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CURRENT ISSUES IN SELECTED ECONOMIC CRISIS MANAGEMENT TOOLS

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Abstract: *The author notes the importance of certain economic instruments to stabilize the security situation in the territory, which was affected by crisis nonwar situations. Stresses the importance of revision and updating of economic measures by state and municipal offices. Identifies the obstacles in the process of the basic living needs ensuring of residents in the affected area. Suggests alternative solutions with regard for social and economic changes in the world, which significantly modify the content and quality in the field of crisis management.*

Keywords: *economic instruments, regulatory measures, crisis, emergency, crisis management, private sector, vital goods and products, safety*

1. INTRODUCTION

In normal peace conditions, without risk of the military threats, terrorist, respectively other activities and operations to destabilize the country, or the state after natural disasters, the key factors in the development in the market situation are the supply and the demand. Correlation of these factors allows meeting of critical needs of the population. In crisis situations, the development in terms of basic living needs ensuring of the population is threatened by the action of specific threats, fundamentally different.

In this environment, the market ceases to operate automatically, ceases to be self-regulating ability on the basis of factors such as shortage of raw materials for production, but also finished goods due to their unavailability or excessive consumption. Production of a particular territory is insufficient or completely ceases, the importation and distribution of other geographical locations is limited or impossible.

In war, respectively during the war emergency and emergency, when under the influence of the military, respectively non-military threats in the macro environment creates situation which has its fair reflection of the microenvironment, in the production reducing, thus the availability of certain goods, is the problem of legislative restrictions on certain fundamental rights and freedoms heightened, given by the limited possibilities of the economy and the country's economy as a whole. There is a situation where demand for food, energy sources, fuels and other everyday needs enormously exceeds the supply side possibilities. In anticipation of the shortage of the goods and energy, the consumers tend to stockpiling in volume, which exceeds many times their real need. Expected development on the supply side, in line with economic theory of the demand curve tends to appropriate increase in price, which is immediately reflected in the unavailability of products for most state

residents. States thus using the bodies of crisis management approaches to regulatory actions by which it shall be ensured necessary time for ensuring the availability of vital products and goods to all residents of the affected region without exception.

2. LEGISLATION AND CONTROL METHODS

Stressful factors, which inevitably brings with it war and other threats, accelerate social dissatisfaction, in comparison with a peaceful life several times. The risk that the country is facing from external environment, whether by natural disaster, may enter the inner dimension of destabilization in the form of civil unrest, mass looting, to bypass the state and municipal bodies and institutions and so on.

In the economy of the country begins the run of legislative specific rules for emergency situations (eg Act no. 387/2002 Coll State Control in crisis situations outside the time of war and state of war, Act 414/2002 Coll on economic mobilization), in which there is a regulation on consumption of selected goods and commodities. Regulation may be in accordance with the applicable legal standard [1] one of the following forms:

- price regulation
- regulation of the quantity (volume)
- obtaining by sampling authorisation

State also in the public interest destroys, respectively inhibits, the production of goods needed to satisfy basic human needs, in these conditions perceived as privileged, creates opportunities for the production of vital products and effectively motivates their production for private entities. Market conditions in specific crisis situations of nonwar character to the supply side represent:

- enterprises marked as entities of economic mobilization
- other businesses

Duties and system utilization entities of economic mobilization of crisis management authorities at all levels of management is closely adapted and developed in crisis management development.

As regulatory measures affect other entities, it means the secondary sector that is ensuring the needs of the population of the crisis was the objective and much broader researched by the author in r. 2009 for the research sample of 36 enterprises in the region of north Slovakia, regularly attacked by natural disasters in the form of extensive flooding.

3. ANALYSIS OF CURRENT REGULATORY MEASURES

Businesses that are not subjects of mobilizing significantly impact meeting the current needs of the population, thereby also contribute to the social stabilisation and security situation on the affected ground. Inadequate access to pricing, respectively other misuse of the threat impact may actually destabilize the situation into the induction of social unrest.

