of youth, families, men and women of all ages who rebelled against authoritarian regimes. It is to say that the imbalance between the two sides of the Mediterranean Basin has been highlighted by people of the South, instead of the *union* in an institutional level.

Accordingly, it would not be wrong to claim that the results were not in line with initial expectations from a union. The Arab Uprisings can be seen as a proof that two-decades-long projects could not suffice to achieve concrete development in the South. Besides, Arab Spring did not result with success in majority of countries that were affected, and as it can be seen in the example of Syria, it brought about even deepened instability that have affected not only the South

with certain countries but also the entire Basin. Recently, the most-debated topic on the agenda of the North has been refugees' placements and integration of

already-settled ones into the host culture. This issue has not only been a crisis between the North and South but also in the North itself; since, it has become a debated topic in relations between Turkey and the EU within a humanitarian approach as well as a political one.

From the very beginning of projects that were suggested and applied to develop concrete relations between the South and the North, there was a trust-issue that southern countries possessed. This mistrust has been put on the table various times and has been consolidated by various reasons as aforementioned; center-periphery approach, unresponsiveness to the Arab Uprisings, debated topics between members and again no certain initiative taken by the union etc.

6. CONCLUSION

The UfM has to deal with many issues to gain the respect and the accountability. Especially as a continuation of a former project, Barcelona Process, it has many difficulties to get over to reach the success. More effort has to be invested in the Union than has been invested before. It is a mutual opportunity for all partners in many different activities like the security issues and the economical topics.

The union members have to overcome three important obstacles to actualize the opportunity. These are the shortcomings of its institutional design, the division of labor among the EMP, Union and the first pillar EU institutions, and the political conflicts starting with the Arab-Israeli conflict. The first two setbacks might be remedied by institutional measures; however, it would not be wrong to claim that political conflicts are beyond the capacity of the union. The issue remains the most difficult obstacle to sustainable dialogue among the partners, since its resolution depends on complicated external dynamics and actors outside the Union. Besides, it becomes a reason to consolidate mistrust amongst the members with the incapability of solving or even focusing on a political issue. As a union, the UfM should attract the attention as a problem-solver at least for its members.

With its neo-liberal policies, the UfM has prioritized its focuses and in line with them it has no interest in political and/or dialogue-based processes. According

to the Democratic Peace Theory, it is certain that trade agreements alongside institutional formations possess significant power to establish peace between different actors; however, to maintain the restored peaceful environment, they

would not suffice since there is a lack of democracy alongside social and/or liberal based humanitarian approach. Even many of the states of the South has recently been forming stable political and economic orders after the Arab Revolutions, whilst some of them still suffer. Hence, as visible with the revolutions and recent refugee crisis, problem-solving capability of the UfM is strongly questionable even after a quarter-century of the first initiative. It would not be wrong to claim that there are certain deficiencies for UfM's being an efficient actor in the region; however, it would be far better to accept the declared projects of the union as they are and focus on it within the framework of environmental and infrastructural levels.

DISCLOSURE OF CONFLICT

The author(s) declare that they have no conflicts of interest.

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THE CONTRIBUTION OF WOMEN'S EMPLOYMENT TO ENTREPRENEURSHIP AND INNOVATION IN SENIOR AND MIDDLE MANAGEMENT

Yagmur Akarsu*, Serdar Kurt, & Nur Dilbaz Alacahan

ABSTRACT

As a result of the modernization and development of societies from past to present, the place of women in society and business life is increasing day by day. Now, women take a more active role in society and are employed, take a place more in academia, work more in the fields of senior and mid-level management by breaking down the understanding that managers should be men before in business life. However, it has been wondered whether women's senior and mid-level management leads to more innovative thinking or innovation, or increases the entrepreneurship. The reason for this is that women have a different thinking system than men. In addition, scientific studies reveal that the male and female brain structures and neural connections in the brain are different. The aim of this study is to investigate whether there is a relationship between the number of women in senior and mid-level management and innovation and entrepreneurship activities due to these differences between women and men. In this study, panel causality relationships between variables in the OECD countries with data were investigated by taking into consideration the female employment rate and entrepreneurship and innovation index in senior and mid-level management of 2000-2017. In the study, Kónya (2006) causality analysis which is a bootstrap causality analysis, was used as panel causality analysis. According to the results of the study, in some countries, the presence of women in senior and mid-level management has a relationship with innovation and entrepreneurship, but not in some countries. Starting from this point of view, in order to ensure that a different perspective exists in the business world, increasing female employment and increasing the number of senior and mid-level female managers in addition to increasing the policies and campaigns encouraging this can be presented as a policy proposal to be drawn from this study.

KEY WORDS: Women's employment, entrepreneurship, innovation, panel causality analysis.

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1. INTRODUCTION

There are many empirical studies that analyze gender-specific disparities in employment with GDP per capita and its impact on countries' macroeconomic growth. Among the country's policies, there is a positive relationship between women's active participation in the labor force and growth.

Entrepreneurship, which is seen as the main factor in the social, political, cultural and economic development of countries, is very important in terms of economic development. Developed countries, which show steady growth and development compared to underdeveloped and developing countries, also raise their levels of health, cultural and social well-being. Entrepreneurship activities carried out by women, especially in recent times, have been of great benefit to the economy and have led to a decrease in unemployment rates. However, the fact that women own their own business in business also benefits the development of countries economically.

Providing and maintaining economic growth and development has become the most important goal of all countries from past to present. The most important factor to achieve this goal is undoubtedly Labor, which is the most important factor of production. It is possible to achieve sustainable growth and development by bringing women, who make up half of the world's population, into the labor market.

