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Tax Reforms in Latin America

Youth Employment in Bangladesh

Highlights

The Challenges of the XXI Century

Budget Equalization System in Ukraine

Discovering Thoughts, Inventing Future

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Opening the Black Box of Tax Reforms in Latin America

By Aloisio Flávio Ferreira de Almeida & Nelson Leitão Paes

Instituto Brasileiro de Mercado de Capitais - IBMEC

Abstract- This article verifies how the types of tax reform are related to income and how they are distributed over time and by jurisdiction. The analysis focused on the tax reforms that took place in Latin America between 1990 and 2004. The data came from a survey carried out by the Inter-American Development Bank (IDB) in 2006. A greater reform impetus was observed in the early 1990s., accompanying the re-democratization of the countries of the region. The most reformed taxes were value added tax and income tax. The countries that reformed the most were Argentina, Colombia, Costa Rica and Guatemala, while Bolivia, Chile, Dominican Republic, Panama and Paraguay had a more conservative profile. The study contributes to the formulation of tax policy and to academic research based on legislative changes and typology of tax reforms.

Keywords: *tax, tax reform, fiscal policy, income tax, value added tax.*

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Opening the Black Box of Tax Reforms in Latin America

Abrindo a Caixa Preta das Reformas Tributárias na América Latina

Aloisio Flávio Ferreira de Almeida [α] & Nelson Leitão Paes [σ]

Resumo- Este artigo verifica como os tipos de reforma tributária se relacionam com os ingressos e como se distribuem no tempo e por jurisdição. A análise centrou-se nas reformas tributárias ocorridas na América Latina, entre 1990 e 2004. Os dados vieram de pesquisa de campo realizada pelo Banco Interamericano de Desenvolvimento (BID), em 2006. Observou-se maior ímpeto reformista no início da década de 1990, acompanhando a redemocratização dos países da região. Os tributos mais reformados foram o imposto sobre o valor adicionado e o imposto sobre a renda. Os países que mais reformaram foram Argentina, Colômbia, Costa Rica e Guatemala, enquanto Bolívia, Chile, República Dominicana, Panamá e Paraguai apresentaram perfil mais conservador. O estudo contribui para a formulação de política tributária e para a pesquisa acadêmica com suporte nas alterações legislativas e tipologia de reformas tributárias.

Palavras-chave: tributo, política fiscal, reforma tributária, impostos sobre a renda, imposto sobre o valor adicionado.

Abstract- This article verifies how the types of tax reform are related to income and how they are distributed over time and by jurisdiction. The analysis focused on the tax reforms that took place in Latin America between 1990 and 2004. The data came from a survey carried out by the Inter-American Development Bank (IDB) in 2006. A greater reform impetus was observed in the early 1990s., accompanying the re-democratization of the countries of the region. The most reformed taxes were value added tax and income tax. The countries that reformed the most were Argentina, Colombia, Costa Rica and Guatemala, while Bolivia, Chile, Dominican Republic, Panama and Paraguay had a more conservative profile. The study contributes to the formulation of tax policy and to academic research based on legislative changes and typology of tax reforms.

Keywords: tax, tax reform, fiscal policy, income tax, value added tax.

I. Introdução

Reformas tributárias podem se constituir em uma alavanca importante para o desenvolvimento de um país ou de uma região. Porém, alterar o sistema tributário pode ser tarefa complexa, dada a multiplicidade de atores e interesses envolvidos, especialmente em países democráticos. Por isso, é importante identificar as características que facilitam a aprovação e promulgação de reformas tributárias.

Esta questão é particularmente interessante para a América Latina, região que passou pela transição de regimes autoritários para a democracia e promoveu mudanças institucionais com foco na economia de mercado desde o final da década de 1980.

Baseando-se na tipologia sugerida por Almeida e Paes (2020), verificou-se como os tipos de reforma tributária se relacionam com o comportamento arrecadatório e como se distribuem por tributos, no tempo e por jurisdição. Os dados foram obtidos com o apoio do Centro Interamericano de Administrações Tributárias (CIAT), que permitiu o acesso aos questionários da pesquisa de campo realizada pelo Banco Interamericano de Desenvolvimento (BID), sintetizada no *Informe de Progreso Económico y Social en América Latina (IPES)* do ano 2006. Respondidos por funcionários especialistas em legislação tributária e pertencentes aos quadros dos ministérios de finanças latino-americanos, esses questionários registraram as alterações legislativas relevantes em matéria tributária para o período 1990 - 2004.

A análise aponta concentração de alterações na legislação dos impostos sobre o consumo e a renda. O foco arrecadatório fica evidente quando se observam muito mais alterações com intuito de expandir o orçamento público. Esse objetivo teve mais sucesso com as alterações na tributação sobre o consumo, na comparação com as da tributação da renda. Em contraste, as alterações em tributos sobre a propriedade foram residuais, confirmando a perda de relevância desses tributos no período considerado. O gradualismo obtido por séries de minirreformas superou a imposição de reformas amplas, sugerindo que em certos casos essa pode ser a melhor estratégia para reformar o sistema tributário.

Em termos jurisdicionais, o país que mais reformou foi a Argentina, com 40 eventos e o que menos reformou foi a República Dominicana, com 6 alterações. Em média, houve 15,4 reformas tributárias por país em todo o período, o que equivale a dizer que

Author α: Programa de Pós-Graduação em Administração - Instituto Brasileiro de Mercado de Capitais - IBMEC, Brasil.
e-mail: aloisio.ffa@gmail.com
Author σ: Programa de Pós-Graduação em Economia - PIMES/UFPE e Programa de Pós-Graduação em Economia da FE/UFMT, Brasil.
e-mail: nlpaes@gmail.com

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cada país promoveu, em média, cerca de uma reforma por ano.

Ao promover a contagem de alterações legislativas por tipos de reformas tributárias, o estudo promove a abertura da "caixa preta" das reformas tributárias, quase sempre tratadas na literatura sem respaldo em definição formal e sem considerar sua tipologia. Na verdade, sob a difusa expressão "reforma tributária" estão fenômenos sociais motivados por atores, objetivos e tributos diversos. A comparação por jurisdição mostra diferenças comportamentais claras, que merecem investigação sobre as respectivas variáveis de influência, deixando-se tal mister para estudos posteriores.

O texto está estruturado em cinco sessões. Segue-se a esta introdução breve revisão da literatura. Depois, trata-se de elencar as tipologias aplicáveis a reformas tributárias e informar sobre o método de construção da base de dados. A quarta seção apresenta os resultados e a discussão da caracterização das reformas tributárias promovidas na América Latina, segundo os enfoques fiscal, tributário, temporal e jurisdicional. A última seção apresenta as conclusões.

II. Breve Revisão da Literatura

Como salientam Focanti, Hallerberg e Scartascini (2013), vários estudos utilizaram dados de arrecadação de tributos como *proxy* para observação de reformas tributárias. A questão principal desses estudos é a mensuração dos impactos econômicos que tais mudanças provocariam na economia, como por exemplo, Silva et al. (2014). Por outro lado, a literatura igualmente apresenta estudos que discutem reformas tributárias do ponto de vista qualitativo, muitos apontando as deficiências dos sistemas tributários e indicando prescrições normativas. O estudo de Corbacho, Cibils e Lora (2012) é um exemplo.

Outra linha da literatura procura estudar reformas tributárias a partir de alterações legislativas. Em relação à América Latina, Mahon (2004) foi pioneiro ao estudar reformas tributárias a partir de alterações legislativas. Esse autor pode observar elementos comuns nas reformas tributárias da região, no período de 1977 a 1995, a saber: (i) redução das alíquotas estatutárias marginais máximas do imposto de renda, (ii) redução das isenções, (iii) ampliação das bases dos tributos, (iv) inserção do Imposto sobre Valor Adicionado (IVA) e aumento de suas alíquotas, (v) redução e eliminação de tarifas alfandegárias, (vi) fortalecimento das administrações tributárias e (vii) aplicação de mais severas penalidades para coibir a evasão.

Mais tarde, também com enfoque legislativo, Focanti et al. (2013) retomam o trabalho de Mahon (2004), com suporte em publicações da Pricewaterhouse Coopers e compilam uma base de dados de reformas tributárias para a América Latina, tomando o período entre 1990 e 2004. Os resultados sugerem que a inflação e as prescrições do Fundo Monetário Internacional tiveram impacto pouco relevante nas reformas tributárias da região, mas o fator político foi significativo – por exemplo, quanto maior o número de partidos no Congresso, maior a chance de reformas tributárias ocorrerem.

Este artigo prossegue na linha de pesquisa legislativa. Apesar de ter o mesmo escopo regional e temporal do estudo de Focanti et al. (2013), a base de dados é diferente. A base do IPES (BID, 2006) deve ser mais próxima da posição oficial dos governos da região, uma vez que foram os funcionários dos ministérios de finanças e das administrações tributárias de cada país que prestaram as informações. De fato, cotejando-se as duas bases de dados, verificou-se que os dados de Focanti et al. (2013) reuniram grande número de alterações tributárias de pequeno escopo, enquanto alterações consideradas de maior peso arrecadatório pelos respondentes da pesquisa IPES foram esquecidas.

Almeida e Paes (2020) retomam os trabalhos anteriores para apresentar proposta de definição e tipologia de reformas tributárias, que adotamos neste estudo. A próxima seção reproduz a tipologia por eles adotada, por ser relevante para a compreensão dos resultados deste estudo.

III. Materias e Métodos

a) *Tipologia das reformas tributárias*

De acordo com Almeida e Paes (2020), reformas tributárias[1] podem ser classificadas nos seguintes tipos:

i. *Quanto aos tributos alterados e bases de incidência*

- Reformas tributárias sobre a base renda: compreendem as alterações em um ou mais dos seguintes tributos e seus assemelhados: imposto sobre a renda da pessoa física, imposto sobre a renda da pessoa jurídica, impostos sobre ativos e sobre a renda presumida.
- Reformas tributárias sobre a base consumo: compreendem as alterações em um ou mais dos seguintes tributos e seus assemelhados: imposto geral sobre vendas, imposto sobre o valor agregado, impostos seletivos, impostos sobre transações bancárias e financeiras.

[1] Segundo Almeida e Paes (2020), "reforma tributária é toda e qualquer alteração (ou conjunto de alterações) de natureza tributária, selecionada por determinado critério de relevância, prevista em lei de determinada jurisdição, que importe mudança de base de incidência ou de alíquota de tributo, ou, ainda, a definição de novos tributos ou extinção de tributos existentes".

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- Reformas tributárias sobre a base propriedade: compreendem alterações nos tributos sobre a propriedade.
- Reformas sobre bases específicas: compreendem alterações em outras bases (por exemplo: tributos sobre folha de salários).
- Reformas de múltiplas bases: as que combinam duas ou mais das bases anteriores.

ii. *Quanto à relevância orçamentária*

- Reformas maiores: aquelas que abrangem tributos de maior relevância arrecadadora (IVA e Imposto de Renda - IR).
- Reformas menores: aquelas que abrangem tributos de menor relevância arrecadadora.

iii. *Quanto à multiplicidade e variedade das alterações*

- Reformas amplas: aquelas que abrangem mais de um tributo, incluindo as bases renda e consumo, e mais de duas alterações, uma pelo menos de caráter geral (não direcionadas).
- Reformas reduzidas ou minirreformas: as que se referem a um único tributo ou poucos tributos de menor relevância e poucas alterações.

iv. *Quanto à incidência*

- Gerais: as que incidem sobre todos os contribuintes do(s) tributo(s) envolvido(s).
- Direcionadas (*targeted*): as que incidem sobre parte dos contribuintes ou grupos, que geralmente podem abranger um setor econômico, uma classe profissional etc.

v. *Quanto ao impacto orçamentário*

- Expansivas: são as alterações que buscam aumentar as receitas.
- Contracionistas ou redutoras: aquelas que impõem redução de receitas com objetivos diversos: estimular determinada indústria, redistribuir a carga fiscal etc.
- Neutras: são as que não buscam aumentar nem reduzir receitas, mas promovem mudanças no sistema sem intenção de alterar a carga tributária. Esse tipo de reforma geralmente comporta várias alterações, algumas com efeito expansivo e outras com efeito redutor, de modo que as alterações tendem a se compensar.

