INFOTEP
INSTITUCIÓN DE EDUCACIÓN SUPERIOR

Vol. 2

Reflexiones sobre el desarrollo empresarial y medio ambiente

Pensar la sostenibilidad

Autores: Regalado Calanche, D., Rosero Sarasty, O.,Guardiola Esmeral, A., Muñoz Prada, P., Orozco Castillo, E., Bolaño Maradey, Y., García Ochoa, L., Flórez Vásquez, C., Montoya Berbén, G., Acuña Ortigoza, M., Pimienta Gómez, S., Jiménez Sierra, D., Ibáñez, R., Acosta Álvarez, C., Venera Lora, M., Rada Martínez, A, Viloria Pérez, J., Montoya Duffis, S., y Villanueva Mancilla, L.

EDUCACIÓN SUPERIOR DE CALIDAD AL SERVICIO DE LA GENTE

EDITORIAL INFOTEP

ISBN 978-958-52579-6-2

2022

Reflexiones sobre el Desarrollo Empresarial y Medio Ambiente: Pensar la Sostenibilidad

Vol. 2

ISBN 978-958-52579-6-2

Ciénaga, Magdalena.

Reflexiones sobre el Desarrollo Empresarial y Medio Ambiente: Pensar la Sostenibilidad

Autores

Regalado Calanche, D., Rosero Sarasty, O., Guardiola Esmeral, A., Muñoz Prada, P., Orozco Castillo, E., Bolaño Maradey, Y., García Ochoa, L., Flórez Vásquez, C., Montoya Berbén, G., Acuña Ortigoza, M., Pimienta Gómez, S., Jiménez Sierra, D., Ibáñez, R., Acosta Álvarez, C., Venera Lora, M., Rada Martínez, A, Viloria Pérez, J., Montoya Duffis, S., y Villanueva Mancilla, L.

Coordinador Editorial
Viloria Escobar, Javier

Edición y diagramación
Egea Lavalle, María Fernanda

ISBN 978-958-52579-6-2

Año
2022

PRÓLOGO

Pensar la sostenibilidad, como preocupación por el desarrollo empresarial implica abordar temas de Inversión Socialmente Responsable (ISR), incorporar pautas de gestión verde en las organizaciones como una forma de gestión que conduce a planteamientos estratégicos y de negocios respetuosos con la sostenibilidad, entender el concepto como complejo y multidimensional que no puede resolverse con una sola acción corporativa, vincular el progreso económico empresarial con el desarrollo de la sociedad, conduce entonces a pensar en un modelo de sostenibilidad empresarial. Además, se requiere superar los fines utilitaristas, que exista una mayor conciencia del mercado consumidor para que no sólo se incline por productos ecológicos, sino que se evite consumir más de lo que en realidad se requiere, y que, al mismo tiempo, se modifique el estilo de vida para contribuir con ello a un desarrollo realmente sostenible, Garzón e Ibarra (2014) y Diaz-Cáceres (2015).

En función a lo expuesto veo con complacencia las diferentes investigaciones realizadas encauzadas en la línea de la sostenibilidad, como una orientación de Responsabilidad social universitaria en la institución, las que a continuación se plantean invitando a la lectura e internalización de estas.

La sostenibilidad vista desde la preocupación por la gestión de capital humano conduce establecer los inicios por considerar el activo más importante del sector organizacional, razón que motivó a Dubys Regalado Calanche y Oscar Rosero Sarasty a investigar la caracterización de la gestión de los recursos humano en el contexto hotelero, y considerarlo una necesidad por los cambios exigibles para los altos niveles de competitividad en la dinámica de estos del sector turístico, por lo que obliga a fortalecer su gestión como factor estratégico para la competitividad organizacional, mediante el desarrollo profesional de las personas, necesarias en el fomento de la competitividad, sin embargo, identificaron que existen cierto consenso en que estas prácticas son implementadas sin un previo análisis y una planificación, lo que impide su efectividad para el logro de los objetivos de la organización.

En el mismo sentido, el comercio justo asociado al comercio internacional en la perspectiva de la economía solidaria genera la necesidad definir estrategias de articulación de actores estratégicos que aporten a la internacionalización de las asociaciones productoras que apuntan al fomento del comercio justo, un aporte desde la responsabilidad social. Autoras: Alejandra del Rosario Guardiola Esmeral y Patricia Milena Muñoz Prada.

Por otra parte, la investigación presentada por Elvis Orozco Castillo, Yesenia Bolaño Maradey y Laura García Ochoa, brinda conocimiento desde la estrategia del marketing digital, herramientas tecnológicas que, en sus actividades comerciales, ven una oportunidad de negocios en el marco del desarrollo empresarial, como ventaja comparativa frente a las otras empresas del mercado en Santa Marta, permitiendo incremento en ventas, aumento de clientes, reconocimiento en el mercado y reducción de costos.

Los investigadores Elvis Orozco Castillo, Carlos Flórez Vásquez, Gilberto Montoya Berbén, Marianela Acuña Ortigoza, Suraya Pimienta Gómez y Devinso Jiménez Sierra, identificaron en los argumentos del emprendimiento y utilizando la hermenéutica como elemento metodológico a través de la investigación, los factores de éxito sean las actitudes para emprender o las percepciones de la forma de emprender, infiriendo, que la temática de emprendimiento está adquiriendo una episteme que se basa gnoseológicamente en la alteridad y en enfoques sistémicos de investigación.