Among the most important tasks of women worldwide, there is a low participation rate of women in the labor force due to the excessive amount of time spent on housework and motherhood. Both developed and developing countries should increase women's employment with the aim of eliminating existing gender inequality and increasing the level of well-being, as well as achieving sustainable development. In order to achieve a strong growth, production factors must be used effectively and efficiently. But in the world, gender inequality is shaped in favor of men. The essential condition for sustainable growth and development that has become the common goal of all countries is the effective use of scarce resources. The only element that will provide this is human. Therefore, increasing the position of women in society should be one of the most important goals of the countries.

There is no doubt that women contribute to economic growth and development.

But for that, the elimination of gender inequality is important. Therefore, the elimination of gender inequalities that exist both in economic, cultural and political terms should become the main goal of the countries in economic growth and development effort.

It is very important for developed and developing countries to increase the participation of women entrepreneurship in the workforce. With their knowledge and skills, women are able to generate new ideas and reach important places in business life. In order to increase women's participation in working life, technological developments, legal regulations and education quality should be improved and women should be made more use of in the work force. Education is a necessary factor for women to participate effectively and efficiently in the labor force and be useful. However, the importance given to women's education is not enough when viewed worldwide. It is important to raise the level of education for women to contribute to the economy. Because the marginal productivity of women with different educational differences to the workforce will also be different. Therefore, efforts should be made to raise the level of education of women. It is essential for sustainable growth and development that countries prioritize policies to support women entrepreneurship.

Countries grow and develop healthier in economies where men and women have the same rights. Besides technological developments, investments in science and human beings bring countries closer to their goals. Women entrepreneurs are becoming a source of economic growth by consolidating their place in society day by day. Women will be able to achieve their goals with more effective economic policies by contributing to the growth and development of businesses with innovative thinking styles thanks to their skills.

2. LITERATURE REVIEW

There are many studies in the domestic and foreign literature that investigate the relationship between women's employment and productivity, economic growth and innovation. The studies on this subject are given below. However, countries, years included in the study, empirical estimation methods and data characteristics are different in the analyzes. For this reason, different results are likely.

Gali (1999) analyzed the relationship between productivity and employment in

the USA. According to the results of the VAR analysis using the data from the 1948-1994 period, an increase was observed between the hours worked while the technological shocks decreased the hours worked.

Tansel (2002) examined the relationship between women's employment and economic growth for Turkey. 1980-1990 period data were used for 67 provinces. According to the results of the research, it has been found that women's labor force participation rate positively affects economic growth.

Ark et al. (2004) analyzed the relationship between productivity and employment for 66 countries. According to the results of the analysis made using the data of the 1980-2000 period, the relationship between productivity and employment was determined in a negative way, although the relationship aspects differed between periods.

Cavelaars (2005) analyzed the relationship between productivity and employment in OECD countries. According to the results of the analysis made using the OLS method with the data of 1961-2000 period, there is a negative relationship between employment and productivity in the short term and a positive direction in the long term.

Tunç (2007), who analyzed the relationship between productivity and employment in Turkey. According to the results of the VAR analysis using data from the 1950-2006 period, there was a negative relationship from employment to productivity in the short term, whereas a positive relationship from productivity to employment was found in the long term.

Luci (2009) examined the relationship between economic growth and female employment for 184 countries. In the research, panel data analysis was done with the period data of 1965-2005. According to the results of the research, while increasing female employment positively affects economic growth, economic growth has no effect on female employment.

İnce (2011), with economic growth for Turkey was examining the relationship between women's employment. In the research, time series analysis was done by using the data of 1980-2009 period. According to the results of the study, as a result of increasing the education levels of women, birth rates will decrease

and women's contribution to economic growth will increase.

Er (2012) examined the relationship between women's employment and economic growth. In the research, panel data analysis was performed for 187 countries with 1998-2008 period data. According to the results of the research, it has been reached that the reduction of fertility in women and the more participation of women in the labor force and the employment of women in the upper positions of the state will affect the economic growth of the countries.

Akan and Güngör (2012) examined the relationship between women's employment and productivity for Turkey. In the research, panel data analysis was done using 2000-2010 period data. According to the results of the research, it has been reached that there is a long-term co-integration relationship between women's employment and labor productivity.

Günsoy and Özsoy (2012) examined the relationship between women's labor and economic growth in Turkey. VAR model with 2005-2011 period data was used in the research. According to the survey results, women's participation in the labor force in Turkey has a positive impact on economic growth.

Kasa and Alptekin (2015) examined the relationship between women's employment and economic growth in Turkey. VAR model with 2000-2013 period data was used in the research. According to the results of the research, the contribution of women who are primary school graduates to economic growth has been found as 15%.

Lenchman and Kaur (2015) examined the relationship between women's employment and economic growth for 162 countries. In the research, panel data analysis method was applied using 1990-2012 period data. According to the results of the research, there is a positive relationship between women's employment and economic growth.

Dücan and Polat (2017) examined the relationship between women's employment and economic growth for OECD countries. In the research, panel data analysis method was used. According to the results of the research, it was found that the increase in the labor force participation rate of women in OECD countries negatively affects economic growth. It is also among the findings of

the study that this effect is higher for G7 countries compared to other OECD countries.

Serel and Ozdemir (2017) examined the relationship between women's employment and economic growth for Turkey. In the research, ADF and PP unit root tests and regression analysis were performed using 2000-2013 period data. According to research results, the increase in the rate of female employment in Turkey has a positive impact on economic growth.