O quadro 1 resume os tipos apresentados.

Quadro 1: Tipologia das reformas tributárias

Categoria		Tipos de reformas	
1.	Base de incidência	(i)	Reforma da tributação da renda
		(ii)	Reforma da tributação do consumo,
		(iii)	Reforma da tributação da propriedade
		(iv)	Reforma de base específica
2.	Relevância orçamentária	(i)	Reformas maiores
		(ii)	Reformas menores
3.	Multiplicidade das alterações	(i)	Reformas amplas
		(ii)	Reformas reduzidas
4.	Incidência	(i)	Reformas gerais
		(ii)	Reformas direcionadas
5.	Impacto orçamentário	(i)	Reformas expansivas
		(ii)	Reformas redutoras
		(iii)	Reformas neutras

b) Base de dados de reformas tributárias na América Latina

As observações foram coletadas em dezesseis países[2] da América Latina, no período entre 1990 e 2004. Esse período foi limitado[3] pela disponibilidade de dados, de acordo com as respostas aos formulários da pesquisa IPES (BID, 2006), e corresponde à consolidação democrática na região (Focanti et al., 2013). Previamente, o BID havia coletado as principais alterações tributárias ocorridas em cada país da América Latina, nos arquivos do Fundo Monetário Internacional (FMI). Depois, encaminhou esses dados para ratificação e complementação, formulando vinte e oito perguntas dirigidas a especialistas dos países da América Latina.

Ao compilar os dados, houve diferenças entre as respostas, obrigando-nos ao esforço de uniformização. Para assegurar a integridade dos dados, foram consultados textos de outros autores (Lora, 2007; Alvarez et al., 2007), bem como páginas eletrônicas de governos e do CIAT, com objetivo de avaliar se as principais alterações tributárias, em cada país,

[2] Os países da base de alterações tributárias são Argentina, Brasil, Bolívia, Chile, Colômbia, Equador, Costa Rica, República Dominicana, Guatemala, México, Nicarágua, Peru, Panamá, Paraguai, Uruguai e Venezuela.

[3] A complementação dos dados até os dias de hoje requer a distribuição de novos questionários e consulta a especialistas latino-americanos, nos moldes realizados pelo BID para o IPES 2006. Esse processo exige recursos financeiros de que não dispúnhamos.

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realmente estiveram refletidas. Em certos casos, o texto das leis respectivas for analisado para observar o real sentido das medidas.

Partindo das observações textuais nas respostas aos questionários, após separar, comparar e compilar as alterações legislativas, foi possível listar todas as reformas tributárias identificadas pelos especialistas com os seguintes elementos: descrição sucinta, ano e jurisdição. Ressalte-se que não há correspondência unívoca com as promulgações legais, pois, uma mesma lei pode produzir várias alterações tributárias. Outro ponto a realçar é que somente foram consideradas alterações dos governos centrais.[4] Certamente, nem todas as alterações do mundo real foram captadas, mas assume-se que os especialistas descreveram as alterações tributárias mais relevantes no contexto respectivo de seus países. Para dar uma ideia da organização dessa base, o quadro 2 ilustra algumas das reformas tributárias captadas na Colômbia (código COL), nos anos 2002 e 2003.

Juntamente com a base apresentada por Focanti et al. (2013)[5], a base de reformas tributárias utilizada neste artigo vem suprir a necessidade de dados para estudos sobre reformas tributárias na América Latina.[6] Seu uso permite acessar o momento em que as medidas ocorreram e conjugar essa informação com o cenário político-institucional de cada país à época das decisões governamentais.[7]

Quadro 2: Extrato da base de reformas tributárias

Ano	País	Descrição da alteração
2002	COL	Concessão de isenções do IRPJ a diversas atividades: energia eólica e de biomassa, transporte fluvial etc.
2002	COL	Limitações aos tratamentos preferenciais e à isenção de renda laboral (IRPF).
2003	COL	Diversas prescrições reguladoras da diretiva nº 863/2003.
2003	COL	Eliminação de diversas isenções de IRPF: lucros imobiliários, juros e serviços técnicos nas zonas francas, outros.
2003	COL	Eliminação da isenção de IRPJ a diversos ramos: empresas pequenas de energia, empresas comunitárias, outros.
2003	COL	Aplicação de sobretaxa de 10% no IRPF.
2003	COL	Isenção IVA para sementes de café.

Fonte: Elaboração própria.

IV. Resultados e Discussão

a) Frequência de reformas tributárias por tipos

Utilizando a base de dados construída e tendo por suporte a tipologia sugerida, realizou-se a contagem de cada tipo de reforma identificado no quadro 1, obtendo-se a tabela 1, apresentada a seguir.

[4] Exceto para o Brasil, devido à importância econômica do ICMS, de competência dos estados federados. Esse imposto incide sobre o consumo e é o que mais arrecada no Brasil.

[5] Enquanto nossa base teve por fonte as respostas da pesquisa IPES-2006 do BID, o trabalho de Focanti et al. (2013) baseou-se nas publicações da Pricewaterhouse Coopers. Ambas as bases cobrem o período de 1990 a 2004.

[6] A título de ilustração, na Europa, a base *Labref* registra as reformas legislativas nos impostos sobre a renda e nas contribuições sociais de 27 países da União Europeia.

[7] Alternativamente, poderíamos usar a arrecadação em relação ao PIB ou as alíquotas estatutárias como *proxies*, assumindo que estão fortemente correlacionadas com reformas tributárias. Esses indicadores são mais fáceis de coletar e menos sujeitos a erros de seleção, porém são mais propensos à influência de choques econômicos e não refletem o momento das alterações legislativas.

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Tabela 1: Reformas Tributárias na América Latina - 1990 a 2004

Tipo de reforma	Freq.	%
Por base de incidência	246	100,0%
Renda	124	50,4%
Consumo	111	45,1%
Propriedade	2	0,8%
Bases específicas	9	3,7%
Por relevância orçamentária	246	100,0%
Reformas maiores	175	71,1%
Reformas menores	71	28,9%
Por impacto orçamentário	246	100,0%
Expansivas	181	73,6%
Redutoras	65	26,4%
Por multiplicidade de alterações	98	100,0%
Amplas	23	23,5%
Minirreformas	75	76,5%
Por incidência	246	100,0%
Gerais	165	67,1%
Direcionadas	81	32,9%

Fonte: questionários da pesquisa IPES do BID (2006)

Expurgando da base os eventos que se caracterizaram como revogações de tributos[8], medidas administrativas e as alterações nas tarifas de comércio exterior, foram computados 246 eventos de reformas tributárias.[9] Na classificação por base de incidência, verifica-se que as modificações nas bases renda e consumo respondem por cerca de 95% das reformas. Por outro lado, menos de 1% das reformas dedicou-se à propriedade, mostrando o decréscimo de importância de tributos sobre propriedade na região, durante o período das observações. Em outro prisma, as reformas maiores (que alteraram o imposto de renda de pessoas físicas e jurídicas ou o IVA) computaram 71% das reformas contra 29% de reformas em tributos de menor importância arrecadatória.[10]

O indicador referente à expectativa de impacto orçamentário registrou 181 reformas expansivas contra 65 reformas redutoras. O enquadramento nesses tipos levou em conta apensa a descrição que os respondentes da pesquisa IPES 2006 fizeram dos textos legais. Por exemplo, a medida descrita como "aumento da alíquota de IVA de 10% para 15%", está classificada como expansiva, pela expectativa de um aumento de receitas. Os dados corroboram a afirmação de Lora (2007) de que a maior preocupação dos governos da região no período foi reformar para aumentar receitas ou pelo menos para evitar a deterioração das mesmas.

Houve 23 reformas amplas contra 75 minirreformas. Esses dados parecem indicar que é mais difícil reformar amplamente os sistemas tributários, como argumentam Dewatripont e Roland (1992, 1995). Por outro lado, também não se pode tomar o gradualismo como regra, pois os dados sobre reformas amplas confirmam a ocorrência das mesmas, não se sabendo, contudo, sob quais condições são adotadas e preferidas às reformas graduais.

Reformas direcionadas foram 27% na América Latina, em contraste com Castanheira et al. (2012), que afirmaram ser direcionadas a maioria das reformas na Europa. Esse tipo de reforma é conhecido na literatura como *targeted reforms*, i.e., reformas que foram desenhadas para beneficiar ou gravar certos grupos sociais. Supondo que o sistema tributário esteja balanceado, reformas direcionadas podem afetar negativamente a equidade do sistema e ferir o princípio da equidade horizontal, na medida em que diferenciam certos grupos ou indivíduos.

b) As reformas tributárias e o comportamento das receitas fiscais latino-americanas

Segundo Lora (2007) o principal objetivo dos governos da região ao promoverem reformas tributárias entre 1990 e 2004 foi o de aumentar ou preservar receitas. No limiar da década de 1990, a média da arrecadação de impostos na região em relação ao

[8] Em todos os casos de revogação de tributo, um novo tributo foi criado. Dessa forma, as revogações foram excluídas para evitar dupla contagem.

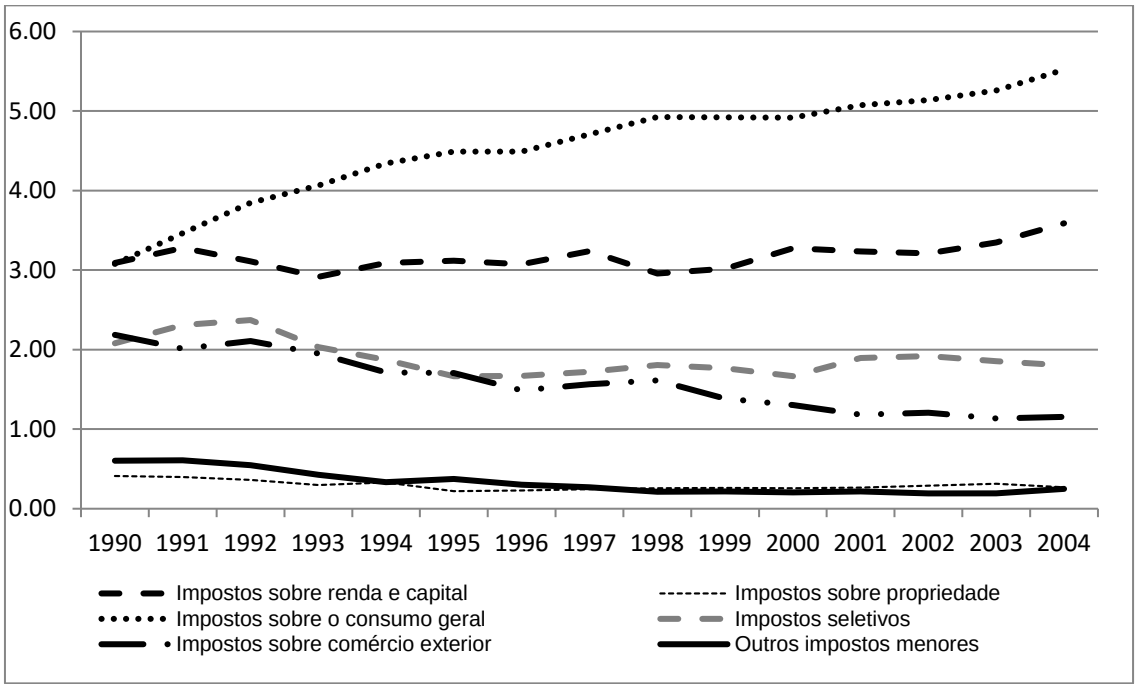
[9] Exceto na contagem por *multiplicidade de alterações*, que identificou 98 reformas. A diferença deve-se ao fato de que, nessa contagem, os eventos foram agregados por ano e por país.