Because of that the statutory provisions are the goods exactly listed, which under the certain conditions must be controlled and other goods, works and services may be subject to regulatory measures. In order to quantify possible residue and thus the potential business impacts threats on the affected market was to focus the regulation as thr one of the research area. Specifically, in the form of the answers of respondents on the adequacy and scope of regulatory action depending on the changes, which brought into the area both economically landmark events as the entry of Slovakia into the European Union. Entrepreneurs had the possibility to express freely acquire SR in crisis situations



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Goods	Form of regulation				Number of answers
	Price regulation	Volume	Sampling measures	Regulation abolishment	
flour	23	5	0	8	36
fats	14	10	0	12	36
milk	26	9	11	2	48
meat	19	14	11	4	48
eggs	12	13	1	17	43
sugar	21	7	8	5	41
potatoes	18	3	0	15	36
rice	26	21	33	1	81
salt	24	11	3	16	54
Answers in %	43%	22%	16%	19%	423

Table 1 Relationship type of regulation and the extent of regulation

shortage goods from Common European Economic Area and whether it creates room to change The Announcement of The Ministry of Economy of the Slovak Republic č.125/2003 laying down details of the sale of vital products or vital goods using extra regulatory measures and take-off authorizations, because of that some of the following scheduled items became in the common European market more affordable, or on the base of other experiences and arguments.

From the point of view that 78% of respondents were upheld by the interference to the vital structures of regulated products, should justify their arguments to that position. Evaluation of the respondents' answers confirmed the expected critical access of producers and traders to the contents of the announcement. It is alleged, that is archaic and does not reflect the possibility of a common European economic space. Some of the attitudes of respondents are challenging, but the reasoning is generally not convincing and rather points to the ignorance of the present decree, respectively its subjective interpretation from the point of trader's view, as the protection of public interest.

Because the answers to this question can be evaluated in two dimensions, the primary response has been analyzed from the aspect of the attitude to various forms

of regulation. As Table 1 presents a chart No.1 most respondents agreed to the need for price regulation. Price regulation is acceptable for all commodities according to the decree, set expression 100% of respondents. This is the interval from the lowest range of 28% in control eggs up to 62% flour price controls. Of the total number of responses in favor of price regulation expressed 43% of respondents.

The second form of regulation - a limited collection of the quantity of the responses received support under half of respondents compared with those who supported price control measures. This in quantitative terms means, that the quantity regulation of of the sold goods expressed positively 22% of respondents. In terms of regulation of products and goods quantity, touches the potatoes at least, which would regulate the quantity of only 8% and maximally this form of regulation should be used for rice according to the answers of 26% of respondents.

