Masters International R&D Center

MIRDEC 2019

MIRDEC – 13th
International Academic Conference
Social Science Discussions and Contemporary Trends in Social Science
(Global Meeting of Social Science Community)

CONFERENCE PROCEEDINGS

MADRID 2019-2, SPAIN

Editors
Joaquim Ramos Silva
Adam Pawlicz
Richa Baghel

Holiday Inn Piramides
Madrid, Spain
18-20 June 2019

Masters International
Research & Development Center

MIRDEC
International Academic Conference

MIRDEC-13th
International Academic Conference
Social Science Discussions and Contemporary Trends in Social
Science

(Global Meeting of Social Science Community)

CONFERENCE PROCEEDINGS

MADRID 2019-2

Editors

Joaquim Ramos Silva
Adam Pawlicz
Richa Baghel

ISBN: 978-605-81247-8-3

Holiday Inn Piramides
18-20 June 2019
Madrid, Spain

MIRDEC-13th, International Academic Conference on
Social Science Discussions and Contemporary Trends in Social Science
(Global Meeting of Social Science Community)
18-20 June 2019, Holiday Inn Piramides, Madrid, Spain.
Masters International Research & Development Center

www.mirdec.com   CONFERENCE PROCEEDINGS - MADRID 2019-2   ISBN: 978-605-81247-8-3

MIRDEC-13th, Madrid 2019-2, Spain

Joaquim Ramos Silva
University of Lisbon, Portugal

Dr. Joaquim Ramos Silva is Full Professor at the Lisbon School of Economics and Management, University of Lisbon. Head of the Economics Department in 2014-2018. His research interests fall in a broad range of subjects, particularly international economics, and among others, the process of firms' internationalization, interaction between the private sector and public policies, sustainable development, international organizations. The author of four books and the editor or co-editor of eight, published around eighty scholarly papers in peer-reviewed journals and edited books, including *Business Process Management Journal*, *Journal of Business Economics and Management*, *Journal of Economic Studies*, *Tourism Management,* and *WMU Journal of Maritime Affairs*. He has actively participated in numerous international activities of research such as scientific events, editorial boards and commissions, projects, reviews, etc. A researcher of SOCIUS/CSG (Research in Social Sciences and Management), ranked as "Excellent" by FCT, the main Portuguese body that supports science.

Adam Pawlicz
University of Szczecin, Poland

Dr. Adam Pawlicz is a research scientist with 11 years of research experience in the hospitality and e-tourism area. Adam Pawlicz is associate professor at Szczecin University, Poland and a visiting professor at Klaipeda University, Lithuania. He has coauthored over 100 publications and is a member of scientific committee of various international journals such as Academica Science Journal, University of Tîrgu Mureş, Romania and "Entrepreneurship" issued by SWU "Neofit Rilski", Bulgaria. His current research focuses on the impact of sharing economy and online travel agencies on hospitality market.

Richa Baghel
Sri Sri University, India

Being an educator and researcher Dr. Richa Baghel's academic and research journey started with a university summer project, where she wasn't aware of how deep it would leave its impact on her. After completing a Ph.D. in management she realized that the thesis is published but the quest for research is continuing. Keen interest on individual mind and management routed her to Vedic philosophies. The duo of modern management and Vedic philosophies is opening a new arena of learning and knowing the unknown. Practical learning is the one thing which counts. It's about how you get to know yourself rather than how you know the subject. Once an individual have clarity of vision...subject matter just fits into it. With this ideology, she is teaching in Sri Sri University, Odisha, India from four years and empowering students to learn the best.

Conference Head

Prof. Slagjana Stojanovska
IBF, Macedonia

Conference Director

Dr. Kemal Cebeci
Marmara University, Turkey

MIRDEC-13th, Madrid 2019-2, Spain

<u>CONFERENCE BOARD</u>, Scientific Committee

Prof. Dr. Slagjana Stojanovska
IBF, Macedonia

Dr. Kemal Cebeci
Marmara University, Turkey

Prof. Dr. Joaquim Ramos Silva
University of Lisbon, Portugal

Prof. Dr. Aieman Al-Omari
Hashemite University, Jordan

Dr. Maria del Pablo-Romero
University of Seville, Spain

Dr. Adam Pawlicz
University of Szczecin, Poland

Dr. Aram Belhadj
University of Carthage, Tunisia

Dr. Aziz Sair
University Ibn Zohr, Morocco

Dr. Mohamed Zniber
University Ibn Zohr, Morocco

Dr. Tanu M. Goyal
Indian Council for Research on International Economic Relations, India

Assoc. Prof. Dr. Penka Peeva
Assen Zlatarov University, Bulgaria

Assoc. Prof. Dr. Asmahan Altaher
Applied Science University, Jordan

Assoc. Prof. Dr. Rong Zhang
Nishinippon Institute of Technology, Japan

Dr. Antonio Focacci
University of Bologna, Italy

Dr. Jinhoa Lee
University of St. Andrews, United Kingdom

Dr. Mirela Tase
Universiteti Aleksander Moisiu Durres, Albania

Dr. Rosella Carè
University Magna Graecia of Catanzaro, Italy

MIRDEC-13th, International Academic Conference on
Social Science Discussions and Contemporary Trends in Social Science
(Global Meeting of Social Science Community)
18-20 June 2019, Holiday Inn Piramides, Madrid, Spain.
Masters International Research & Development Center

www.mirdec.com   CONFERENCE PROCEEDINGS - MADRID 2019-2   ISBN: 978-605-81247-8-3

MIRDEC-13th, Madrid 2019-2, Spain

REFEREE BOARD

MIRDEC-13th, International Academic Conference on
Social Science Discussions and Contemporary Trends in Social Science
(Global Meeting of Social Science Community)
18-20 June 2019, Holiday Inn Piramides, Madrid, Spain.
Masters International Research & Development Center

www.mirdec.com   CONFERENCE PROCEEDINGS - MADRID 2019-2   ISBN: 978-605-81247-8-3

Assoc. Prof. Dr. Aktham Issa Al-Maghaireh
UAE University, United Arab Emirates

Assoc. Prof. Dr. Jolly Ghose
Kolhan University, India

Assoc. Prof. Dr. Svitlana Denga
Poltava University of Economics and Trade, Ukraine

Assist. Prof. Dr. Salem Abdulla
Azzaytuna University, Libya

Assit. Prof. Dr. Hebatallah Adam
Ain Shams University, Egypt

Assist. Prof. Dr. Benish Chaudhry
University of Modern Sciences, United Arab Emirates

Assist. Prof. Dr. Aruna Singh
Lexicon Institute of Management Education, India

Dr. Jinhoa Lee
University of St. Andrews, United Kingdom

Dr. Adam Pawlicz
University of Szczecin, Poland

Dr. Antonio Focacci
University of Bologna, Italy

Dr. Rosella Carè
University Magna Graecia of Catanzaro, Italy

Dr. Aram Belhadj
University of Carthage, Tunisia

Dr. Mirela Tase
Universiteti Aleksander Moisiu Durres, Albania

Dr. Vijay Barthwal
Government College, Chief Editor, ESRI Journal, India

Awad Elsayed
Plymouth Business School, United Kingdom

MIRDEC-13th, Madrid 2019-2, Spain

CONFERENCE TOPICS

Accounting: Auditing, business, social and environmental Business – SMEs, MNEs, strategy, responsibility in accounting and accountants, environmental, sustainable and responsible business, IFRS, public-private cooperation in sound accounting, global trends in accounting strategies, international audit standards.

Business & Enterprise: Business cycles, business planning, supporting SME, policies to promoting SME, e-commerce, women entrepreneurs education and development, strategic integration between innovation & entrepreneurship, entrepreneurship in developing countries, corporate and social entrepreneurship, leveraging digital skills for innovation in the society, high-tech, R & D, enterprises.

Demography & Population: Migration studies, demography, population studies.

Economics: Microeconomics, macroeconomics, economic growth, fiscal and monetary policy, finances, public regulations, sustainable development, agroeconomics, climate change.

Environment: Environment economics, fiscal policy for protecting environment, green production, sustainable growth, natural resource, management, climate change, macro-micro issues in environment studies.

Education: Research & development in education, technology and education, education strategies for different age groups, life time education, pedagogy, learning and teaching, educational psychology, curriculum and instruction, e-learning, virtual learning, global internet courses, blended learning, flipped, pathway, enabling, work integrated learning, executive training, training and development, educational leadership.

MIRDEC-13th, International Academic Conference on
Social Science Discussions and Contemporary Trends in Social Science
(Global Meeting of Social Science Community)
18-20 June 2019, Holiday Inn Piramides, Madrid, Spain.
Masters International Research & Development Center

www.mirdec.com   CONFERENCE PROCEEDINGS - MADRID 2019-2   ISBN: 978-605-81247-8-3

Entrepreneurship: Product, innovation, social, political, knowledge, corporate venturing, digital media.

European Studies: EU crisis, monetary union, enlargement process of EU, tax harmonization in EU, fighting with tax competition in EU, EU energy policy, competitivenes, EU social policy , Fighting unemployment, income distribution, EU migration, understanding migrants and asylum in European Union, european migrant crisis, refugee crisis, social reflections of Syria crisis to EU area, cooperation for improving EU, Brexit, future projections, EU environment policy and resource efficiency, EU relations with third party countries, climate change and EU, integration, culture.

Finance: Corporate, international, green finance, financial reporting, public finance, financial markets, financial services, financial instruments, capital movements, government budgeting.

Globalization studies: Framework of globalization, history of globalization, economic globalization, cultural globalization, political globalization, globalization and international law, globalization and arts, globalization and conflicts, globalization and new world order, sustainable growth and development, globalization and climate change, regional integrations, human rights and globalization, migration, global institutions, technological platform for globalization, national boundaries, globalization and internet, globalization and sports, globalization and free trade

International Business: Culture and business, regional-global business, entry modes, strategy, expansion, mergers & acquisitions, trade, franchising strategies.

Internet & Social Media Studies: Social media, internet, future of communication.

Management: Human resources, cultural problems in labor mobilization, international human resource, mobility of human resource, business, cross cultural, corporate governance, financial resources, gender issues, technological resources, natural resources, knowledge.

Marketing: New media, social media marketing strategies, international, consumer research, market research, policy research, sales research, pricing research, distribution, advertising, packaging, product, media.

Philology, Language & Translation Studies: Historical study of language, aspects and research of speech production, transmission reception, linguistics, translation studies.

Social Business: Socially responsible enterprise, environmentally conscious enterprise, non-government institutional activities, globalization and social business, care programs.

Social Sciences: Anthropology, communication studies, new communication in new world order, demography, development studies, information and communication studies, international studies, journalism, library science, human geography, history, law, political science, public administration, psychology, sociology.

Tourism: Developing sustainable tourism destinations, tourism and heritage preservation, tourism economics, tourism policies, hospitality, tourism management and marketing, tourism planning and regional development, protected areas and tourism.

MIRDEC-13th, Madrid 2019-2, Spain

<u>KEYNOTE SPEAKERS and PAPERS</u>

Maria Pablo Romero
Tourism, Economic Growth, Energy and Co2 Emissions: A Review
University of Seville, Spain

Jorge Hernando Cuñado
The Irish Economic Model
Universidad Nebrija, Madrid, Spain

Diana Peña Gil
Human-animal bond as an educational resource
Complutense University of Madrid, Spain

Onyeka Nwelue
The Greed of Capitalism and Colonialism
School of Cinematographic Studies, Queensland University, Haiti

MIRDEC-13th, International Academic Conference on
Social Science Discussions and Contemporary Trends in Social Science
(Global Meeting of Social Science Community)
18-20 June 2019, Holiday Inn Piramides, Madrid, Spain.
Masters International Research & Development Center

www.mirdec.com   CONFERENCE PROCEEDINGS - MADRID 2019-2   ISBN: 978-605-81247-8-3

MIRDEC-13th, Madrid 2019-2, Spain

Special thanks to Keynote Speakers:

Maria Pablo Romero
University of Seville, Spain

Jorge Hernando Cuñado
Universidad Nebrija, Madrid, Spain

Diana Peña Gil
Complutense University of Madrid, Spain

Onyeka Nwelue
School of Cinematographic Studies, Queensland University, Haiti

Special thanks to Masters International Research & Development Center
conference team:

Slagjana Stojanovska
IBF, Macedonia

Kemal Cebeci
Marmara University, Turkey

Nguyen Hai Yen
Spain

We are very pleased to introduce the **conference proceedings** of the *MIRDEC-13th, International Academic Conference on Social Science Discussions and Contemporary Trends in Social Science (Global Meeting of Social Science Community),* **18-20 June 2019,** Holiday Inn Piramides, Madrid, Spain.

MIRDEC thanks to all our participants for their academic and social contributions.

Mirdec-13th Madrid 2019-2 Conference Proceedings

MIRDEC-13th, International Academic Conference on
Social Science Discussions and Contemporary Trends in Social Science
(Global Meeting of Social Science Community)
18-20 June 2019, Holiday Inn Piramides, Madrid, Spain.
Masters International Research & Development Center

www.mirdec.com   CONFERENCE PROCEEDINGS - MADRID 2019-2   ISBN: 978-605-81247-8-3

MASTERS INTERNATIONAL
Research & Development Center

MIRDEC-2019

MADRID 2019-2

Conference Proceedings

ISBN: 978-605-81247-8-3

TABLE OF CONTENTS

MIRDEC-13th, International Academic Conference on
Social Science Discussions and Contemporary Trends in Social Science
(Global Meeting of Social Science Community)
18-20 June 2019, Holiday Inn Piramides, Madrid, Spain.
Masters International Research & Development Center

www.mirdec.com   CONFERENCE PROCEEDINGS - MADRID 2019-2   ISBN: 978-605-81247-8-3

YASSINE EL BOUCHIKHI

Masters International
Research & Development Center

Mirdec-13th

Madrid 2019-2

We are very pleased to introduce the **conference proceedings** of the *MIRDEC-13th, International Academic Conference on Social Science Discussions and Contemporary Trends in Social Science (Global Meeting of Social Science Community),* **18-20 June 2019,** Holiday Inn Piramides, Madrid, Spain.

MIRDEC thanks to all our participants for their academic and social contributions.

Mirdec-13th Madrid 2019-2 Conference Proceedings

MASTERS INTERNATIONAL
Research & Development Center

MIRDEC-2019

MADRID 2019-2

ONYEKA NWELU[1]

THE GREED OF CAPITALISM AND COLONIALISM

Keynote Speech

"The best way of learning to be an independent sovereign state is to be an independent sovereign state."

Kwame Nkrumah

My dearest African-American Sibling,

I would like to talk to you about capitalism from my perspective. How I understand it.

How would you feel if you discovered that someone gave you a counterfeit of what they are using? How do you feel when you know that what effects progress in other people's homes has a deleterious and retrogressive impact in your own home? Are you lost at what I am saying here? I am talking about Capitalism. Do you know how it works in both the Pink man's and Blackman's worlds?

It is an economic system in which private individuals and business firms carry on the production and exchange of goods and services through a complex network of prices and markets. Although rooted in antiquity, capitalism is primarily European in its origins; it evolved through a number of stages, reaching its zenith in the 19th century. From Europe, and especially from England, capitalism spread throughout the world, largely unchallenged as the dominant economic and social system until World War I (1914-1918) ushered in modern communism (or Marxism) as a vigorous and hostile competing system.

Capitalism is an old economic order.

Pink people – the progenitors of this economic system – 'invented' it because it suited perfectly their cultural environment.

At this juncture, I wish to add that this system creates 'a market race.' This implies that Europeans had the need to extend their capitalist ideology to the Blackman's world. Out of their ruse-coated mindset, they brought us the counterfeit of capitalism; a mindset intent on using the economic system that favored them to enslave us. We could not discuss how the Pink made us slaves, without appraising capitalism. Capitalism would not have been possible but for slavery.

---

[1] School of Cinematographic Studies, Queensland University, Haiti, lacavemusik@gmail.com.

The capitalist ideology they gave us – and slavery – become like two sides of a coin.

The difference is that the latter is based on forced labour while the former is based on free labour.

It was also exploitative.

The exploitation was vile.

This could be grasped from Samir Amin's response in an interview with L'Humanite:

Capitalism has been colonial, more precisely imperialist, during all the most notable periods of its development. The conquest of the Americas by the Spaniards and Portuguese in the 16th century, then by the French and the British, was the first modern form of imperialism and colonization: an extremely brutal form which resulted in the genocide of the Indians of North America, Indian societies in Latin America thrown into slavery and black slavery through the whole continent, North and South... During all the stages of capitalism, the plunder of the resources of the peripheries, the oppression of colonized peoples, their direct or indirect exploitation by capitalism, remains the common characteristics of the phenomenon of colonialism."

It has been clearly stated that while the capitalism brought to Africa was a sham, that seen in the Pink people's countries was genuine. This chapter presents a broad outline of how Africans, who were made capitalist slaves, built the edifices Pink people pride themselves on today.

We shall also examine how the so-called capitalism has failed Africans.

First, I shall show the positive results of this economic ideology in the West, made possible by Africans. Then we shall survey the contrasting results in Africa.

The glory of the United States was built by slaves. America was built into a strong and formidable nation today with the sweat of slaves on tobacco and cotton plantations.

Danielle Young, in her essay titled '6 Historic Structures in America That Were Built By Slaves,' published in The Root of July 26, 2016, surveyed the six powerful US structures built by slaves during the Trans-Atlantic Slave Trade. Those buildings were the US Capitol Building, Railways, Thomas Jefferson's Estate at Monticello, and Buildings at UNC-Chapel Hill, The Wall Street, and the Pink House.