[10] Para Focanti et al. (2013), que utilizaram dados da Pricewaterhouse Coopers, as reformas maiores somaram 142 contra 185 reformas menores. Comparando a base de Focanti et al. (2013) com a deste estudo, observa-se que aquela computou entre reformas menores diversos eventos que não foram considerados pelos especialistas respondentes da pesquisa IPES. Por outro lado, a base de Focanti et al. (2013) deixou de incluir reformas de maior impacto orçamentário.

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Produto Interno Bruto (PIB) era de 11,4%. O cenário econômico latino-americano durante os anos 1980 era de alta inflação e baixo crescimento. Ao final da década de 1980 e início dos anos 1990, praticamente todos os países da região empreenderam reformas estruturais com intuito de iniciar uma agenda econômica positiva, com inflação controlada e maiores taxas de crescimento. Além disso, os governos eram cobrados por mais investimentos na área social. Era evidente a necessidade de garantir receitas públicas para melhorar a governança. Todavia, os governos latino-americanos encontravam outro obstáculo: a globalização. A pressão de multinacionais estrangeiras por baixas alíquotas sobre o capital e a onda de abertura do comércio exterior, com redução das taxas alfandegárias, fizeram com que os governos empreendessem reformas tributárias para obter recursos de outras fontes (LORA, 2007). Dessa forma, mesmo com o esforço dos países da região em reformar seus sistemas impositivos, o percentual médio das receitas em relação ao PIB subiu para apenas 12,6% no ano 2004.

O gráfico 1 mostra o comportamento das receitas tributárias latino-americanas entre 1990 e 2004. Ainda que a relação entre receitas e reformas tributárias não seja direta, vale a pena buscar correlacioná-las. Observa-se que os tributos sobre o consumo geral foram os que mais cresceram, saindo de patamar próximo a 3% do PIB em 1990 e atingindo cerca de 5,5% do PIB em 2004. Da tabela 1, nota-se que a base consumo (geral e específico) respondeu por 45,1% das reformas tributárias. O IVA aumentou a capacidade de financiamento dos governos e possibilitou que esses empreendessem melhorias na área social (LORA, 2007). As alíquotas foram inicialmente propostas em 10%, subindo para 15% na maioria dos países, ao final do período.



Fonte: CIAT Data.

Gráfico 1: Evolução da arrecadação de impostos em relação ao PIB (%) na América Latina - 1990 a 2004

A arrecadação de tributos sobre a renda manteve-se estável em torno de 3% do PIB até 1999, com ligeira elevação e queda no início dos anos 90. A partir do ano 2000 começa uma tendência de alta, crescendo para cerca de 3,7% do PIB em 2004[11]. Apesar disso, ainda esteve longe da média dos países desenvolvidos para a tributação da renda, que era de cerca de 12% (LORA, 2007). A dificuldade de tributar a renda na América Latina é uma das principais críticas dos especialistas em finanças públicas (TANZI, 2007). Mesmo assim, não se pode dizer que a região permaneceu estagnada. A tabela 1 mostra que 50,4% das reformas ocorreram sobre a base renda. No imposto de renda da pessoa jurídica (IRPJ), os países latino-americanos seguiram a tendência internacional por redução das alíquotas máximas. Elas beiravam 40% no limiar dos anos 90 e decresceram para 30%, em média, após o ano 2000. Outra novidade foi a presunção da renda, caso dos impostos sobre ativos e da tributação mínima presumida, que se espalharam na região no início dos anos 90 para depois declinar. No imposto de renda da pessoa física (IRPF), a queda das

[11] De acordo com CIAT Data, a média de arrecadação dos impostos sobre a renda continuou subindo entre 2004 e 2010, chegando a cerca de 5% do PIB.

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alíquotas máximas foi ainda mais acentuada: de 50% para 30%, no mesmo período.

O efeito das reformas sobre a progressividade do imposto de renda na América Latina é incerto. Para Lora (2007), a progressividade da tributação da renda melhorou, principalmente para o IRPF. Os limites de isenção foram elevados de cerca de 60% do PIB per capita no início do período a 230% em 2001, reduzindo o universo de contribuintes de baixa renda e facilitando o controle das administrações tributárias sobre os demais. Além disso, a queda das alíquotas máximas favoreceu o ingresso de recursos. Antes, as alíquotas máximas do IRPF eram aplicadas a rendas cerca de 120 vezes o PIB per capita e, após as reformas, passaram a ser aplicadas a cerca de 20 vezes o PIB per capita em 2001. Várias isenções foram canceladas, conquanto novas concessões tenham surgido ao final do período. No entanto, para Figari e Gandullia (2007) essas alterações não melhoraram a progressividade, mantendo-se a estrutura do imposto de renda na América Latina próxima da proporcionalidade, sendo insignificante seu efeito redistributivo.

Os demais tributos apresentam tendência de queda de ingressos, principalmente as tarifas de comércio exterior, cuja participação caiu de 2% do PIB em 1990 para próxima de 1% (redução pela metade). Acompanhando a tendência global pela liberação do comércio, as tarifas de comércio exterior caíram de cerca de 49%, em média, no início do período, para 13%, em média, ao final dos anos 90 (LORA, 2007). A participação dos impostos seletivos também caiu e ficou próxima de 2% do PIB, um pouco abaixo. Alguns impostos seletivos foram extintos, restando basicamente os impostos sobre combustíveis, tabaco e bebidas alcoólicas. Segundo Lora (2007), reformas nos impostos seletivos atraem grandes resistências de grupos de interesses organizados.

Os impostos sobre a propriedade beiram a inexpressividade arrecadatória e praticamente não foram reformados. Isso pode indicar não apenas a manutenção de elites rurais na América Latina, mas talvez a preferência dos fiscos e governos pela extração de receitas por meio de tributos de custo operacional mais baixo. Afinal, tributar a propriedade adequadamente exige a atualização permanente de cadastros, bem como a capacidade de garantir a liquidez dos créditos tributários (TANZI, 2007).

Outros impostos apresentaram participação muito baixa na arrecadação, mas é justo mencionar que os governos latino-americanos fizeram esforços criativos no período (LLEDO, SCHNEIDER e MOORE, 2004). É o caso, por exemplo, da onda de reformas que introduziu os impostos sobre transações bancárias e os regimes especiais para microempresas e pequenos negócios.

Em resumo, é notória a tendência de expansão da tributação sobre a base consumo e o potencial para aumento da participação da tributação da renda na América Latina. Praticamente, essas duas bases sustentam a arrecadação dos sistemas tributários da região e são também as que mais sofreram reformas (cerca de 95% dos casos, de acordo com a tabela 1). Por outro lado, observa-se o declínio da participação dos tributos sobre propriedade, impostos seletivos e de comércio exterior.

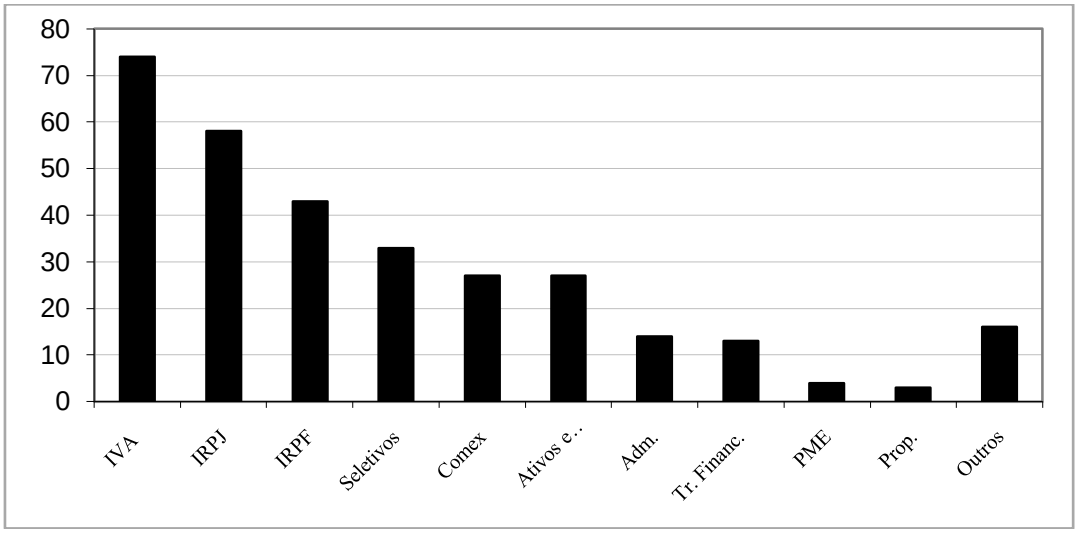
c) Distribuição das alterações tributárias por tributo

O gráfico 2 seguir apresenta a desagregação dos dados por tributos. Como esperado, o IVA[12] foi o campeão de alterações, seguido do imposto de renda da pessoa jurídica e do imposto de renda da pessoa física, confirmando que houve mais alterações nos tributos de maior arrecadação e de maior importância econômica. Em patamar mais baixo, aparecem os impostos seletivos (Seletivos), seguidos dos impostos sobre o comércio exterior (Comex) e dos impostos sobre ativos e aqueles baseados na renda presumida (Ativos e pres.), cada qual em patamar próximo de 30 alterações no período. Com menor frequência, perto de 10 alterações ou menos, estão os impostos sobre transações financeiras (Tr. Financ.), impostos sobre a propriedade (Prop.) e regimes simplificados voltados para pequenas e médias empresas (PME). Finalmente, aparecem alterações de caráter administrativo (Adm.), sendo que a rubrica "outras" inclui alterações importantes nos códigos tributário e aduaneiro[13].

[12] O IVA está presente em todos os países da América Latina (TANZI, 2007), ainda que com diferentes denominações: Panamá e El Salvador adotam o imposto sobre transferência de bens móveis e prestação de serviços – ITBMS e ITBMPS, respectivamente. República Dominicana adota o imposto sobre transferência de bens industrializados e serviços – ITBIS. Peru e Costa Rica adotam o imposto geral sobre vendas – IGV.

[13] Para exemplificar, a Bolívia institucionaliza a administração tributária com a lei nº 2166/2000 e publica um novo código tributário em 2003 (lei nº 2.492/2003). Contamos a primeira na rubrica "Adm." e a segunda medida em "Outras".