Türlüoğlu (2018) examined the relationship between women's employment and economic growth for Turkey. In the research, VAR model with 1999-2017 period data was used. According to the survey, Turkey has been reached that there is a bidirectional causality between women's employment and economic growth.

2.1. Female labor participation: the relationship between growth, innovation, and productivity

In the literature of economics, gender-specific determinants are supposed to have a positive and meaningful effect on economic growth. In particular, recent empirical studies have shown that active participation of women in the workforce will positively impact economic growth. Women's participation in the workforce is progressing in direct proportion to their level of Education. In this case, measures should be taken, and policies should be put in place to improve the education levels of women. As a result, employment and earned income will increase with the active participation of women in the workforce, resulting in a decrease in birth rates. With the participation of women in the workforce, the level of household income will increase, and this will allow more savings to be made in the household. In addition, an increase in savings would also bring about an increase in production (Luci, 2009, p. 2-3).

With the determination of the export-based industrialization model, women's employment was transferred from the agricultural sector to the industrial sector. In addition, women are seen as a cheap labor force, which in this case presents as an opportunity for the employer to minimize costs. Choosing women as cheap labor will prevent educated women from working in these sectors, thereby minimizing costs and reducing expected productivity (Akan & Güngör, 2012, p. 3).

It is shown that female employment rates are low among the reasons there are some cases; women have their own insecurities, to be weaker than men, some obstacles to work in jobs, work experience, lack of training, lack of traditional structure, women the mission of motherhood can be shown.

If we consider that the essence of creativity is to produce, it is also possible for countries to express production as social welfare, economic strength, and increase in their macroeconomic variables (Cropley, 2002, p. 3).

Two different hypotheses about women's participation in the labor force are proposed: the first is that economic growth will occur immediately with women's active participation in the labor force; the other is that it will have a negative impact on growth in the short term but increase growth in the long term with women's active participation in the labor force.

Despite the economic progress in the countries, the low labor force rates of women are evidence that women are not being adequately exploited. While women in most countries are employed in similar jobs and underpaid, gender inequality is thought to have negative macroeconomic consequences.

One of the most important indicators of countries' economic performance is undoubtedly the Employment indicator. Since the increase in employment will also bring about an increase in competition, emphasis should be placed on policies aimed at increasing female employment rates.

Furthermore, existing views are that by increasing women's Labor continuously and narrowing the gender gap, men's production and well-being can be increased (Aydin & Erdem, 2014, p. 62).

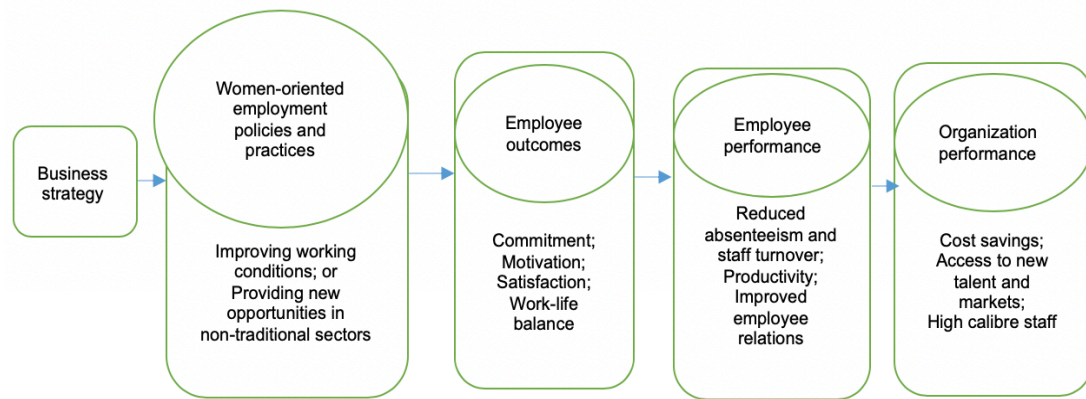


Figure 1: The relationship between “women-oriented” employment policies and practices and improved business performance (Source: International Finance Corporation, 2013, p. 9)

In Figure 1, the relationship between employment policies and practices in women-oriented enterprises is given. Within the scope of business strategies, women-oriented employment policies have been identified, which are seen as improving the conditions of employees and new opportunities in non-traditional sectors. As a result of this, employee outcomes, women's commitment to the business, satisfaction and motivation are formed. Thus, working women's performance will be positively affected and employee relationships will be improved. Finally, organizational performance will be positively affected and access to new markets will be provided and the performance and quality of the staff will be increased.

Among the reasons why women are more capable than men and have a positive impact on the macroeconomic variables of countries but are not preferred in upper and middle management are (Özmutaf et al., 2015, p. 221):

- Gender role stereotypes,
- Family responsibilities of women,
- Women's lack confidence,
- Women outside the network established by men,
- Negative attitudes of senior managers towards female managers, and
- Employment discrimination.

There are innovative ideas in female managers that are not in men. They are open to change, and the secret to being successful is also possible through change. When women make decisions compared to men, they make decisions that can have an impact on others. In addition, while male managers work business-oriented, female managers adopt a more person-oriented and

authoritarian management style than male managers. Therefore, because women's communication power is more encouraging than men's, positive effects are likely to be reflected within the business. Female managers have collaborative features but also supportive features.

3. MODEL AND DATA SET

In this section, Kónya (2006) investigated whether there is a causality relationship from the rate of female employment in the upper and middle management to entrepreneurship and innovation with bootstrap causality analysis.