También es preciso resaltar a Rosana Patricia Ibáñez, con la investigación que tuvo como propósito evaluar la producción del melón a nivel mundial, identificó alternativas en la innovación dentro de la cadena agroalimentaria de este producto, dando respuesta a los productores sobre las tendencias de investigación propias en este campo, dando a conocer que esta producción se encuentran a la vanguardia de la economía mundial, forjando el balance entre conocimientos y recursos, lo que les ha permitido llevarla a alcanzar los primeros lugares, para ser el factor más determinante en los niveles de vida, hasta ubicarla entre las economías más desarrolladas basadas en conocimiento y tecnología.

De importancia reconocer la precisión de Carlos Acosta Álvarez y Milena Venera Lora, con una propuesta fundamentada en el pensamiento mundial para alcanzar propósitos de sostenibilidad en el tiempo, mediante el componente ambiental de la logística inversa, como estrategia de competitividad para el sector agroindustrial del departamento del Magdalena, incorporando procesos de devoluciones, recolección, reutilización y remanufacturación, desde el cliente final o consumidor hasta el fabricante o proveedor, para contribuir a la mejora de sus indicadores, así como la formación del talento humano regional, como tema de competitividad.

En la perspectivas del emprendimiento femenino en Santa Marta - Magdalena, el autor Elvis Orozco Castillo, presenta la investigación con un enfoque paradigmático deductivo, analizado en una relación dialéctica entre el sujeto y el objeto de investigación, en esta visión metodológica, pudo determinar que la definición de emprendimiento en la percepción de las emprendedoras varía de acuerdo con las características propias de la emprendedora y de la forma en que ella lo utilizó para materializar su propio emprendimiento, en igual sentido observan a sus colegas como: “valiosas, valientes, dignas de admirar, berracas que rompen paradigmas”, manifestando que el ejercicio del taller sobre la idea emprendedora, las llevo a sentirse: felices, orgullosas, satisfechas, empoderadas y realizadas.

La responsabilidad social universitaria como estrategia de redefinición en lo social, educativo, cognitivo y gerencial, por parte de Alain Rada Martínez y Silvia Elena Montoya Duffis, buscó entender el papel que a lo largo de la historia ha desempeñado la universidad como cauce de transmisión de conocimiento y eslabón entre la sociedad y la empresa, una estrategia para la redefinición de carácter institucional en la educación superior, desde lo social, organizacional, cognitivo y educativo, con propósitos de sostenibilidad en sus patrones de desarrollo y establecer un equilibrio entre las necesidades reales y el objetivo de lograr incidir en la transformación de las comunidades. Logrando concebir esta acción como un elemento diferenciador de la Responsabilidad Social Universitaria y no como un simple enfoque de gestión administrativa.

Por su parte, Jhon Alexander Viloria Pérez y Luz Aida Villanueva Mancilla en la investigación, bajo un asunto de economía internacional avanzada, tratò el efecto de la gran recesión (2007-2009) en las economías emergentes, caso de estudio de la tasa de desempleo en Polonia y Colombia, examinò el impacto de la gran recesión en las tasas de desempleo tomando como ejemplo la gestión de la crisis, la cual puede aumentar, disminuir o mantenerse constante, dependiendo de las características de la economía emergente y la gestión de crisis por parte del gobierno. El resultado en el uso de las ventajas competitivas en cooperación con las políticas gubernamentales permitió a Polonia reducir su desempleo en un 1,4% durante la gran recesión e impulsar la economía de mediante la creación de pequeñas y medianas empresas, mientras que en el caso Colombia sufrió un aumento en la tasa de desempleo del 12% al final de la crisis.

El autor Jhon Alexander Viloria Pérez, analiza el caso de la industria de piedras preciosas, metales preciosos, perlas y monedas: un análisis de datos e intraindustria (2000-2019), como objeto del desarrollo de la cultura y la sociedad, proporcionando estatus comercial a quienes las poseen por su alto valor comercial agregan el poder de negociación entre las economías que los producen y transforman, desencadenando un desarrollo continuo dentro y fuera del país, buscó describir la evolución de la balanza comercial, mostrando el monto total del comercio (importaciones y exportaciones), los principales socios, y la importancia de la intraindustria para la Unión Europea, tiene un valor de alta relevancia en la intraindustria, coincidiendo con el supuesto de que los países desarrollados debido a su innovación, mercado laboral e industrialización tienen una ventaja en el comercio de una industria específica importando y exportando bienes similares.