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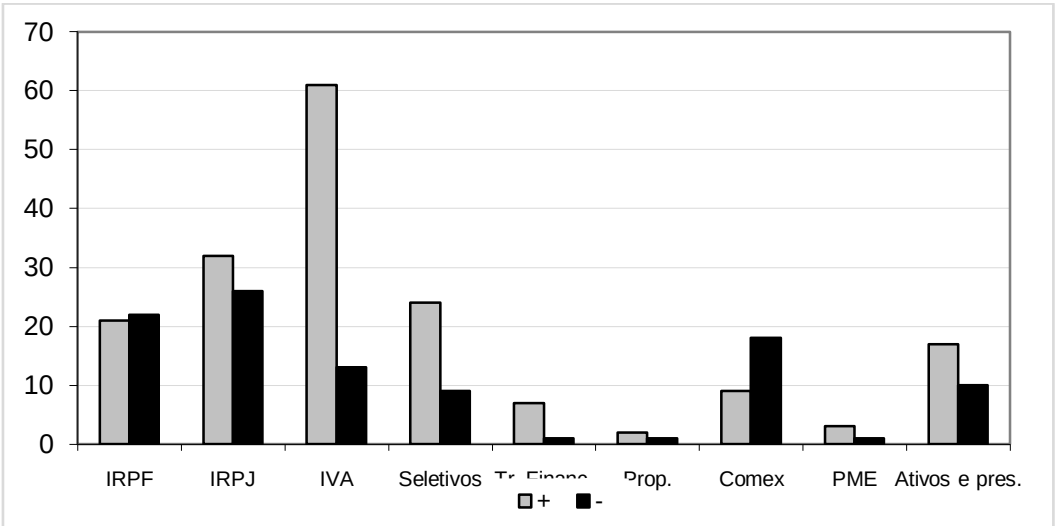


Fonte: questionários da pesquisa IPES do BID (2006).

Gráfico 2: Número de alterações tributárias por tributo na América Latina - 1990 a 2004

Comparando o gráfico 2 com o gráfico 1, observa-se alguma relação entre a arrecadação de tributos e alterações tributárias empreendidas na região. No gráfico 1, percebe-se que as maiores participações na arrecadação são dos impostos sobre o consumo e a renda, justamente os que sofreram mais alterações, de acordo com o gráfico 2. Alterações nos impostos seletivos e sobre o comércio exterior foram menos frequentes e não evitaram a queda na participação desses tributos na arrecadação. Finalmente, os tributos menos alterados foram também os de menor participação na arrecadação, caso dos impostos sobre a propriedade e sobre transações financeiras.

Contudo, as evidências podem ser mais claras se caracterizarmos as alterações como expansivas ou redutoras do orçamento público. O gráfico 3 apresenta a distribuição das alterações tributárias por tributo, porém distinguindo as que buscavam expandir receitas das que buscavam reduzi-las ou possuíam efeito incerto sobre o orçamento público. Para aumentar receitas, os governos latino-americanos sistematicamente buscaram fazê-lo com o IVA e os impostos sobre o consumo geral. O maior número de alterações expansionistas no IVA é coerente com a observação anterior de maior participação arrecadatória dos tributos sobre o consumo. No imposto de renda, os movimentos foram mais equilibrados, observando-se que o IRPJ apresenta leve superioridade para as reformas expansivas, enquanto o IRPF mostra o contrário: o movimento para reduzir bases e alíquotas desse imposto foi superior. Esses dados estão em consonância com as observações sobre a baixa capacidade arrecadatória do imposto de renda na América Latina, pois observamos uma relação quase de um para um entre o número das alterações expansivas e redutoras.



Fonte: questionários da pesquisa IPES do BID (2006).

Gráfico 3: Número de alterações tributárias por tributo e impacto orçamentário na América Latina - 1990 a 2004

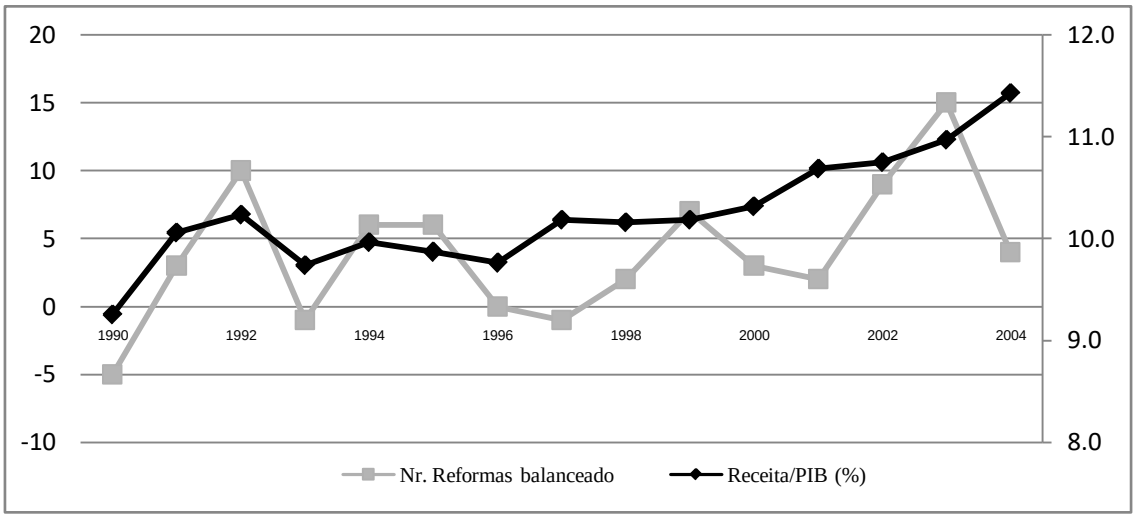
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Essas observações merecem cautela. Aumento ou redução de alíquotas estatutárias e bases de incidência legais pode não corresponder a aumento ou redução efetiva de receitas, visto que importa considerar as alíquotas efetivas e a incidência real. Dessa forma, a redução das alíquotas máximas do imposto de renda, muito comum no período, pode mesmo ter gerado efeito positivo sobre a arrecadação, desde que tenha ocorrido aumento da base de incidência do imposto.

d) Distribuição das reformas tributárias no tempo

Até o início dos anos 90, a América Latina vivia um período de alta inflação e baixo crescimento. Os governos enfrentavam as ameaças da globalização às bases tributárias e a arrecadação de tributos estava em declínio. Nesse cenário, era de se esperar um grande número de reformas, no início dos anos 90. O gráfico 4 compara a evolução das reformas e das receitas tributárias.

A linha escura representa a evolução das receitas (médias por países) em relação ao PIB, partindo de 9,3% em 1990 e subindo lentamente a 11,4% do PIB em 2004 (eixo esquerdo), ressalvando que não foram incluídas as receitas de tributos de comércio exterior. A linha clara indica o número de reformas expansivas menos o número de reformas redutoras. Observa-se que essa linha move-se praticamente acima de zero em quase todo o período e torna-se francamente positiva após 1997, quando o número de reformas expansivas passa a superar o de redutoras (eixo direito). Esse padrão é acompanhado por um aumento suave das receitas, indicando possível correlação entre receitas e reformas. Contudo, outros fatores devem ter impacto sobre as receitas e, por isso, o esforço reformista não se faz acompanhar de aumento de receitas na mesma proporção.

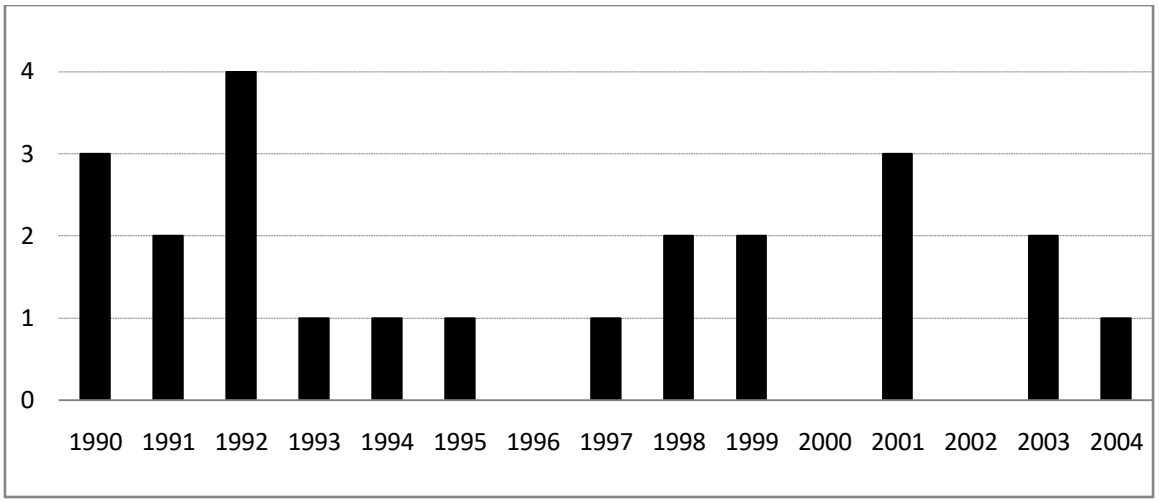


Fonte: questionários da pesquisa IPES do BID (2006).

Gráfico 4: Número de reformas tributárias e receitas tributárias (% PIB) na América Latina - 1990 a 2004

Ao considerar apenas reformas amplas (gráfico 5), observa-se que o ímpeto reformador realmente foi maior no início dos anos 90, como esperado, decrescendo até 1996 e oscilando a partir de 1998 até 2004. Da tabela 1, observa-se que o número de reformas amplas, as que alteram várias disposições do sistema tributário, corresponde a 23,5% do total de reformas. Significa dizer que a probabilidade de ocorrência de reformas amplas é menor. A razão deve estar atrelada à dificuldade de obter consenso político em torno de muitas questões tributárias, o que está de acordo com as conclusões de Dewatripont e Roland (1992, 1995) sobre a preferência dos legisladores pela introdução de várias reformas graduais, em vez de amplas reformas. Esse padrão, todavia, não é único. Ao que parece, a Argentina, que reformou mais vezes, aproxima-se mais da opção pelo gradualismo das reformas, enquanto o Paraguai, que demora a reformar, parece adotar comportamento distinto.

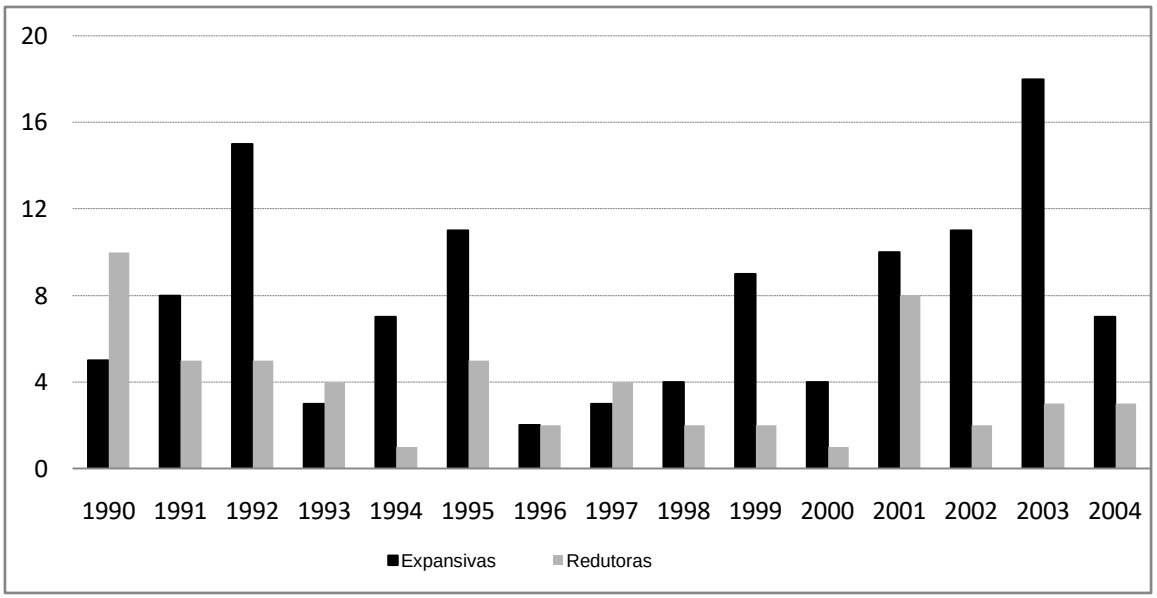
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Fonte: questionários da pesquisa IPES do BID (2006).

