

IMPACT OF THE PANDEMIC CRISIS ON INTERNATIONAL ENTREPRENEURSHIP

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Purpose: The article aims to analysis the essence of multinational entrepreneurship, the main currents of research conducted in this field, and in the context of the crisis caused by the SARS-CoV-2 virus pandemic, which creates both economical barriers and opportunities for multinational companies, as well as to present the role of these enterprises in the economies' reconstruction.

Design/methodology/approach: The article reviews national and foreign professional, scientific publications concerning economical aspects on multinational entrepreneurship and conducted an analysis based on economic data on the situation of multinational companies, as well as the flow of FDI, including the OECD, International Group of Chambers of Commerce (IGCC) and Global Entrepreneurship Monitor databases (GEM).

Findings: The conducted literature and empirical studies allow us to conclude that the COVID-19 pandemic had a significant impact on multinational entrepreneurship, including changes in the activities of enterprises and attempts to adapt them to the changing and uncertain environment. The first response to the crisis for international companies is their use of available resources, followed by transformations of supply chains or changes in business models. Regarding multinational companies, the economic slowdown caused by the pandemic can be interpreted not only in terms of threats but also opportunities, as crises may also contribute to the creation of new opportunities for their development.

Research limitations/implications: The COVID-19 pandemic and numerous blockages in economies worldwide have created a unique situation that does not yet have a solid theoretical grounding in the economic literature on multinational entrepreneurship (context of the emergence of a crisis), which is a challenge for researchers. Research should also use innovative research methods to a greater extent, i.e., internationalization of complex systems, visualization, computer simulations, and experiments.

Practical implications: Regarding empirical research, it is worth noting that it is difficult to decide here to what extent the indicated changes are permanent. Hence there is a need for further research in this area. The existing assumptions concerning the business environment, the theory of internalization and patterns of multinational entrepreneurship, and the relations and connections between multinational entrepreneurship and international views of business and entrepreneurship also require re-analysis.

Social implications: The role of international enterprises in the reconstruction of national economies was pointed out.

Originality/value: The focus was on the cognitive aspects related to changes in the area of international entrepreneurship, relating to FDI flows and crisis trends caused by the COVID-19 pandemic, mainly due to the fact that in international business research this area of research often abounds in ambiguous conclusions.

Keywords: multinational entrepreneurship, internationalization of enterprises, foreign direct investment, COVID-19, economical aspects, crisis.

Category of the paper: research paper.

1. Introduction

The origins of the concept of *multinational entrepreneurship* date back to the late 1980s. However, the very idea of this entrepreneurship and its opportunities for the current and future development of enterprises became an independent trend and, at the same time, an emerging research direction only around the first decade of the 21st century (Daszkiewicz, 2014, pp. 70-81; Angelsberger et al., 2017, p. 20; Hofman-Kohlmeyer, 2018, p. 100). Moreover, during this period, attention was paid to the issue of the strategy of not only the expansion of large enterprises (transnational corporations, multinational companies) but also the behavior of small and medium-sized enterprises, which were perceived on the global market as unable to compete with them (Mtigwe, 2006, pp. 5-25). It has been noticed that due to increasing competition on domestic markets and rapid technological progress, more and more small and medium-sized enterprises undertake internationalization activities shortly after their establishment, despite little experience in operating on the domestic market. These entities are defined as: "born globalists", "global from the beginning", "early internationalized enterprises" or "born global" (Domańska, 2016, pp. 79-87; Daszkiewicz, 2015, pp. 70-81). It should be clearly emphasized that these trends contrast with the previously binding staged model — Uppsala, according to which enterprises first develop on the domestic market, gaining a stable position there, and only at the next stage of their life cycle, they expand later gradually entering foreign markets.

The COVID-19 pandemic and numerous blockages in economies worldwide have created a unique situation that does not yet have a solid theoretical grounding in the economic literature on entrepreneurship. Nevertheless, in the context of a crisis such as the COVID-19 pandemic and the entrepreneurship carried out during it, one can refer to the concept of crisis management (Williams, Vorley, 2015, pp. 28-49; Smallbone, et al., 2012, pp. 754-777). This line of research can be called *entrepreneurial crisis management* and is concerned with determining the company's response to a crisis. Much research in this trend involves the so-called *enterprise resilience* (Doern et al., 2019). However, research in this area (resilience in the context of

entrepreneurship and crises) is scarce. It focuses mainly on the pre-crisis period and skills or resources built by entrepreneurs to counteract or adapt to crisis events (Korber, McNaughton, 2018, pp. 1129 -1154).

This article aims to analysis the essence of multinational entrepreneurship, the main currents of research in this field, as well as in the context of the crisis caused by the COVID-19 virus pandemic, which creates both barriers and opportunities for multinational companies, as well as the role of these companies in the recovery of economies. On theoretical grounds, the concept of multinational entrepreneurship was referred to, and its most common forms and models were presented. On an empirical basis, reference is made to studies showing how coping with the economic slowdown of multinational companies and the role of *foreign direct investment* (FDI) flows in their reconstruction. A crucial issue in the context of the subject is how entrepreneurs operating in the international arena adjust their business models to respond to the crisis. The research problem is also essential to answer the question: What is the scope and impact of the pandemic on multinational entrepreneurship? Moreover, the article assumes that innovations stimulate and sustain companies' international business activities and during a crisis.