Dra. Gregoria Polo Rivas

The great recession's effect (2007-2009) in emerging economies, case of study unemployment rate in poland and Colombia

* Viloria Perez, Jhon
**Villanueva Mancilla, Luz Aida

*Docente e investigador del Instituto Nacional de Formación Técnica Profesional Humberto Velásquez García, INFOTEP. Ciénaga, Colombia. **Email:** jhonviloria@infotephvg.edu.co

Instituto Nacional de Formación Técnica Profesional de San Andrés y Providencia, INFOTEP. San Andrés y Providencia, Colombia. **Email: luz.villamueva@infotepsai.edu.co

Abstract

The financial crises have been present during history's course affecting economies from different points, for instance, the financial system and the social landscape. The great recession (2007-2009) affected developed and developing countries holding back their economic growth and modifying the social aspects. This research examines the impact of the great recession on unemployment rates of emerging economies and provides two examples of crisis management. The unemployment rate can increase, decrease, or stay constant, depending on the characteristics of the emerging economy and crisis management by the government. By analyzing the Colombian and Poland case, it is possible to show a success and fail illustration in decisions taking during a financial crisis, adding to this the perspective of the use of the competitive advantage. As a result, the use of competitive advantage in cooperation with government policies allows Poland to reduce its unemployment by 1,4% during the great recession and boost the economy by creating small and medium enterprises. On the other hand, with unexisting countercyclical policies that will prevent a more significant impact on the economy and the waste of competitive advantage, Colombia suffers an increase in the unemployment rate reaching 12% at the end of the crisis.

Para citar este capítulo: Viloria, J. y Villanueva, L. (2022). The great recession's effect (2007-2009) in emerging economies, case of study unemployment rate in poland and Colombia. En J. Viloria Escobar (Ed.), *Reflexiones sobre el desarrollo empresarial y medio ambiente: Pensar la sostenibilidad.* (pp.122-133). Ediciones INFOTEP HVG

Keywords

Financial Crisis History, General Studies, Great recession, Countercyclical, Multi-country Studies.

Introduction

Research question: What is the great recession's effect (2007-2009) in emerging economies?

This research seeks to describe the effects of the great recession in emerging economies. In this way, the reader must understand what a financial crisis means, its history, and the relation cause-effect with the economy. Also, they must understand what represents an emerging economy and its characteristics.

Humankind has faced up crisis during history's course, some of them affecting the economy's regular direction. This crisis that affects the economy has effects on a specific economy (country), economies (region or group of countries), or in the worst scenario, the world economy. The insolvency and loss of nominal value create a financial crisis, crashing financial products and services in the markets (Local or global). Commonly, the financial crisis is associated with the excesses that generate a boom and an inevitable explosion. For instance, the household bubble case, the oil pricing bubble, and stock market crashes. The bubble's blast creates an atmosphere of volatility that can be prolonged by the market's liquidity. It creates a smoke shadow that increases the risk of financial assets and prevents investors put their money on those products or services. In this way, boosting large spillovers that impacts and weakening the economy. Besides, as a non-monetary effect, the financial crisis disturbs the index of real industrial production, unemployment, salaries, in this way, affecting the macroeconomy. Also, the industries that work with credits and loans are affected by the credit allocation process. What impacts them the most is the uncertainty and inefficiency of above mentioned. The emerging economies maybe expect to adopt a market-based strategy due to the fluctuations of the financial markets, avoiding the risk of crisis, and taking advantage of the ups and downs.

Throughout humankind's history, the financial and economic crisis has affected society and its economy. This crisis has moulded the current financial system with each impact, some of those impacts coming from unexpected events, others coming from the collapse of a house of cards. During and after a crisis, society must handle the consequences behind the effects. They should understand how those effects can affect the economy in the short and long term after the crisis. Moreover, analyze the impact in social context and implications of those crises in people's lives quality. As a result of the financial crisis, the economy suffers a reduction in collective and individual wealth, decreases in salaries, business' revenues, unemployment, and loss of asset value (BBC News, 2010).

It should be noted at this point, not only in the economic system suffers. In contrast, social wealth is also affecting as a collateral impact of the financial crisis. It is due to the slowdown in job creation and acceleration in staff layoffs. The recovery in a post-financial crisis scenario takes a long time, in some cases decades after the impact, affirm Robert Ward (Director of global projection in Economist Intelligence Unit). Researchers and economists have been using the previous crisis data as a basis for future scenarios seeking to reduce the impact on economies and society in future events. After the shock, some questions arise, what should the economy do? Increase public debt or recover the economy from the inside?

Literature Review

Financial Crisis

A financial crisis is associated with a different mix of elements like the decline of asset prices, the inability to pay the debt by consumers, and-or loss of liquidity by financial entities. Additionally, this term can be associated with panic generated by rumours in customers who withdraw the money from their saving account, the increasing sale of assets by investors, speculation in stock markets and posterior crash of those markets, financial crisis or financial bubbles (Welton, 2020). Other definitions provided by the Oxford dictionary of finance and banking (n. d.) refers to the financial crisis as the collapse of financial obligations that acts with a domino effect that can put in disbalance the whole economy in a sector, region, or worldwide depending on the crash and markets involved on it.