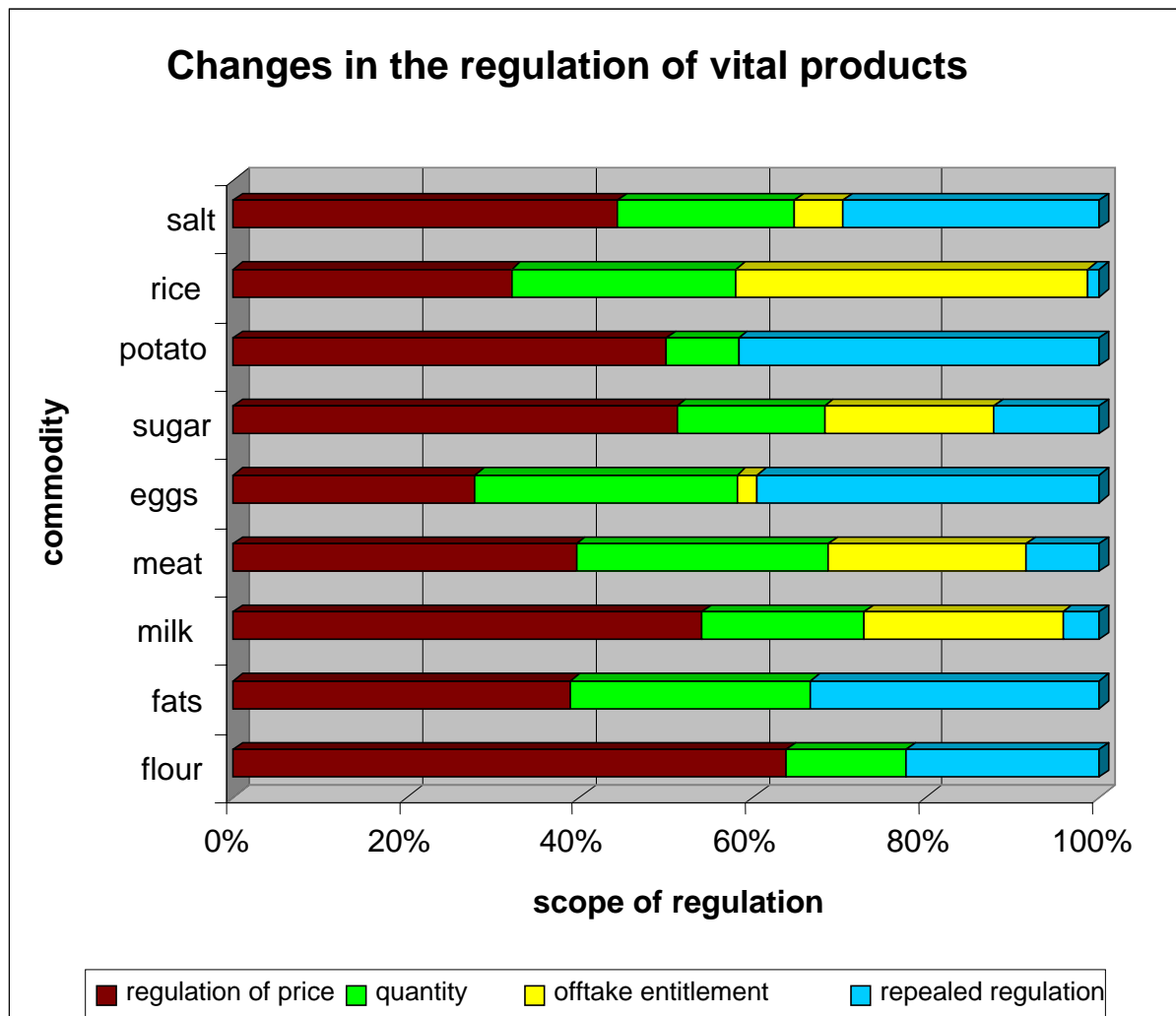
The collecting authorization (obtained only on presentation of bills) as the final form of

regulation is carried out in the polls met with little support from the three regulatory approaches taken in the public interest. Regulation under sampling authorized by all respondents considered to be unnecessary for 3 types of products which are the flour, fat and potatoes. Overall, this form of regulation supported only 16% of respondents.

For the total abolition of vital important products and goods regulation and thus the relevant provisions of the Decree of Slovak Ministry of Economy no.125/2003 laying down details of vital products or vital goods sale using extra measures and sampling privileges, was expressed 19% of entrepreneurs. In terms of commodities touched complete regulation's abolishment each of them, the least fans should abolish

regulation of rice only 0.01% of the respondents and according to the most responses evaluated appropriate regulation of eggs abolishment upheld 40% of respondents. The most frequent argument for the abolition of all types of regulation was the opportunity to buy the products and goods in the common European market for comparable quantity, quality and price conditions, especially in the case of locally operating impacts of threats (natural disasters, catastrophes, accidents). This argument was used by 73% of all respondents. A part of arguments, 14% of the number of responses, was based on the fact that the control system is difficult to control mechanisms and actually creates a real wide area of non-compliance with its principles.

Figure 1 Changes in the regulation of vital products



Source: author



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convinced that the regulation is a discriminatory tool, and if necessary should be applied in any form, or vice versa across the board on all goods and products without distinction, according to the categories classification to the priorities set by central and local authorities of crisis management, separately for each type threats.

It is understandable that the regulatory action is for business best price regulation, because it seems to be the least as damaging the interest of the entrepreneur. The measure that guarantees the preservation of price status - quo, preventing possible falls in prices as a result of the interplay between supply and demand and in contrast to the amount or issue according to sampling for a part of entrepreneurs creates a space to maximize profit on a higher turnover.