2. Multinational entrepreneurship and the network model – literature review

Entrepreneurship is one of the most critical drivers of economic growth, individual and regional wealth, and social development. Nowadays, the global goal of an entrepreneur after reaching a high level of maturity in the domestic market is to continue operating on an international scale.

The concept of multinational entrepreneurship, which is, in fact, an extension of the idea of entrepreneurship and the issues of international activity of entities contained therein, is not clear-cut. In the literature on the subject, this concept is often used intuitively and often unconsciously. Usually, it is equated with running a business on foreign markets, which seems to narrow down the problem (Morawczyński, 2008, pp. 165-176). According to P.P. McDougall and B.M. Oviatt, *Multinational entrepreneurship is a combination of innovative, proactive and risk-seeking behavior that crosses borders and aims to create value in organizations* (McDougall, Oviatt, 2000, p. 903). In turn, E. Duliniec cites a definition that defines multinational entrepreneurship as a process of creative discovery and use of opportunities outside the home market of the enterprise searching for a competitive advantage (Duliniec, 2013, p. 33).

Entrepreneurship in an international context is also associated with taking advantage of opportunities in the environment, and their international character is the distinguishing factor. It is also understood as an active attitude in the global environment, defined as *proactivity*. Therefore, the concept of entrepreneurship can be approached broadly, considering it a research area within the theory of entrepreneurship, covering at least two different research areas (Wach, 2020): in the scientific and visual aspect — as a creative process of noticing and using market opportunities on foreign markets; in the practical and empirical part — as international analyses and comparative research in the field of entrepreneurship.

A narrower approach, as one of the research approaches to the issues of internationalization of enterprises, indicates that in this case, four trends explaining the internationalization of enterprises can be distinguished (Zahra, 2005, p. 21):

- international new venture (INV),
- born global (BG) immediate internationalization models,
- accelerated internationalization models,
- general models of multinational entrepreneurship (ME).

Thus, multinational entrepreneurship can be considered a common area of two research domains, i.e., entrepreneurship and international business. On the one hand, this approach shows that theories and concepts of entrepreneurship provide its theoretical foundations, and on the other hand — by economic theories of internationalization of the enterprise (Kraśnicka, 2008, p. 13). This approach is illustrated in figure 1.

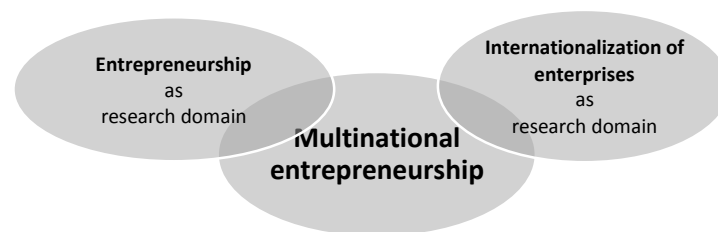


Figure 1. Multinational entrepreneurship as a common area of two research domains.

Source: own study based on (Kraśnicka, 2008, p. 13).

It can be noticed that multinational entrepreneurship as a research area is at the meeting point of two theories: entrepreneurship and internationalization of enterprises. However, some authors emphasize (Wach, Wehrmann, 2014, pp. 9-22) that entrepreneurship from the international perspective is on the border of not two but three disciplines: the theory of entrepreneurship and international business, and strategic management. It is worth emphasizing that international business is distinguished from multinational entrepreneurship, among others, by the approach of transaction costs and economic factors leading to internationalization. In turn, in terms of strategic international management, the concept of multinational entrepreneurship refers to the description of the so-called *Multinational Entrepreneurial orientation*. In the behavioral sense, it is used to describe the characteristics of enterprises that,

regardless of their age and size, seek opportunities to gain a competitive advantage by conducting innovative activities outside their home country (Al-Aali, Teece, 2014, pp. 95-116), and also refers to their business strategies applied in foreign operations (Allen, 2016, p. 93).

In the context of factors shaping multinational entrepreneurship, it can be described as creating innovative economic units or networks of organizations to achieve benefits or growth under conditions of risk and uncertainty. However, this definition indicates that among the essential factors of multinational entrepreneurship, network connections should be added — indicating the need to maintain and develop relations with network participants on foreign markets. It is worth noting that only this approach is in line with the modern concept of modeling the internationalization of enterprises. However, it is worth emphasizing that the changing patterns of international operations during crises disrupt these global business networks, widely regarded as essential for learning, access to resources, international expansion, opportunity recognition, and business innovation itself (Zahra, 2021). In times of economic slowdown, international companies may find it particularly unfavorable to weaken the positive impact of the factors mentioned above of multinational entrepreneurship and the synergy effect resulting from their combined impact on it.

Multinational entrepreneurship can also be considered in the context of internationalization modern models of a company. A modern approach to the internationalization of enterprises — the so-called network approach — is interactive and largely unpredictable. Internationalization of activities results from interaction and development of relationships through established contacts, joint activities, and mutual adaptation of resources (Gorynia, 2021a). Each enterprise creates its networks of connections, which in turn connect with the networks of other entities (Daszkiewicz, 2017, p. 23).