It is no longer news that the Africans whom capitalism transported to the West were central to the establishment of the industries that dominated the western economy. Let me give you a practical example with Wall Street.

Wikipedia states that 'Wall Street is a 0.7-mile-long (1.1 km) street running eight blocks, roughly North-West to South-East, from Broadway to South Street on the East River in the Financial District of Lower Manhattan, New York City. Anchored by Wall Street, New York City has been called both the most economically powerful city and the leading financial center of the world, and the city is home to the world's two largest stock exchanges by total market capitalization, the New York Stock Exchange and NASDAQ. Several other major exchanges have or had headquarters in the Wall Street area, including the New York Mercantile Exchange, the New York Board of Trade, and the former American Stock Exchange.'

The Wall Street described here was established by slavery. Records have it that African slaves built the very walls that gave Wall Street its name.

Furthermore, Warren Buffet, the CEO of Berkshire Hathaway, was the richest billionaire in America. His company was a textile manufacturing firm and he was a slavery profiteer. The American cotton textile industry was based in England. This company was sustained by slaves who picked cotton in the south.

From previous discussions here, it can't be gainsaid that capitalism was the agent of Western neocolonial activities in the world. It had penetrated the nooks and crannies of Africa even before the colonial period. To the colonial powers, there was the need for their hegemonic influence to be maintained all over the world. Capitalism, dispersed at high speed and allied to its sister concept of globalization, was the manifestation of Western economic ambition.

In several places in these letters, it has been repeatedly pointed out that one of the paramount motives, if not the chief propellant, of European colonization of the African continent, was to create markets for her home industries, simultaneously providing raw materials for the said industries.

After the massive transfer of African resources as planned by the colonizers, African nations were granted independence, the colonizers having carefully installed pliant leaders in the newly independent nations.

Inevitably, the emergent states were faced with economic challenges. In Nigeria for instance, independence was only seven years old when a civil war broke out, ravaging the country for three years. There was an economic boom after the war. Thanks however to the stooges planted by the former colonial masters, the country failed to utilize that glorious windfall.

Consequently, by the 1980s, the economy was in a dismal state.

There was pressure from the watchdogs of capitalist economy to intensify colonial economic subjugation of Nigeria.

This was done through trans-national corporations and the World Bank.

According to Nwosu, 'Trans-National Corporations are business ventures whose transactions and management cut across national boundaries. They may enter and operate in any country by adopting different strategies.'

Chukwu defined trans-nationals as, 'business firms or corporations in which the ownership, management, production, and marketing of a particular type of product/service or line of products/services extend over national boundaries, that is to say, it extends beyond one political and economic community.'

The World Bank, on the other hand, is the outcome of the Breton Woods Conference of 1944. It is part of the United Nations, charged with granting loans for developmental purposes to member nations of the United Nations. It is important to stress at this point that those two are agents of the capitalist world. Let us briefly appraise them and their impact on African countries.

The World Bank has been described as the agent of the United States and her Western European allies, and a tool for the continuing impoverishment of third world countries.

Ndoh and Ngoka have pointed out that the Bank has, since inception, had American citizens as presidents. Notwithstanding the fact that the Bank is meant to grant loans to any member nation that needs them, it should be noted that the United States and her allies dictate who is eligible.

To them, loyal countries are deemed eligible. Regarding this, Ndoh et al., write that:

During the formative years of the Bank, her proposed loans to Poland and Czechoslovakia were stopped due to U.S. insistence that she would vote against such if presented to the Executive Board. Secondly, a proposed loan to build the Aswan Dam in Egypt was suspended when U.S. Secretary of State, John Foster Dules, decided against it. The bank also stopped lending to Chile during the Allende regime for protest against Allende's nationalization of some American multinational corporations engaged in mining. Others affected by U.S.A. actions included Afghanistan and Vietnam in 1979.

The World Bank is nothing but a tool to determine who should 'progress' on the global economic plain and who should stagnate or be marooned in poverty.

To elucidate this propensity of the World Bank's along with its capitalist bent, Ndoh et al. continued: 'The bank refused to lend money to countries that are presumed or perceived socialist-oriented, such as Chile under Allende, Indonesia under Surkano, but resumed lending to these countries when rightist regimes came into power.' Apart from using it as her capitalist vehicle, the Bank has been used by the same West to catalyze bad leadership in Africa and beyond. A few examples should suffice: her loans to Belgian Congo during the colonial administration, Mobutu's Zaire, and Doe's Liberia.

The statement appears indisputable:

America's strategic interest around the world and should (this portion seems awkward) continue to receive U.S. support…we have to do something for those countries whose mind we have to capture and those social structures we are trying to preserve…if the U.S ceases its support, the system of international cooperation particularly among the Western powers could begin to unravel, the Soviet Union would become the major beneficiary.

Apart from the fact that the Bank selects who gets what from it, it also dictates who spends and how the borrowed money is spent. The U.S does this through Transnational Corporations.

Cheryl Payers, as quoted by Ndoh et al., has examined the Bank's operations, and expressed concern for its insincerity. He frowned at the Bank's role in promoting the interests of capitalists and international capitalism. Cheryl, according to Ndohet al.,listed the ten ways in which the Bank has continued to impose capitalism, thereby impoverishing the countries meant to be its beneficiaries:

1. By directly helping multinational corporations especially those engaged in mining.

2. Insistence on production for export, invariably benefitting those who control international trade.

3. Discriminating and refusing to give loans to governments that shun international debts acquired fraudulently or those that nationalize exploitative foreign investments.

4. Opposition to protection for infant, locally-owned industries.

5. Finance of projects that entail the denial of control of basic resources such as land, forest, water etc. by poor people, but beneficial to middlemen and local agents and their international colleagues.

6. Opposition to minimum wage laws, trade union activities and other forces that tend to increase the share of labour in the national income.

7. Insisting on procurement through the international competitive bidding method that favors the largesse of multinationals.

8. Putting pressure on the borrowing countries to improve the legal privileges of the tax liabilities of foreign investment.

9. Opening up of remote regions through transport and telecommunications, thus destroying the natural protection enjoyed by the region.

10. By acting as intermediary for the flow of fund with tax payers' money got from its developed member countries that serves as guarantee to the safety of bonds it sells.
The implementation of the listed ten points by any borrowing nation, would undoubtedly hamper the development of that nation. African countries which approach the World Bank and its agencies for succor, are figuratively honoring the 'devil's invitation'.

This is one of the problems faced till date by countries like Nigeria which, in the closing decades of the 20th century, welcomed the Structural Adjustment Program.

African countries emerged from colonial hegemony between 1957 and 1975, with the exception of South Africa which was freed from the apartheid regime in the last decade of the 20th century. Forces of underdevelopment, carefully devised by the colonizers before they left, pervaded the entire continent. Thus, debate about Africa's developmental direction was resumed at the end of the 1970s.

This occurred after the continent's fragile economies had been rattled by the shock waves of expensive petroleum and industrial decline. Within this time, there was a growing awareness among Africa's leading thinkers that the problem was not merely cyclical and short-term, but structural and long-term as had been deviously designed decades earlier.

I beg forgiveness as my statements might be getting all convoluted and 'too intellectual,' but I wish my letters to be nuanced.

So, then was roused a determination to turn adversity into advantage, to move from enforced to determined self-reliance.

Consequently, there was a 'need' by some African countries to borrow money from the International Monetary Fund to balance their trades. The IMF and the World Bank usually impose certain conditions for loans, requiring of borrowers what are called Structural Adjustment Programs.

This process stipulates what borrowers are expected to do within their countries to stabilize their economy. The conditions include privatization, deregulation, liberalization, and other measures. In summary, borrowers are expected to reconstruct their economies to accord with the dictates of the capitalist system.

The conditions embodied in the Structural Adjustment Program of the International Monetary Fund, impelled some scholars to opine that accepting the IMF /World Bank SAP by African countries was tantamount to honoring the devil's invitation.

That 'Program' draws denunciation asincapable of solving Africa's problems.

T.M. Shaw argued that 'SAP is unfortunate and unworkable because it reinforces Africa's colonial divisions and retards any prospect for regional cooperation…'

He further contended that the Program had failed to provide a solution to the debt crisis in Africa.

Furthermore, it was argued that borrower countries' socio-economic spheres suffered setbacks. Bids to promote education, vocational training facilities and medical services, were all cosmetic and failed. It was also observed that with the rationalization and streamlining of state institutions and enterprises, many jobs were cut off, thus creating unemployment. S. Amin, assessing the social disaster caused by the program, writes: 'the social disasters produced by the adjustment programs are not the result of marginal errors which can be corrected by so-called "Adjustment with a human face," or reintegrating the social dimension in the programs etc.'

Having examined the Structural Adjustment Program critically, a scholar categorically declared: 'SAP has failed in this country (Nigeria). There is no question about that.' This is a fact because hardly has a country that borrowed from the World Bank and its sister agent – The International Monetary Fund – survived it. Nigeria is a typical example. The fluctuation of Naira per Dollar since the IMF days persist still date.

Capitalism, as pointed out above, also uses Trans-National Corporations to achieve the remaining missions of the West in Africa. This is so because the operations of those corporations, according to Chukwu, are channeled towards exploiting economically buoyant countries. Without doubt, the activities of those companies have marred the security of 'Third-World' nations, most of which are African. Security, as mentioned above, was expounded by Subrahmanyam, an Indian economic expert. He held that security 'does not mean merely safeguarding of territorial boundaries; it means also ensuring that the country is industrialized rapidly and develops into a cohesive, egalitarian, technological society.' It cannot be over-emphasized that these trans-nationals, which are agents of capitalism, have violated Westphalian principles. This is so because the developing countries now serve as dumping grounds for all those corporations.

Similarly, as noted above, security cannot be complete without economic viability. The creation of polar division of labour by colonialism is still evident today.

The industries pioneered by those trans-nationals in developing countries of Africa, cannot, from the available raw materials, process goods to the finished state needed by the populace.

Consequently, rather than foster industrialization, trans-nationals have made Third-World countries believe that all their needs should be imported.

The situation is so grievous that Nigeria, although abounding in human and natural resources, imports almost everything. Nigeria exports crude oil only to import refined oil! She exports wood only to import toothpicks and pencils!

JORGE HERNANDO CUÑADO[1]

THE IRISH ECONOMIC MODEL

Abstract

Ireland is one of the most successful economies in Europe. The country has experienced high rates of growth in GDP per capita in the last decades, becoming one of the wealthiest nations in Europe. Ireland is a very open economy where the government has implemented liberal policies and has attracted foreign direct investments through a very low corporate tax (12, 5%). A public institution, the "Industrial Development Agency" (IDA) has played a key role to attract foreign companies to Ireland. Moreover, the country provides a skilled, English speaking workforce for companies, access to the European Market, strong economic and cultural ties with the United States of America and a pro-business environment. However, the economic crisis of 2008 showed the weaknesses of the model: a huge property bubble financed by the so-called "bad debt" provided by Irish banks. The state bailed out banks, and afterwards, the country needed financial support from the International Monetary Fund and the European Union and had to follow a three-year austerity programme. Nevertheless, the country swiftly recovered and nowadays is one of the most dynamic economies in the European Union. Although there are challenges on the horizon: Brexit, national debt, housing and how the economy would react to a new crisis.

1. Introduction

GDP per capita in Ireland has changed from €15,197in 1980 to €60,535 in 2017 (International Monetary Fund, 2019).[2] This means that Ireland is one of the most successful countries in the world in terms of growth in the last decades. Currently, Ireland is one of the wealthiest countries in Europe. The government has implemented liberal policies deregulating the economy, attracting foreign investment and international trade in a pro-business environment. A very low corporate rate (12.5%) has been key to attracting foreign direct investment to Ireland, but there is more to it than that. There is an economic model behind this success. There are countries that have also implemented a low corporate tax, but have not achieved Ireland's growth. This is strong evidence that it is difficult to apply development policies not taking into consideration the special characteristics and idiosyncrasy of the country.

2. Origins

Foreign Direct Investment is a key element of the Irish economic model. Multinational companies have set their European headquarters all over Ireland. The most important reason for this is a corporation tax rate of 12.5% for all Irish corporate trading profits. This is a significantly lower rate compared to that of Germany (30%), the United States of America (21%) or France (31%) (Deloitte, 2019). But there are other important reasons, such as access for companies to the European market, a skilled English-speaking workforce, a pro-business environment and an open and liberalised economy.

The attraction of foreign direct investment started long ago. Its origins can be traced back to 1958, when the Irish government applied the first programme for economic expansion and the country shifted from a self-sufficient and protectionist economy to an open and more liberal approach based on Keynesian

---

[1] Universidad Nebrija, Madrid, Spain, jhernanc@nebrija.es.
[2] Gross domestic product per capita, constant prices.

politics, free market, the attraction of foreign investment and economic modernisation. The Industrial Development Agency (IDA), a public institution, played a key role in this new policy, attracting foreign direct investment and contributing to the development of the country. The IDA has been very successful along the years and, to date, is still working and attracting investment to Ireland. The experience of this agency is one of the factors that explain the achievement in terms of foreign direct investment (Barry, 2006).

In 1973, Ireland joined the European Economic Community (EEC) and commercial exchanges with its European partners increased significantly. Structural funds also started to flow, aiming to reduce regional disparities in income, wealth and opportunities within the EEC. Furthermore, Ireland is, for many American companies, the doorway to the European market. It is obvious that cultural and economic ties between Ireland and United States have been very strong since the times of the Irish emigration to America and companies such as Facebook, Google, Microsoft and Apple have their European headquarters located in Ireland.

3. The Celtic Tiger and the Crisis of 2008

As we can see in Figure 1, the highest rate of GDP per capita growth in Ireland started in the nineties. This period of high growth in the Irish economy was known as "The Celtic Tiger", in a clear reference to the high performance economies of East Asia. There are several factors behind these results: fiscal and monetary consolidation, reducing public expenditure, taxes and debt from the late eighties, social agreements among the government, trade unions, employers and farmers, the access to European markets and structural funds, reception of foreign direct investment, and a significant effort in education which has resulted in a skilled workforce. Finally, it is also worth mentioning the role of immigration, which transformed the Republic of Ireland into a multi-ethnic society (Fanning, 2016).

However, the country was greatly affected by the financial crisis of 2007-2008. During the years of the Celtic Tiger, there was excessive investment in real estate motivated by the continuous increasing of housing prices. These investments were financed by cheap mortgages provided by banks. This led to the creation of a huge real estate bubble, which burst in 2007 leaving behind unsold properties and the so-called "bad debt".

Figure 1. Ireland GDP per capita (Euros / Constant Prices)
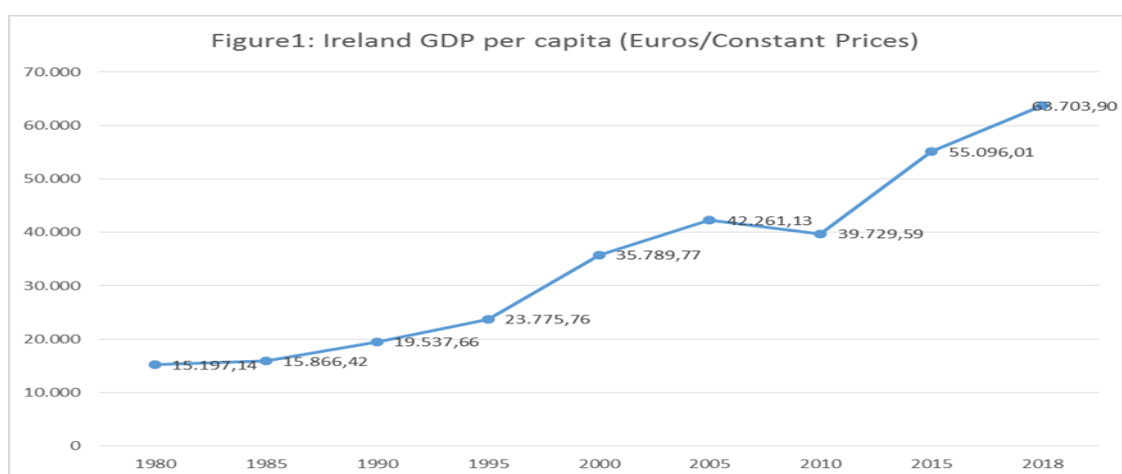
Source: IMF World Economic Outlook Database, April 2019.

The situation was similar in Spain, where banks had accumulated "bad debt" after financing a huge housing bubble. From the first half of the 2000s, the main cause of economic growth in both countries was the housing market (Norris & Byrne, 2015). In this period, in Ireland, there was an increase in labour costs and a parallel decrease in competitiveness. In 2008, after the collapse of Lehman Brothers, the crisis started in Ireland, the housing bubble burst and unemployment rose, reaching its maximum (14.7%) in 2012 (Central Statistics Office, 2014).

The Irish Government executed a €64 billion bailout of the banking sector because the six main Irish banks were on the verge of collapse. The Government dealt with the problem by creating the National Asset Management Agency (NAMA), a "bad bank" that bought property loans from the banks in exchange for Government debt bonds. Public debt soared because of the bank rescue and there was trouble with Irish debt in bond markets. Finally, Ireland received a €67.5 billion bailout from the International Monetary Fund and the European Union. In exchange for this money, Ireland had to follow a three-year programme of austerity measures in order to restore its public finance and recover the banking sector.

The Irish economy eventually recovered and, by 2012, the Government was back into global bond markets. From then on, GDP notably increased and unemployment fell sharply. Currently, and from the last few years, Ireland is the most dynamic economy in the European Union. In 2017, for example, GDP grew 7.2% and unemployment was as low as 6.7% (IMF, 2019).