And arguably inconclusive argument works just as the regulations on a discriminatory tool, although in terms of the operator entirely logical because it is a major limiting factor for business activities and therefore is perceived as the most important intervention in the business freedom.

This line of reasoning can be doubted that even if it would actually managed to vital goods and products provide on the nowadays much larger and fairly balanced priced proportion of the EU market, due to transport distances, damage to transport and industrial infrastructure in the transport endpoint, it would not be timely available to supply of sufficient volume of these commodities to the affected areas. What in this context is also not negligible is the fact that no withdrawals, based on sampling is not eligible can guarantee the availability of these products for all social levels in the affected area.

Therefore, rather confirms the assumption that the changes will lead to the most strict form of regulation and that is the dispensing of vital products and goods according to customer

authorizations, as Chart 1 demonstrates. The repeal of this measure in the flour, fat and potatoes was justified by these arguments.

Withdrawal of flour on the basis of sampling measures is perceived by respondents that it has these critical elements with implications for the security of the population:

- change in the consumer environment (57% of respondents), especially today the population of urban agglomerations is not able to finalize the raw material,
- threats to energy supply for households (32%) more likely to secure these supplies for several large manufacturers – bakeries
- the change of the military threat nature from global to local as well as the nature of non-military threats to locally (11%), ensures the supply of sites affected other areas of the state or from abroad.

To go to other forms of regulation as a system of sampling eligible for fat was 84% of entrepreneurs, was justified several times by increasing range of goods compared with the period when on the market was available only essential fats of animal origin and one or two types of fats of vegetable origin. Other respondents (16%) argued by plenty of fat also thanks to the potential of a single European market without legislative, monetary barriers and complications, which can go with this product on a platform of price regulation, or volume control.

The collecting authority for goods such as potatoes is under 100% of respondents in the current market realities and threats, inadequate form of regulation. It is based on estimates of the parameters of military conflicts in the past. Today it is possible not only for the affected

region, but also state with the geographical area of Slovakia to ensure commodity from external markets in sufficient volumes and here is the corresponding agreed on the need for less drastic forms of regulation.

4. CHANGES IN REGULATORY MEASURES

Using the analysis of the information the author concludes that in order to stabilize the economic and security climate threat to the affected area is necessary to the professional public was primarily devoted to these problems:

- Indicative planning tools to define the objectives in crisis management, so that contingency plans for companies vulnerable territory primary and product mix accordingly dotvárali secondary base meeting the needs of the population, and these objectives in the public interest to see their own prospects and prosperity,
- Using bodies of crisis management at local levels to carry out the survey of the potential secondary sources in areas threatened by non-military threats and depending on their nature include this potential as a separate part of contingency plans from national up to local level of documentation on crisis management,
- Perform a consistent analysis of legal norms aimed at the regulatory measures, to assess the adequacy and proportionality of price regulation in order to minimalisation, respectively compensation of differences that arise between the application entities with a different character of provided goods and services also the need to consider some withdrawals (at the end of the research identified

products), in the form of exemption certificate given to the changing conditions of supply, which creates a common European economic space,

- Such an analysis is given to the critical situation in the supply of consumer packaging, sold drinking water, creates a space to assess whether it is exactly this commodity, which should not replace some of the goods, which today is not the reasons already mentioned, necessary to regulate.

According to the more frequent non-military threats, the impact of extreme weather events as a result of global climate change, the severity and urgency of a comprehensive quantification of the potential of the private business sector are so important that in the interest rate of business plans and the public interest, it is necessary to consider enhancing relations between the two participating Parties separate statute.

4. CONCLUSION

By administrative barriers unlimited expansion of the market for almost all of continental Europe as a single trading area fundamentally alter the principles and rules of crisis management measures. This change also made significant contributions and changes in the extent and quality of potential military threat along with the change in intensity and frequency of natural disasters and catastrophes. Thus, even in this form has been alerted to the need to review crisis management measures in this area that their help managed to respond adequately to these changes in the parameters of concrete threats.



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