Gráfico 5: Número de reformas tributárias amplas anuais na América Latina - 1990 a 2004

Com relação ao impacto orçamentário, as reformas podem ser expansivas ou redutoras. O gráfico seguinte mostra o comportamento de ambas no tempo.



Fonte: questionários da pesquisa IPES do BID (2006).

Gráfico 6: Número de reformas tributárias expansivas e redutoras na América Latina - 1990 a 2004

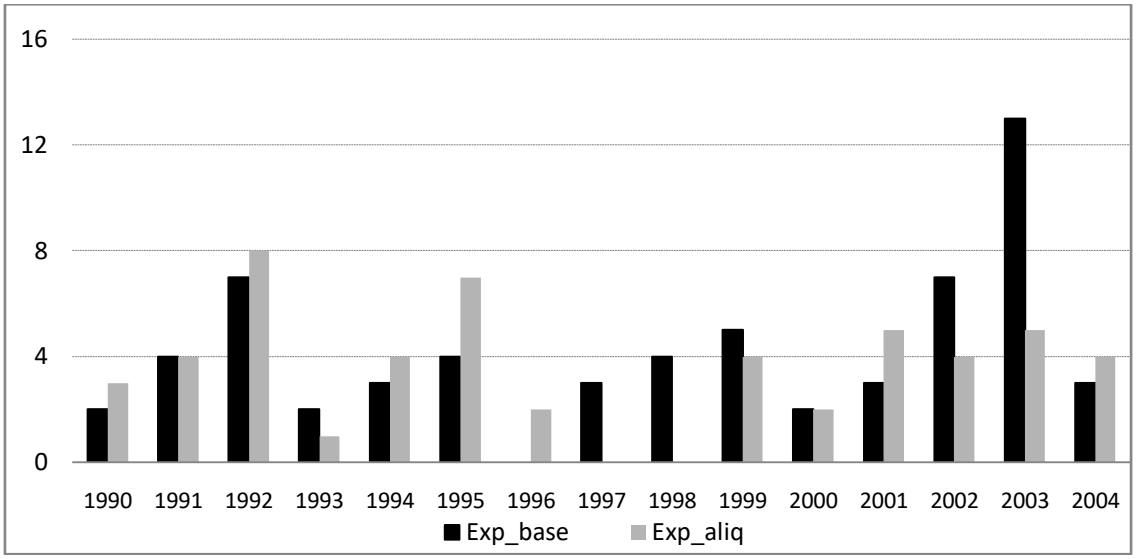
As reformas tendentes ao aumento de receitas tiveram picos em 1992 e 1995, e declínio até 1996. A partir de então, há uma tendência ascendente das reformas expansivas, com pico em 2003. Essa tendência é coerente com o aumento da arrecadação tributária, demonstrado no gráfico 4, a partir de 1999.

Quanto às reformas redutoras, que compreendem simplificações e incentivos, nota-se maior número em 1990 com tendência de queda até o ano 2000. O pico nos anos 90 está associado ao esforço pela simplificação dos sistemas tributários, com redução de faixas e quedas de alíquotas máximas nos impostos sobre a renda, corte de incentivos, além da eliminação de gravames de menor expressão. Essa tendência pela melhoria da qualidade dos sistemas tributários sofre reversão no início do ano 2000 com o retorno de alguns incentivos, seguindo-se nova estabilização em 2003 e 2004.

O gráfico 7 mostra que os números de alterações para expansão de base e de alíquota foram muito próximos até 1993, com tendência ascendente de 1990 a 1992, quando houve pico, indicando, de fato, o apetite reformador por receitas no início dos anos 90. Entre 1993 e 1996, houve mais alterações de alíquotas. O comportamento das curvas continuou semelhante, com mais um pico de alterações em 1995, seguido de queda em 1996. A partir de então, inicia-se uma tendência ascendente por alterações expansivas nas

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bases, que foi acompanhada pela expansão das alíquotas a partir de 1998. Notoriamente, foram mais frequentes as mudanças de bases, com pico extremo em 2003.

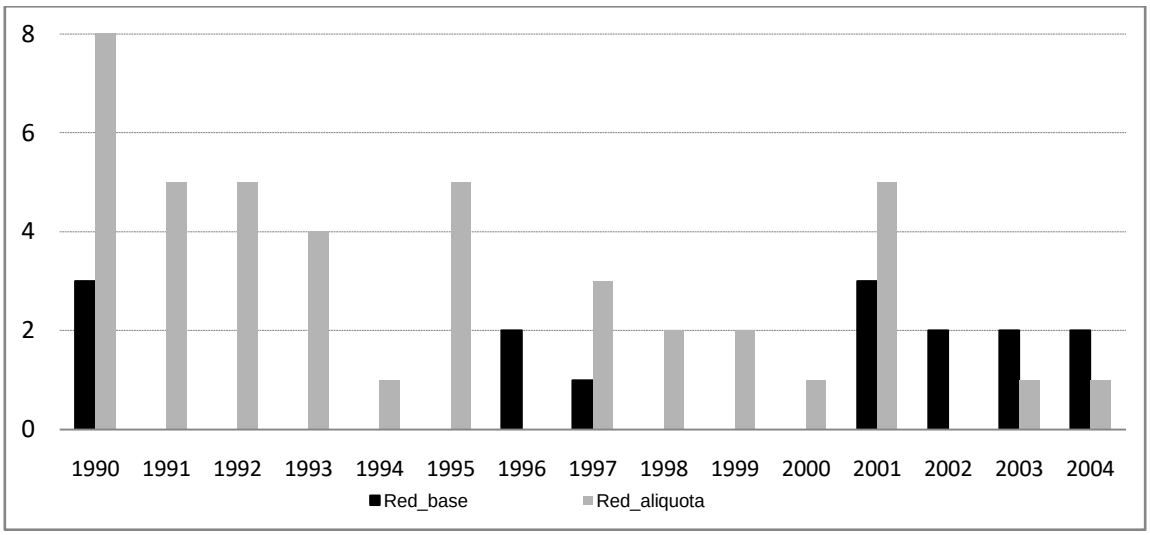


Fonte: questionários da pesquisa IPES do BID (2006).

Gráfico 7: Número de reformas tributárias expansivas de base e alíquotas na América Latina - 1990 a 2004

As alterações redutoras nas alíquotas mostram-se muito mais frequentes que nas bases, no início dos anos 90 (gráfico 8). Contração de base ocorreu apenas em 1990, acompanhando a busca por simplificação dos sistemas. Depois, praticamente não houve alteração de bases, com exceção de ligeiro pico em 1996. A partir do ano 2000, porém, há uma ascensão no número de alterações redutoras de bases, que Lora (2007) atribui ao retorno dos incentivos fiscais. Com relação às alíquotas, o número de alterações redutoras oscilou bastante. Houve declínio até 1996, seguindo-se ligeira expansão e pico em 2001.

Em síntese, entre 1990 e 2004, a América Latina assistiu a várias reformas em seus sistemas tributários ao mesmo tempo em que consolidava a democracia. A saída dos regimes autoritários parece ter aumentado o ímpeto reformador no início da década de 90, quando observamos maior número de reformas amplas, que seriam de difícil consenso político. Percebe-se, também, maior número de reformas expansivas em relação ao número de reformas redutoras, com aumento de receitas gradual e suave. Maior número de alterações ocorreu nas bases renda e consumo, essa acompanhada de franco incremento arrecadatório.



Fonte: questionários da pesquisa IPES do BID (2006).

Gráfico 8: Número de reformas tributárias redutoras de base e alíquotas na América Latina - 1990 a 2004

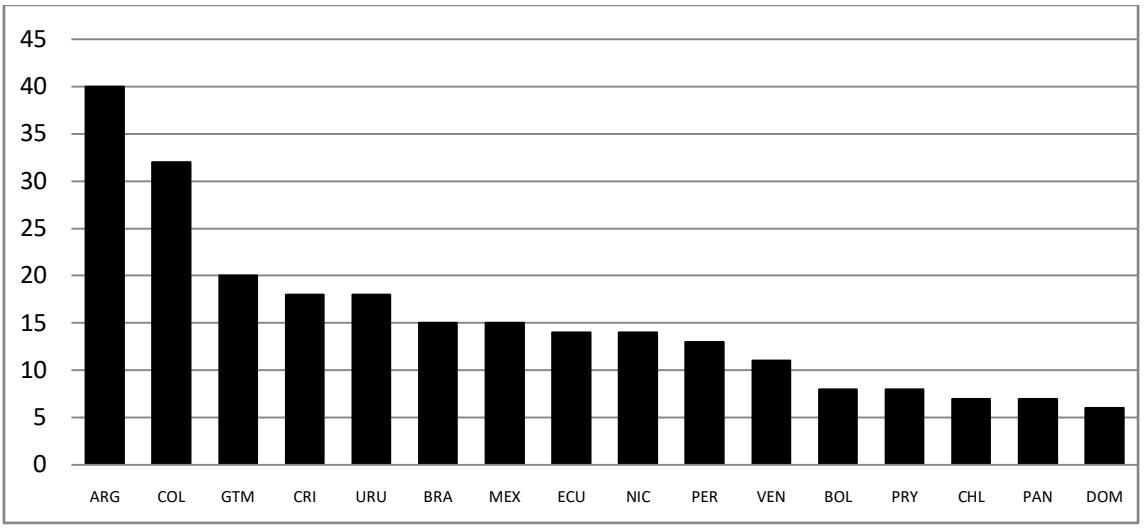
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e) Reformas tributárias – análise por jurisdição

O gráfico 9 apresenta a distribuição das reformas tributárias por jurisdição. De imediato, notamos diferenças acentuadas entre os países, alguns refomando bem mais que outros. O país que mais reformou foi a Argentina, com 40 eventos e o que menos reformou foi a República Dominicana, com 6 alterações. A Colômbia também demonstrou forte apetite reformador, com mais de 30 alterações, seguindo-se Guatemala, Costa Rica e Uruguai com mais de 15 alterações. Depois, aparecem vários países na faixa entre 10 e 15 alterações: Brasil, Equador, México, Nicarágua, Peru e Venezuela. Os mais estáveis foram Bolívia, Chile, República Dominicana, Panamá e Paraguai, com menos de dez alterações. Em média, houve 15,4 reformas tributárias por país, na América Latina, em todo o período. A média por país e por ano foi de 1,0 reforma[14].

A tabela 2 apresenta o resumo das reformas tributárias na América Latina, por países. Seguindo a tipologia adotada neste artigo, separando os dados por número de reformas, relevância orçamentária, impacto orçamentário e incidência, como mostra a primeira linha, cada uma dessas divisões deu origem a três índices, que estão dispostos na segunda linha, em doze colunas. A última coluna apresenta a relação entre as receitas tributárias, como percentuais do PIB, no final e no início do período, sendo um indicador do crescimento das receitas.

As três primeiras colunas numéricas referem-se ao número de reformas em cada jurisdição, à média anual de reformas e ao número de anos sem reformas, respectivamente. Apesar da esperança de ao menos uma reforma por ano na região, os países ficaram, em média, 9 anos sem reformas, não necessariamente sucessivos, no período de 15 anos. Panamá, Paraguai, República Dominicana e Chile são os mais estáveis, com mais de dez anos, em média, sem reformas nos respectivos sistemas tributários. Argentina, Colômbia e Costa Rica estão entre os que menos esperam e também entre os que mais reformam. Em geral, os dados mostram bastante dispersão.



Fonte: questionários da pesquisa IPES do BID (2006).