Another interesting issue is the effect of foreign direct investment on Irish firms. This depends on the capacity of native firms to take advantage of technology and knowledge spillovers from multinationals located in Ireland and some studies show the existence of efficiency spillovers (Barrios, Dimelis, Louri, & Strobl, 2004). The foreign companies operate in high productivity sectors such as pharmaceutical, computer manufacturing, electronic or software. The productivity difference between foreign firms and Irish firms has increased through the years and it is higher in services compared to manufacturing (Siedschlag, Di Ubaldo, & Tong Koecklin, 2017).

The strategy of the IDA in attracting foreign direct investment has changed over the years. In the 1970s, they focused on industry, in the 1980s the interest was on the healthcare and software sectors, during the 1990s financial services were attracted to Ireland, and in the 2000s the Internet and Research and Development sectors were key objectives. In the last decade, the focus was on innovation, clean technologies, cloud computing or nanotechnology. The final objective is that Ireland becomes a smart economy.

4. Challenges and risks

It is important to understand the possible impact of Brexit on Foreign Direct Investment in Ireland. There are strong historical economic bonds between Ireland and the United Kingdom and, therefore, it is expected that the Irish economy would be negatively affected by Brexit (Bergin, García-Rodríguez, Morgenroth, & Smith, 2017). In Figure 2, we can observe the effect on foreign direct investment after 23rd June, 2016, the date of the Brexit Referendum.

Figure 2. Ireland, Foreign Direct Investment 2011-2017 (% GDP)

Figure 2: Ireland, Foreign Direct Investment 2011-2017 (% GDP)
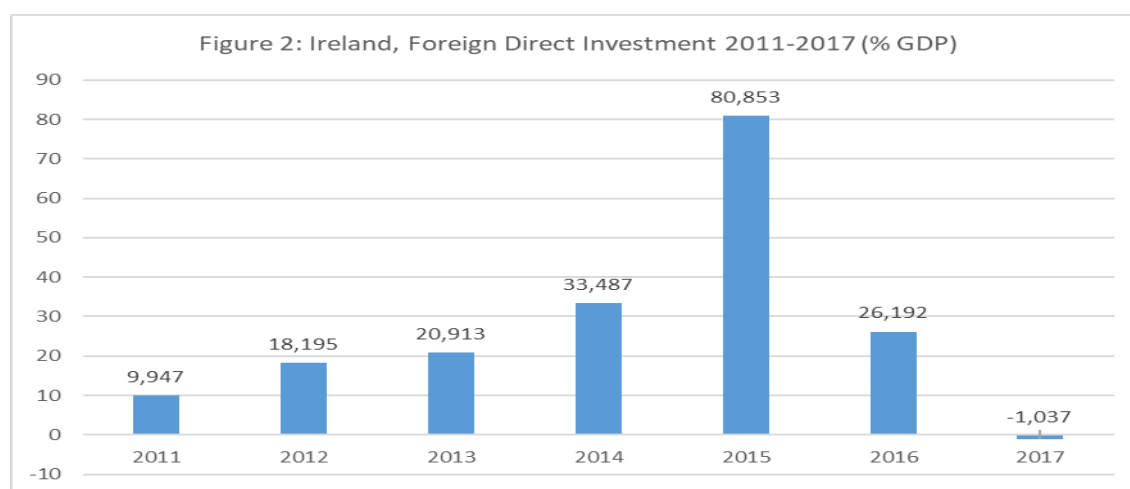
Source: World Bank. World Development Indicators.

The above figure clearly shows that the threat of Brexit has so far been quite negative for Irish foreign direct investment. However, due to the uncertainty of Brexit and the possibility of several economic scenarios, it is quite difficult to ascertain the possible outcomes for the Irish economy.

The tax burden in Ireland is not high. We have seen before that the corporate tax is 12.5%. As regards income tax, low incomes pay low taxes and, as income level rises, Irish workers' pay higher taxes, which is good in terms of redistribution. There is a pro-business environment and government spending is lower than in many European countries. The Government has followed neoliberal policies that could be behind the high growth rates experienced by the country in the last decades. It is clear that these policies have worked and that the economic situation of the country has improved over the past decades.

However, Irish national debt considerably increased during the financial crisis of 2008. The public rescue of national banks and the bailout was a big burden for national accounts. National debt in relation to GDP was 68.8% in the third quarter of 2018 (Statista, 2019), well below the average of the Euro area. However, if we consider national debt per capita, Ireland's is the world's third highest, next to the United States and Japan (Burke-Kennedy, 2019). This means that the Government must make a budgetary effort in order to reduce debt, which could affect expenditures on health, housing and infrastructures, which are the weak points in the Irish Economy. However, the low interest rate policy of the European Central Bank in the last decade has favoured the economy, reducing the cost of borrowing.

It is important to point out that housing is one of the biggest problems in the Irish model. The 2008 crisis started with the bursting of the housing bubble financed by bad credits offered by Irish banks. There are still housing problems, especially in Dublin, where house rentals have increased very significantly (Sullivan, 2019). The main reasons for this are the insufficient housing supply in the market, the reduction of construction and social housing after the crisis and the demand increase during the years of economic recovery.

Another interesting debate is how the Irish economy would react to a world economic recession or a new crisis. Ireland is a very open and globalized economy and is highly influenced by international markets. Many economies, Ireland among them, could be affected by global tensions related to the protectionist policies of the Donald Trump Administration in United States. In fact, some forecasts show

that the world economic activity is slowing down in year 2019 (International Monetary Fund, 2019). The more open an economy is, the more exposed to world economic recessions.
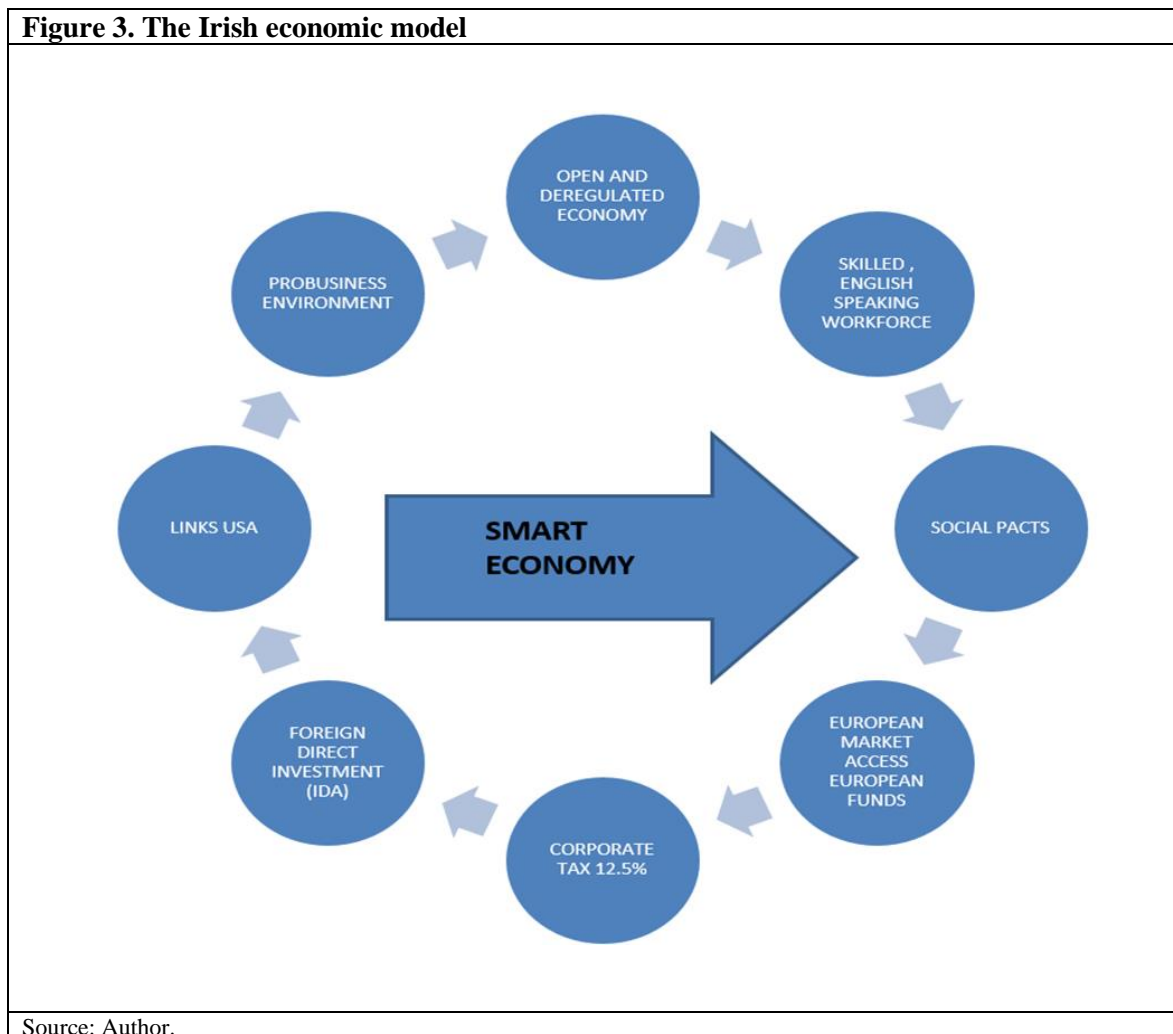
5. The Irish economic model

The following are the key features of the Irish economic model:

a) It is a very open economy to international trade and the Government has implemented liberal policies such as reducing taxes (personal and corporate), privatisation of public companies and deregulation.

b) The public investment in Education has provided a skilled, English-speaking workforce, very much appreciated by multinational companies located in Ireland.

c) Social Partnership: in 1987, after a period of slow economic growth, the Government and the trade unions reached agreements that were key to the development of the future "Celtic Tiger". At the end, wage increases were linked to productivity (Baccaro & Simoni, 2004), strikes reduced and this pact brought balance to industrial relations.

d) Another key aspect was the access to the European Market. Many international companies located there were able to export to European Markets freely. In addition, Ireland has benefited from European Structural Funds for many years, which has helped to modernise the country and reduce economic dependence on the United Kingdom.

e) We have already mentioned the low corporate tax (12.5%), and this is the cornerstone of the Irish Economic Model and it is a very important factor to explain the high level of foreign direct investment received through the last decades.

f) Foreign direct investment has been the engine of growth in Ireland. This has been monitored and guided by the Government through the Industrial Development Agency, which has attracted foreign companies in accordance with public objectives. At the moment, the target is that Ireland becomes a "smart economy", based on innovations and new technologies.

g) There are strong cultural and economic links with the United States of America. There is a long history of Irish emigrants in North America and many American multinational companies have located in Ireland. This a very important factor that must be considered in order to explain the success of the Irish model.

h) Finally, Ireland is a very good country to do business, there is a pro-business environment characterised by low corporate taxes, liberalisation and stable law and regulation for firms.

The model is summarised in Figure 3.

Figure 3. The Irish economic model

Source: Author.

6. Conclusions

Ireland is one of the most dynamic and open economies in Europe. The progress in economic development has been impressive in the last decades. The Irish economic model is based on the attraction of foreign direct investment, the question is to know and study the spillovers to Irish companies and the effect on the Irish economy. The corporate tax of 12.5% is a very important characteristic of the model, but there is more to it. Some countries have low corporate tax, but they haven't experienced Ireland's growth rates. It is important to point out the liberal policies that the Government has implemented as well as the role of the Industrial Development Agency, a public institution that plans the fostering of foreign direct investment in the country. The model also includes a skilled English-speaking workforce, social pacts with trade unions, employers and the Government, access to the European market, the benefit of European Structural Funds, cultural and economic links with the United States of America and a pro-business environment. However, there are clouds on the horizon: national debt has substantially increased due to the state bailout to banks, housing is a critical problem in places like Dublin due to the lack of supply and the great exposure of the Irish economy to an eventual global downturn.

References

Baccaro, L., & Simoni. M. (2004).*The Irish Social Partnership and the 'Celtic Tiger' Phenomenon*. Geneva: International Institute for Labour Studies, DP/154.

Barrios, S., Dimelis, S., Louri, H., & Strobl, E. (2004). Efficiency spillovers from Foreign Direct Investments in the EU Periphery: A Comparative Study of Greece, Ireland, and Spain. *Review of World Economics*, 140(4), 688-705.

Barry, F. (2006). *FDI and Irish Economic Development over Four Stages of European Integration*. Dublin: University College Dublin.

Bergin, A., Garcia-Rodriguez, A., Morgenroth, E., & Smith, D. (2017). Modelling the Medium- to Long-Term Potential Macroeconomic Impact of Brexit on Ireland. *The Economic and Social Review,* 48(3, autumn), 305-316. Retrieved from https://www.esr.ie/article/view/771/164.

Burke-Kennedy, E. (2019, July 1). Ireland´s €200 bn debt burden: how did we get here? *The Irish Times.* Retrieved from https://www.irishtimes.com/business/economy/ireland-s-200bn-debt-burden-how-did-we-get-here-1.3943085.

Central Statistics Office Ireland. (2014). *Seasonally Adjusted Standardised Unemployment Rates*. Retrieved from https://www.cso.ie/en/statistics/labourmarket/principalstatistics/seasonallyadjustedstandardisedunemploymentratessur/.

Deloitte. (2012). *Corporate Tax Rates 2019*. Retrieved from https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-corporate-tax-rates.pdf.

Fanning, B. (2016). Immigration, the Celtic Tiger and the economic crisis. *Irish Studies Review*, 24(1), 9-20.

International Monetary Fund, World Economic Outlook Database. (2019). *GDP per capita* [Data file]. Retrieved from https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/index.aspx.

International Monetary Fund, World Economic Outlook Database. (2019). *GDP constant prices, Percent Change* [Data file]. Retrieved from https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/index.aspx.

International Monetary Fund, World Economic Outlook Database. (2019). *Unemployment Rate* [Data file]. Retrieved from https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/index.aspx.

International Monetary Fund. (2019). *World Economic Outlook, April 2019*. Retrieved from https://www.imf.org/en/Publications/WEO/Issues/2019/03/28/world-economic-outlook-april-2019.

Norris, M., & Byrne, M. (2015). Asset price Keynesianism, regional imbalances and the Irish and Spanish housing booms and bust, *Built Environment*, 41(2), 227-243.

Siedschlag, I., Di Ubaldo, M., & Tong Koecklin, M. (2017). *Comparative Performance of Indigenous and Multinational Firms Operating in Ireland*. European Commission.

Statista. (2019). *National debt in EU countries in the 3rd quarter 2018 in relation to gross domestic product (GDP)*. Retrieved from https://www.statista.com/statistics/269684/national-debt-in-eu-countries-in-relation-to-gross-domestic-product-gdp/.

Sullivan, A. (2019). *A tale of two cities 'housing crises: Dublin and Berlin. Deutsche Welle.* Retrieved from https://www.dw.com/en/a-tale-of-two-cities-housing-crises-dublin-and-berlin/a-49467210.

RICHA BAGHEL[1]

MAHUA AS A SOURCE OF INCOME: A CASE STUDY ON TRIBAL WOMEN'S LIVELIHOOD

Abstract

Tribal communities in the state of Chhattisgarh, India are still depending upon forest resources as one of the major source of their livelihood. The present research entitled 'Mahua as a Source of Income: A Case Study on Tribal Women's Livelihood' is an academic endeavor to contribute to the epistemology of livelihood, innovation and empowerment from tribal women's perspective. The main objective of this research is to explore and build knowledge between tribal women livelihood, forest resource and importance in socio-economic condition. The major factors that are affecting to sustain their forest resource based livelihood and promote socio-economic condition. This Study depicts a sustainable model for livelihood generation and explains 360° integrated value chain system, which strengthens backward and forward integration of tribal women SHGs. Backward integration will be backed by both government and private institution; for financial, certification and R&D, women empowerment and training respectively.

Keywords: Tribal women, Livelihood, Mahua, Marketing, Forest resource

JEL Codes: A14, Z10

Introduction

Madhuaca Longifolia 'Mahua' is an important component of forest cover in central India, especially the districts of Janjgir-champa, Korba and Raigarh of Chhattisgarh state. It constitutes an important part of the forest biodiversity. This tree has been mentioned in ancient literature and texts such as 'Charaka Shastra' in Ayurveda. The tree has multiple traditional usages. The tree however gains its notoriety from the fact that it is widely used in the preparation of a tribal alcoholic drink made from Mahua flowers. This is one of the sources of income for the tribal women of sample districts, as highlighted in the findings of this study. The dependency of the population on this source of income has several disadvantages. The flowering of the Mahua tree is seasonal and lasts only for about three months and the flowers have to be utilized immediately to make the brew. Apart from the low economic return from this activity, one needs to factor in the related social problems arising from alcohol addiction. The second source of income from the tree is through sale of Mahua flowers, fruits and seeds. The main objective of this research is to explore and build knowledge between tribal women livelihood, forest resource and importance in socio-economic condition. The literature confirms that the tribal women from the sample districts sold the harvest in its raw unprocessed form. This provides very low economic return to the tribal population. Therefore, there is an urgent need to impart skills to the tribal women to undertake value addition to the Mahua produce, and to provide necessary structure for post-harvest processing. Value addition at the village level is the key for improving the economic livelihood of the tribal populations in the sample districts.

Research approach

To understand the current scenario among the tribal women SHGs with reference to Mahua produce, sixteen groups were surveyed using qualitative parameters, through open ended and in-depth focus discussions. The total number of respondents for this study was 947 tribal women member of SHGs

---

[1] Sri Sri University, India, richa.b@srisriuniversity.edu.in.

from three sample districts of Janjgir-champa, Korba and Raigarh of Chhattisgarh state. To cover a sampling size of at least 50% per group, on an average, 3-4 tribal women interviewed per group. Analysis was conducted on the qualitative data using descriptive techniques for arriving at the conclusions. The questions for the focus group included the following parameters: income pattern, work availability, access to forest resources, livelihood income without innovative value addition, market linkages and tribal women empowerment through institutional support.