The rate of female employment in the upper and middle management used in the study represents the proportion of women in the total upper and middle management. Patent applications made by the residents as the proxy variable of the innovation variable were taken into consideration. All data were obtained from the World Bank database. The data used in the study are annual data covering the period 2000-2017. In the study, 13 OECD members whose data are available are taken into consideration. These countries; America, Austria, Denmark, England, Finland, France, Germany, Ireland, Luxembourg, Netherlands, Norway, Spain and Sweden.

3.1. Kónya's (2006) bootstrap panel causality

Kónya (2006) panel causality analysis Granger is a bootstrap based panel causality analysis that investigates causality relationships. Since this method is a bootstrap-based analysis, it is based on deriving existing data many times and provides valid and more accurate results especially in small samples. Variables used in analysis with variables with time dimensions must be stationary. Otherwise, false regression may arise and cause the results to be inconsistent and statistically invalid. However, another feature expected in panel methods is that the data studied and the country group must be homogeneous. In case of working with non-homogeneous (heterogeneous) panel groups, the results again lose their statistical reliability. Since Kónya (2006) method is a bootstrap based analysis, it does not require the variables to be stationary and homogeneous. Reliable results can also be obtained with stationary and inhomogeneous variables. In the panel data analysis, in the causality tests, an average coefficient is obtained for the country group in general and individual coefficients are not calculated. Another advantage of Kónya (2006) causality

analysis is that the calculation of individual coefficients based on country also gives direction of causality relations between countries. The hypothesis of causality analysis for this study can be formed as follows:

Null Hypothesis: There is no causal relationship from the ratio of women in upper and middle management to innovation.

Alternative Hypothesis: There is a causal relationship from the ratio of women in upper and middle management to innovation.

In order to decide whether the null hypothesis is rejected or not, the Wald chi-square test statistic is first calculated for each cross-section unit and then compared with the specific table critical values calculated for each cross section unit. If the calculated chi-square test statistic is greater than the table critical values, the null hypothesis is rejected, otherwise it cannot be rejected. If the null hypothesis is rejected, it is decided that there is a causal relationship, and if it cannot be rejected, there is no causal relationship.

In this study, FPE (Final Predict Error) and Akaike information criteria were taken into consideration in determining the optimal lag length in causality analysis. Optimal lag length was determined as 4 according to FPE and Akaike information criteria. However, in order not to overlook the robustness and causality relationships of the study, analysis was performed for each lag by repeating the analysis from 1 to 4 lags. The results obtained are summarized in the table below.

Table 1: Kónya (2006) causality analysis results

Lag	Causality	Sign	Country	Significance
1	yes	positive	Austria	10 %
2	no	-	-	-
3	yes	positive	Netherlands	10 %
4	yes	positive	Austria and Netherlands	05 %

According to the results obtained from Kónya (2006) causality analysis; In the 1st lag, a meaningful and positive causality relationship was found only at 10% significance level for Austria. No causality relationship was identified for the 2nd

lag. In the third lag, a meaningful and positive causality relationship of 10% was determined only for the Netherlands. In the 4th lag, a positive causality relationship was found at 5% significance level for both Austria and the Netherlands. The results of analysis for different lag levels are supportive and consistent. No negative causality relationship has been identified for any country. It is seen that there is a positive relationship in countries where causality relationship is detected.

4. CONCLUSION AND RECOMMENDATIONS

As seen from the results of Kónya (2006) causality analysis, the increase in female employment in the upper and middle management levels also increases the number of patent applications in Austria and the Netherlands. This effect is getting stronger and more meaningful as time goes on.

As the lag gets longer, the relationship becomes more meaningful and it can be interpreted that it takes 3-4 years for patent applications to increase as the share of women increases in the upper and middle management. This can be interpreted as the time required for the woman who started working in the company to get to know the company and to understand the operation.

As a suggestion to be excluded from this study; It can be said that the number and role of women in upper and middle management should be supported by both the state and the private sector, as the increase in the number of women who can look with a different mindset and thinking structure than men, contributes to innovation activities.

Of course, the studies conducted for the first stage of development, that the active participation of women in the labor force will affect the growth negatively, of course has political importance. However, since the participation of women in the labor force positively affects economic growth for developing countries, it is encouraged by policies to enable women to enter the labor market more easily.

DISCLOSURE OF CONFLICT

The author(s) declare that they have no conflicts of interest.

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CREATING BRAND LOYALTY IN FOOD AND BEVERAGE ENTERPRISES: A CONCEPTUAL PERSPECTIVE

Nihan Özkan*

ABSTRACT

Brand strength is a well-known concept in food and beverage enterprises as a service sector as well as in other sectors. The activity of eating out that meets the need of socializing beyond being a need is growing rapidly. The importance of creating brand loyalty by the enterprises in the customers' decision process on making choices about the food enterprises comes into prominence. As the brand loyalty increases, advantages such as the customers of a brand being less affected by the activities of rival brands arise. In this regard, it is tried to explain the brand loyalty in food and beverage enterprises from a conceptual perspective through a literature review in the study. Findings indicate the significance of brand loyalty for enterprises to create value and differentiate themselves. In the scope of this research, creating brand loyalty and approaches are discussed and the significance of brand loyalty in food and beverage enterprises is investigated. Lastly, some recommendations related to food and beverage enterprises to create brand loyalty based on the literature are proposed.

KEY WORDS: Brand, brand loyalty, food and beverage enterprises.