According to the network model, internationalization is defined as establishing, maintaining, and developing relationships with network participants in foreign markets. In this approach, internationalization is perceived as creating a network of economic ties outside one's own country by extending the range, penetrating markets, and integrating, as indicated by J. Johanson, L. Mattsson (1993, pp. 303-322).

Increasing the network's reach occurs by making foreign investments (mergers, acquisitions, building new branches), which results in the inclusion of new participants in this network, often located in countries where the enterprise has not yet operated. On the other hand, penetration should be understood as developing the company's market position or increasing the resources involved in the network if the company already has a specific function in it. Finally, integration can be understood as the alignment of different national networks with the global corporate network. Due to a hypothetically unlimited number of potential relationships, it can be assumed that the internationalization process is possible with the use of more than one configuration of network connections. Internationalization in network theory is considered a process in which the links between the companies forming the network are developed, maintained, or liquidated, depending on the company's strategy. This process emphasizes the

importance of gradual learning and market knowledge development due to interactions within networks. It is worth emphasizing that the company's position in the network can be considered in the company-company relationship or the company-network relationship.

Despite the short duration of the pandemic crisis, some researchers undertake empirical analyses. And so, already relating to the assessment of entrepreneurship of start-ups, the so-called research in the field of rapid response, in the field of crisis management in the enterprise at the micro-level, but also at the macro level — concerning political initiatives supporting entrepreneurship, was applied (Kuckertz et al., 2020, pp. 1-13). Some authors (Johnson, Onwuegbuzie, 2004, pp. 14-26) dealing with crisis and multinational entrepreneurship propose using mixed methods in this regard.

3. Methodology/Research methods

The article consists of a theoretical and empirical part. The theoretical background presents the concept and the most common forms of multinational entrepreneurship and networked model of internationalization. On the other hand, on the empirical basis, reference was made to the research showing how coping with the economic slowdown by multinational companies during a pandemic and the scale and dynamics of capital flows under Foreign Direct Investment (FDI) were indicated. The role of multinational companies in the process of economic reconstruction was also demonstrated. The article reviews national and foreign professional, scientific publications and conducted an analysis based on financial data on the situation of multinational companies and FDI flow, including the OECD, International Group of Chambers of Commerce (IGCC), and Global Entrepreneurship Monitor (GEM) databases. In particular, in the assessment of the impact of the economic crisis on Multinational Entrepreneurship, reference was made to surveys conducted among 189 companies, both Polish and foreign, associated in bilateral chambers (trade and economic) in Poland, belonging to the International Group of Chambers of Commerce (IGCC). The results of the most comprehensive entrepreneurship study in the world, conducted from April to June 2020 as part of a series of web seminars by the Global Entrepreneurship Monitor (GEM), were also used. Long-term global FDI flows were indicated, as well as their structure and dynamics during the pandemic.

4. Results

4.1. The effects of the pandemic on the activities of multinational companies

The unexpected and rapid spread of the coronavirus in Europe, faced by all countries and international companies operating within their borders in 2020 and 2021, and especially the accompanying lockdown announced independently and on different dates by individual countries, led to a slowdown in many economies and closure borders, and prevented the movement of goods within the existing supply chains. The lack of alternative scenarios for sourcing raw materials and parts for production and a business continuity plan in most companies has led to the collapse of many industries. Moreover, state restrictions — often different in the home country and the host country of foreign capital — resulted in increased uncertainty in the functioning of multinational companies. Hence, their social and economic effects, including financial ones, are currently difficult to estimate. Economists emphasize that the problem is that the turbulences resulting from the crisis affecting multinational entrepreneurship may result from disturbed structures and routines (Williams et al., 2017, pp. 733-769).

The COVID-19 crisis poses the greatest threat to the global economy since the financial crisis (OECD, 2020, Coronavirus: The World Economy at Risk, [https](https://www.oecd.org/coronavirus/)). As the UN report shows, it seriously disrupts economic activity and affects virtually all the Sustainable Development Goals (UNSG, 2020, [https](https://www.un.org/sustainabledevelopment/)). COVID-19 also presents enormous challenges. Research results indicate serious difficulties in business operations, including supply chain disruptions, problems with cash flow, and failure to meet delivery deadlines (OECD, 2020, Coronavirus (COVID-19: SME Policy Responses, [https](https://www.oecd.org/coronavirus/)), higher demand for imported goods and services, increased risk aversion in financial markets (OECD, 2020, Global...), as well as the decreased trust of entrepreneurs also significantly affecting their supply chains (OECD, 2020, Coronavirus...).

When considering the impact of COVID-19 on multinational companies, it must be emphasized that the changes that have occurred are multi-directional. In addition to the decline in global GDP, as well as the decline in the volume of foreign trade and its regionalization, they are associated with transforming global supply chains, disrupting existing businesses and networks, weakening the flow of capital, technology, and labor across international borders, and exacerbating the crisis of international institutions. As emphasized by S.A. Zahra, each of these changes can paralyze the business activity of international ventures. Still, their collective effect can be even more devastating because these changes are closely correlated with each other. Enterprises in many industries have encountered significant difficulties in functioning. Threats have become visible relating to the following markets: real estate, vocational training, professional sports, business, and recreational travel, consulting, restaurants and bars, culture and other entertainment, educational services, advertising agencies, casinos and gambling,

hairdressing salons, and much more. However, it should be considered that despite these difficulties, the post-COVID-19 world is likely to offer new opportunities for these endeavors. Many industries have also seen growth since COVID-19. It includes enterprise technology services, home entertainment, artificial intelligence, robotics, telemedicine, medical equipment suppliers, e-commerce retailers, e-learning providers, pick-up and delivery courier services, cybersecurity, and sanitation manufacturing. It is worth emphasizing that many of these industries are international (Zahra, 2021).