Focus group study

In the qualitative analysis from the results of the focus group study certain key outcomes were uniform across the sample districts. Access to the forest resources was still viewed by the respondents, as their legal right and they did not face any difficulty in this regard. They also acknowledged the absence of any interference from the forest department in exercising their rights to the forest produce. Their responses also indicated that for timber resources, the forest department was providing guidelines to the extent they were allowed to harvest. The distribution of income from on-farm and non-farm activities was aggregated across the sample districts as shown below table.

Table 1a. Annual income generation from farm & non-farm activities

	Annual income generation from on-farm and non-farm activities				
	No Income	< 15,000 Rs.	< 35,000 Rs.	< 55,000 Rs.	> 55,000 Rs.
On Farm	139	274	161	166	207
Non Farm	22	216	242	223	244
Total	161	490	403	389	451

Source: Primary data, field study (2016).

It is evident from the above table that contributions for income above Rs. 15,000/- p.a. were largely accruing from NTFP harvest. The logical conclusion here would be that any scheme or activity that could add value to the NTFP would directly enhance the livelihood income of tribal women. This case study largely focuses this aspect. The focus group study also highlights the pattern of work availability over twelve months' calendar.

Table 1b. Annual income generation from farm & non-farm activities

Livelihood Activity	Months
On-farm	January, August, November, December
Non-farm	March, April, October, November

Source: Primary data, field study (2016).

It is evident from here that during the period between the months of May to July, the tribal women have the bandwidth to engage in activities involving value addition to NTFP. In this case study, an attempt has been made to provide meaningful activity to the tribal women in this context. The focus group study also highlights the fact that in the present context, the tribal women are selling the NTFP in its raw form. The reasons for this are lack of awareness and non-availability of techniques and skills for innovative value addition.

Table 2. Factors affecting sales of NTFP in its raw form

Factor	P value	Regression value
More number of intermediaries	0.9	0.094
Sale of raw products (without value addition)	0.8	0.095
Lack of technical updation	0.6	0.092
Distance from village and market	0.3	0.062
Lack of transport facility	0.2	0.084
Lack of storage facility	0.1	0.051

Source: Primary data, field study (2016).

Perhaps the most significant outcome arising from the focus group study is the fact that the tribal women have expressed the overwhelming need to access proper market linkages and gain empowerment through institutional support. Based on the above outcomes of the focus group study the researcher evolved a business model in Korba District for the 3 tribal women SHGs.

Table 3. Factors affecting support from institutions

Factor	P value	Regression value
Availing marketing input	0.9	0.062
Assistance to establish processing units	0.8	0.085
Availing government schemes	0.8	0.014
Guidelines for approaching banks	0.6	0.083
Training	0.5	0.047
Availing inputs to repay loan	0.5	0.092
Institutional relationship	0.5	0.084
Credibility for loans and subsidies	0.03	0.091
Access provided for trade fair	0.1	0.047

Source: Primary data, field study (2016).

Value addition – Mahua

1. Selection of the product

To create a proof of concept for the case study, Mahua was chosen as it the largest contributor to NTFP income. The following criteria were used to select the appropriate techniques for innovative value addition to the primary raw harvest:
1. The skills needed for value addition should be appropriate to the capabilities and educational levels of the tribal women.
2. The process should involve technologies that are not high capital intensive.

3. The process should be completed within a period of two months following the harvest.
4. The quantum of value addition should be such that it should be attractive enough to become a sustainable activity for the SHGs.
5. The market for the value added Mahua products should be accessible to the SHGs through the help of NGOs or third party assistance.
6. The end product should have high potential for ethnic branding and e-commerce marketing.

Several value addition products that can be produced from Mahua oil were evaluated to study the conformance to the above criteria. The product that fits all the requirements stated above is natural handmade soap made from oil extracted from Mahua seeds.

Figure 1. Wooden mortar and pestle

Source: Author.

2. Outline of the process for natural handmade Mahua soap

The tribal women usually harvest fruits from the Mahua tree during the months of March and April. These fruits are sun-dried and then the seeds are extracted and cleaned. After this, seeds are pounded using traditional wooden mortar and pestle.

An estimated two liters of Mahua oil is can be extracted from 10 kg of Mahua seed.

The oil thus extracted forms the starting point for the production of handmade natural soaps. The key steps for the production of the soap are detailed below.

1. Mahua and coconut oil are heated separately in water baths.
2. Mahua oil is mixed with coconut oil in the ratio of 4:1.
3. Caustic lye is added to water and mixed with the oils to initiate the esterification process.
4. During this process selected natural coloring agents and natural essential oils of selected fragrances are added. The entire mixture is thoroughly stirred.
5. To create more innovative soaps, additional ingredients such as dried leaves and flowers are incorporated into the mixture.
6. Simple molds fabricated from wood are used to create attractive shapes to the soaps.
7. The mixture carefully poured into these molds.

8. The molds are left undisturbed for the saponification process to complete. This may take from three to four months.
9. On completion of the above process, the soaps are released form the molds and cleansed for any surface deformities.
10. The soaps are packaged in attractive covers and are ready for dispatch.

3. Innovative soaps made from Mahua oil

In order to create interesting soaps, several innovative combinations of fragrances were tested. The following list gives the successful combinations that were tested.

1. Coffee-cinnamon
2. Cool menthol
3. Green tea
4. Honey aloe vera
5. Honey oats
6. Lemon basil
7. Multi-color
8. Pure lavender
9. Rich lavender
10. Rose lavender

Implementation

The researcher conducted sensitization camps for three SHGs in Korba District to create awareness for the advantages arising from value addition to Mahua harvest. The camp generated tremendous enthusiasm among the participants who decided to immediately execute the project.

For this purpose, three separate training camps were conducted for each SHG at their village. The detailed method statement for creating the end product was demonstrated in a highly interactive manner. The concluding session of the workshop involved the participants manufacturing the soap with their own hands.

Institutional support and third party assistance

The project was discussed with Mr. A.K. Gadhewal, Project Head, Tribal Development, Korba District. The said person was extremely receptive to the project proposal and was willing to organize the following institutional support for the scaling of the project.

1. Training costs for the tribal women SHGs from the districts of Janjgir-champa, Korba and Raigarh of Chhattisgarh state.
2. Capital required for setting up of manufacturing unit.
3. Seed capital for raw material inputs and initial operational costs.
4. Complete design and hosting of website for ethnic branding and e-commerce.

In view of the institutional support that has been confirmed, the project is ready for implementation at scale. The primary response to the proof of concept exercise from the entire respondent SHGs has been very positive.

Branding and marketing strategy

The customers' response to the samples that were produced from the proof of concept exercise was very encouraging. The customer survey was conducted amongst a close group of urban populace. The qualitative data of the survey is given in the table below.

Table 4. Customer survey

Sl.No.	Attributes of the handmade natural soap	Customer response (Yes / No)
1	Bubbly	Yes
2	Cleansing	Yes
3	Hardness	No
4	Conditioning	Yes
5	Creamy	Yes

Source: Primary data, field study (2016).

For the purpose of testing the consumer acceptance the branding was carried out under the name of "RICH SOAPS". A simple logo was incorporated based on the iconic beauty of the Mahua flower. The packaging design was simple yet effective. The intent is to convey the simplicity and earthiness of tribal communities. This was also emphasized in allowing the beauty of the soap to speak for it rather than trying to package it a dramatic manner.

The marketing strategy was a conceived as a three-pronged approach. The first platform for the marketing was collaborating with retail organic linkages in the urban areas. Some of the retail chains with whom preliminary discussions have been initiated include Future Group representing high-end outlets such as Food-hall. The second platform would be digital in nature based on an e-commerce website. Using all social media platforms would aggressively drive this platform. Yet another platform for marketing is direct selling option targeting long term customers such as hotels, resorts and spas. Brand awareness would be created by participation in trade shows and government-sponsored exhibitions.

| Figure 2. Logo	Figure 3. Picture of natural
	Handmade Mahua soap (Rich Lemon Basil)

Source: Author.

Sustainable livelihood model

A graphical representation of the solution for sustainable livelihood model of the present study can be best represented using diagram. Each of the contributions to the economic livelihood from different activities can be represented as a diagram. Using the elements of a suggestion through abstract, graphic symbols rather than realistic pictures.

Proposed sustainable model in fig: 4 describe and provide solution for low livelihood status of respondents and to enhance their economic status. Sustainable livelihood model is a 360° integrated value chain system, which strengthens backward and forward integration of tribal women SHGs. Backward integration will be backed by both government and private institution; for financial, certification and R&D, women empowerment and training respectively. Forward integration basically is more of marketing and branding activities through urban demand. After processing done by tribal women SHG federation, private institution will support for marketing and branding followed by sales and after sales services.

Figure 4. Representation of livelihood solution
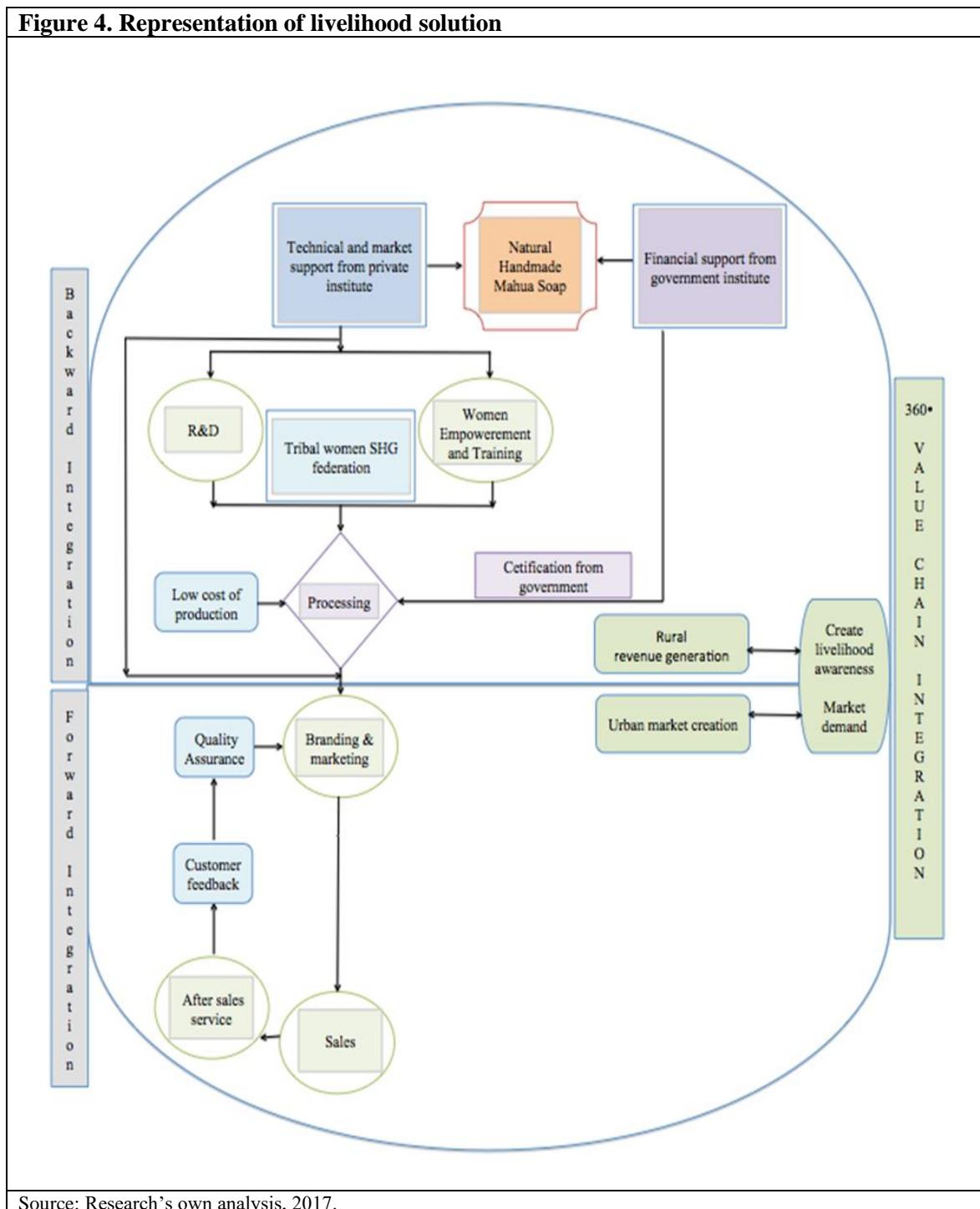
Source: Research's own analysis, 2017.

Conclusions

The case encompasses all the attributes required for a project based on the findings of the researcher. The project addresses the urgent requirements of the tribal community as detailed in the earlier findings. The cost analysis of the project, prima face, indicates a high commercial potential. In view of the low levels of literacy in the sample districts, this project is ideal as it can be easily implemented with the high economic return.

The cascading effect of this project has implications in preserving the biodiversity of the forest, especially as food and nesting sites for birds and bats. The social implication of this project would be to provide an alternative use for a product that is traditionally used to produce intoxicating drinks. This may encourage the tribal populations not to harvest Mahua in the flowering stage but allow it to fruit and harvest the seeds.

Since the proof of concept has already been successfully executed, and the institutional support for the scaling has already been lined up, there is no justification for not proceeding with the project. It is hoped that the large-scale deployment of this project should happen in the sample districts in the very near future.

Fig. 4 describes the sustainable model for livelihood generation through flowchart diagram. It explains 360° integrated value chain system, which strengthens backward and forward integration of tribal women SHGs. Backward integration will be backed by both government and private institution; for financial, certification and R&D, women empowerment and training respectively.

References

Acharya, J. (2011). Embodied rural weaver's workplaces: developing gender self-employment agendas for the handloom cooperatives in Orissa. In S. Raju (Ed.), Gendered geographies: space and place in South Asia (pp. 185–212). New Delhi: Oxford University Press.

Acharya, J. (2015). Financial inclusion in India: key to socio-economic development andinclusive growth. Journal of Economic Association. 2(10).

Acharya, J. (2007). From microfinance to livelihood finance AKRSP(India), AKRSP(I) researchpaper. European Commission and Ford Foundation.

Agarwal, B. (1997). "Bargaining" and gender relations: Within and beyond the household. Feminist Economics. 3(1): 1 –51.

Agrawal, A., Yadama, G., Andrade, R., & Bhattacharya, A. (2006). Decentralization and environmental conservation: Gender effects from participation in joint forest management (CAPRi Working Paper No. 53). Washington, USA: CGIAR Systemwide Program on Collective Action and Property Rights (CAPRi).

Agrawal, S. C., & Pati, R. N. (Eds.). (2010). Folk Medicine, Folk Healers and Medicinal Plants of Chhattisgarh. Delhi, India: Sarup Book Publishers PVT. Limited.

Ahirwar, R. K. (2015). Indigenous knowledge of traditional magicoreligious beliefs plants of district Anuppur, Madhya Pradesh India. American Journal of Ethnomedicine. 2(2): 103 —109.

Ajaz-ul-Islam, M., Sulaiman Quli, S. M., Rai, R., & Sofi, P. A. (2013). Livelihood contributions of forest resources to the tribal communities of Jharkhand. Indian Journal of Fundamental and Applied Life Science. 3(2): 131 –144.

Akshatha, K. N., Mahadeva Murthy, S., & Lakshmi Devi, N. (2013). Ethnomedical uses of madhuca longifolia--a review. International Journal of Life Science and Pharma Research. 3(1): 44 –53.

Alamgir, M., Jashimuddin, M., & Bhuiyan, M. A. R. (2005). Employment generation and economics of cane-based furniture enterprises of Chittagong, Bangladesh. Journal of Bamboo and Rattan. 4(3): 279 – 291.

Anand, M., Sahay, B. S., & Saha, S. (2005). Balanced scorecard in Indian companies. Vikalpa. 30(2): 11 –26.

Angelsen, A., & Wunder, S. (2003). Exploring the forest–poverty link: Key concepts, issues and research implications (No. CIFOR Occasional Paper no. 40, pp. viii-58p). CIFOR, Bogor, Indonesia.

Arnold, J. E. M., Liedhilm, C., Mead, D., & Townson, I. M. (1994). Structure and growth of small enterprises in the forest sector in southern and eastern Africa.

Awias, M. and Alam,T. and Asif,M. (2009). Socio-economic empowerment of tribal women and Indian perspective. International Journal of Rural Studies. 16(5): 1 –11.

Aziz A. (2006), Rural Entrepreneurship: Opportunities, Challenges and Responses, keynote address by the author as the chief guest in the national seminar on rural entrepreneurship.

Baghel, R. et al. (2016). Review of the relationship between high volume forest produce and itslow value contribution towards the livelihood of tribal communities. School of Management, PJTS Agricultural University, Hyderabad. 3: 210 –218.

Baghel, R. et al. (2017). A study on governance of tribal women self-help groups of Korba, Janjgir-Champa and Raigarh districts of Chhattisgarh. Studies of Tribes and Tribals. 15(2): 89 -93.

Baghel, R. et al. (2017). Reinforcing work-life balance of tribal women self-help groups: A study of Korba, Janjgir-Champa and Raigarh districts, Chhattisgarh, in proceedings of National Conference: Happiness @ Work Place. 70 – 72.

Baland, J. M., & Platteau, J. P. (1999). The ambiguous impact of inequality on local resource management. World Development. 27(5): 773 –788.