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1. INTRODUCTION

The attitudes towards food and beverage enterprises have changed in recent years along with the up growth in food and beverage enterprises, and interest in culinary arts has increased, as a result, international and national food and beverage enterprises brands have accrued (Aydogan-Cifci & Oz, 2016). In parallel with this accretion, an intense competition environment has sprung. In the marketing competition environment of today, most companies comprehend that attainment of brand loyalty from their customers and retaining it is of critical importance for the survival of a company. Consequently, most companies have been developing marketing strategies in order to attract the loyal consumers to their companies.

Having a loyal customer portfolio can help a company eliminate their rivals and provide a competition advantage necessary for the success in the markets. The most powerful brands have loyal or even fan customers. A customer's not being interested in any other brands rather than the one he prefers indicates his loyalty to that brand which is the common goal of all brands (Bati, 2015). Additionally, studies have remarked that employer brand loyalty influences positive employee well-being which affects brand loyalty (Benraiss-Noailles & Viot, 2020). Brand loyalty is crucial for service foundations since loyal customers directly and constantly affect the current and prospective income streams (Dwivedi, 2015). Customers who are satisfied with the services and products they have purchased bring new customers and the price sensitivity of the satisfied customers are lesser (Turan, 2017). High brand loyalty is a concept that contributes to expansion, high market share, high investment return and high brand value ultimately (Kabiraj & Shanmugan, 2011). Brand loyalty may have an impact on the customers' decision-making process on repurchasing the same product through leaving a better impression on the customers about a brand than other rivals. (Hanzaee & Andervazh, 2012; Lam, 2007; Nyadzayo & Khajehzadeh, 2016; Uzunkaya, 2016).

We can claim that creating a brand loyalty is generally one of the desired outcomes of the brand loyalty of a food and beverage enterprises. Because most enterprises make investments in brands so as to create a brand value. We have been encountering with new innovations in product range and quality aiming at creating brand loyalty day by day. The brand image perceptions of customers

and their feedbacks after the consumption may differ depending on their experiences at a food and beverage enterprises. The experiences of customers at a food and beverage enterprises are connected with the decision on their preference of that management once again. It is important for management executives to strengthen the brand identity through continuous monitoring and research activities in order to determine the changes that are to increase brand loyalty.

Brand loyalty is one of the marketing concepts that has been argued and misunderstood at most in recent years; thus, it is essential to revise the concept of brand loyalty (Kabiraj & Shanmugan, 2011). It was aimed at revealing and reviewing the literature in the field of creating brand loyalty in food and beverage enterprises. The experiences of customers at a food and beverage enterprises are connected with the decision on their preference of that enterprises once again. In this study It is believed that this study might contribute the academic process in regard to the inspection of the significance and value of creating brand loyalty in food and beverage enterprises considering the scarcity of the academic studies in the field.

2. LITERATURE REVIEW

2.1. The concept of brand loyalty

The key feature of a strong brand is to create a loyal customer population. A brand that created brand loyalty in its own product category outcompetes and it can restrain the new products that are to penetrate into the market (Onan, 2006). Brand loyalty can be defined as a customer's psychological attachment and affinity towards a brand in conjunction with purchasing the brand repeatedly. This loyalty promotes the maintenance of substantive market share, reduction of marketing costs, decrease in prices sensitivity, advertisement of marketing messages and sustention of brand expansion for the enterprises (Taskin, 2018). Brand loyalty is the preference of a customer to purchase a certain brand in a product category. It arises when the consumers perceive the specifications of an actual product, and when its image and quality are introduced with a suitable price. This perception can transform into repurchases that eventuates with brand loyalty (Ishak & Ghani, 2013). We define brand fidelity as the consumer's faithfulness to a brand partner demonstrated by an aggregate of behaviors (i.e. accommodation/forgiveness, willingness to sacrifice) and cognitions (i.e. derogation of alternatives, cognitive interdependence and

positive illusions) that maintain relationship stability and durability (Grace et al., 2018). The question of “How could customers remain more loyal to a brand?” is one of the difficulties encountered by marketers mostly (Mishra et al., 2016). The degree of a customers’ attachment and devotion to a company is ensured through brand loyalty. Customers who have great brand loyalty always purchase that brand and their loyalty to that brand is considerably high. A customer’s repurchase may result from reasons such as customer’s accustomedness, absence of rival brands, low level of income, accessibility to the brand, brand’s being retailer or low-priced product (Gultekin, 2020). Concordantly, brand loyalty could generate a resistant customer group to the competitive strategies (Devrani, 2009). According to the results of various studies, it is seen that corporate image and corporate reputation have a positive effect on brand loyalty. In other words, corporate image and corporate reputation are effective and critical in creating a brand loyalty (Marangoz & Biber, 2007).

Brand loyalty is a strategic step necessary for the aim of expanding market share and maintaining continuity through creating customer loyalty by companies (Wood, 2004). Brand loyalty in marketing includes the involvement of consumer who is to purchase the brand again and it can be indicated with positive behaviors such as repurchases of a product or a service and an advice (Dick & Basu, 1994). Several researchers are in agreement with that brand loyalty is a complicated disposition in the marketing literature. Therefore, the definition of brand loyalty is not extensive or consistent enough.

Factors affecting brand loyalty (Datta, 2003):

- Interest level and risk,
- Advertisements,
- Satisfaction level,
- Brand names,
- Product performance,
- Price,
- Sales promotion,
- Demographic attributes,
- Ethnic relations, and
- Time factor.