Gráfico 9: Número de reformas tributárias por jurisdição na América Latina - 1990 a 2004

Quanto à relevância para o orçamento (as três colunas seguintes), esse critério parece guiar grande parte das reformas, pois, em média, a relação entre reformas maiores e menores (indicada na terceira coluna dessa subdivisão) é de duas vezes e meia, mas há grande dispersão. Argentina, Uruguai, Costa Rica e Bolívia costumam empreender relativamente bastantes reformas de menor relevância orçamentária. Isso pode ser um indício de que nesses países nem sempre o desejo de aumentar receitas guia as reformas tributárias. Devem, pois, existir outros objetivos que norteiam a política tributária nesses países, embora não seja possível determiná-los. Em situação distinta está o México, que possui relação de seis vezes e meia entre reformas maiores e menores, mas sua receita tributária é praticamente estável, mostrando que esse indicador não deve ser analisado isoladamente.

Com relação ao impacto orçamentário, indicado nas sétima, oitava e nona colunas numéricas, reformas expansivas superam as redutoras, como já visto. As maiores relações expansivas/redutoras (nona coluna numérica) pertencem a Guatemala, Bolívia, Paraguai e Uruguai, países que tiveram a relação entre

[14] Focanti et al. (2013) utilizaram dados da PriceWaterhouse Coopers e apresentam alguma variação. No total, foram contabilizadas 317 alterações, o país que mais reformou foi mesmo a Argentina, com 33 alterações, e o que menos reformou foi a Nicarágua, com 8 alterações. Em média, houve 18,2 alterações por país na América Latina, no mesmo período, e a média por país e por ano foi de 1,2.

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as receitas tributárias em relação ao PIB, no período entre 1990 e 2004, compreendida entre 1,0 e 1,7. Panamá e República Dominicana geraram mais reformas redutoras que expansivas, mas se no Panamá houve queda ligeira de receitas, na República Dominicana ocorreu o oposto: houve aumento no percentual das receitas em relação ao PIB. Uma vez que o comportamento das receitas tributárias (e da participação que guardam em relação ao PIB) depende de vários fatores e não apenas do número de reformas tributárias, os dados da República Dominicana não surpreendem.

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Tabela 2: Sumário das reformas tributárias na América Latina por jurisdição – 1990 a 2004

País	Nr. Reformas			Ref. p/ relevância orçamentária			Ref. p/ impacto orçamentário			Ref. p/ incidência			Receitas
	Nr. Reformas	Ref./ano	Anos s/ ref.	Ref. Maiores	Ref. Menores	Mai/Men	Ref. Exp.	Ref. Redut.	Exp/Red	Ref. Gerais	Ref. Direc.	Direc./ Geral	2004/1991
Argentina	40	2,7	6	24	16	1,5	27	13	2,1	19	21	1,1	1,8
Bolivia	8	0,5	10	4	4	1,0	7	1	7,0	6	2	0,3	1,7
Brasil	15	1,0	9	10	5	2,0	11	4	2,8	13	2	0,2	1,3
Chile	7	0,5	11	7	0	-	5	2	2,5	6	1	0,2	1,0
Colômbia	32	2,1	7	25	7	3,6	26	6	4,3	16	16	1,0	1,2
Costa Rica	18	1,2	7	10	8	1,3	18	0	-	9	9	1,0	1,3
Rep. Dominicana	6	0,4	12	5	1	5,0	2	4	0,5	5	1	0,2	1,3
Equador	14	0,9	6	10	4	2,5	8	6	1,3	13	1	0,1	1,6
Guatemala	20	1,3	9	16	4	4,0	18	2	9,0	17	3	0,2	1,4
México	15	1,0	7	13	2	6,5	8	7	1,1	13	2	0,2	0,9
Nicarágua	14	0,9	9	11	3	3,7	7	7	1,0	10	4	0,4	1,0
Panamá	7	0,5	12	7	0	-	3	4	0,8	5	2	0,4	0,9
Peru	13	0,9	11	8	5	1,6	10	3	3,3	7	6	0,9	1,2
Paraguai	8	0,5	13	5	3	1,7	7	1	7,0	4	4	1,0	1,3
Uruguai	18	1,2	8	10	8	1,3	15	3	5,0	11	7	0,6	1,0
Venezuela	11	0,7	9	10	1	10,0	9	2	4,5	11	0	0,0	0,7
Médias	15,4	1,0	9,1	10,9	4,4	2,5	11,3	4,1	2,8	10,3	5,1	0,5	1,2
Desvio padrão	9,3	0,6	2,2	6,1	4,0	2,5	7,5	3,2	2,6	4,6	5,8	0,4	0,3

Fonte: questionários da pesquisa IPES do BID (2006).

A classificação de reformas por incidência em gerais e direcionadas aparece nas três colunas seguintes. O índice que reflete a relação entre reformas direcionadas e reformas gerais aparece na décima segunda coluna numérica. Os grandes reformadores Argentina, Colômbia e Costa Rica aparecem entre os que mais produzem reformas direcionadas, indicando a presença de intensos debates políticos em matéria tributária, além de possível melhor organização de grupos de interesses específicos (*lobbies*). A Guatemala diverge, pois apesar de também ter produzido muitas reformas, houve pouco direcionamento, talvez porque o poder seja mais concentrado e os grupos de interesse menos organizados. O Paraguai, um dos países que menos reformas produziram, possui índice de direcionamento elevado (igual a 1, *i.e*., para cada reforma geral, há uma direcionada).

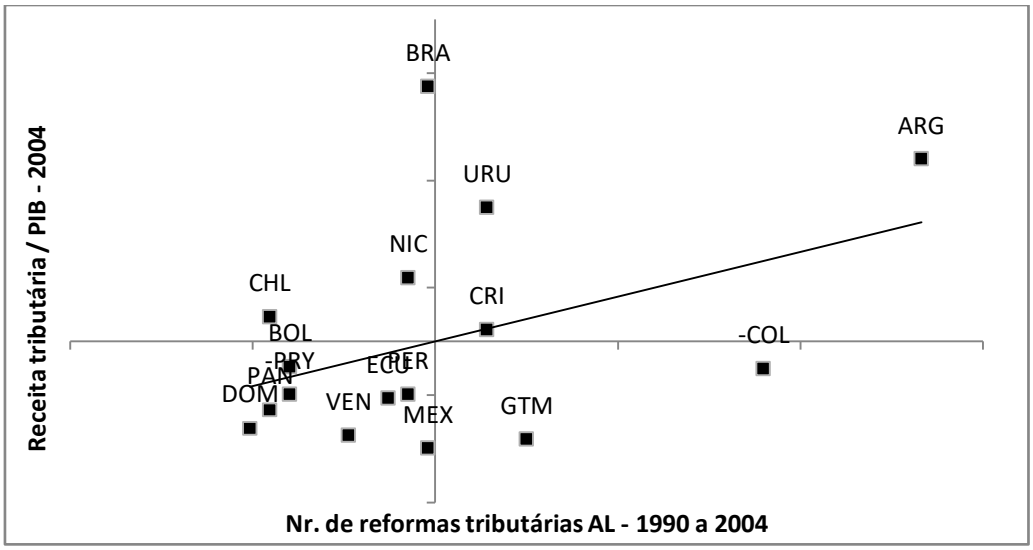
A última coluna mostra a relação entre as receitas, como percentual do PIB, no final e no início do período. Países que reformaram bastante, como Argentina, Colômbia e Guatemala, tiveram aumento significativo de receitas. Todavia, houve também países que pouco reformaram e que tiveram incremento substancial de ingressos, como é o caso da Bolívia e do Paraguai, mas devemos considerar que esses países tinham receitas muito baixas no início do período e, portanto, um incremento relativo tende a ser mais visível. Por outro lado, o México empreendeu tantas reformas como o Brasil e suas receitas caíram ligeiramente. Segundo Alvarez (2007), as receitas tributárias mexicanas responderam por cerca de 67% da receita total do governo federal, entre 1990 e 2000. As demais receitas são basicamente de origem petrolífera. Devido à grande participação das receitas de origem não-tributária, o México teria pouco estímulo para ampliar suas receitas tributárias. De fato, enquanto o México possui uma relação unitária entre as reformas expansivas e redutoras, essa relação é de cerca de três vezes mais reformas expansivas que redutoras no Brasil, país que detém a maior relação entre receitas e PIB na região. No geral, a relação entre quantidade de reformas e arrecadação não se mostrou linear.

O gráfico 10 ilustra como os países estão distribuídos em função das reformas que operaram e da receita tributária, em percentual do PIB, no ano de 2004, termo final dos dados. O eixo vertical representa a receita tributária, em relação ao PIB, normalizada, *i.e.*, os valores de cada país subtraídos da média desse indicador e divididos pelo desvio-padrão, considerando todos os países e os dados do ano de 2004. O eixo horizontal representa o número de reformas tributárias, entre 1990 e 2004, com escala também normalizada. A linha de tendência mostra uma relação positiva entre reformas e receitas, com coeficiente de correlação de 0,42.

Em geral, a região apresenta uma característica conservadora, pois o gráfico mostra que muitos países empreenderam poucas reformas, considerando valores normalizados. Destacam-se como reformadores Argentina, Colômbia, Costa Rica, Guatemala e Uruguai, todos com valores superiores à média da região no que tange ao número de reformas tributárias. Brasil e México estão praticamente na média, em cima do eixo vertical, mas apresentam receitas diametralmente opostas: Brasil é o país de maior relação receita-PIB e o México é o menor. O quadrante superior esquerdo apresenta dois países de receitas acima da média, mas que reformam pouco. É o caso do Chile e da Nicarágua. Finalmente, o quadrante inferior esquerdo concentra a maioria dos países latino-americanos, com reformas e receitas abaixo da média.

Apesar de observarmos que a relação entre reformas e receitas não é direta, se o objetivo for aumentar receitas, os países identificados no quadrante esquerdo inferior devem adotar reformas. Obviamente, não basta apenas reformar, mas reformar com sensibilidade para alterar as variáveis do sistema tributário que realmente elevem as receitas e superem as tendências erosivas, sem, no entanto, perder de vista os demais princípios de tributação: eficiência, equidade e simplicidade.

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Fonte: questionários da pesquisa IPES do BID (2006).

Gráfico 10: Número de reformas e receitas tributárias por jurisdição na América Latina - 1990 a 2004

V. Conclusões

Este artigo procurou caracterizar as reformas tributárias promulgadas na América Latina entre 1990 e 2004 segundo vários aspectos. A metodologia utilizada baseou-se na indicação de uma tipologia para as reformas tributárias, na construção de base de dados de reformas tributárias e na exploração dessa base segundo a tipologia adotada. Dessa forma, foi possível computar as frequências de cada tipo de reforma, apresentando os dados em gráficos e tabelas que serviram para análise e comparações. Vale destacar que os dados sobre reformas tributárias foram obtidos com apoio do Centro Interamericano de Administrações Tributárias (CIAT), que franqueou acesso às respostas aos questionários da pesquisa de campo realizada pelo Banco Interamericano de Desenvolvimento (BID) para a realização do relatório *Informe de Progreso Económico y Social em América Latina – IPES* (BID, 2006).

Os resultados apontam que as reformas tributárias na América Latina se concentraram em impostos sobre a renda e o consumo e tiveram por objetivo, na maior parte das vezes, o aumento da arrecadação tributária. Verificou-se, porém, que a expansão dos ingressos concentrou-se muito mais na base consumo, que cresceu de 3% do PIB em 1990 para 5,5% do PIB em 2004; em comparação com a base renda, que aumentou de 3% do PIB para 3,7% do PIB no mesmo período. Por outro lado, impostos sobre a propriedade arrecadaram pouco e foram pouco reformados.