Ballabh, V., & Batra, P. (2015). Socio-Economic Transformation of the Tribals in Central India: Lessons and Experiences. Indian Journal of Agricultural Economics. 70(3): 272 –283.

Banerji, R., & Mitra, R. (1996). Mahua (Madhuca species): Uses and potential in India. Journal of Applied Botany and Food Quality. Abstract 16: 260-277.

Behera, B. (2009). Explaining the performance of state–community joint forest management in India. Ecological Economics. 69(1): 177 –185.

Behera, J. K. (2016). Economic status and development of tribal women: An analytical study. Eastern Anthropologist. 69(2): 2 –3.

Behl, P.N., & Sriwasrawa, G.S. (2002). Herbs useful in dermatological therapy. CBS Publishers and Distributors, New Delhi. 2: 94 –95.

Benjamin, W. (2008). The work of art in the age of its technological reproducibility, and other writings on media.

Berry, B. T., Ghosh, A. K., Kumar, D. V., Spodick, D. A., & Roy-Burman, P. R. A. D. I. P. (1988). Structure and function of endogenous feline leukemia virus long terminal repeats and adjoining regions. Journal of virology. 62(10): 3631-3641.

Bhadoriya, S. S., Ganeshpurkar, A., Narwaria, J., Rai, G., & Jain, A. P. (2011).

Tamarindus indica: extent of explored potential. Pharmacognosy Reviews. 5(9): 73-81. Bhagyalakshmi, J. (2001). Presenting Educational Science: What next?". Yojana. 45(9): 48 –49.

Bhatt, P. C., Ahmad, M., & Panda, B. P. (2013). Enhanced bioaccumulation of astaxanthin in Phaffia rhodozyma by utilising low-cost agro products as fermentation substrate. Biocatalysis and Agricultural Biotechnology. 2(1): 58 –63.

Byron, N., & Arnold, M. (1999). What futures for the people of the tropical forests?. World development. 27(5): 789 –805.

Carney, D. (1998). Sustainable rural livelihoods: What contribution can we make?. Department for International Development.

Census of India – 2001. New Delhi: Office of the Registrar General and Census Commissioner, Government of India.

Census of India – 2011. New Delhi: Office of the Registrar General and Census Commissioner, Government of India.

Chakraborty, P., Tewari, H.R., & Jha, M. K. (2009). Sustainable rural livelihoods through participatory natural resource management: A case study. Journal of Rural Development. 28(1): 85 –100.

Chamberlain, J. L., Bush, R. J., Hammett, A. L., & Araman, P. A. (2000). Managing national forests of the eastern United States for non-timber forest products. In Proceedings, XXI IUFRO World Congress 2000. Forests and Society: The Role of Research. 1: 407 –420.

Chamberlain, J., Bush, R., & Hammett, A. L. (1998). Non-timber forest products. Forest Products Journal. 48(10): 10 –19.

Chaudhuri, S. (1993). Dunkel draft on drug patents: Background and implications. Economic and Political Weekly. 28(36): 1861 –1865.

Chhattisgarh Environment Conservation Board, Assesment report 2011.

Chhattisgarh Human Development Report, 2005.

Christensen, G., & Lacroix, R. L. (1997). Competitiveness and employment: A framework for rural development in Poland(No. 383). World Bank Publications. Cornwall, A. (2003). Whose voices? Whose choices? Reflections on gender and participatory development. World Development. 31(8): 1325 –1342.

Dada, S. O. (2016). Resolving the Crisis of Development in Africa. International Journal of Humanities and Cultural Studies. 2(4): 502 –518.

Das, B. K. (2005). Role of NTFPs among forest villagers in a protected area of West Bengal. Journal of Human Ecology. 18(2): 129 –136.

Dash, M., & Behera, B. (2016). Determinants of household collection of non-timber forest products (NTFPs) and alternative livelihood activities in Similipal Tiger Reserve, India. Forest Policy and Economics. 7(3): 215 –228.

Dave, K., & Saxena, K. (2010,). Problems and Prospects for Marketing of Rural Products: An Empirical Study of Tribal Region of Rajasthan (India). Oxford Business and Economics Conference.

De, D. (2014). Nehruvian vision of sustainable development for tribals in India: A critique. South Asia Research. 34(1): 1 –18.

Dewangan, K., Acharya V., Naik, M.L., Sinha, S., & Girolkar, A.K. (2011). Home medicine of Chhattisgarh. Indian Journal Of Applied And Pure Biology. 26(1): 47 –52.

Dewangan, S. K. (2013). Livelihood opportunities through sericulture- a model of gharghoda tribal block, Raigarh dist. American Journal of Environmental Sciences. 9(4): 343 –347.

Dewangan, S. K. (2013). Employment generation with sustainable development and biodiversity through sericulture: a study of three tribe blocks of Raigarh, India. Journal of Environmental Research And Development. 8(1): 175-182.

Dhingra, R., Kumar, A., & Kour, M. (2009). Knowledge and practices related to menstruation among tribal (Gujjar) adolescent girls. Studies on Ethno-Medicine. 3(1): 43 –48.

Din, T. M. U. (2014). Handicraft Production and Employment in Indian: An Economic Analysis. Global Journal of Human-Social Science Research. 14(4): 8 –30.

Dogra, R. K. (2012) Networking Project on Non-Timber Forest Products. National Project Director, Forestry Education, ICFRE. (Concept Note).

Ekka, A. (2012). Some interesting alcoholic beverages among the tribal communities in Chhattisgarh, India. International Journal of Pharmaceutical Research and Bio-Science. 1(4): 353—359.

Ellis, F. (1998). Livelihood Diversification and Sustainable Rural Livelihoods.

FAO, C. IFAD (2014) Youth and agriculture: Key challenges and concrete solutions. Rome: Food and Agriculture Organization Publications.

Folke, C., Carpenter, S., Elmqvist, T., Gunderson, L., Holling, C. S., & Walker, B. (2002). Resilience and sustainable development: building adaptive capacity in a world of transformations. AMBIO: A journal of the Human Environment. 31(5): 437 –440.

FSI (Forest Survey of India) (1997). The State of Forest Report 1997, Ministry of Environment and Forests. Dehra Dun, India: Forest Survey of India.

FSI (Forest Survey of India) (2011). The State of Forest Report 2011, Ministry of Environment and Forests. Dehra Dun, India: Forest Survey of India.

Gandhi, K., & Udayakumari, N. (2013). Marketing strategies of women self help groups. International Journal of Current Research and Academic Review. 1(2): 117 –122.

Gaur, A., & Avison, D. (2015) Women and ICT-enabled well-being: Inclusive innovation by micro financial institutions in India. Proceedings of the 13th International Conference on Social Implications of Computers in Developing Countries. Negombo, Sri Lanka.

Gadgil, M., & Guha, R. (1993). This fissured land: An ecological history of India. University of California Press.

George, G. M. (2015). The sociology of sdivasi land slienation. Journal of Peoples Studies. 2(1-4): 1 – 26.

Gervais, D. (2008). Traditional Knowledge: Are We Closer to the Answer (s)-The Potential Role of Geographical Indications. ILSA Journal of International and Comparative Law. 15(2): 551 –564.

Ghosal, S. (2011). Importance of non-timber forest products in native household economy. Journal of Geography and Regional planning. 4(3): 159 –168.

Ghosh, N. (2006). Theory and practice of agricultural indicators. Economic and Political Weekly. 41(34): 3703 –3705.

Ghosh, N. (2014). An assessment of the extent of food processing in various food sub-sectors. Delhi, India: Institute of Economic Growth.

Gubbi, S., & MacMillan, D. C. (2008). Can non-timber forest products solve livelihood problems? A case study from Periyar Tiger Reserve, India. Oryx—The International Journal of Conservation. 42(2): 222 –228.

Guijt, I., & Shah, M. K. (1998). The Myth of Community: Gender Issues in Participatory Development. London, UK: Intermediate Technology.

Gupta, R., Banerji, P., & Gulcria, A. (1982). Tribal Unrest and Forestry Management in Bihar, Indian Institute of Management. Ahmedabad. CMA Monograph, (98). 88.

Gupte, M. (2004). Participation in a gendered environment: The case of community forestry in India. Human Ecology. 32(3): 365 –382.

Haverhals, M., Ingram, V., Elias, M., Sijapati Basnett, B., & Petersen, S. (2016). Exploring gender and forest, tree and agroforestry value chains: Evidence and lessons from a systematic review (No. CIFOR Infobrief no. 161). Center for International Forestry Research (CIFOR), Bogor, Indonesia.

Heltberg, R. (2001). Determinants and impact of local institutions for common resource management. Environment and Development Economics. 6(2): 183 –208.

Hendrickson, C. (1996). Selling Guatemala: Maya Export Products in US Mail-order Catalogues,Cross-cultural Consumption: Global Markets, Local Realities. London and New York: Routledge.

Hobley, M., & Shah, K. (1996). What makes a local organisation robust? Evidence from India and Nepal. Natural Resource Perspectives. 11: 1 –9.

Hugar, I. I., Sathyanarayana, K., Murkute, G. V., & Pande, A. B. (2016). Progressive association of sericulturists (PAS): An experience of BAIF in silk product marketing and promotion in Maharashtra. International Education and Research Journal. 2(2): 59 –61.

Human Development Report. (2014). Sustaining human progress: Reducing vulnerabilities and building resilience. New York, USA: United Nations Development Programme.

Islam, M. A., & Quli, S. M. S. (2016). Non-Timber Forest Products (NTFPs) supporting food security In Tribal Jharkhand. Jharkhand Journal of Development and Management Studies. 14(1): 6855 –6864.

Islam, M. A., Quli, S. M. S., Rai, R., Ali, A., & Gangoo, S. A. (2015). Forest biomass flow for fuel wood, fodder and timber security among tribal communities of Jharkhand. Journal of environmental biology. 36(1): 221 –228.

Islam, M. A., Quli, S. M. S., Sofi, P. A., Bhat, G. M., & Malik, A. R. (2015). Livelihood dependency of indigenous people on forest in Jharkhand, India. Vegetos. 28(3): 106 –118.

Islam, M. A., Rai, R., & Quli, S. M. S. (2014). Manpower potential, employment status and forest based livelihood opportunities among tribal communities of Jharkhand, India. Journal of Human Ecology. 47(3): 305 –315.

Islam, M. A., Rai, R., & Quli, S. M. S. (2015). Forest Resources Use for Building Livelihood Resilience in Ethnic Communities of Jharkhand. Trends in Biosciences. 8(5): 1256 –1264.

Jana, R. B., Mohanty, B. P., & Springer, E. P. (2008). Multiscale Bayesian neural networks for soil water content estimation. Water Resources Research. 44(8): W08408, doi:10.1029/2008WR006879.

Jangdey, M. S., Gupta, A., Kaur, C. D., & Saraf, S. (2016). Assessment of utilization, value addition and characterization of tamarind: A natural gum of Chhattisgarh. International Journal of Pharmaceutical Research & Allied Sciences. 5(2): 323 –334.

Jha, J. K., & Singh, M. (2015). Human resource (HR) & social challenges faced by microfinance in India: a framework. Indian Journal of Industrial Relations, 50(3): 494 505.

Kala, C. P. (2009). Aboriginal uses and management of ethnobotanical species in deciduous forests of Chhattisgarh state in India. Journal of Ethnobiology and Ethnomedicine. 5:20. doi.org/10.1186/1746-4269-5-20.

Kamkhenthang, H., & Roy Burman, B. K. (1988). A transborber tribe of India and Burma. Delhi, India: Mittal Publications.

Kapila, P. (2015). Impact assessment of skill development programme for rural women in district Ludhiana. Journal of Krishi Vigyan. 21(35): 55 –58.

Kashyap, P., & Raut, S. (2006). The Rural Marketing Book. New Delhi: Biztantra.

Kaur, A. (2015). Ensuring Better Natural Resource Management Through Gender Mainstreaming. Journal of Krishi Vigyan. 21(35): 32 –39.

Kaushal, K. K., & Melkani, V. K. (2005). India: achieving the Millennium Development Goals through non-timber forest products. International Forestry Review. 7(2): 128 –134.

Khan, N. A., & Rashid, A. M. (2006). A study on the indigenous medicinal plants and healing practices in Chittagong Hill Tracts (Bangladesh). African Journal of Traditional, Complementary and Alternative medicine. 3(3): 37 –47.

Krishna, A. K., & Govil, P. K. (2005). Heavy metal distribution and contamination in soils of Thane–Belapur industrial development area, Mumbai, Western India. Environmental Geology. 47(8): 1054 –1061.

Kulkarni, R., Shah, A., & Boppana, R. (2008). Development and evaluation of xyloglucan matrix tablets containing naproxen. Asian Journal of Pharmaceutics. 2(2): 102 –105.

Kumar, K. C. & Sinha, B. K. (1998). Efficiency Based Decision Rules for Production Planning and Control. International Journal of Systems Science. 29(11): 1265 –1280.

Kumari, R. (2000). Women welfare programmes. Hyderabad: Publication Booklinks Corporation.

Kureel, R. S., Kishor, R., Dutt, D., & Pandey, A. (2009). Mahua: a potential tree borne oilseed. National Oil seeds and Vegetable oils development Board. Gurugaon, India: Ministry of Agriculture, Govt. of India.

Liebl, M. and Roy, T. (2003). Handmade in India: Preliminary analysis of crafts producers and crafts production. Economic and Political Weekly. 38(51/52): 5366 –5376.

Lokhande, M. A. (2013). Micro finance for women empowerment-a study of self-help groups-bank linkage programme. International Center for Business Research. 2: 159 –166. London, DFID: 53-65.

Marshall, E., Schreckenberg, K., & Newton, A. C. (2006). Commercialisation of Non-timber Forest Products: Factors Influencing Success. Lessons Learned from Mexico and Bolivia and Policy Implications for Decision-makers. Cambridge: UNEP World Conservation Monitoring Centre.

Maske, M., Mungole, A., Kamble, R., Chaturvedi, A., & Chaturvedi, A. (2011). Impact of non timber forest produces (NTFP's) on rural tribes economy in Gondia District of Maharashtra, India. Archives of Applied Science Research. 3(3): 109 –114.

Mayoux, L. (1995). Beyond naivety: women, gender inequality and participatory development. Development and Change. 26(2): 235 –258.

Meher R. (2010). How Mineral-based Industrial Development Marginalizes and Displaces People in India: Three Case Studies. Lewiston, New York: Edwin Mellen Press.

Meher, R. (2009). Globalization, displacement and the livelihood issues of tribal and agriculture dependent poor people: the case of mineral-based industries in India. Journal of Developing Societies. 25(4): 457 –480.

Mehta, A. K., & Shah, A. (2003). Chronic poverty in India: Incidence, causes and policies. World Development. 31(3): 49 –511.

Mishra, S. (2007). Household livelihood and coping mechanism during drought among oraon tribe of Sundargarh District of Orissa, India. Journal of Social Science. 15(2): 181 –186.

Mishra, Y. D., Bhardwaj N and Kashyap SK (2007). Joint Forest Management (JFM) for Sustainable Development a study of Kumaun region of Uttaranchal. International Journal of Tropical Agriculture. 25(1/2): 5 –13.

Mourlin, K. (2007). Nrega – A key to sustainable rural development an empirical evidence from Betul district. Vikas Vani Journal. 1(4): 14 –23.

Mosothwane, M. N. (2007). Skeletal characteristics and population demography as reflected by materials from Toutswe tradition sites in eastern Botswana, west of the Shashe-Limpopo basin (Doctoral dissertation, University of Pretoria).

Munang, R. T., Thiaw, I., & Rivington, M. (2011). Ecosystem management: Tomorrow's approach to enhancing food security under a changing climate. Sustainability. 3(7): 937 –954.

Muthuramu, S., Paulpandi, V. K., Sakthivel, S., Ramakrishnan, K., & Karthik, R. (2015). Empowerment of self help group members of Virudhunagar district through vocational trainings on mushroom production. Journal of Krishi Vigyan. 21(35): 23 –26.

Mwaura, P. (2008). Indigenous knowledge in disaster management in Africa. Nairobi: United Nations Environment Programme.

Nair, D. (2012). Branding Imperatives for Handicraft Products. Rixvi institute of management studies & research, Management Vision. 2(2): 35 –45.

Nakatani, A. (2001) Exoticism and Nostalgia: Consuming Southeast Asian Handicrafts in Japan'. 3rd EUROSEAS Conference, London.

Naresh, G. (2014). Indebtedness among konda reddy tribal households in Khammam district of Telangana. Journal of Indian Research. 2(4): 47 –51.

National Research Council. (1997). The new Americans: Economic, demo- graphic, and fiscal effects of immigration. Washington, DC: National Academy Press.

Nayak, B. P., Kohli, P., & Sharma, J. V. (2012). Livelihood of local communities and forest degradation in India: Issues for REDD+. Ministry of Environment and Forests Government of India New Delhi India. Web: http://envfor. nic. in/assets/redd-bk3. pdf. Accessed, 18, 2012.

Nayak, B. P.,Wrethmann, C. and Aggarwal, V. (2013). Community based resource pooling for access to o cleaner cooking fuel among urban poor. Green Growth Dev. Q. 2(1): 14 –26.

Neumann, R. P., & Hirsch, E. (2000). Commercialisation of non-timber forest products: Review and analysis of research. Bogor, Indonesia: Center for International Forestry Research, Rome: FAO.

Ningshen, P., & Boraian, M. P. (2013). Empowerment of tribal women in Ukhrul District, India – the role of IFAD supported SHGs. Journal Of Humanities And Social Science. 16(3): 37 –41.

Nithya, N. R. (2013). Land question and the tribals of Kerala. International Journal of Scientific & Technology Research. 2(2): 102 –105.