Global Entrepreneurship Monitor 2021/22 data shows that in most countries entrepreneurial activity has not yet returned to pre-pandemic levels. COVID-19 has hit entrepreneurship significantly, with fewer people starting businesses and many more failing. However, there are entrepreneurs who took advantage of the emerging opportunities (6 trends..., 2022).

In assessing the impact of the economic crisis on multinational entrepreneurship, it is also worth referring to surveys conducted among companies associated in bilateral chambers (trade and commerce) in Poland, belonging to the International Group of Chambers of Commerce (IGCC), cooperating with sections from many countries including from the USA, Austria, Great Britain, Belgium, France, Ireland, the Netherlands, Spain, Israel, Canada, Germany, Poland, Portugal, Romania, Switzerland, Italy, and the Scandinavian countries. They were conducted both among Polish and foreign enterprises and concerned about the impact of the pandemic on doing business in Poland (IGCC, 2020). One hundred eighty-nine enterprises operating in Poland took part in it, half of which employed up to 50 people, 32% were medium-sized enterprises (with 51-500 employees), and 19% of companies employed more than 500 people. In turn, their structure, broken down by countries of origin of foreign capital and industries, is presented in Figure 2.

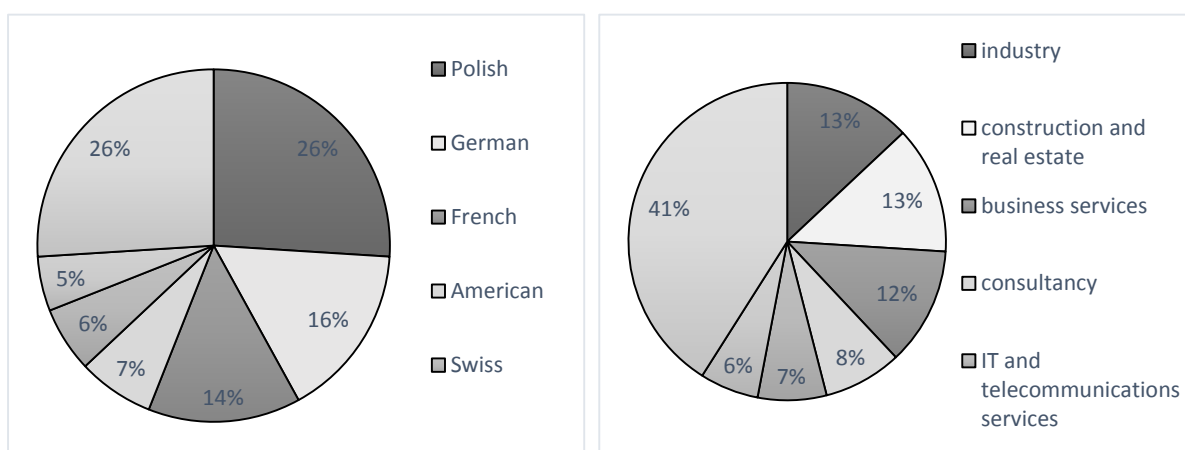


Figure 2. The structure of enterprises surveyed by IGCC broken down into countries of origin of foreign capital and industries.

Source: own study based on (IGCC, 2020).

The studies mentioned above were conducted twice — in March 2020, when the first restrictions in the economies were introduced, and again in June 2020. It made it possible to verify the fears of that time and identify the most significant problems faced by entrepreneurs. Research conducted in June 2020 shows that 80% of enterprises expected a decline in financial results at the end of the year, and nearly 90% recorded a decrease in sales. A quarter of the surveyed enterprises indicated a decrease in sales of 25%.

The biggest problem faced by entrepreneurs in mid-2020 was the cancellation of orders by customers (51% of responses), which was the concern of most enterprises in the March survey. In turn, delays in payments from customers or order fulfillment affected fewer enterprises than indicated by the first survey results (27% and 29% of responses in June, compared to 56% and 41% in March). Only the decrease in production occurred on a slightly larger scale than forecasted (28% of responses in June and 21% in March). Movement restrictions and closed borders were a significant obstacle to doing business, especially among companies operating in many markets, as indicated by 38% of respondents. A better situation than assumed was in logistics and transport of goods, as approx. 50% of enterprises did not report the impact of COVID-19 in this area. However, in every third company, there were problems with the delivery of products from sub-suppliers from Poland and abroad. Only every tenth enterprise experienced issues with transport in the country or emerging shortages in inventory. The consequence of the reduced sales was also taking many actions to reduce the operating costs of enterprises (IGCC, 2020).