As we can see in Appendix 1, during the last three centuries, the economy has faced many crises with different origins; referring to location, field, and causes. Understanding the term location as the country, region, or group of countries where the crisis starts and how it spreads to other close or far countries, in some cases, this spread occurs to cover the world economy. In this case, the term field refers to the business somewhere the crisis happens, for example, banking, households, energy, or other business fields that have a direct impact on the economy or the indirect capacity to disbalance it (Irwin, 2018). Appendix 1 shows us the crisis that took place between the 18th century and the 21st century. Most of them related to the financial system, for instance, the wall street crash (1929), UK baking crisis (1973-75), Latin-American debt crisis (70's to early '80s), the economic crisis in Mexico (1994), Asian and Russian financial crisis (1997 and 1998 respectively), Turkish economic crisis (2001), and Spanish financial crisis between 2008 and 2016.

On the other hand, sometimes the economy is affected by the slum of a specific industry or bubbles created by those industries. Those are the cases of the great tobacco depression (1973), the great East Indian Bengal bubble crash (1769), British agriculture depression (1873-96), the energy crisis in 1970, the Dot-com bubble (2000-02), the oil price bubble (2003-09), and the United States housing bubble (2007-10). Another category of events that can affect the economy and create a financial crisis is the external impacts. The external impacts are out of the economy or a specific economic sector, and those can disturb the economy's standard process. Those events are unpredictable, and their effects can cover the entire society as an example, the timeline has the crisis generated by American independence in 1776, the Post-Napoleonic depression in 1815, the depression created by the end of WWI and WWII, and the most recent random event the economic impact of Covid-19 pandemic. The vast majority of the events mentioned above have a common denominator that creates the perfect ambience for a financial crisis. The common denominator is an excess. Those excesses pave the road for a boom, creating the ideal atmosphere for the disaster (Taylor, 2009). Commonly, those excesses are monetary, as is described by Taylor (2009), the timeline and the type of crisis mentioned above support the assumption.

According to Liviu-George & Dragos-Florentin (2009), crises create difficulties in economies, affecting markets, especially the capital market. Because of this, governments generate fiscal and monetary policies. Thus, it seeks to minimize the impact or reduce the risk of a total collapse of the economy. Specific aspects like politics, economic, and social aspects can fluctuate as a result. Hence, it creates a speculative atmosphere surrounding the focus of the crisis. Each crisis in history has its characteristics. For instance, in 1929, the investor's behaviour boosts the economy's crash, in 1997, the systematic collapse of the monetary system in emerging economies, in 2008, the trade openness, the integration of the capital market, and the revolution of the information.

In the words of Liviu-George & Dragos-Florentin (2009): "Every crisis has a combination of structural causes with essential circumstantial elements. The external deficit, the overproduction, the under consumption, the industrial innovation rate, the impact of technical progress, over accumulation, dynamic indebtedness is among the structural causes". In the 2008 case, the financial crisis resulted from a mix of elements, like loose-fitting monetary policy, the counterfactual, monetary policy in other countries, mortgage problems, and other complications (Taylor, 2009).

Effects of the financial crisis

When a financial crisis occurs, it affects the surrounding economy. These effects can be categorized as economic and non-financial. Within the economic consequences is the reduction of the gross domestic product, the income of each citizen, the increase in inflation, savings, business failures, a fall in the price of assets, an increase in liabilities, and a reduction in individual and group wealth (Duignan, 2019). In this way, the crisis can encompass the general aspects to the specifics in an economy and its industries. The financial crisis starts a domino effect in macroeconomics variables resulting in microeconomics aspects. For instance, the products offered by banks and other financial entities experienced financial constraints, especially credit and investment. The financial sector becomes a risky one due to the liquidity problems of the market and assets. The affections have a direct impact on public and private companies' net results. Therefore, processes inside the organization like capital investment, dividend payments, technology, and marketing expenditure reduced the budget.

On the contrary, as expected, the financial crisis would produce possible financial positive aspects. For instance, the project's net present value turns into positive and long-term growth opportunities in the economy (Campello, 2010). While, as mentioned above, one set of factors can trigger a financial crisis, another can prolong it. According to Taylor (2009), the financial crisis was prolonged due to government interventions. For instance, the window of discounts that the government offers to banks to use federal bonds, the economic stimuli for economic revival, and the reduction in the interest rate. These measures slowed down the financial recovery of the economies affected by the crisis.

Moreover, financial crises have more than economic effects. Those effects will be called non-monetary. The drop in economic systems affects the citizen's quality of life, unemployment, and social gap. The economic inequality that affected worldwide became the rich people richest and the poor people poorest. In this way, increasing the social gap and creating an explosive environment (Duignan, 2019). As part of the macroeconomics variables, unemployment is one of the most significant indicators of a wealthy economy. The labour market represents the force work power that an economy has for its industries. During and after a financial crisis, the labour market due to business close and bankruptcy receives a direct impact.

Consequently, there is a reduction in workplaces during recessions and an increase in unemployment (Bondarenko, 2019). In words of Bondarenko (2019), the unemployment rate corresponds to the percentage of unemployed individuals divided by the total labour force. The present research attempts to evaluate how the unemployment rate behaves during and after a financial crisis.

Emerging economies

Each country or economy has an attribute's set that allows them to supply the internal demand of products and (or) services to satisfy the market needs. As is well known, some economies are on a different scale of industrialization and commercialization, enabling them to enter multiple markets. These countries are known as developed countries because their economies are self-sustaining and allow economic relations with others. On the other hand, there are emerging or developing economies, also known as emerging markets. Emerging economies are defined as those economies in the transition from low-income national economies to modern industrial economies (Myint & Krueger, 2019).