Niyaj, A. & Singh, P. (2014). Change detection analysis of forest area of Kenda village of Kota block, Bilaspur, Chhattisgarh. International Journal of Research in Advent Technology. 2(2): 348 –353.

Olorunfemi, F., Fasona, M., Oloukoi, G., Elias, P., & Adedayo, V. (2016). Traditional Knowledge in the Use and Management of Forest Ecosystem for Livelihoods and Food Security in Nigerian Savanna. Journal of Human Ecology. 53(2): 167 –175.

Pallarès-Blanch, M., Tulla, A. F., & Vera, A. (2015). Environmental capital and women's entrepreneurship: A sustainable local development approach. Carpathian Journal of Earth and Environmental Sciences. 10(3): 133 –146.

Paltasingh, T., Paliwal, G. (2014). Tribal population in India: Regional dimensions & imperatives. Journal of Regional Development and Planning. 3(2): 27—36.

Panda, S. S. (2013). SHG a change agent for rural women empowerment and entrepreneurship development in western Orissa. International Journal of Educational Research. 1(3): 2306 –7063.

Pant, R. (2015). Protecting and promoting traditional knowledge in India. London, UK: International Institute for Environment and Development.

Patel, M., & Naik, S. N. (2010). Flowers of Madhuca indica JF Gmel.: Present status and future perspectives. Indian Journal of Natural Products and Flowers. 1(4): 438-443.

Patel, P. K., Prajapati, N. K., & Dubey, B. K. (2012). Madhuca indica: a review of its medicinal property. International Journal of Pharmaceutical Sciences and Research. 3(5): 1285 –1293.

Patel, S. (2013). Empowerment of women through self help groups a comparative study of tribal and non tribal districts in Orissa. (Doctoral dissertation, University of Delhi).

Priyadarshini, P. (2015). Tribal Development: Prespective, Programmes and Critique. (Unpublished)

Ray, S., Shah, A., Chaurasia, A. R., & Banerjee, R. (2012). Poverty reduction strategy for Madhya Pradesh. Mumbai, India: Indira Gandhi Institute of Development Research.

Reddy, C. S., Jha, C. S., & Dadhwal, V. K. (2013). Assessment and monitoring of long-term forest cover changes in Odisha, India using remote sensing and GIS. Environmental monitoring and assessment. 185(5): 4399 –4415.

Robinson, J. B., & Herbert, D. (2001). Integrating climate change and sustainable development. International Journal of Global Environmental Issues. 1(2): 130 –149.

Ruiz-Pérez, M., B. Belcher, R., Achdiawan, M., Alexiades, C., Aubertin, J., Caballero, B., Campbell, C., Clement, T., Cunningham, A., Fantini, H., de Foresta, C., García Fernández, K. H., Gautam, P., Hersch Martínez, W., de Jong, K., Kusters, M. G., Kutty, C., López, M., Fu, M. A., Martínez Alfaro, T. R., Nair, O., Ndoye, R., Ocampo, N., Rai, M., Ricker, K., Schreckenberg, S., Shackleton, P., Shanley, T., Sunderland, & Y. Youn. 2004. Markets drive the specialization strategies of forest peoples. Ecology and Society. 9(2): 1 –9.

Sahu, P. & Tiwari, J. (2015). Socio-economic-cultural aspects of tribal housing in Chhattisgarh. Journal of International Academic Research for Multidisciplinary. 3(1): 422 –435.

Salim, I. M., & Sulaiman, M. (2011). Organizational learning, innovation and performance: A study of Malaysian small and medium sized enterprises. International Journal of Business and Management. 6(12): 118 –125.

Sebastian, F. T. M. (2013). The use of mahua oil in achieving a sustainable business model in rural entrepreneurship. AU-GSB e-JOURNAL, 6(1).

Seshagiri, M., Gaikwad, R. D., Paramjyothi, S., Jyothi, K. S., & Ramchandra, S. (2007). Antiinflammatory, anti-ulcer and hypoglycemic activities of ethanolic and crude alkaloid extract of Madhuca indica (Koenig) Gmelin seed cake. Oriental Pharmacy and Experimental Medicine. 7(2): 141 –149.

Shah, A. (2010). In the shadows of the state: Indigenous politics, environmentalism, and insurgency in Jharkhand, India. Jharkhand, India: Duke University Press.

Shah, A., & Sah, D. C. (2004). Poverty among tribals in South West Madhya Pradesh: has anything changed over time?. Journal of Human Development. 5(2): 249 –263.

Shankar, M. K. B. (2015). Sustainment of traditional practices towards sustainable agricultural growth and allied practices by women: An observational study of Itda Parvathipuram region. International Journal of Humanities & Social Science Studies. 2(1): 233 –238.

Sharma, R. C. (2005). Proceedings of the workshop on Forest for Poverty Reduction: Changing role for research, development and training institution. Food and Agriculture Organization of the United Nations Regional Office For Asia And The Pacific Bangkok. 190-120. http://www.fao.org/docrep/008/af349e/af349e00.html.

Sharma, S. (2013). Baid, Hakim & Doctors The Medicine Heritage of India:1. Mumbai, India: Leadstart Publishing Private Limited.

Sharma, S., Sharma, M. C., & Kohli, D. V. (2010). Wound healing activity and formulation of ether-benzene-95% ethanol extract of herbal drug Madhuca longifolia leaves in albino rats. Journal of Optoelectronics and Biomedical Materials. 1(1): 13 –15.

Shit, P. K., & Pati, C. K. (2012). Non-timber forest products for livelihood security of tribal communities: A case study in Paschim Medinipur district, West Bengal. Journal of Human Ecology. 40(2): 149 –156.

Shit, P. K., Pati, C. K., & Jana, S. K. (2010). Assessment of plant potential with relation to soil properties in different forest zones of Midnapur and Jhargram sub-divisions, West Bengal. Indian Journal of Geography and Environment. 11(1): 64-71.

Shukla, N., & Pandey, S. (2015). Performance measurement of marketing of forest produce In Chhattisgarh state. International Research Journal of Engineering and Technology. 2(8): 1659 –1664.

Shiva, V. (1988). Staying alive: women, ecology and development (p. 224). London: Zed Books.

Sikarwar, R. L. S. (2001). Ethnobotany of Madhya Pradesh. Appl Bot Abst. 21(2): 133 –147.
Singh, A. K., & Rajyalakshmi, C. (1993). Status of tribal women in India. Social Change. 23(4): 3 –18.

Singh, P. K., & Quli, S. S. (2011). Economic Valuation of Non Timber Forest Products Contribution in Tribal Livelihood in West Singhbhum District of Jharkhand. Indian Forester. 137(11): 1258 –1264.

Singh, S. P., & Sharma, S. C. (2015). A survey on cluster based routing protocols in wireless sensor networks. Procedia computer science. 45: 687 –695.

Sinha, M. K., Kanungo, V. K., & Naik, M. L. (2016). Ethnobotany in relation to livelihood security in district Bastar of Chhattisgarh state with special reference to non-timber forest produces. Current Botany. 7: 27 –33.

Spivak, G. C. (1987). Can the subaltern speak? In P. Williams & L. Chrisman (Eds.), Colonial discourse and post-colonial theory. London: Prentice Hall. 66–111.

State of Environment Report India 2009, Ministry of Environment and Forests, Government of India.

Stephen, L. (1993). Weaving in the Fast Lane: Class, Ethnicity and Gender in Zapotec Craft Commercialization, Crafts in the World Market. The impact of global exchange on Middle American artisans. Albany: SUNY Press.

Sunderlin, W. D., Angelsen, A., Belcher, B., Burgers, P., Nasi, R., Santoso, L., & Wunder, S. (2005). Livelihoods, forests, and conservation in developing countries: An overview. World Development. 33(9): 1383 –1402.

Sunderlin, W.D., Angelsen, A., Wunder, S. 2003. Forests and poverty alleviation. In: State of the World's Forests. Rome, United Nations: Food and Agriculture Organization.

Sunita, M., & Sarojini, P. (2013). Madhuca lonigfolia (Sapotaceae): A review of its traditional uses and nutritional properties. International Journal of Humanities and Social Science Invention. 2(5): 30 –36.

Taori, K., & Singh, S. (1995). Rural industrialisation: a plan for the future. New Delhi, India: Vikas Publishing House.

Tewari, D. D., & Campbell, J. Y. (1995). Developing and sustaining non-timber forest products: some policy issues and concerns with special reference to India. Journal of Sustainable Forestry. 3(1): 53 – 79.

Tiwari, G. (2013). Joint forest management for decline off villagers migration problem: A case study of three villages of central India. International Journal of Science and Research. 2(12): 19 –22.

Thampi, K. B. (2012). Assessment of the contribution of forestry to poverty alleviation in India. Making forestry work for the people: Assessment of the contribution of forestry to poverty alleviation in Asia and the Pacific, Bangkok: FAO, 99-139.

Turton, C. (2000). The sustainable livelihoods approach and programme development in Cambodia. London: Overseas Development Institute.

UNEP (2011). UNEP Bridging the Gap Report. Nairobi, Kenya: United Nations Environment Programme.

Utz, A., & Dahlman, C. (2007). Promoting inclusive innovation. Unleashing India's Innovation, 105.

Varte I.Z. (2012). Role of indigenous traditional knowledge in sustainable resource management (with special reference to North East India). Regional seminar on Environmental Issues in North East India, Churachandpur, Manipur. 12 –13.

Verma, M. (2015). Changing status of tribal women in Bastar district of Chhattisgarh. International Journal of Development Research. 5(3): 3868 –3872.

Verma, S. K., & Paul, S. K. (2016). Sustaining the non-timber forest products (NTFPs) based rural livelihood of tribal's in Jharkhand: issues and challenges. Jharkhand Journal of Development and Management Studies XISS, Ranchi. 14(1): 6865 –6883.

WCED, 1987. Our common future. Report of the World Commission on Environment and Development. London, UK: Oxford University Press.

Wickens, C. D. (1991). Processing resources and attention. Multiple-task performance. 3-34. DOI: 10.1371/journal.pone.0035946

Williams, G., Thampi, B. V., Narayana, D., Nandigama, S., & Bhattacharyya, D. (2012). The politics of defining and alleviating poverty: State strategies and their impacts in rural Kerala. Geoforum, 43(5), 991 –1001.

Zoa, M. (2009). Community forests: Reconciling customary and legal concepts. In Search of Common Ground, 117.

JAIME FLOREZ BOLANOS[1]

TAXES EFFECTS ON THE COLOMBIAN ECONOMY: AN APPROACH INPUT-OUTPUT MODEL

Abstract

The purpose of this study is to estimate the propagation effects of direct and indirect taxes at the Colombian economic sectors. Measurement methodologies are: (1) the Input-Output Matrix (IOM - symmetric, product by product, basic prices) to evaluate the indirect taxes of production and its direct and indirect effects by running the Leontief inverse matrix, (2) the Social-Accounting Matrix to compute the (direct, intragroup, cross and circular) effects of direct taxes; and (3), the Dynamic Panel Data Model to calculate the production tax elasticities. The first conclusion indicates a highest average effect of tax propagation on the below 3 sectors: production of meat and fish (2.42), animal and vegetable oils and fats (2.10) and preparation of dairy products (2.04); of which, the second result evidence an average elasticity of 2,34%.

Keywords: Direct and Indirect taxes, propagation, Input-Output model, Social Accounting Matrix, Dynamic Panel Data Model.

JEL Codes: C33, C67, D57, E16, H22

1. Introduction

Taxes can be defined as a government's right to charge their citizens for certain benefits they receive from it. In essence, it is the income that governments obtain to carry out their expenses (operation, investment, and debt service).

The role of an optimal tax structure is to generate economic development. This can be contradictory in Latin American countries (LATAM) due to the high corruption rates that exist in the political spheres. This ends up moving people (businessmen and/or consumers) across higher taxes or setting temporary taxes as permanent ones.

Taxes can be direct or indirect. The first one tax the income while the second one tax the income in an indirect way, for example, the Value Add Tax (VAT). At economic literature, taxes have a clear and well-defined purpose: financing the levels of public spending. Nevertheless, states still seeking financial loans due to the lack of payment from taxpayers. A poorly defined tax structure, regressive by configuration, allows the effect of taxes to fall on agents who are not supposed to be taxed. This situation is defined as the spread of tax effects; influenced not only by the concurrent institutional design but also by the intersectoral relations of the economy.

In light of this, the objective of this document is to illustrate the effects of the spread of direct and indirect taxes, and it this present within the next six units: introduction, literature revision, theoretical framework, methodology, main results, and conclusions.

2. Effects of taxes in Colombia: A Literature review

Two of the key areas where policymakers work includes: 1. Face social challenges through efficient expense management. 2. Address resource acquisition by building out an optimal tax policy. Here the taxation concept becomes important by referring to how taxes should be structured to empower the highly demanded growth and economic development.

The making process of an optimal tax policy involves considering two crucial factors. First, the high impact delivered by sectoral effects (led in some cases by companies) and, second, the acknowledge of the asymmetric structure the effects have.

Thus, the literature on tax matters from a general equilibrium perspective has been widely explored Albanesi (2006), Albanesi & Sleet (2006), Atkinson & Stiglitz (1976), Feldstein (1995) and Gruber & Saenz (2002). However, within the framework of sector tax multipliers, there has been poorly studied and even less so at the Colombian case.

In this sense, Colombian literature is responsible for recognizing director, indirect and induced multipliers (authors.) Likewise, the potential of IPM is illustrated as a simulation tool not only at the national level (Moncalenano, 2015), Hernandez (2012) but at the regional level Bonet (2000), Banguero, etc. to the. (2006), Flórez (2012), Morrisey (2014). The contribution of the work is in the fiscal line to provide better elements of tax policy planning.

3. Theoretical framework: input-output model and tax multipliers[2]

The product-input tables can be defined as an integrated set of matrices. It illustrates the supply-demand balance, the use of goods and services (products) and the production process.

Table 1. Overview Input-Output Model

Total Supply Matrix	Intermediate Demand Matrix	Final Demand Matrix
	Add Value Matrix	

Source: Schuschny (2005, pág. 8).

The **total supply matrix** show the availability of goods and services (either national or imported) that will satisface the intermediate and final demand. The intermediate demand matrix records the goods and service flows at different activities and exhibit the intermediate uses of goods and services in the production system. The **final demand matrix** records the transactions of the final product-uses. It presents the total amount of the product consumption which could be explained by divers parties or variables, such as households and public sector, or inventories and exports. Finally, the **value-add**

---

[2] The present section is based in Flórez (2012), Authorization Author.

matrix describes the forms of payment to the primary inputs for their contribution to the transformation process; the contribution of each economic activity to the added value is displayed by columns as below.

A three-sector model:

$$a_{11}X_1 + a_{22}X_2 + a_{13}X_3 + Y_1 = X_1$$
$$a_{21}X_2 + a_{22}X_2 + a_{23}X_3 + Y_2 = X_2 \qquad (1)$$
$$a_{31}X_1 + a_{22}X_2 + a_{33}X_3 + Y_3 = X_3$$

'Y' been cleared:

$$(1 - a_{11})X_1 + a_{12}X_2 + a_{13}X_3 = Y_1$$
$$-a_{21}X_1 + (1 + a_{22})X_2 + a_{23}X_3 = Y_2 \qquad (2)$$
$$-a_{31}X_1 + a_{32}X_2 + (1 - a_{33})X_3 = Y_3$$

The (1) and (2) systems in a matrix-form:

$$AX + Y = X \qquad (3)$$
$$(I-A) = Y \qquad (4)$$

Where:

$$A = \begin{bmatrix} a_{11} & a_{12} & \cdots & a_{1n} \\ a_{21} & a_{22} & \cdots & a_{2n} \\ \vdots & \vdots & \vdots & \vdots \\ a_{n1} & a_{n2} & \cdots & a_{nn} \end{bmatrix}$$ dimension matrix (nxn) of technical coefficients,

$$X = \begin{bmatrix} X_1 \\ X_2 \\ \vdots \\ X_n \end{bmatrix}$$ it is a row vector (n x 1) of gross production value,

$$Y = \begin{bmatrix} Y_1 \\ Y_2 \\ \vdots \\ Y_n \end{bmatrix}$$ it is a row vector (n x 1) of final demand,

$$I = \begin{bmatrix} 1 & 0 & \cdots & 0 \\ 0 & 1 & \cdots & 0 \\ \vdots & \vdots & \vdots & \vdots \\ 0 & 0 & \cdots & 1 \end{bmatrix}$$ it is identity matrix de orden $(n \ x \ n)$,

$$(I - A) = \begin{bmatrix} (1 - a_{11}) & -a_{12} & \cdots & -a_{1n} \\ -a_{21} & (1 - a_{22}) & \cdots & -a_{2n} \\ \cdots & \cdots & \cdots & \cdots \\ -a_{n1} & -a_{n2} & \cdots & (1 - a_{nn}) \end{bmatrix}$$ It is Leontief matrix

The sum of each row *i* of the **leontief matrix** [- a_{i1}- a_{i2} + (1- a_{ii}) +…- a_{in}], indicates how many cents of the product-cost are left to satisface the final demand after having met the intermediate demands from all sectors. The sum of each column *j* of the leontief matrix indicates how many cents of each peso ($) from the product cost are not attributable to the inputs purchased.

In some cases it is convenient to normalize the columns of the leontief matrix so that the main diagonal elements contain only (1). For this, each column must be divided by element (1 - aij). This type of vectors is used in the analysis of activities that we will study later.