Table 1. Definitions of brand loyalty

Author	Definition of brand loyalty
Jacoby & Kyner (1973)	It is the function of a psychological process that has a biased attitudinal reaction being expressed in time and selected among multiple alternative brands by some decision-making units.
Wilkie (1994)	It is stated as an aspirant attitude towards a substantive brand and a stable eagerness to purchase.
Cunnigham (1956)	It is the most purchased brand among total purchases.
American Marketing Association (1960)	It is a sale-based approach as the maintenance of purchasing attempt of a product among the same product groups.
Gounaris & Stathakopoulos (2004)	It is repurchasing, preferability, given promises, memorability and commitment.
İmrak (2015)	It is the condition of a customer's purchasing a certain brand not only in present time but also in oncoming continuum.
Palumbo & Herbig (2000)	It is the constant searching and purchasing ability of a consumer even when the competitors offer lower prices and sales promotion.
Raj (1982)	Brand loyalty is customers' more than 50% purchases of a certain brand in a product category.
Biong (1993)	It is the computation of the intention of customers to repurchase a brand they are contented with again.
Brown (1952)	It is described as an intentional inclination to purchase a brand again that generally arises from positive past experiences of usage.
Dick & Basu (1994)	Brand loyalty is conceptualized as the power of relationship between a relative attitude adopted towards an asset and the behavior of repurchase.
Deniz & Ercis (2010)	It is a customer's finding a brand appealing, purchasing it more often than rival brands, retaining this purchasing and using it for long periods.
Yilmaz (2005)	It is a type of psychological commitment acquired towards a brand like friendship.
Yoo & Donathu (2001)	It is the desired outcome of brand value.
Yildiz (2008)	The action of repurchase of a same brand's products is interpreted as a positive behavior pattern.

2.2. Creating brand loyalty

Various parameters should become integrated in order to able to notice the existence of loyalty to a brand since brand loyalty, which is a complicated concept and a systematic process, is affected by several parameters and it affects them (Babur-Tosun, 2017). According to Pearson (2016) arguing that despite of being challenging to ensure brand loyalty, it is essential for companies to focus on the establishment of more intimate, significant and attached relations with their customers which provides mutual benefits, a favorable loyalty initiative should first create a significant customer experience. Enterprises should retain their existing customers and ensure that they are satisfied with the services

being provided by improving and promoting their relations with their customers. If the customer feels satisfied following the transaction, his loyalty is to increase in time, and he is to be a loyal customer (Turan, 2017).

Brand loyalty does not appear overnight. Customers become a loyal customer by passing through some stages. Erbas explains brand loyalty as a process consisting of four stages (Dogru, 2015):

First stage: Recognition of the brand, in other words notice of the brand and the trial of the brand stage.

Second stage: Acceptance of the brand by the customers. That is to say, the brand and image's being suitable for one another from the point of customers.

Third stage: Preference of the brand among other brands.

Fourth stage: Repeated repurchase of the preferred brand by the customers persistently.

It can be speculated that brand loyalty is created in the customer having reached at the fourth stage on the ground that the customer at this stage will continue to purchase the same brand instead of alternatives.

Brand loyalty is attained in two ways as rationally and affectively. The rational way includes performance (such as price, efficiency, durableness and reliability) and judgements (such as quality and credibility). On the other hand, affectional way consists of image (such as user profile, the status of purchase and use, personality and values) and emotions (such as entertainment, excitement, social acknowledgement and self-respect). Therefore, it is vital to focus on the stated variables for brand loyalty (Gultekin, 2020). Enterprises need to analyze their customers properly to be able to create brand loyalty. Inadequacies such as customer's previous unfavorable experiences, brands not being able to meet expectations, lack of post-purchase services lead to leave a negative impact on the customer and he does not favor working with that enterprises again (Hacihanoglu, 2017).

2.3. Brand loyalty approaches

The dimensions (approaches) of brand loyalty in the marketing literature are discussed as behavioral loyalty, attitudinal loyalty and mixed loyalty. Brand loyalty is a behavior according to the proponents of stochastic, in other words

incidental, perspective. A person who repurchases the same brand is regarded as being loyal to that brand. While this approach associates brand loyalty with purchase, it does not analyze the underlying reasons behind this behavior (Odin, Odin, & Florence, 2001). When behavioral approaches are viewed in which the brand being purchased is addressed as the reference point, the action of purchasing cannot prevent customers to gravitate towards other brands as it is practiced independently from affective components such as appreciation of brand and engagement with it (Babur-Tosun, 2014). Attitudinal loyalty transcends behavior on the contrary to the behavioral loyalty and it expresses loyalty with the power of customers' affection towards a brand. Figure 1. (Mechinda et al., 2009). The third one, mixed approach, is the combination of two approaches as attitudinal and behavioral. Mixed approach gauges loyalty considering the product preferences of customers, their inclinations to change brand, purchase frequency, their recent purchases and the total amount of the purchases (Bowen & Chen, 2001).