Moreover, the research shows that companies most often protected themselves against bankruptcy by cutting costs, mainly not related to their core business, and treated the reduction of jobs as a last resort. As it turned out, 52% of companies have already reduced expenses not related to the company's core activity in such areas as marketing, advertising, or training, and nearly 40% declared to maintain these restrictions in the following months. In almost 2/3 cases, the reductions amounted to over 50% of the existing costs. The following steps taken by enterprises include: stopping recruitment (45% of responses), raises (37%), and bonuses (28%). In 29% of enterprises, a salary reduction was introduced at 5%-20% of the previous salary. However, only 17% of the surveyed enterprises reported this type of action in June 2020. In turn, the reduction of jobs — at the level of 2% -10% of the workforce — was performed by approx. 15% of enterprises. The epidemic also affected the ongoing or planned investments, both in terms of the expansion of enterprises, the establishment of new branches or production plants, and the purchase of new equipment and employee development. Entrepreneurs also indicated that only those already well-advanced investments have a chance to be completed, as most of the planned investments have been withheld by them. Changes are also taking place in the very organization of enterprises. Over 80% of the surveyed enterprises indicated the introduction of greater flexibility in the ways of working. A significant change is also the faster digitization of external (32%) and internal (38%) services, as well as the development of online sales channels (26% of responses) (www.inwestycjezagraniczne.com).

In turn, the most comprehensive study of entrepreneurship in the world: Global Entrepreneurship Monitor (GEM), led by scientists from the United Kingdom, the Netherlands, Spain, Italy, Chile, Mexico, USA, Canada, Japan, and Thailand, as part of a series of webinars from April to June 2020, indicated the effects of COVID-19 on companies operating in many countries around the world (Ionescu-Somers, 2020). GEM researchers also considered the impact of various previous crises on entrepreneurship, including Multinational Entrepreneurship. The key conclusions drawn from these observations indicate that recessions and crises are "painful" and create new opportunities for entrepreneurs. One of the key trends in the development of multinational companies in the long term is a greater emphasis on issues related to sustainable development, which may shift the balance between global and local supply chains favoring the latter. It should be emphasized that such a scenario is supported by the "Green Deal" Strategy initiated by the European Union at the end of 2019, which indicates the development of companies based on opportunities with high added value for society (OECD, 2021). One of the critical features of an entrepreneur is the willingness (and ability) to find ways to overcome barriers (Wach et al., 2022). A survey conducted among 4000 Spanish entrepreneurs in April 2020 on the impact of COVID-19 on entrepreneurship shows a positive conclusion, as the surveyed entrepreneurs in Spain are actively discovering new market opportunities. The study highlighted teleworking opportunities as it found that companies that followed up also had more optimistic outlooks for introducing new products and services (58%) and finding new customers and markets (57%). In turn, also in Thailand, despite the pandemic, entrepreneurs discovered the opportunities for developing entrepreneurship resulting from the situation, in particular regarding the sale of goods and services abroad. They demonstrated flexibility, resilience, and adaptability (Ionescu-Somers, 2020). It is worth noting that to understand the state of entrepreneurship during a pandemic, GEM researchers highlighted the critical essential characteristics of entrepreneurs: their adaptability and finding opportunities.

It is also worth pointing to the development trends of multinational companies in the long term (Brdulak, 2021). The coronavirus (COVID-19) pandemic has caused severe disruptions to the economy and the lives of companies and has a vast impact on their operations, many of them struggling with financial difficulties. The COVID-19 crisis has exposed serious weaknesses in business operations and supply chains related to working conditions and disaster preparedness. Nevertheless, national governments have taken extraordinary steps to contain the epidemic, such as a general closure, a large-scale reduction in economic activity, and the provision of relief and recovery packages to support companies and workers challenged (OECD, 2021).

The pandemic reality has significantly changed the perception of the supply chain by international companies (Gorynia, 2021b). In the context of halting the economy, it is noticeable that the decision-making processes in such enterprises are shortened. In particular, the supply chains are broken, and consequently: shortening the planning cycle, increasing the importance of inventories and increasing their stocks, limiting the "just in time" model, considering

alternative suppliers (in the case of lack of raw materials on the market), as well as shortening the process from ordering to delivery to the warehouse or to the recipient or consumer (shortening the *lead time supply chain*). These changes may also persist in the post-COVID situation (Pycla, 2021).

An important area for multinational companies to adapt to the current situation is to make changes in their business practices. Many companies have been forced to help contain and mitigate the economic blow to their employees and supply chains. However, these activities may carry significant risks due to the unforeseen effects of the Covid-19 virus.

Research conducted among entrepreneurs by the largest strategic consulting company in Poland — McKinsey (2020, 2021), an integral part of McKinsey & Company (a global strategic and operational consulting company), shows that multinationals perceive some changes caused by COVID-19 not as transitional, but as permanent. Among the factors that had the most substantial impact on multinational companies, one should mention in particular those that led to a change in their business model, such as security in ensuring supply chains (including the increase in the importance of stocks stored in warehouses), diversification of suppliers, producers, sales channels and used means of transport — as elements of risk management, as well as focusing on suppliers/producers closer to the market (by shortening supply chains — using nearshoring and insourcing), digital transformation and its accompanying elements (migration of assets to the cloud, the use of advanced technologies for operational activities, online work, the growing importance of cooperation and security related to the management of large data sets regarding the analysis of consumer expectations). It should be emphasized that although entrepreneurs expected these changes in the next decade, the pandemic situation led to their significant acceleration.