Due to the industrialization that started in some countries in the '80s, in addition to the potential and rapid growth of these economies, the International Finance Corporation (IFC, 1999) identified 51 countries (Table 1) with rapidly growing economies in 4 continents (Asia, Europe, Africa, and America). For Arnold & Quelch (1998), emerging economies are characterized by an increase in economic development and government policies' design that favour the economy and adopt a free market system (Hoskisson, Eden, Lau & Wright, 2000). Additional to those factors are the comparative advantages that each country or economy possesses. Within these advantages are the geographical location, labour, natural resources, production techniques, among others.

Table 1- Developing countries

Asia	Europe		
Bangladesh	Albania	Greece	Romania
Chína	Armenia	Hungary	Russia
India	Azerbaijan	Kazakhstan	Slovakia
Indonesia	Belarus	Kyrgystan	Slovenia
Korea	Bosnia and Herzegovina	Latvia	Tajikistan
Malaysia	Bulgaria	Lithuania	Turkey
Pakistan	Croatia	Macedonia	Turkmenistan
Philippines	Czech Republic	Moldova	Ukkraine
Sri Lanka	Estonia	Poland	Uzbekistan
Taiwan	Georgia	Portugal	

Latin America	Middle East/Africa	
Argentina	Botswana	Saudi Arabia
Brasil	Cote d'Ivoire	South Africa
Chile	Egypt	Tunisia
Colombia	Ghana	Zimbabwe
Ecuador	Israel	
Jamaica	Jordan	
Mexico	Kenya	
Peru	Mauritius	
Trinidad and Tobago	Morocco	
Venezuela	Nigeria	

Source: Author's own table. Based on International finance corporation data (1999)

In this way, government institutions' role, transaction cost economics, and the resource-based perspective become the strategic pillar of developing economies. Government institutions have the most important role because they guide the transition and implementation of the strategies needed to become a developed economy. The perspective of transition cost economies helps to increase foreign investment interest, although it may benefit corruption or intermediaries in the processes. The resource-based view encourages the competitiveness of the developing economy, which allows the profitability and sustainability of the economy in international markets (Hoskisson, Eden, Lau & Wright, 2000).

As part of the strategy of accessing other economies' potential and conducting negotiations with them, developing countries attempt to become part of worldwide markets, interconnect and facilitate agreements among them. This business network allows the transit of labour, products, services, currency, and investment. This permits them to access the benefits of a network of developed economies, which, in turn, makes them part of the risk. It integrates them into a volatile world system, which, as we saw before, can enter into crisis at any time regardless of the industry or country of origin. For this reason, in the following section, we will study the effects that the great recession (2007-2009) had on these economies, besides the impact that this crisis generated on the unemployment rate.

Emerging economies during the great recession (2007 – 2009)

Between 2007 and 2009 occurs a crisis that affects the world economy. This crisis was generated by the bursting of the real estate bubble in 2007, and it is called the great recession. The financial crisis was a mix of factors, where was included the fall in interest rates, the decrease in the demand for housing, and later, the fall in housing prices. According to authors like Duignan (2009), the loans supported by real estate credits, mortgages, and other factors such as government decisions, destabilized the United States economy. Triggering, a volatility effect in all industries with the financial one as a starting point. This effect began to spread from the local economy to others affecting gradually, the world economy. This economic decline lasted from the beginning of 2007 until 2009. At the end of 2009, the recession was declared officially ended, and the economy moved into a post-recession phase.

After the financial crisis' start in 2007 in the United States, the shock wave and its effects reached the emerging economies only when the recession became a global problem. The impact generated by the crisis was different because of the development level between economies, as were its direct and indirect effects. For Dullien (2010, p.1), "in many developing countries, the economic consequences of these indirect effects were as severe as the effects were on developed countries." The first indicator of economic variation is the gross domestic product (GDP). This indicator reflects the economic activity and results obtained by a country in a period. Therefore, the GDP reflects the impacts that the economy receives from the market's variation, in which it interacts. As a result of the financial crisis in 2007, the GDP of developed countries and developing economies suffered a decline. The downturn was increased in those countries where current account deficits or surpluses and large fiscal deficits suffered a more significant drop (Dullien, 2010).

For developing countries, the effects of the great recession were reflected in non-economic aspects. Such as the poverty rate and other social disparities characteristic of the emerging economies. Those gaps, which are immersed in countries where social differences have been so marked throughout history, increase in times of crisis and become deeper (Dullien, 2010). Unlike developed economies, the impact on financial sectors in emerging economies was not significant. For Seyf (2016), this is due to the scarce development of the financial system, the non-use of certain assets, and the lower use of financial products such as derivatives or credit default swaps. In the case of the emerging economies, their economic structures' weakness functioned as a soften against the impact of the crisis. In other words, a disadvantage such as financial underdevelopment became a tool for mitigating the effect generated by the strait.