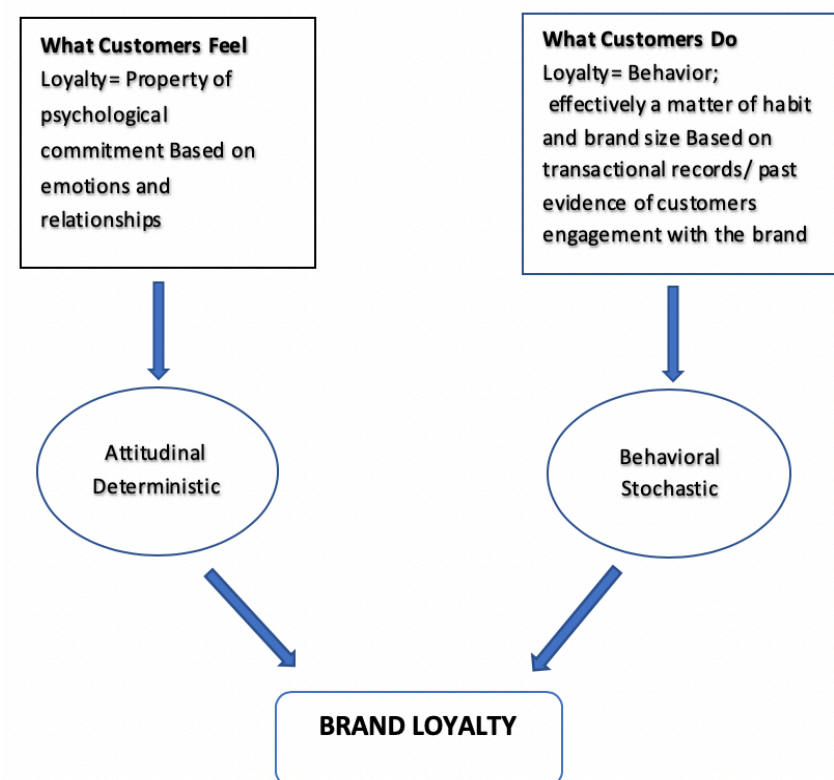


Figure 1: Brand loyalty- A deterministic and stochastic perspective (Source: Sajal Kabiraj, Joghee Shanmugan, (February 2010), "Development Of a Conceptual Framework For Brand Loyalty: A Euro-Mediterranean Perspective Received (In Revised Form)", *Brand Management*, 18(4/5), 285–299.)

2.3. Brand loyalty in food and beverage enterprises

It is possible to claim that food and beverage enterprises' creating a value for their customers might be a significant factor in generating satisfaction and accordingly, customer brand loyalty (Turkmendag & Hassan, 2018). Food and beverage enterprises that have a critical contribution to tourism sector have resorted to establish a close bond with their customers by differentiating themselves from their rivals. Enterprises have been heading towards understanding their customers' expectations better and increasing their quality of service and customer satisfaction in order to create brand loyalty by adopting various strategies (Ozgur, 2013). It is necessary for the enterprises have been heading towards understanding their customers' expectations better and increasing their quality of service and customer satisfaction in order to create brand loyalty by adopting various strategies aiming at achieving success in the long term to be conscious about how the brand is conceived by the customers and the effect of the brand on customers' purchase preferences in order to ensure brand loyalty, to establish an affective bond between the customers and the brand, to create a customer group who do not mind price increases and to create sympathy for the brand. In the light of this information, it is expected from food and beverage enterprises have been heading towards understanding their customers' expectations better and increasing their quality of service and customer satisfaction in order to create brand loyalty by adopting various strategies in service sector to give due importance to branding in parallel with the increasing significance of branding today (Yildiz, 2013). The most crucial issue for a enterprises to be successful is not first-time purchasing customers but repurchasing customers (Jacoby & Chestnut, 1978). Two common reasons of people's purchasing from certain brands or companies are not having other alternatives or having high personal preferences for the brand (Zins, 2001). Food and beverage enterprises providing service with customer satisfaction create their brand images first by acquiring customer satisfaction. They transform this satisfaction into brand loyalty in progress of time. Brand loyalty may have a positive effect on people's intention to purchase (Haliloglu, 2019).

We can specify the fundamental aspects to be paid attention by the enterprises to be able to ensure customer satisfaction and to create brand loyalty as following (Kocak, 2006):

- Food and beverages: the quality, variety, seasonality, cultural form, preparation and presentation of the food and beverages tabled in restaurants.

- Variety in menu selection: the length, type, color, of the menu, its content's conformity to the target group, supply of the whole menu and price equilibrium.
- The level of service: the quality and cleanliness of the cutlery packs being used, acting on rules to follow in table service.
- Value of money: it involves not only the monetary equivalent of food and beverages but also the service delivered, hygiene, setting and personnel's behavior.
- Interior design and the atmosphere of the enterprises: capaciousness of lounge, its lighting and furniture, tables and chairs setting along with their positions and colors and so on all affect the atmosphere of the enterprises together with the running of service and personnel's manners.
- Satisfaction of customers' expectations: Apart from eating need, the customer might be in expectation of getting respect from the food and beverage enterprises, developing social relations and being in a different atmosphere.
- Settlement and accessibility of the enterprises: location of the enterprises, its distance to the center, and its car park status all affect the number of customers.
- Personnel: dressing of the personnel, their neatness and maintenance, their abilities to serve up and their manners and behaviors towards the customers are of vital importance. No matter how well all the other factors are succeeded, the service delivery as a whole might be affected when one of the personnel display a negative behavior.

One of the most crucial factors for the sake of branding other than of good quality product and good service quality is standardization. In addition, certification aimed at rating of products is a step for the sake of a enterprises branding. It is difficult to brand for enterprises that do not have standardizations even though they produce good quality products. Despite the fact that it might be challenging to create standardization in food and beverage enterprises, it would be possible to earn the brand loyalty of the customer after reaching to this quality standards (Aydogan-Cifci & Oz, 2016).

3. DISCUSSION AND CONCLUSION

The concept of brand loyalty, which can be described as customers' repurchasing of the brand and sticking to that product, has great importance for

the enterprises. Meanwhile, it is a significant goal in the service sector because of the fact that it is an important component for competitive advantage of a company in the long term. As long as the quality of the product and the service remain the same, the customers of the companies created brand loyalty might be less influenced by the marketing activities of rivals.