In the development of multinational companies, the emphasis is primarily on the dynamic development of technology, including the increasing level of digitization and the ever-growing role of social media (Williams et al., 2020), management of large data sets using algorithms, and artificial intelligence. The competencies of human capital will be different from before because such enterprises will require a holistic view of processes, as well as the ability to work in mixed teams (not only consisting of people but also robots), good communication skills, and efficient use of various tools of the new technology. The role of digital platforms ensuring the security of transactions within which purchases and sales will be made will also increase.

4.2. Global changes in foreign direct investment during a pandemic and their role in the recovery process

It is worth noting that the pandemic occurred when global FDI flows were at the lowest level in 15 years. However, it is worrying that these flows have generally fallen steadily over the past five years. The increase in the dynamics of FDI flows starting from 2020 is optimistic (figure 3, 4). In order to better illustrate the analyzed phenomenon, a trend line in global FDI inflows and outflows has been added to the charts.

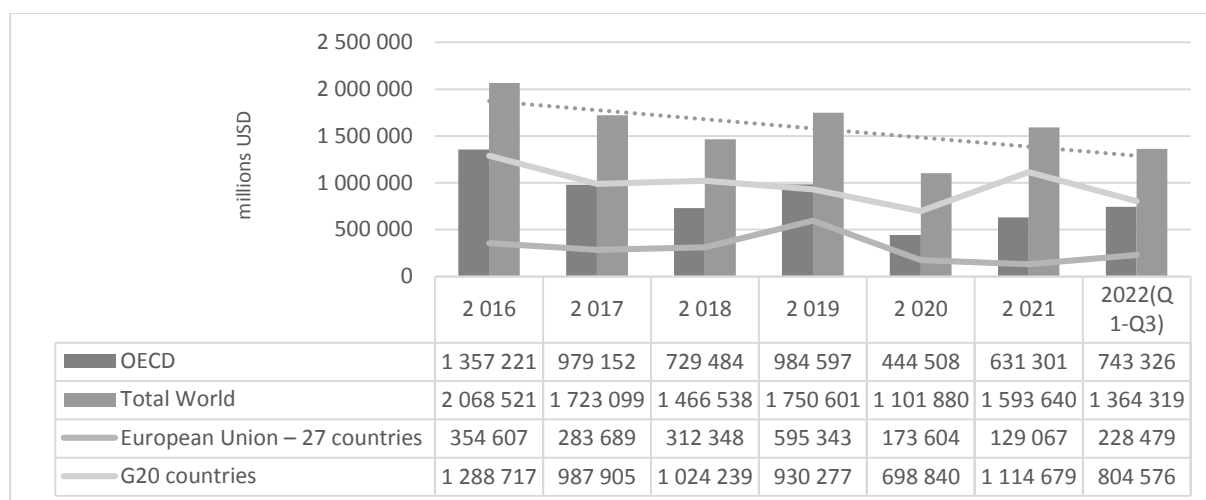


Figure 3. FDI inward flows (in USD millions).

Source: own study based on OECD International Direct Investment Statistics database.

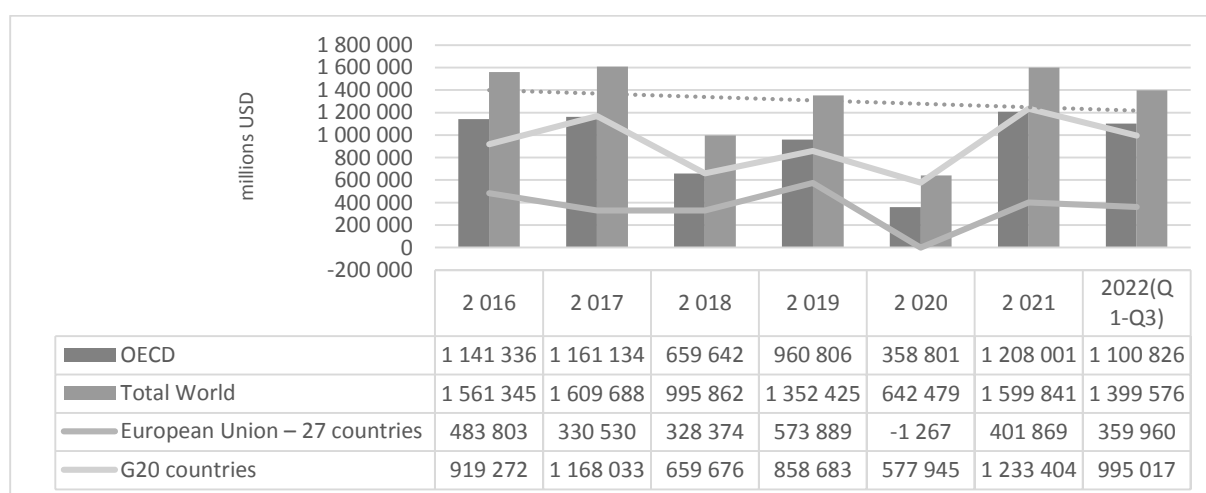


Figure 4. FDI outward flows (in USD millions).

Source: own study based on OECD International Direct Investment Statistics database.