Outras evidências importantes foram:

i. a frequência de reformas tributárias e a arrecadação de tributos correlacionaram-se positivamente, mas essa relação não foi de um para um;
ii. constatou-se a preferência dos governos por reformar o IVA, o imposto de renda das pessoas jurídicas e os impostos seletivos em relação aos demais tributos;
iii. reformas amplas dos sistemas tributários na América Latina ocorreram raramente, concentrando-se no início dos anos 90;
iv. o padrão de dividir as reformas em várias minirreformas, ou seja, o gradualismo nas reformas, não foi observado em todas as jurisdições;
v. entre 1997 e 2003, o esforço para expandir receitas enfatizou a reforma das bases de cálculo em detrimento das alíquotas;
vi. em contraposição, para reduzir receitas, a preferência foi por baixar alíquotas, exceto entre 2002 e 2004, quando as bases de cálculo foram mais alteradas;
vii. houve diferenças acentuadas entre os países, pois enquanto Argentina, Colômbia, Costa Rica e Guatemala promoveram, em média, mais de uma reforma tributária por ano, Bolívia, Chile, República Dominicana, Panamá e Paraguai passaram mais de dez anos sem reformar;
viii. em geral, a região caracteriza-se pelo conservadorismo, pois grande número de países empreendeu poucas reformas, ainda que mantivessem arrecadação persistentemente baixa.

Considerando a escassez de artigos na literatura que promovem o estudo das reformas tributárias com base em alterações legislativas, este artigo oferece uma contribuição para futuras análises. A experiência latino-americana pode ser útil para os países da região, como por exemplo, o Brasil, que vem discutindo amplas reformas tributárias há pelo menos vinte anos, ainda sem sucesso. Possivelmente, há espaço para expandir a tributação da renda, o que

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poderia ser compensado, em alguns países, com reduções na tributação do consumo. Reformas que simplifiquem a tributação, como as que foram promovidas na primeira metade da década de 90, também seriam importantes para aumentar a eficiência econômica e auxiliar a região no momento em que a economia mundial tem enfrentado fragilidades na sua expansão.

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The System of Profound Knowledge – Answer to the Challenges of the XXI Century

By Shper, Vladimir

National University of Science and Technology "MISiS

Abstract- In this work the question of "how the main principles of good management in the XXI century should look like" is being discussed. In other words, what are the key features of management that relate to the main challenges of our time? In the author's view, the answer to these questions was given by William Edwards Deming (WED) in 1993, when his book "The New Economics" was published (Deming 1993). This answer has a well-known name: The System of Profound Knowledge (SoPK). It consists of four interrelated components: appreciation for a system; knowledge of variation; theory of knowledge; and psychology. It is argued that the principles of the SoPK comprise the most essential facets of that type of management which society needs the most. Unfortunately, few amount of people are familiar with the concept of the SoPK, and even fewer number of managers use it in their work. In my view, WED's ideas are worth being taught in the primary education curriculum. The understanding of the SoPK should be included into people's common sense as their ability to read and to write.

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The System of Profound Knowledge – Answer to the Challenges of the XXI Century

Shper, Vladimir

Abstract- In this work the question of "how the main principles of good management in the XXI century should look like" is being discussed. In other words, what are the key features of management that relate to the main challenges of our time? In the author's view, the answer to these questions was given by William Edwards Deming (WED) in 1993, when his book "The New Economics" was published (Deming 1993). This answer has a well-known name: The System of Profound Knowledge (SoPK). It consists of four interrelated components: appreciation for a system; knowledge of variation; theory of knowledge; and psychology. It is argued that the principles of the SoPK comprise the most essential facets of that type of management which society needs the most. Unfortunately, few amount of people are familiar with the concept of the SoPK, and even fewer number of managers use it in their work. In my view, WED's ideas are worth being taught in the primary education curriculum. The understanding of the SoPK should be included into people's common sense as their ability to read and to write.

"When planning for a year, plant corn.
When planning for a decade, plant trees.
When planning for life, train and educate people."
Chinese proverb

I. Introduction

According to Wikipedia, management is "… the activities of setting the strategy of an organization and coordinating the efforts of its employees (or of volunteers) to accomplish its objectives through the application of available resources, such as financial, natural, technological, and human resources" ("*Management*"). It is obvious from this definition that any discussion of 'how to improve management' should start with the description of the system within which this activity is running. In other words, the first thing we need to do is to analyze the world around us as a system and only after that it'll be possible to discuss a style of management appropriate for this system, i.e. for the world. That is why, in order to define the best way of XXI century management, one needs, firstly, to answer another question: what are the main features of the world we are living in? This issue is discussed in the first section. Then a brief reminder of WED's principles of the SoPK is given. In the third section a discussion on the different principles of the so-called "good" management is presented together with the explanation why the author is sure that the SoPK does have some essential advantages compared to many other management models. The fourth part focuses on the necessary transformation of the traditional and outdated management to ensure human prosperity in the XXI century. In conclusion, the main idea on what should be done is stated.

Author: National[1] *University of Science and Technology "MISiS", NUST MISIS, Leninskiy Prospect, 4, Moscow, 119049, Russia.*
e-mail: vlad.shper@gmail.com

1. What kind of world do we live in?

There are lots of answers to this question. One that gained popularity at the beginning of this century is known as VUCA ("*VUCA*"). VUCA stands for Volatility, Uncertainty, Complexity, and Ambiguity. It describes the permanent and unpredictable change that has become a norm in our lives and in many areas of the business world. Its core tenets are:

Volatility – "the nature and dynamics of change";

Uncertainty – "the lack of predictability";

Complexity - "the multiplex of forces, the confounding of issues, no cause-and-effect chain";

Ambiguity – "the haziness of reality, the potential for misreads".

In my view, this notion is insufficient to adequately describe the world's state-of-the-art. In fact, Volatility is a specific term from the financial analytics which means "the degree of variation of a trading price series over time (usually denoted by σ)" ("*Volatility*"). There's a much more general and much more widely known (by scientists and engineers) term "Variability" which should be used instead of "Volatility". Next, two terms, "Uncertainty" and "Ambiguity", have highly overlapping meanings: both roughly mean the lack of predictability. So, it would be preferable to use the term "Unpredictability" instead of "Uncertainty" and "Ambiguity". Then, VUCA leaves no place for "human beings" (at least, explicitly), which makes it not adequate to the current situation. Humans are strange creatures because we can be rational and irrational simultaneously (Kahneman 2013). We often do not know why we made one or another decision. I'm sure it is impossible to describe and analyze our world as a system without including humanity as the important constituent. As a result, in a recent paper by Shper, Adler (2020) the authors came up with the model called

[1] An earlier and abridged version of this work by name "Solving the XXI century challenges" was published in Quality Progress, 2022, Sept., 36-41.

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CHIVU: Complexity, Human Irrationality, Variability, and Unpredictability. In contrast to VUCA, the CHIVU model seems to be organized more logically: it starts with the complexity of our world; this complexity plus human irrationality and variability leads to general unpredictability of everything: process outputs, results of our decisions, etc. So, it is just CHIVU model will be used below.

There is another answer to the question formulated in the title of this section: The Forth Industrial Revolution. Describing the main differences of the 4th revolution from previous ones, Klaus Schwab speaks about "velocity, scope, and systems impact" (Schwab 2016). Systems impact coincides with the complexity component of CHIVU, velocity and scope may be easily included into variability. That way the CHIVU model covers both types of answers. Additionally, it is worth noting that the 'variability' component covers two different types of variability: mediocristan and extremistan (Taleb 2007). Mediocristan variability is the variability of a system under normal conditions, and extremistan variability is the variability under the impact of 'black swan'-type event. Ultimately, one can say that we live in the world of complex interconnected and interrelated systems affected by multiple types of variability on multiple levels, where the decisions are being made by actors that can be rational and irrational simultaneously, and all those factors together lead to results both predictable and unpredictable.

So the problem arises: what kind of management is most appropriate for such a world? The answer will be given in the 3rd section, but before that, let us look at the SoPK by WED.

2. The main ideas of the SoPK

The necessity to change the style of traditional management has become obvious to WED long before the new century. "The basic cause of sickness in American industry and resulting unemployment is failure of top managers to manage… The causes usually cited for failure of a company are costs of start-up, overruns on costs, depreciation of excess inventory, competition – anything but the actual cause, *pure and simple bad management*" (Deming 2013, 16, italic by WED). This was written in 1987 – more than 35 years ago. At that moment, WED had already undertaken an attempt to change American style of management in his famous book "Out of Crisis" (Deming 1986). There he announced his well-known 14 principles of good management but most managers paid no attention to them. He understood that merely a set of principles was not enough – the World needs to have a theory of good management. As WED often spoke (in different words): "Theory leads to questions. Without questions, experience and examples teaches nothing. Without questions, one can only have an example. To copy an example of success, without understanding it with the aid of theory, may lead to disaster" (Deming 2013, 79). And WED created such a theory (Deming 1993, ch.4; 2013, 57)[2]. He named it 'The System of Profound Knowledge' (SoPK). It consists of four interdependent parts:

- Appreciation for a system.
- Some knowledge about variation.
- Theory of knowledge – vital.
- Psychology.

[2] Maybe it would be better to say that WED created a scheme/draft of the theory. However, this is not important for our subsequent discussion.

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Visually the SoPK can be presented as Venn diagram (fig.1).

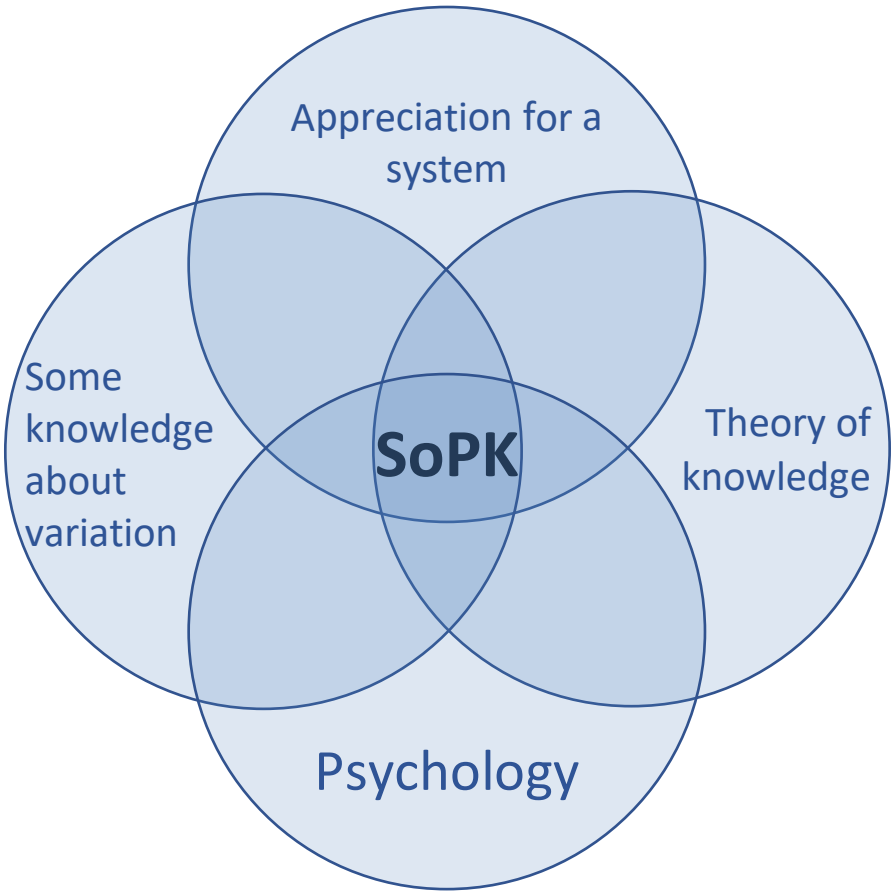


Fig. 1: The System of Profound Knowledge by W.E. Deming

The main purpose of this figure is to demonstrate how all parts of the SoPK are interrelated and cross-connected. The SoPK comes into being only in the heart of it, where all the circles intersect. Here are some WED's thoughts about the main features of each component (Deming 2013).