The instability and uncertainty of the financial markets slowed down the economies' recovery, and for the case of the developing countries, this did not have the same effect. For some authors, the ineffectiveness of the crisis on developing countries was due to the reinvention of monetary and fiscal policies as recommended by the international monetary fund (Dullien, 2010) and the management of central banks in terms of the disconnection between global and local liquidity (Belke & Fahrholz, 2018). As a result, the economic growth was affected by the volatility in global market liquidity, reducing job creation, and unemployment rates.

As mentioned above, the great recession's impact depended on factors such as current account (deficits or surpluses) and fiscal deficits (Dullien, 2010). For this reason, the shocks on each country or economy were different and of different magnitude. Arestis & Sawyer (2016), in their book Emerging Economies during and after the Great Recession, describes the impacts generated by the Great Recession on African, China, Latin American, and Eastern European economies.

In developing countries' case in Africa, the continent is analyzed with two groups of countries comprising the Arab countries and the countries that are part of the sub-Saharan African region. For the Arab countries, the great recession addressed them during a period of uncertainty where social factors such as unemployment, underemployment, and income gap, besides, the economic factors such as the low level of foreign investment, decreased the growth of the economy (Kitromilides, 2016). On the other hand, the sub-Saharan economies-maintained growth during the recession based on political change. The countercyclical fiscal and monetary policies implemented allows them to achieve even higher spending on infrastructure to support public administration and the economic system (Stein, 2016).

As well as the countries of Sub-Saharan Africa, in Latin America, governments decided to implement countercyclical policies based on the experiences obtained in previous crises. Although the recession affected Latin America's growth comparing with other economies remained at the average level. Due to the reduced dependence on external economies and increased trade among the countries of the region. The region's agricultural vocation and the low costs associated with the production were enhanced by local governments' agriculture policies (Ferrari-Filho & de Paula, 2016).

The economies of Eastern Europe, unlike the others studied, maintained a closer relationship with the effects that were unleashed in the focus of the crisis, the United States. Due to the similarity in financial assets' use harmful to the economy during the crisis' onset. During the financial crisis, Eastern Europe's economies were at one of their lowest peaks, so the local financial issues intensified. It caused a fall in the gross domestic product of the countries belonging to the Eastern European economies. As a consequence of some countries' impact, the fall in domestic product exceeded six percentage points. However, contrary to the expecting scenario, the most affected economies were those with the fastest recovery in post-recession (Allington & McCombie, 2016).

As one of the economies with great potential among Asian countries as an emerging economy, China also suffered from the debacles of the financial crisis and the great recession. As part of the developing economies, China's economy was impacted by the decline in its local financial system due to the financial crisis, but which was not substantial compared to the surrounding economies. During this period, the Chinese economy's success was the adoption of neo-liberal measures that allowed the opening of its markets to cover external demand. This economic restructuring allowed the change of perspective from a consumerist point of view to investing, to take advantage of comparative advantages and free financing (Lo, 2016).

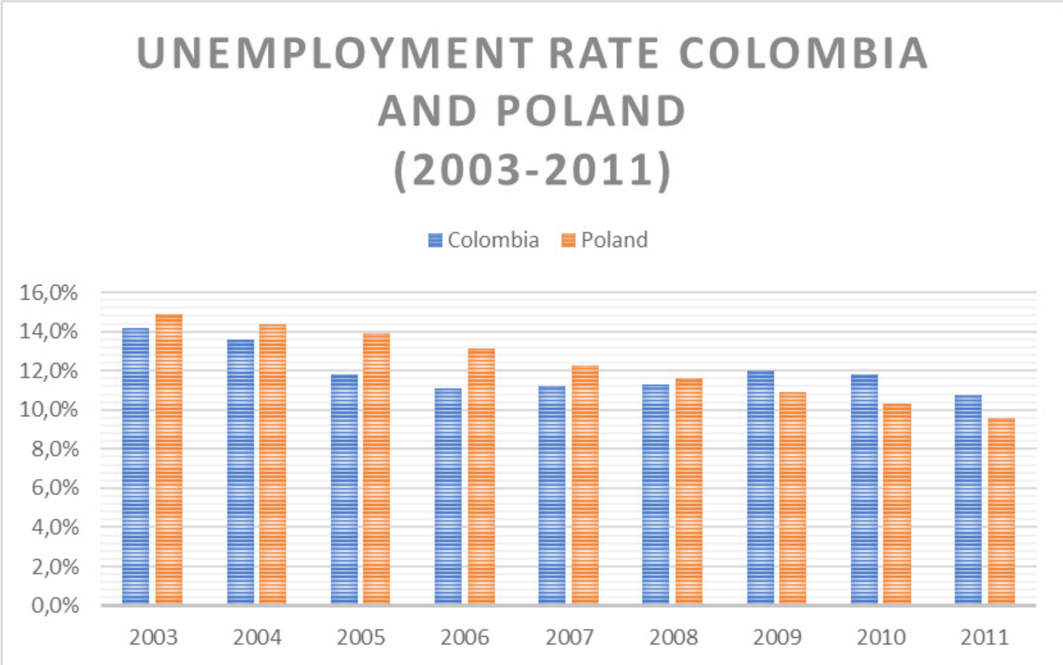
In general, the emerging economies, due to their growth potential, experience in past crises, and implementation of specific policies, could mitigate the catastrophic financial crisis's effects. In contrast, social effects became even more pronounced in economies where inequality is usually present. Those economies that experienced the transition from political to governmental regimes experienced a lower growth factor and a greater openness in inequality among their social classes. For this case, we have chosen to study the unemployment rate of Colombia and Poland during the Great Recession period, countries in the list of developing countries (Table 1).