The Equation 4 can be solved using matrix algebra or any other method of solving simultaneous equations. The system is pre-multiplied by the inverse of leontief; for this it must be guaranteed that **(I-A)** is regular, that is to say of rank **n**, as always is the case:

$$(I - A)^{-1}Y = X \qquad (5)$$

Equation (5) is called the general solution of input-output model and allows to calculate the production levels of all sectors of the economy, which are compatible with the levels of final demand data.

Once the basic analytical structure is set, the tax coefficients are obtained as below:

$$t = \frac{TAX_i}{X_j} Para\ i,j = 1,2,3,4\dots61 \qquad (6)$$

Following the logic mentioned above, the matrix of total tax effects will be given by:

$$T = diag(t)(I - A)^{-1} \qquad (7)$$

Where diag(**t**) is a matrix (n x m) with a principal diagonal of tax coefficients.

4. Methodology

The main goal of this paper is to estimate the propagation effects of direct and indirect taxes at the Colombian economic sectors. For this purpose, 3 measurement methodologies widely recognized in the economy were used: Input-Output Matrix (IOM - 61 sectors, symmetric, product to product, basic prices), the Social Accounting Matrix and a dynamic data panel model.

The IOM was used to obtain some key outputs: the indirect taxes at the Colombian economy display in 61 industries. The Ghosh Inverse Matrix was calculated by using the technical-coefficients matrix, aiming to get the direct and indirect effects of the offer. Indirect taxes were obtained from the row vector of the value-added matrix.

As IOM allows indirect taxes to be obtained, SAM was used to reach direct taxes on companies and individuals; the direct and indirect effects were obtained using the Ghoshian Inverse and the next effects were calculated: direct, intragroup, cross and circular - effects decomposition.

Finally and considering the methodological limitations, a dynamic perspective provides a better approach to study the propagation effects of taxes at divers sectors, so then the present analysis uses the databases from the 'Superintendence of Society' (national institution in charge of compile the data incoming directly from companies). To estimate the elasticities of taxes-production; the dependent variables were the operational income and the paid-taxes in the financial statements; these were grouped according to their ISIC. In order to configure the vector of direct taxes on companies, the national accounts code was used.

Before start to the dynamic specification, it is important to highlight some previous steps; these essentially consisted of the identification of the stationarity of the series that make up the model. This helps to know what type of process each variable follows considering that they are part of a data panel.

It is begin with the Breitung (2000), Choi (2001) (Fisher tipo PP), Im et al. (2003), Levin et al. (2002), Maddala y Wu[3] (1999) (Fisher tipo ADF) (Breitung (2000), Choi (2001) (Fisher tipo PP), Im et al. (2003), Levin et al. (2002), Maddala and Wu (1999) test's. These tests can be considered as traditional or first generation tests, Ocampo (2012). Exist tests that consider structure breaks (structural break) like Hadri & Rao (2008), but for the purposes of the present paper with Fisher's tests are sufficient.

4.1. Dynamic data panel model

The current section presents few elements of the Dynamic data panel model with a lag in the dependent variable like regressor.

It starts with the following functional relation

$$\bar{\bar{y}}_{it} = \alpha_0 + \alpha_1 x_{it} + u_{it}$$
$$y_{it} - y_{it-1} = \lambda(\bar{\bar{y}}_{it} - y_{it-1}) \tag{8}$$

Where:

$\bar{\bar{y}}$ is the targeted level of y. By substitution, the $\bar{\bar{y}}_{it}$ expression within the other equations is obtained

$$y_{it} = \alpha_0\lambda + (1 - \lambda)y_{it-1} + \lambda\alpha_1 x_{it} + \lambda u_{it} \tag{9}$$

Unfortunately, trying to estimate this type of model implicates some complications, since the endogenous variable with a lag will correlate with the error term (in small samples). To overcome this, an instrumental variable technique can be used, such as the Generalized Method of Moments - GMM, where the instruments can be lagged values at the original model variables. There are two kinds of approaches to the dynamic panel models; being the most common one the Arellano-Bond's dynamic panel, where the individual or fixed effects are taken into account when differentiating data.

The second approach is the Arellano-Bovver, which differs from the first one by allowing fixed effects through orthogonal deviations. It is important to mention that although the dynamic data panel has been widely used in the recent past.

As well as ADF tests for time series, unit root tests for panels make different assumptions concerning the way in which autocorrelation is handled. Although there are several versions of each, the two main tests are the Levine Lin test for a common unit root and the Im Pesaran and Shin test for a single root process.

Considering the above, the first table illustrates the used database structure to do the model estimation.

---

[3] This test recognizes the heterogeneity unobservable that may exist in the transversal units; According to Ocampo (2012), these tests have greater degrees of freedom, compared to traditional time-series tests

Figure 1. Databases structure

Full sample: 356.992		
	Sectors (61): 100 units by sector	
	Years (20): 6100 units by year	
		122.000
		(Pool OLS): units

Source: Author.

The dependent variable and proxy of the gross product are the operational income. The reported taxes represent the main exogenous variable among others, such as the sectoral GDP performance (associated with each company and including their respective unemployment data). The studied period was 1995 - 2015, taking into account that it is a micro panel of 122,000 pooled data, which includes 61 sectors within 20 years.

The variables used in the econometric analysis are described below:

Table 2. Analysis a priori sing

| Variables	Definition	Source	A priori sign
Net Profit	Remaining profit for distribution purposes among partners / shareholders. Millions of real pesos. (GDP deflator). (In logarithms)	Superintendencia de sociedades.	Dependent variable
Paid Taxes	Paid taxes to the government. Millions of real pesos (GDP deflator) (In logarithms)	Superintendencia de sociedades.	(-): The hypothetical relationship is less taxes, the greater the benefits obtained, resulting in higher sales levels and higher operating income.
Employment	Company sector labor rate (Built using the services survey as input)	Departamento Administrativo Nacional de Estadística (DANE)	(+): Causality is one way, implicating higher levels of employment that explain higher levels of demand and production, which leads to income increase.
Fixed Assets	Assets that couldn't become liquid in a period of less than one year. Millions of real pesos (GDP deflator) (In logarithms) - Valuation and inflation discount was made	Superintendencia de sociedades	(+): Fixed assets that can be considered as investment leverage production processes, which leads to higher levels of income.
Sectoral real GDP	Real Gross Domestic Product by economic subsectors (including branches of economic activities) Millions of real pesos (In logarithms).	Departamento Administrativo Nacional de Estadística (DANE)	(+): If the corresponding economic sector has good performance, this implies higher levels of operating income

Source: Author.

5. Analysis of results

Four kinds of indirect taxes were analyzed in this paper. Net taxes production, Tax except VAT, VAT non-deductible, tax on imports and product subsidies.

The results obtained showed that the propagation effects of indirect taxes are concentrated on 28% of the branches which are clearly shown in Figure 2.

Figure 2. Direct and Indirect effects of the net taxes of production

Source: Calculated by the author with information IOM.SAM of the DANE.
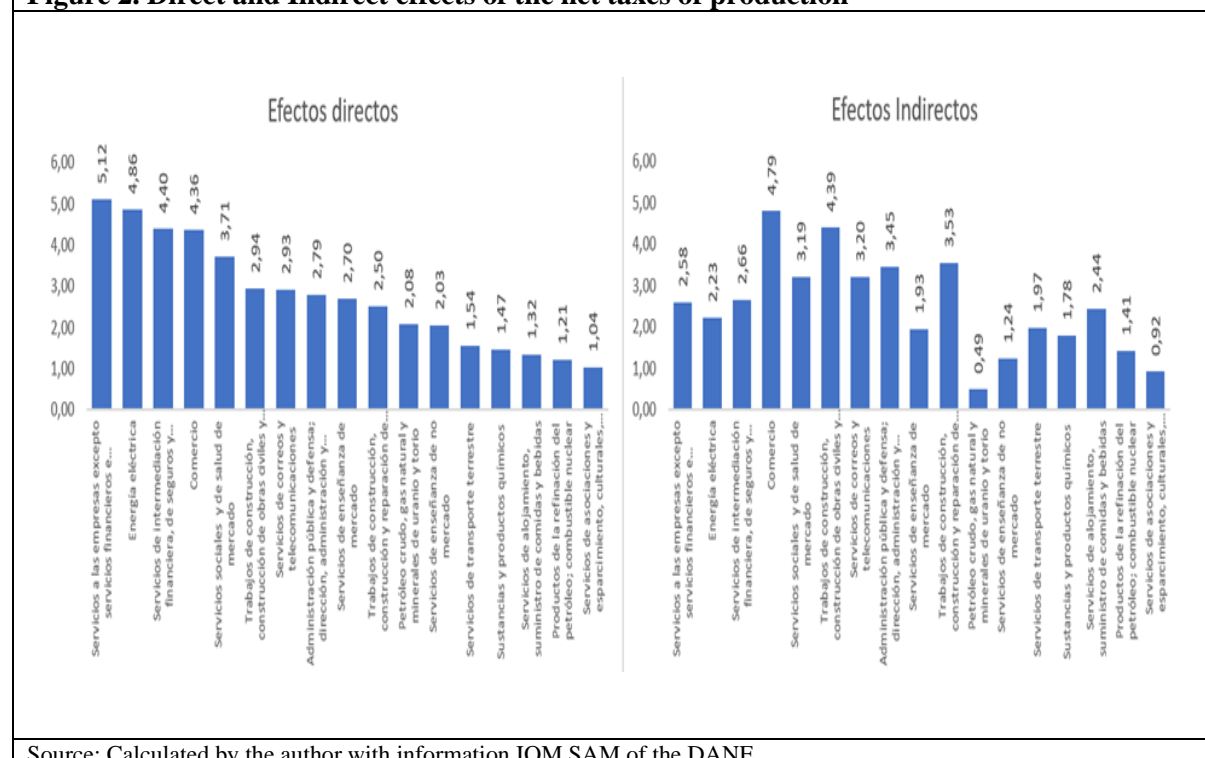
Services from B to B (excluding real estate and financial goods) are at the top of the 10 main industries that lead the effects of direct propagation between sectors, followed by services such as electricity supply, financial intermediation, insurance and related services, commerce, social and health, market services, civil works and equipment rental services with operator, postal and telecommunication services, market teaching services, construction work and buildings repair. For indirect effects, there are crocheted and crocheted fabrics, clothing, non-metallic mineral products, water, complementary and auxiliary services for transport, coal, automotive repair services, personal and household items, rubber and plastic products, basic metallurgical products (except machinery and equipment), grinding products, starches and dairy products.

The data analysis of taxes (except VAT) shows a remarkable correlation with the sectors ranking; indeed, the configuration changes in favor of sectors such as Land transport services, Commerce, Accommodation services, food and beverage supply; while the next services still being within the ranking: financial intermediation, insurance and related services, management, administration and control of the social security system, crude oil, natural gas and uranium and thorium minerals, B to B services (except financial and real estate), electric power supply, air transport, and postal and telecommunications services. It stands out that they maintain the first 5 sectors under indirect effects.

In fact, the VAT tax has a significantly greater scope among sectors. The spread is higher due its effects ranking position. The first main positions have an average effect of 4.32 and the sectors that are under that category include land transport services, construction, construction and building repair and equipment rental with operator, construction and civil work, accommodation, food and drinks supply and commerce.

Sectors such as chemicals products, postal and telecommunications, milling and starch products, financial intermediation, insurance and related services also have a significant propagation effect average of 2.22.

For import taxes and subsidies, common sectors are identified for direct effects in the "top" 10, these are Commerce, Postal and telecommunications, Social and market health, accommodation, food and beverage supply, Chemical substances and products, Complementary and auxiliary services to transport, Financial intermediation, insurance and related services, Non-metallic mineral products, Business services except financial and real estate services, Paper, cardboard products, automotive repair, personal and household items, basic metallurgical products (except machinery and equipment), milling products, starches products, rubber and plastic products, association and recreation, cultural, sports and other market services, metal ores, knitted and crocheted fabrics, clothing, meat and fish. The relationship of indirect effects on the sectors for these last two tax groups remains the same in relation to direct effects.

For the dynamic panel model, in principle, we will identify panel type that will become dynamic, this will be distinguished between pool, random and fixed effects. The frequency of fixed effects was reached[4].

Table 3 illustrate the evaluation results. It is crucial to highlight there was addressed the a priori signs and the individual significance of the estimated parameters. First-order autocorrelation problems were corrected and no second-order autocorrelation problems were evidenced.

[4] Unreported results.

Table 3. Dynamic data panel estimation (Fixed Effects)

Variables	Arellano-Bond (GMM)	
	β_j	p-value
Intercept	1.544	0.000
L1.tax_rent	- 0.0233	0.000
L1.Ing_opr_lag	0.8571***	0.000
Employ	0.0013***	0.000
L1.fbkf	0.0010*	0.074
L1.pib	0.0025***	0.000
Tax_rent*employ	0.0011	0.146
Sample	115.900	
Groups	61 (100) x 20	
Instruments	4	
AR(1) no autocorrelation (p-value)	0.1478	
Hansen Test (p-value)	0.7487	
Test of diagnostic		
Sargan Test of Overidentifying restrictions:	p-value > χ^2 = 0.15	
Arellano-Bond test of 1st order autocorrelation:	p-value > χ^2 = 0.38	
Arellano-Bond test of 2nd order autocorrelation:	p-value > χ^2 = 0.27	

Source: Author.
Note: Significance Level at 10%(*), 5%(**) y 1%(***).

Two key facts were added to the corroboration previous studies: First, there is a negative relationship between taxes paid and operational income; this makes sense from the economic logic by considering that if the government decides to increase the taxes charged to the companies, this translates into a form of additional income for the government. This is compatible with the multiplier analysis in terms of the estimated magnitude. It is the tax elasticity where production is negative as predicted by literature and empirical studies.

The second fact is related to the interaction effect, within the model between employment and taxes. Indeep, it was expected to be significant and negative. Though, the results indicated on a preliminary basis a no-correlation between taxes and employment rates. It is an interesting result as the economic literature indicates that payroll taxes must be lowered if it is needed to incentives employment. This requires a rigorous analysis focused only on this matter while contrasting results with different

methodological approach. Nevertheless, the current result is significant in contrast to the actual discussion and analyst of this topic at a national level.

6. Conclusions

The services sectors have a greater tax propagation in terms of net production taxes and taxes except VAT. At the import tax level, the correlation is linked to service sectors. That underline the correspondence of imported intermediate inputs with the high import dependence present in the '90s in Colombia.

For the 4 types of taxes studied, it is emphasized that indirect effects have a greater scope in the number of sectors. This is logical from the point of view of the chains that handles the used modeling structure.

At the estimation process of the fixed effects were found in the underlying relationships of the sectors. The tax effects on operational revenues are pointed up as a proxy for production. It also places emphasis on the simultaneous effect between taxes and employment as being not statistically significant.

The intersectoral relations demonstrate in a better way how does the tax propagation effects take place, due the demand for intermediate goods that exists in the productive apparatus.

References

Arellano, M., Bond, S. 1991. Some Tests of Specification for Panel Data: Monte Carlo Evidence and an Application to Employment Equations. TheReview of Economic Studies, Vol. 58, No. 2:277–297.

Albanesi, Stefania (2006). "Optimal Taxation of Entrepreneurial Capital with Private Information," NBER Working Paper 12419, March.

_____ and Christopher Sleet., (2006). "Dynamic Optimal Taxation with Private Information," Review of Economic Studies 73, pp. 1-30

Agevoort, R., Solís, D., Kirksey, R., & Diemer, J. A. (2008). Economic impact of milk production in the state of New Mexico. Journal of Dairy Science, 91(5), 2144-2150. doi:10.3168/jds.2007-0791

Atkinson, Anthony and Joseph E. Stiglitz, (1976)."The Design of Tax Structure: Direct Versus Indirect Taxation," Journal of Public Economics 6, pp. 55-75.

Banguero, H., Duque, H., Garizado, P., & Parra, D. (2006). Estimación de la matriz insumo-producto simétrica para el Valle del Cauca: año 1994. Cali: Universidad Autónoma de Occidente

Bonet, J. A. (2000). La matriz insumo-producto del Caribe colombiano (Documento de Economía Regional, 15). Banco de la República de Colombia.

De Sousa, E. P., Soares, N. S., da Silva, M. L., & Valverde, S. R. (2010). Performance of the forest section for brazilian economy: An approach of the input-output matrix. [Desempenho do setor florestal para a economia Brasileira: Uma abordagem da matriz insumo-produto] Revista Arvore, 34(6), 1129-1138. doi:10.1590/S0100-67622010000600019.

Deka, D., Lahr, M., Marchwinski, T., & De La Calle, M. (2015). Economic impacts of rail transit on recreational shore communities case of the north jersey coast line doi:10.3141/2531-01 Retrieved from www.scopus.com

Dias Karunaratne, N. (1984). Planning for the australian information economy. Information Economics and Policy, 1(4), 345-367. doi:10.1016/0167-6245(84)90011-8.

Doeksen, G. A., Johnson, T., Biard-Holmes, D., & Schott, V. (1998). A healthy health sector is crucial for community economic development. Journal of Rural Health, 14(1), 66-72. doi:10.1111/j.1748-0361.1998.tb00864.x.

Dudensing, R., Richardson, J., & Lu, R. (2013). Development and validation of a stochastic disaster impact model. Paper presented at WIT Transactions on the Built Environment, 133 335-346. doi:10.2495/DMAN130301 Retrieved from www.scopus.com.

Feldstein, Martin (1995). "The Effect of Marginal Tax Rates on Taxable Income: A Panel Study of the 1986 Tax Reform Act," Journal of Political Economy, 103(3).

Flórez, J. B. (2012). Análisis de Impacto de la Agenda de Competitividad sobre el PIB y el Empleo: una mirada desde la matriz insumo producto, Pontificia Universidad Javeriana - Cali, Revista de Economía, Gestión y Desarrollo, (2012), pp. 39-70.