Customers' expectations develop depending on the physical evidences presented by food and beverage enterprises and satisfaction arises when those expectations are met and so does dissatisfaction when they are not (Cakici et al., 2019). All the consumption activities cannot possibly end with satisfaction for food and beverage enterprises although this is the desired outcome. Satisfaction with the enterprises enables to expand their brand recognition and to pull new customers through positive mouth to mouth marketing.

Muller (1998) suggests three primary factors that have an influence on brand value in the food and beverage industry: the quality of products and service, creating a symbolic and permanent image and execution of service delivery. Muller remarks that food and beverage enterprises can increase their brand loyalty through combining these three elements. Developing a brand which has roots in high level of trust and has a strong brand value is an essential precondition for pulling customers loyal to a brand (Lassar et al., 1995).

Customers do not have any information about the related goods or service before the cognitive process and thus, they do not develop an attitude towards the brand (McMullan & Gilmore, 2003). At this stage, the information related to the qualifications of a brand brings it to the point where it is preferred more than its alternatives (Oliver, 1999; Bowen & Chen, 2001; Yurdakul, 2007). For this reason, McMullan et al. (2003), and Yi and La (2004) reported that cognitive loyalty regarding the profit of a goods or a service shows an increase or decrease depending on the customers' perception of cost and value in creating brand loyalty.

It is only achievable with creating a scenario and transmitting it to the furthest points as possible through various methods and means for enterprises to gain a certain place in the customers' minds and to leave a mark that is to help them to be the first enterprises gaining a place in their minds among the other ones (Kwun & Oh, 2004; Deng et al., 2010; Turkmendag & Hassan, 2018). Brand

loyalty increases when designed brands accommodate to a customer's personality or image; or, when the satisfaction is sustained due to unique benefits the brand provides (Quester & Lim, 2003).

The moderating effect on the relationship between perceived values and brand loyalty is stronger when the acquiring brand is from a higher luxury tier (Chung & Kim, 2019). Perceived quality is also significantly related to brand loyalty (Shanahan & Taylor, 2019; Simsek & Noyan, 2009).

Brand image has a positive impact on food and beverage enterprises brand loyalty (Kurtoğlu & Sönmez, 2016; Uslu & Karabulut, 2019). Brand image constitutes one of the most significant sources of information for the customers in relation to purchasing a product or a service. Factors such as a service provided by the food and beverage enterprises, their locations, menu's variedness, costs, atmosphere, speed of service, food quality, prices and personnel have an impact on the brand loyalty of the enterprises. As the customers gains from the brand increases, the satisfaction is to enhance and therefore, the brand loyalty is to be strengthened. Thereby, enterprises chances to gain customers is to increase when they establish the process of service properly. Thus, enterprises should create a brand image by handling marketing activities as a whole.

Innovation is the source of competitive advantage in terms of loyalty behaviors (intention of repurchase, marketing through word of mouth and disposition of paying more) and formation of customer-based brand value (Dolarıslan, 2018). Enterprises can stick in the minds by becoming distinct through innovation in accordance with their brand image.

Shim et al. (2015) in the study verifies that experiencing the state of flow on a brand's website can result in enhanced sensory and affective brand experiences, which leads to enhanced brand loyalty.

Familiar brands are typically mature or established brands which have been in the market for a long time, hence allows for a higher cumulative frequency of brand exposures and a longer history of past usage compared to newer brands (Phua et al., 2020). Brands' benefitting from information processing technologies and forging a bond with their customers on social media provide an advantage

to them (Budak & Tatlı, 2020). Therefore, it might be suggested for the enterprises to have an identity and be active on the internet in order to create a sense of community.

Yapraklı et al. (2017), in their study, it was revealed that the general attitudes of customers towards social responsibility projects have an impact on both brand loyalty and purchasing intentions. Enterprises should attach importance to social responsibility projects in order to be able to advertise their brands and imprint on the memories of the consumers.

Enterprises should recognize the consequences of neglecting their customers negative feedbacks because it may cause a customer to leave and consequently, it might create more damaging effects on brand loyalty (Leckie et al., 2016). Feedback process needs to be managed properly to observe brand loyalty of the enterprises in customer's mind.

Several recent research studies have studied outcomes of brand love, finding brand love positively predicts consumers' brand loyalty for automotive, electronic, food, and social media brands (Loureiro et al., 2012; Machado et al., 2019). Brand love may create a loyalty that eliminates all the risks in the process of constant purchase of the same brand.

It is for the benefit of enterprises to head towards creating brand loyalty in the long term rather than a short one for being afloat in today's condition of competition. Enterprises have been working on developing several strategies for creating and maintaining brand loyalty. Customer-brand identification is a paramount concept for creating a loyal customer base. Preserving the loyalty of the customers is advantageous for the company. Enterprises produce their own loyalty programs to construct loyal customers and so that it becomes probable to retain their presence and attain new customers.

As a result, in order to create brand loyalty, it might be recommended for food and beverage enterprises, to ensure quality standard and certification, receive feedback, employ innovation, perform activities for digital marketing exercises and social responsibility projects, create a substantive brand image, create brand love and brand familiarity, design loyalty programs, consult to scenario

enterprises, provide service quality and notice certain concepts such as customer satisfaction.

Within the scope of this study, the concept of brand loyalty being analyzed can be investigated within a different industry. Additionally, various analysis may be performed through supporting the study with distinctive findings obtained with qualitative methods. The topic being discussed in this study is limited to the concept of brand loyalty in food and beverage enterprises. Further studies can be conducted on variables such as brand personality, brand value, brand trust, brand equation, brand awareness and brand identity.

DISCLOSURE OF CONFLICT

The author(s) declare that they have no conflicts of interest.

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