According to the United Nations Conference on Trade and Development (UNCTAD), global inflows of foreign direct investment in 2020 decreased by 42% compared to the same period in 2019. Such a low level was observed recently in the 1990s and is more than 30% lower than the decline that followed the global financial crisis of 2008-2009. According to UNCTAD data, global FDI flows rebounded in 2021, rising by 88% to USD 1,815 billion and 37% above pre-pandemic levels. However, the prospects remains uncertain given the current geopolitical context. The global environment for international business and cross-border investment also changed dramatically in 2022 as a result of the food, fuel and financial crises caused by the war in Ukraine - seen in many countries around the world. Likewise, the recent recurrence of COVID-19 in China, along with the re-locking of areas that play an important role in global value chains, could further constrain new investments from scratch in GVC-intensive industries. In addition, the expected interest rate hikes in economies that are experiencing significant inflation increases could slow down M&A markets and the increase in

international project financing. The resulting uncertainty of investors, translating into their negative sentiment on the financial markets, as well as the upcoming recession, put a significant pressure on the decline in global FDI in 2022. Data for the first quarter of 2022 show that the number of greenfield projects alone decreased by 21%, and international project financing transactions by 4% (UNCTAD, World Investment Report 2022).

Unfortunately, according to the authors of the UNCTAD report, the forecasts for the next year, especially in the industrial sector, are not optimistic. Investment increases are expected in the technology and healthcare sectors. In turn, in the medium term (the second half of 2020 and 2021), it was indicated that the FDI flow would depend on the success of individual governments' actions in the field of economic and health policy. According to UNCTAD, global FDI flows increased to USD 972 billion in the first half of 2022, the vast majority of this increase took place in the first quarter, while global FDI flows fell by 22% in the second quarter of 2022 (compared to the previous quarter). Given the geopolitical situation and the war in Ukraine, rising energy prices, rising inflation and interest rates in many countries, this decline is not surprising. The United States was the world's largest FDI destination, followed by China and Brazil (UNCTAD, 2022, Global Investment Trends Monitor).

According to the OECD, in Q3 2022, global FDI flows fell by 7% compared to Q2. Analyzing these data through the prism of the first quarter of this year, an upward trend is noticeable. Global FDI flows in the first nine months of 2022 remain 16% higher than the levels recorded in the first nine months of 2021. Still the largest recipient of FDI inflows in the world. The main (in Q3 2022) are the United States (USD 86 billion), as well as Ireland (\$37 billion) and the UK (\$36 billion). The largest sources of FDI outflow in the world were the United States (USD 66 billion), Japan (USD 40 billion) and China (USD 90 billion). In turn, analyzing the inflow of FDI to OECD countries, an upward trend is clearly visible, resulting mainly from negative levels of inflows in some European countries (they increased by 56% in Q3 2022 compared to Q2). Overall, in the first nine months of 2022, the OECD FDI inflow was 57% higher than in the same period of 2021. FDI flows into non-OECD G20 economies decreased by 43% in Q3 2022 compared to Q2, largely driven by decreases in China where FDI inflows dropped to their lowest quarterly levels since 2005. In the first nine months of 2022, non-OECD G20 economies saw a decrease in FDI inflows of 34% compared to the same period in 2021. According to OECD data, FDI outflows from non-OECD G20 countries decreased by 24% in Q3 2022 compared to Q2, mainly due to outflows from Brazil caused by FDI outflows. In total, in the first nine months of 2022, FDI outflows from outside OECD G20 countries were 17% lower than in the first nine months of the previous year. FDI inflows nearly doubled in Q1 2022 compared to Q4 2021, thanks in part to record inflows in Australia and strong growth in some European countries (Foreign Direct Investment Statistics...).

Once we compare the pre-pandemic results to 2020, and then beyond, we will be able to see which economies improved their entrepreneurial activity, and if those economies were ones in which entrepreneurs saw opportunities.

It is worth pointing out that multinational companies can play an essential role in supporting economies during and after the crisis and subsequent economic recovery through financial and non-financial support for their subsidiaries and links with local enterprises. They can also play an important role in the recovery of FDI. As evidenced by previous crises, foreign subsidiaries, including SMEs, can show greater resilience thanks to their links with parent companies, and above all, due to the availability of their financial resources. However, the contribution of international enterprises to the reconstruction of FDI goes beyond the financial support of foreign subsidiaries (OECD, OECD Policy Responses..., 2020). Multinational companies can also stimulate the innovation of economies, as they are larger, more efficient than domestic ones, and more active in the field of R&D.

5. Discussion

There is no doubt that the pandemic is a threat to the innovation of multinational companies. However, being innovative is a prerequisite for being resilient, as innovative companies constantly anticipate and adapt to a wide range of crises (Linnenluecke, 2017). As it turns out, the first response to the crisis for multinational companies is their use of available resources. However, their development and innovation potential are then threatened. The spread of COVID-19 threatens to reduce the innovation potential accumulated in recent years, relating to the generation of economic, social, and environmental value soon (Rutkowski, 2020). As it turns out, the economic climate is currently unfavorable to innovation, although multinational companies are fully committed to responding to the crisis, also in this area.

However, it should be emphasized that a pandemic may lead multinational companies to choose different action scenarios (OECD, OECD Policy Responses..., 2020). One of them points to the possibility of geographically shifting their foreign activities. To protect against disruptions in the supply chain, multinational companies can shorten global value chains. The alternative scenario assumes that companies may also seek geographic diversification to reduce the risk of exposure to site-specific shocks and lower the cost level. These changes may have significant consequences not only for the current situation of economies (Global Expectations..., 2020). Multinational companies have an enormous impact on macroeconomic aggregates shaping the national income, including trade, R&D, and employment, and the development prospects of these economies.