Fjærtoft, D. B. (2015). Modeling russian regional economic ripple effects of the oil and gas industry: a Case study of the republic of komi. Regional Research of Russia, 5(2), 109-121. doi:10.1134/S2079970515020033.

Frezza, E. E., Wachtel, M. S., & Ewing, B. T. (2006). The impact of morbid obesity on the state economy: An initial evaluation. Surgery for Obesity and Related Diseases, 2(5), 504-508. doi:10.1016/j.soard.2006.08.003.

Gruber, Jon and Emmanuel Saez (2002). "The Elasticity of Taxable Income: Evidence and Implications," Journal of Public Economics 84, pp. 1-32.

Hernández, G. (2012). Matrices insumo-producto y análisis de multiplicadores: una aplicación para Colombia. Revista de Economía Institucional, 14(26), 203-221.

Hsiao: C., Analysis of Panel Data, Cambridge University Press, Cambridge, 1993, pp. 159-164.

Hodžić, S., Keček, D., & Mikulić, D. (2018). Sectoral linkages of taxes: An input-output analysis of the croatian economy. Ekonomicky Casopis, 66(6), 598-620. Retrieved from www.scopus.com.

Kaliba, A. R., & Engle, C. R. (2004). The economic impact of the catfish, ictalurus punctatus, industry on chicot county, arkansas. Journal of Applied Aquaculture, 15(1-2), 29-60. doi:10.1300/J028v15n01_03.

Kebede, E., Ojumu, G., & Adozssi, E. (2013). Economic impact of wood pellet co-firing in south and west alabama. Energy for Sustainable Development, 17(3), 252-256. doi:10.1016/j.esd.2013.01.004.

Kim, S. S., Park, J. Y., & Lee, J. (2010). Predicted economic impact analysis of a mega-convention using multiplier effects. Journal of Convention and Event Tourism, 11(1), 42-61. doi:10.1080/15470140903574195.

Lee, C. -., & Kwon, K. -. (1995). Importance of secondary impact of foreign tourism receipts on the South Korean economy. Journal of Travel Research, 34(2), 50-54. doi:10.1177/004728759503400210.

Lee, C. -., & Kwon, K. -. (1997). The economic impact of the casino industry in South Korea. Journal of Travel Research, 36(1), 52-58. doi:10.1177/004728759703600108.

Li, J., Liu, Z., & Han, X. (2013). Impacts of forest eco-benefit tax on industry price levels in shaanxi province, china. Shengtai Xuebao/ Acta Ecologica Sinica, 33(3), 737-745. doi:10.5846/stxb201203280432.

Mcnicoll, I., & Boyle, S. (1992). Regional economic impact of a reduction of resident expenditure on cigarettes: A case study of glasgow. Applied Economics, 24(3), 291-296. doi:10.1080/00036849200000141.

Moncaleano, Lina, Maia (2015). Análisis de encadenamientos sectoriales y proyecciones de la demanda final que permitan plantear escenarios para mejorar la producción y reducir el desempleo en Colombia, Pontificia Universidad Javeriana, Proyecto de gado, obtenido de: https://repository.javeriana.edu.co/bitstream/handle/10554/18890/MoncaleanoCuellarLinaMaria2015. pdf?sequence=1.

Morrissey, K. (2014). Producing regional production multipliers for Irish marine sector policy: A location quotient approach. Ocean y Coastal Management, 91, 58-64.

Sancho, F., & Cardenete, M. A. (2014). Multisectoral tools for key sectors analysis in regional analysis. [Instrumentos multisectoriales para la detección de sectores clave en el análisis regional] Revista De Estudios Regionales, (100), 131-146. Retrieved from www.scopus.com.

Swanson, M. J., Morse, G. W., & Westeren, K. I. (1999). Regional purchase coefficients estimates from value-added tax data. Journal of Regional Analysis and Policy, 29(2), 31-50. Retrieved from www.scopus.com.

Vanblarcom, B., & Backman, K. F. (2007). A comparison of methods for assessing the short-run economic impacts of tourist spending on a county economy. Advances in modern tourism research: Economic perspectives (pp. 259-273) doi:10.1007/978-3-7908-1718-8_13 Retrieved from www.scopus.com.

Yang, Y., Zhang, B., Cheng, J., & Pu, S. (2015). Socio-economic impacts of algae-derived biodiesel industrial development in china: An input-output analysis. Algal Research, 9, 74-81. doi:10.1016/j.algal.2015.02.010.

Villa, G., & Giraldo, S. (2014). La economía de Medellín vista desde sus indicadores económicos intersectoriales (Ensayos sobre Economía Regional, 60). Banco de la República de Colombia.

DIAÑA PENA GIL[1]

HUMAN ANIMAL BOND AS AN EDUCATIONAL RESOURCE

Abstract

The proposal presents the Assisted Interventions with Animals. In the first place, one must take into account the number of years that dogs have been in contact with humans. Therefore, the relationship has been improving and adapting to modern times to reach the interactions are today. Their possibilities in working with minors, youth, adults, and the elderly are shown. In addition, the multiple benefits that are obtained in a general way when working with dogs are presented.

Keywords: Animal-Assisted Intervention, Education, Posibilities, Benefits

JEL Codes: I21, I24, I29; I31

---

[1] Complutense University of Madrid, Spain, dpena@ucm.es.

PAULO REIS MOURAO[1]

THE IMPORTANCE OF BEING LIKE A TAX HAVEN: A DISCUSSION ABOUT THE LIKELINESS OF SIXTY-EIGHT COUNTRIES BY EXPLORING MIMIC MODELS

Abstract

We discuss tax havens' dimensions by using the MIMIC (Multiple Indicators Multiple Causes) framework. We got robust results identifying the tax burden and each country's area as causes for a country adopting policies usually observed in tax havens. The share of contributions to social security or the ratio of indirect to direct taxes were found as statistically significant indicators. We studied sixty-eight countries for more than twenty years enabling us to contribute for a deepening of the current debate about tax havens and their socio-economic profiles.

[1] Universidade do Minho, Portugal, paulom@eeg.uminho.pt.

MARIA DEL P. PABLO ROMERO[1], SÁNCHEZ RIVAS[2] AND BEATRIZ PALACIOS[3]

TOURISM, ECONOMIC GROWTH, ENERGY AND CO2 EMISSIONS: A REVIEW

Abstract

At the end of 2018, the Bulletin of the World Meteorological Organization on Greenhouse Gases warned about a new growth of carbon dioxide (CO_2) levels. The continuous CO_2 emissions growth, mainly derived from the energy consumption increase associated with the world economic growth, seems to have no solution. This question has been awakening the interest of the scientific community for years, which tries to explain and analyze the link between CO_2 emissions, energy consumption and economic growth in almost all economic sectors. The tourism sector is one of the economic sectors that have received attention from the scientific community. In recent years, there has been an incipient interest growth in knowing the link between tourism activity economic growth, energy consumption and $C0_2$ emissions. The aim of this study is to review the related existing literature, in order to highlight what is the state of art currently. The number of studies found has been 56, mainly published since 2014. They can be classified into three types of studies; those that only investigates the causal relationships between variables (10 studies), those that only empirically determinate the long run estimates (20 studies), and those which combine both types of procedure (26). It is worth noting, that there are 18 studies which long run estimates can be considered special, as they define the emissions function in order to contrast the tourism EKC.

---

[1] Corresponding autor, University of Seville, Spain, mpablorom@us.es.
[2] University of Seville, Spain.
[3] University of Seville, Spain.

VEDRAN RECHER[1]

HISTORY MATTERS: SUBJECTIVE WELL-BEING IN FORMER YUGOSLAVIA

Abstract

This paper explores the determinants of subjective well-being in former Yugoslavia. We use Life in Transition survey micro-data to estimate the cultural gravity model for life satisfaction. We show that indeed having belonged to the Ottoman empire reduces the dissimilarities in life satisfaction between areas of Yugoslavia successor states, even when controlling for various other socio-demographic determinants.

---

[1] Institute of Economics, Zagreb, Croatia, vrecher@eizg.hr.

LENKA KŘENKOVA[1]

CHILDLESSNESS IN OLD AGE AND SOCIAL SUPPORT NETWORKS

Abstract

The main goal of this paper is to determine whether there is a significant difference between Czech elderly people with children and those without in terms of the social support networks in old age. Using SHARE data, I investigate differences in parental status and in home-based personal care or practical help, whether there is any variation in how frequently help is provided, and differences in who provides the assistance to the two groups. I also look at differences in the social networks of those with and without children. The results show that the likelihood of whether an elderly person received external personal care or practical help in the home did not vary according to parental status, although there was a significant difference in how frequently the help was provided to parents and nonparents and in the number of individuals providing that assistance. Important factors that affect the likelihood of an individual receiving assistance were respondent age, health, gender, education and marital status. Parents receive assistance more frequently than nonparents, and they also have more carers. This is mainly because parents generally received external personal care or practical help in the home from their children while for nonparents this role was fulfilled by neighbours, siblings or nieces and nephews, whose 'care accounts' tend to run empty sooner than children's ones.

[1]Charles University, Czech Republic, l.krenkova.lenka@gmail.com.

ARMAN ARMAN[1], SYED ZULFIQAR ALI SHAH[2] AND MUHAMMMAD SHOAIB ABDULLAH[3]

ARBITRAGE ASYMMETRY AND TURNOVER ANOMALY STUDENT AT INTERNATIONAL ISLAMIC UNIVERSITY ISLAMABAD

Abstract

Purchasing security is easier than selling it known as arbitrage asymmetry is related to arbitrage risk. Because arbitrage risk stops arbitrage activities from price correction due to which security becomes overpriced and investor faces trouble in selling it. Arbitrage risk is represented by idiosyncratic volatility in our study. Our research finds a negative relation among idiosyncratic volatility and returns between the most overpriced stocks. Mispricing of stocks (over or underpriced) determined by turnover because high idiosyncratic volatility and low institutional ownership make the turnover effect stronger. Our results confirm the negative relation among idiosyncratic volatility and return between overpriced stocks having low institutional ownership. Means using turnover anomaly as a mispricing proxy we found the overpriced stocks having significant negative relation among idiosyncratic volatility and return difficult for seller sort selling them known as arbitrage asymmetry.

Keywords: Arbitrage risk, arbitrage asymmetry, turnover anomaly, Idiosyncratic volatility

JEL Codes: G10, G40

---

[1] National University of Sciences and Technology Islamabad (NUST), Pakistan, arman.mba5745@iiu.edu.pk.
[2] National University of Sciences and Technology Islamabad (NUST), Pakistan.
[3] National University of Sciences and Technology Islamabad (NUST), Pakistan.

STAMATIS GARGALIANOS[1]

TEACHING DRAMA TO STUDENTS: FROM THE UNIVERSITY AUDITORIUMS TO ELEMENTARY OR PRE-SCHOOL CLASSROOMS

Abstract

In this paper we analyze the fact that professors teaching drama to students in Universities know that their courses must be oriented to two certain ages: the one of students aged 18 to 25 years old (sometimes more than that) and the other of young pupils in the elementary schools. The first level of teaching (18 to 25 years old) is offered to university students that are going to teach, some years later, in elementary schools (second level of teaching). So, university teachers must keep always in mind that the knowledge offered to their students is going to be transmitted, later on, to pupils. In consequence, they have to adapt their theories and practice to two gaps of ages. So they must never forget that during the teaching proceeding in university auditoriums all exercises of drama and theatre plays must be suitable not only for students but for pupils. We are examining here the quantity of knowledge that is transmitted from one level (university professors) to the other one (students) and, consequently to the third one (pupils). So we have: Q-Kpr > Q-Ks > Q-Kpu   where "Q" stands for the word "Quantity", the "K" stands for knowledge, the "pr" for "professor", the "s" for students, the "pu" for pupils. The equation above means that the knowledge offered by professors in universities is always bigger than the one of their students. It means also that knowledge of students is always bigger than the one of the pupils. In university auditoriums we try always to improve that situation and equalize the different levels of knowledge.

---

[1] University of Western Macedonia, Greece, stamatis_gargalianos@yahoo.gr.

KEMAL CEBECI[1]

COMMENTS ON FISCAL POLICIES AFTER EUROZONE CRISIS: THE CASE OF SPAIN

Abstract

In 2009 and the following years both 2012-2013, double dip recession in the Eurozone with the negative growth rates created a huge pressure on both fiscal and monetary policies in many European countries. Spain is one of the country that experienced the crisis most deeply in the Eurozone area. After 2015, even if the growth rates turned in positive, Spain economy still keeps its fragility with the high emenployment rate over % 20. And elasticity of fiscal policy to situmilate the economic growth stil has big question marks based on the budget constraints.

In this paper, we analyse the effects of eurozone crisis to economy of Spain. In addition, we apply the statistical overview to the basic economic indicators of Spanish economy during the second decade of 2000's after the crisis. We try to examine the fiscal policies that applied for removing the effects of crisis over Spanish economy.

---

[1] Marmara University, Turkey, kcebeci@marmara.edu.tr.

GULCIN GULMEZ[1], ASLI BUGAY SOKMEZ[2] AND ALI YILDIRIM[3]

FEELINGS OF ACCEPTANCE AND REJECTION IN STUDENTS: EFFECT ON PSYCHOLOGICAL ADAPTATION AND LEARNING

Abstract

Feelings of rejection or acceptance are two core concepts that predict students' school adaptation processes, academic achievement, and misbehaviors (McNeely & Baber, 2010; Rohner, 2010). Perceived rejection and acceptance are known to shape students' psychosocial concepts as self-respect and acceptance by their peers. Regardless of their characteristics, every child is in need primarily of their parents' but also significantly of their teachers' acceptance. Since it is harder to make a significant impact through primary caregivers especially in socially and economically disadvantaged areas, to respond to children's needs of acceptance is enhanced when done correctly by teachers as individuals who hold a degree in education and hold appropriate pedagogical knowledge background and experience. The purpose of this study is to investigate teacher behaviors that lead to students' feelings of acceptance and rejection and how they affect students' psychosocial adaptation and learning processes. Embracing a grounded theory approach, this empirical qualitative research study utilized face-to-face interviews with 19 students in two public schools in two disadvantaged regions in the capital city of an East-European country. The data were exposed to content analysis where emerging themes and codes were organized to make sense of students' perceptions related to their experiences with acceptance and rejection in school by their teachers. The results have shown that teachers had immense effect on students' feelings of acceptance and rejection and they impacted both their psychosocial adaptation processes and academic achievement. Those students who have been exposed to rejection behaviors by teachers were identified to act unwilling to attend school, and when they do, they showed limited interest in learning and lack of concentration. Therefore, their academic achievement was lower and they tended to misbehave at significantly higher rates than their frequently accepted peers. Some students even reported having nightmares over school and their teachers which affected their sleep routines. Yet, the parents and the peers of the students were also observed to reject or accept them based on their teachers' behaviors and attitudes. Moreover, since the teachers happen to be among the rare psychosocial support units in especially disadvantaged regions with deficient socio-demographical context, children's only chance to cling to academic and social life is immensely enhanced or detrimentally damaged by their behaviors. In these terms, the results and implications of this study are promising to shed light to specific teacher behaviors as acceptance and rejection that shape students' perception of themselves, their success and psychosocial adaptation.

[1] Middle East Technical University, Turkey.
[2] Middle East Technical University, Turkey, abugay00@gmail.com.
[3] Middle East Technical University, Turkey.

YASSINE EL BOUCHIKHI[1]

ENCOURAGING APPROPRIATION: IMMERSION AS A STRATEGY TO ENHANCE THE ONLINE VIDEO WATCHING EXPERIENCE APPRAISAL

Abstract

To set up successful experiences, academics and managers need to identify and promote the "positive" experiential trajectories that lead to the enjoyable experiences such as flow states, presence, or immersion, and limit "negative" processes such as hedonic adaptation (HA) (Carù & Cova, 2007; Hoffman & Novak, 2009). Hedonic adaptation is psychological mechanism that occurs following prolonged exposure to a stimulus (Alba & Williams, 2013; Bao & Lyubomirsky, 2012). This process is often inferred, or measured with physiological apparatus like galvanic skin response (GSR) (Brechman, Bellman, Robinson, Rask, & Varan, 2016) but to our knowledge there is currently no measurement scale for hedonic adaptation despite its importance, most of the papers remain conceptual only. In this article, we distinguish between two types of digital contents: (a) contents with a narrative structure (ie: presence of storytelling like films), and (b) contents with non-a narrative structure (ie: rhetorical and information based, like documentaries). The literature suggests that both these contents can be negatively affected by the hedonic adaptation (HA). In this paper, we first propose a conceptualization for this concept and demonstrate through two empirical studies the reliable psychometric properties of the new developed (HA) measurement instrument. In the second part of this paper, we demonstrate that consumers prefer longer contents with a narrative structure (ie: based on storytelling), and shorter ones when they are rhetorical because of the hedonic adaptation.

[1] ESSEC Business School & Univ. Paris-Dauphine, Psl Research University, France, yassine.elbouchikhi@gmail.com.

We are very pleased to introduce the **conference proceedings** of the *MIRDEC-13th, International Academic Conference on Social Science Discussions and Contemporary Trends in Social Science (Global Meeting of Social Science Community),* **18-20 June 2019,** Holiday Inn Piramides, Madrid, Spain.

MIRDEC thanks to all our participants for their academic and social contributions.

Mirdec-13th Madrid 2019-2 Conference Proceedings

MASTERS INTERNATIONAL
Research & Development Center

MIRDEC-2019

MADRID 2019-2

Conference Proceedings

ISBN: 978-605-81247-8-3

MADRID 2019-2