Unemployment rate during the great recession in Colombia and Poland

Focusing on social factors affected by the great recession, one of the most important is the unemployment rate, which was handled in the emerging economies during this event. With the decrease in jobs and the decline in new job creation, the social and political climate is becoming quite volatile for governments. Therefore, adopting comprehensive policies becomes the necessary strategy to overcome the onslaught of the crisis and its subsequent recovery.

The unemployment rate in Colombia and Poland, during the financial crisis, maintained fluctuations in both economies, as can be seen in Figure 1. In Colombia, the unemployment rate kept constant between 2007 (11.2%) and 2008 (11.3%). In 2009, the unemployment rate in the country shot up to 12% in the Colombian economy. In Poland, the case was completely different. During the recession, the unemployment rate decreased by 1.4% from 12.3% in 2007 to 10.9% in 2009 (Poland). Comparing with Poland, Colombia ended the financial crisis with a higher unemployment rate than at the beginning of the period. Due to the countercyclical policies implemented by Latin American governments and the improvement in regional trade, as mentioned by Ferrari-Filho & de Paula (2016), the unemployment rate remained stable during the beginning of the financial crisis.

Figure 1. The unemployment rate in Colombia and Poland (2003-2011)



Source: Author's own table. Based on Ameco and indexmundi data

During the financial crisis, the behaviour of these economies, especially in the unemployment variable, could be due to the real exchange rate managed by the countries under study (Colombia and Poland). According to Belke & Fahrholz (2018):

> Real exchange rate appreciations may take the form of persistent inflation differentials. In this respect, the focus is on the de-coupling of productivity and wages, thus resulting in inflation differentials between mature economies and catching-up emerging and small open economies (p.343).

Unemployment in Poland maintained a tendency to decrease during the financial crisis and even in the post-recession. As a result of the growth in business start-ups. The number of small and medium-sized enterprises increased during the financial crisis period. The Polish economic level of industrialization played a crucial role in keeping unemployment levels down and even generating positive employment growth during this period. Additionally, the European Union's support during the crisis played an essential role as this helped direct investment in the economy. The policies implemented by the government and the Polish central bank allowed for inflationary control of the economy without affecting investing and reactivation of the economy (Allington & McCombie, 2016).

In contrast, for Colombia, the absence of policies oriented towards saving in public spending and countercyclical policies focused its efforts on the competitive advantage (agricultural industry) that the economy had during the period, which only allowed it to stay afloat at the beginning of the crisis. The precariousness of the Colombian economy's labour system helped to increase unemployment rates during the final part of the financial crisis. On the other hand, with the increase in unemployment, informality started a boom in the local economy. At the end of 2009, with the decrease in interest rates and the central bank's management of the exchange rate regime, the economy receives a stimulus that attracts foreign investment, with this, a gradual increase in employment and job generation. It allows the post-recession unemployment rate to fall gradually (Rocha & Martinez 2009).

Conclusion

The financial crisis effects generated in economies vary depending on their characteristics, competitive advantages, development level, associated factors, and government management. Therefore, the consequences and subsequent recovery of economies will depend on the set of factors described above. Contrary to the expectation, the underdevelopment during a financial crisis goes from being a disadvantage to a momentary "advantage." It reduces the damage generated by the impact on the economic system. In emerging economies, non-monetary factors such as inequality and unemployment received from the crisis the most significant impact. These social gaps were widened by the transitions faced by economies trying to join the group of developing countries. In the specific case of emerging economies such as Poland and Colombia, the effects and impacts correspond to the characteristics described above. In Colombia, unemployment remained stable due to its competitive advantage, the lack of government policies to mitigate the effects of financial crises. In the second part of the crisis period, unemployment increased along with a domestic problem that is economic informality. In Poland, the low unemployment rate and economic growth was a result of a mix of factors. Those factors were the level of industrialization, government policies, and EU support. In this way, both countries reflect what to do's and don'ts during a financial crisis.

The cases described can be categorized as the success and failure of government administration, during a financial crisis and recession. The internal and external factors played an essential role in the policies' effectiveness and efficiency, looking to counteract the crises' impact. During a financial crisis, emerging economies need to react and adapt to unexpected situations to reduce the economy's adverse effects. Implementing appropriate policies based on the experience of other economies and the knowledge of the internal economic system can result in a greater or lesser economic and social impact when facing a financial crisis. On the other hand, currency homogeneity and surrounding economies' support help to reduce economic risks. Besides, this allows for a rapid transition to the recovery strategy after overcoming a crisis and subsequent economic recession. The social scars with which a developing country faces its transformation to a developed country increase during the transition. Besides adding to the shock of the crisis, the impact worsens the situation and makes it complicated. Therefore, as the unemployment rate increases, new non-conventional forms of employment (informality) make their appearance in the scene seeking to compensate for the deficiencies in the labour market and the government's low participation in improving the situation.