While many other crises in the past have struck at a specific point, and often only at a regional level or have developed over an extended time, the COVID-19 pandemic has spread around the world with global effects. Infection control measures taken by governments have caused the crisis to suddenly stop or slow down the economic activity of many companies. Of great importance in the COVID-19 crisis is the concept of crisis management, which aims

to foster the resilience of multinational companies. To understand the state of entrepreneurship during a pandemic, one can refer to two concepts relating to the critical essential characteristics of entrepreneurs: the ability to adapt to them and finding opportunities (Ionescu-Somers, 2020).

In this article, the main focus was on how the economic crisis caused by infection control measures and the blockage of a large part of economic activity affects multinationals. The drastic action by governments in various countries to limit the spread of the SARS-CoV-2 coronavirus is an exogenous shock to all enterprises, including multinationals. However, only enterprises with a high level of entrepreneurship before the crisis are well-prepared to deal with such exogenous shocks (Bishop, 2019, pp. 496-515). A pandemic for multinational companies can be defined as a period of variability, uncertainty, complexity, and ambiguity, i.e., under the metaphorical sign of the "black swan" (Winston, 2020). In leadership theory, this refers to the acronym VUCA (from the four characteristics: Volatility, Uncertainty, Complexity, and Ambiguity). It is worth emphasizing that these features, on the one hand, seem to be a threat. On the other hand, they may become an opportunity if the company reacts to them appropriately, i.e., takes specific actions at the strategic level. Hence, the COVID-19 pandemic is an event of great importance and severe consequences for multinational companies, as it suddenly changed the situation in their environment. However, as indicated, this event can be interpreted not only in terms of threats but also opportunities. Crises may foster new opportunities, including innovation (Brem et al., 2020, pp. 360-369). The most crucial issue in times of crisis is to be proactive and forward-looking. Any actions taken without defining resources, assessing the company's ability to implement individual strategies, focusing on key development factors, and flexibly updating the strategic concept are burdened with an error that can carry severe threats to the company's operations. Both wrong decisions and lack of flexibility in action will result in ineffectiveness and inability to adapt to the new situation.

6. Conclusions

The literature research and the presented data partially answer the research questions posed in the introduction. The article presents considerations regarding multinational entrepreneurship based on current trends. Unfortunately, the pandemic situation has already significantly changed the structure of the world economy, and its final shape is difficult to predict. Continuous turning points and the lack of a sufficient amount of data result in the inability to present precise scenarios of business solutions — the presented analyses are intended only to show general trends or mechanisms of solutions taken by enterprises in the pandemic era. Entirely alternative solutions will likely emerge. The competitive struggle of multinational companies in the search for margins along the entire chain may result in creating either giant entities with very complex structures or a withdrawal from finance as the only valid

measure of success. There are also suggestions for them to take long-term actions to solve fundamental problems, such as: promoting health, equality, and environmental protection. It is pointed out that such enterprises must secure future innovation by meeting the goals of sustainable development and digital transformation. Whether multinational companies will benefit from their entrepreneurial potential depends on whether they are innovative in achieving these goals.

An important role of multinational companies is also their participation in solving the problems of post-Soviet economies. Multinational companies can provide expertise, transfer skills, provide resources and develop new business models to meet these expectations. Besides, these companies can merge with other local and foreign companies to steer the changes in the desired direction of recovery. As a result, this changes the role of multinational entrepreneurs into institutional builders and reformers — becoming institutional entrepreneurs. These changes in the institutional context can trigger major changes in the objectives of multinational enterprises, decision-making principles, and strategic behavior. In the case of multinational enterprises in the post-COVID-19 era and the globalization trend, there may also be a de-globalization scenario, according to which enterprises may also limit their international operations and focus on neighboring countries only selected regions of the world.

However, the effects of the COVID-19 pandemic also for multinational entrepreneurship are and will undoubtedly be very extensive, and hence it isn't easy to present them in detail in one article. It is even more challenging to predict its long-term consequences for the global economy, particularly in terms of the flow of foreign direct investment (FDI) and the activities of transnational corporations (TNCs), substantial from the point of view of multinational entrepreneurship. Therefore, the article focuses on the key trends during the pandemic, which was considered essential for multinational entrepreneurship. Hence, this article, showing the picture of the situation of multinational enterprises in the pandemic era, is only a contribution to the research at the interface between multinational entrepreneurship and the crisis. The authors realize that it does not fully cover all issues related to multinational entrepreneurship in the current situation and after it.

The issues of multinational entrepreneurship in the context of the economic crisis, due to the prevailing pandemic, attract the attention of an increasing number of scientists. It should be undoubtedly emphasized that there is a need for further, in-depth research in this area. The existing assumptions regarding the business environment, the theory of internalization, and patterns of multinational entrepreneurship also require re-analysis (Zahra, 2021). To answer the growing complexity of questions, one should consider the use of innovative research methods, such as the internationalization of complex systems (Chandra, Wilkinson, 2017), visualization (Schotter, Buchel, Vashchilko, 2018), or computer simulations and experiments (Heukelom, 2014), used in a new stream of economics — behavioral economics.

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