References

Allington, N. F., & McCombie, J. S. (2016). An Eastern European Perspective on the Recent Financial Crisis and an Examination of Poland's Exceptionalism. In Emerging Economies During and After the Great Recession (pp. 195-231). Palgrave Macmillan, London.

Arestis, P., & Sawyer, M. (Eds.). (2016). Emerging Economies During and After the Great Recession. Springer.

Arnold. D. J. & Quelch, J. A. (1998) New strategies in emerging economies. Sloan Management Review, 40(1): 7-20.

BBC News Mundo. (2010, 21 enero). Economía mundial: lo que la crisis se llevó. https://www.bbc.com/mundo/economia/2010/01/091215_crisissellevo_economia_impacto_crisis_mj

Belke, A., & Fahrholz, C. (2018). Emerging and small open economies, unconventional monetary policy and exchange rates–a survey. International Economics and Economic Policy, 15(2), 331-352.

Bernanke, B. S. (1983). Non-monetary effects of the financial crisis in the propagation of the Great Depression (No. w1054). National Bureau of Economic Research.

Bondarenko, P. (2019). Unemployment rate. Encyclopædia Britannica. https://www.britannica.com/topic/unemployment-rate

Borio, C., & Disyatat, P. (2010). Global imbalances and the financial crisis: Reassessing the role of international finance. Asian Economic Policy Review, 5(2), 198-216.

Campello, M., Graham, J. R., & Harvey, C. R. (2010). The real effects of financial constraints: Evidence from a financial crisis. Journal of financial Economics, 97(3), 470-487.

Duignan, B. (2019). Financial crisis of 2007–08. Encyclopædia Britannica. https://www.britannica.com/event/financial-crisis-of-2007-2008

Duignan, B. (2019). Great recession. Encyclopædia Britannica. https://www.britannica.com/topic/great-recession

Dullien, S. (2010). The financial and economic crisis of 2008-2009 and developing countries/edited by Sebastian Dullien...[et al.]. New York; Geneva: United Nations.

Ferrari-Filho, F., & de Paula, L. F. (2016). The Impact of the Great Recession and Policy Responses in Latin America: Was This Time Different? In Emerging Economies During and After the Great Recession (pp. 154-194). Palgrave Macmillan, London.

Hoskisson, R. E., Eden, L., Lau, C. M., & Wright, M. (2000). Strategy in emerging economies. Academy of management journal, 43(3), 249-267.

International Finance Corporation (IFC). 1999. Database available from http://www.ifc.arg/EMDB/SLIDES/img009.gif

Irwin, N. (2018). The Most Important Least-Noticed Economic Event of the Decade. Recuperado de https://www.nytimes.com/2018/09/29/upshot/mini-recession-2016-little-known-big-impact.html

Justo, M. (2010, 21 enero). Economía mundial: lo que la crisis se llevó. Retrieved from https://www.bbc.com/mundo/economia/2010/01/091215_crisissellevo_economia_impacto_crisis_mj

Kenton, W. (2020, marzo). Financial Crisis. Investopedia. https://www.investopedia.com/terms/f/financial-crisis.asp

Kitromilides, Y. (2016). Arab Countries in Transition in the Aftermath of the Great Recession: The Policy Options. In Emerging Economies During and After the Great Recession (pp. 116-153). Palgrave Macmillan, London.

Liviu-George, M., & Dragos-Florentin, M. (2009). Characteristics of the financial crisis in 2008 and its implications on Romanian economy.

Lo, D. (2016). China confronts the Great Recession:'rebalancing'neoliberalism, or else?. In Emerging Economies during and after the Great Recession (pp. 232-269). Palgrave Macmillan, London.

Myint, H. & Krueger, A. (2019). Economic development. Encyclopædia Britannica. https://www.britannica.com/topic/economic-development

Oxford dictionary of finance and banking (n. d.). financial crisis. Oxford Reference. https://www.oxfordreference.com/view/10.1093/oi/authority.20110803095818363

Rocha, R. & Martínez, H. (2009). Impacto sobre el empleo en Colombia de la crisis externa y propuestas de política.

Seyf, A. (2016). The Emerging Economies and the Great Recession. In Emerging Economies During and After the Great Recession (pp. 37-76). Palgrave Macmillan, London.

Stein, H. (2016). Africa and the Great Recession: The Dynamics of Growth Sustainability. In Emerging Economies During and After the Great Recession (pp. 77-115). Palgrave Macmillan, London.

Taylor, J. B. (2009). The financial crisis and the policy responses: An empirical analysis of what went wrong (No. w14631). National Bureau of Economic Research.

Wikipedia contributors. (2020, 8 December). List of economic crises. Wikipedia. https://en.wikipedia.org/wiki/List_of_economic_crises

Wright, M., Filatotchev, I., Hoskisson, R. E., & Peng, M. W. (2005). Strategy research in emerging economies: Challenging the conventional wisdom. Journal of management studies, 42(1), 1-33.