System (*ibid*, 58).

> "… a system must have an aim. Without an aim there's no system… Management of a system requires knowledge of the interrelationships between all the components within the system. And of the people that work in it."

Variation (*ibid*, 77).

> "Variation there will always be, between people, in output, in service, in product. What is the variation trying to tell us about a process, and about the people that work in it?"

Theory of knowledge (*ibid*, 79).

> "… any plan is prediction. Any assumption is prediction… Management is prediction. And with the risk of being wrong… Theory leads to prediction. Without prediction experience and examples teach nothing."

Psychology (*ibid*, 80, 81).

> "People are different from one another… Management of industry, education, and government operate today under the supposition that all people are alike… There is intrinsic motivation, extrinsic motivation, over-justification… We have been destroying our people, from toddlers on through the university, and on the job… The most important figures for management are unknowable."

I'll return to these points later.

3. What kind of management is required in the XXI century?

Surely, the answer to this question is predicated upon a multitude of factors, but most crucial of those is one's vision of the main moving forces that impact our lives. In my view, the notion of CHIVU described in section 1 may serve as a reasonable starting point. The world needs management that is capable of generating optimal decisions in the environment of complexity – human irrationality – variability – and unpredictability. In the previous paper about WED (Adler & Shper 2015) management principles of different gurus applied to the realities of life in the XXI century were compared. The analysis was structured in accordance with the number of principles of 'good' management from 4 and up to 33, hence WED's 14 points fall somewhere in the middle. In the table below authors of those papers are listed in the left column (table 1). Later we added to this list the works of many other authors having divided them

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into two main groups: successful entrepreneurs (left column at the bottom) and gurus, professors, consultants, popular journalists, economists, etc. (right column). For those who are interested in details, the precise statements of good management principles from our list 4-33 may be found in the Appendix. As 7 years passed since that paper was published, many new works appeared that deserved being discussed from the point of current interest. Below I'll briefly consider the most interesting findings appeared recently and not discussed in (Adler & Shper 2015).

Table 1: List of papers containing suggestions about the principles of good management for the XXI century

Authors who proposed the number of principles of good management (numeral on the left)	Guru, CEOs, professors, consultants, popular journalists, economists, etc.
4 – (Carney & Getz 2009)	(Drucker 1999)
5 – (Myrick 2005)	(Johnson & Bröms 2000)
6 – (Berry & Seltman 2008)	(Collins 2001)
7 – (ISO 9000 2015)	(Bossidy & Charan 2002)
8 – (EFQM)	(Csikszentmihalyi 2003)
12 – (Korten 2009)	(Galbraith 2004)
14 – (Deming 1986)	(Seddon 2005)
14 – (Liker 2004)	(Sacks 2005)
25 – (Hopper, K. & W. 2007)	(Burlingham 2005)
25 – (Hamel et al. 2009)	(Pfeffer & Sutton 2006)
33 – (Matsushita 2004)	(Brafman and Beckstorm 2006)
	(Shiba & Walden 2006)
Successful entrepreneurs:	(Osono, et al. 2008)
(Semler 2003)	(Jackson 2009)
(Hsieh 2010)	(Rother 2009)
(Mycoskie 2011)	(Bolchover 2010)
	(Moyo 2012)
	(Huffington 2014)
	(Harnish 2015)
Added for this paper:	
(Mackey & Sisodia 2013)	(Pinker 2019)
(Sedlacek 2013)	(Mintzberg 2019)
(Rozenzweig 2014)	(Tschepin 2019)
(Laloux 2014)	(Razgulyaev 2020)
(Foer 2017)	(Etkind 2020)
(Madsbjerg 2017)	(Hamel & Zanini 2020)
	(Dwyer & Micale 2022)

John Mackey and Raj Sisodia (Mackey & Sisodia 2013) write about a group of companies focused on the well-being of all stakeholders. Their ideology prioritizes goals like doing good for everybody, searching for the truth, creating beauty and heroism to do everything in one's power to make the world better. The companies studied in (Mackey & Sisodia 2013) can be collectively described as "Conscious Capitalism". They follow certain principles: openness, trust, equality, responsibility, honesty. All these principles are completely compatible with the SoPK values and WED's ideas.

The highly provocative book of Tomas Sedlacek (Sedlacek 2013) is a desperate attempt to persuade mankind that Economics (as the social science) has gone astray: its mainstream is carried with math and formulas and ignores Good and Evil – main moving forces of history. In the context of this paper, I guess that Sedlacek is trying to point out that economists have forgotten about Psychology – one of the pillars of the SoPK. The mere existence of social science without Psychology at its core is an example of astonishing myopia.

Phil Rosenzweig (Rozenzweig 2014) - the author of well-known "The halo effect … and the eight other business delusions that deceive managers" - continues to deepen our understanding of systemic and psychological problems which managers are facing again and again in the real world. His work outlines the importance of these two areas of the SoPK and their indissoluble connections.

F. Laloux (Laloux 2014) gives a wide colored perspective of organization development throughout human history and describes the level he named "teal". Teal organizations are based on the following principles (Laloux 2014, Appendix 4):

"Self-organizing teams with coaches when needed,
no executive team meetings,

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no project managers – self-staff projects,
minimum or no plans and budgets, organic prioritization,
few staff remaining have only advisory role,
recruitment by interviews by future colleagues,
personal freedom and responsibility for training,
no job titles and fixed job descriptions,
high degree of flexibility in working hours, as long as commitments are upheld,
focus on team performance plus peer-based individual appraisement,
self-set salaries with peer calibration for base pay, no bonuses, equal profit sharing,
no promotions but fluid rearrangements of roles based on peer agreement,
dismissal is the last step in mediated conflict resolution mechanism,
decision-making is fully decentralized and based on advice process,
all information is available in real-time to all, including company financials and compensations, clear values translated into explicit ground rules of (un)acceptable behavior,
organization seen as a living entity with its own evolutionary purpose (competition is irrelevant concept),
strategy emerges organically from the collective intelligence of self-managing employees,
innovation and development come from the purpose guided by intuition and beauty,
suppliers are chosen by fit to the purpose,
anybody can spend any amount of money provided advice process is respected,
peer-based challenging of team's investment budget,
marketing is our offer to the world, no sales targets,
planning and budgeting are based on "sense and respond" with workable solutions, no targets, "change" no longer a relevant topic because organization constantly adapt from within,
everyone is involved to let the best response to a crisis emerged"

Careful comparison showed that the gist of these principles coincides closely with the ideas that WED outlines (in different words) in his books, papers, reports and notes (Deming 1986, 1993, 2013).

Foer F. (Foer 2017) discusses the deadly perils of the future humanity is facing due to efforts by GAFA (Google, Apple, Facebook, Amazon), and other high tech companies. These innovators intentionally or inadvertently (most probably both) are trying to construct a world where they decide what news we get, what books we read, what goods we buy, what destinations we choose, what friends we invite into our circle, etc. As usual, "The road to hell is paved with good intentions". The logic of constant growth required more and more followers – to achieve this goal, GAFA started to rely on people's biases and pander to the ubiquitous ignorance of the crowds. "Humans are comfortable with ignorance, but they hate feeling deprived of information" (Foer 2017, 139). Big Tech inundates us with big data and information, and most people mistake this abundance for knowledge; though many years ago Frank Zappa wrote that "Information is not knowledge, Knowledge is not wisdom, Wisdom is not truth…"[3]. Thus, many decided that they were the only ones in possession of important knowledge… And they started to share it with the world… It created positive feedback and strengthened the power of GAFA. As a result, instead of the Utopia of Peace and Freedom the 'World of GAFA' emerges where "The value of knowledge has been deflated and depressed…" (Foer 2017, 170). Many other researchers are anxious about this problem – see for example the paper of N. Chomsky (Chomsky 2018). The possible reason for this phenomenon is the lack of system thinking. Knowledge itself is not enough; it needs to be combined with other components of the SoPK. Then knowledge can be transformed into wisdom. The remedy? In my view - proper education and knowledge of the SoPK principles.

Christian Madsbjerg (Madsbjerg 2017) raises a similar but more general issue: people bombarded by new gadgets and new technologies underestimate the role of genuine human relationships and humanitarian education. No artificial intelligence is able to experience emotions and empathize – this is a major difference between a Man and a Machine. The author proposed 5 principles of management for the XXI century, or, in his own words, 5 principles of sensemaking (Madsbjerg 2017, 7):

"Culture – *not* individuals
Thick data – *not* just thin data
The savannah – *not* the zoo
Creativity – *not* manufacturing
The North Star – *not* the GPS".

Careful scrutinizing of these principles reveals the close connection between them and the SoPK by WED.

Two books written in Russian (Tschepin 2019; Razgulyaev 2020) describe a number of Russian companies with management style very similar to one described in (Carney & Getz 2009; Myrick 2005; Berry & Seltman 2008; Semler 2003; Hsieh 2010; Mycoskie 2011; Johnson & Bröms 2000; Mackey & Sisodia 2013; Laloux 2014). This management style relies on the trust between top management and employees, on empowering people to make decisions within their responsibility; style without punishments and searching for guilty workers, without strict rules for daily routines, etc. All these features follow WED's ideas and fully correspond with them.

[3] He in no way was the first who outlined this thought. A Nobel prize winner T. Eliot wrote about this in 1934, and there were many others who lived long before.

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Aleksandr Etkind in his recent book (Etkind 2020) discusses the approaching ecological/climate catastrophe and people's reactions to it. He explains that the coming disaster threatens the very existence of mankind, and asks if we are able to refrain from competing with one another, to stop wars and unite our efforts in order to survive. I see this book as a loud appeal for system thinking because the author outlines over and over again the very simple idea: everybody on this planet has common ground, common water and common sky – we all depend on and rely on one system. That's why we must cooperate instead of fighting each other. And this is exactly the WED's idea of win-win relations which was one of the central points he highlighted at his four-day seminars he ran since his rise to popularity in the USA in 1980 and to his death in 1993.

At last, Steven Pinker in his bestseller (Pinker 2018) asserts that all mankind history reveals the tendency to "converge toward humanism", so management has to develop along the same direction. Of course, this path in no way is simple and straightforward; and objective evidences given by Pinker cannot withstand any serious criticism - see, for example, Dwyer and Micale (2022). I think, nevertheless, the general direction of mankind's development is really going toward "Reason, Science, Humanism and Progress".

Such a conclusion coincides with the advices of Henry Mintzberg in his amusing book (Mintzberg 2019) and completely corresponds to the most recent book on the issue of this paper: Humanocracy by G. Hamel and M. Zanini (2022). The latter formulates the vision of good management as follows[4]:

> "You have the right to design your own job.
>
> Your team is free to set its own goals and define its own methods.
>
> You are encouraged to grow your skills and take on new challenges.
>
> Your workmates feel more like family than colleagues.
>
> You never feel encumbered by pointless rules and red tape.
>
> You feel trusted in every situation to use your best judgement.
>
> You are accountable to your colleagues rather than a boss.
>
> You do not have to waste time sucking up or playing political games.
>
> You have the chance to help shape the strategy and direction of your organization.
>
> Your influence and compensation depend on your abilities and not your rank.
>
> You are never given reason to feel inferior to the higher-ups.
>
> The authors call such management style as human-centric.

At this point, an attentive reader may be asking himself: why the numerous works in the area of Total Quality Management (TQM) are not discussed by the author, especially, since WED is considered by many professionals as one of the founders of TQM[5]. There are two reasons for this. First, in my view, WED's SoPK is essentially a much broader concept than TQM. I agree with Black and Revere (2006) that "…TQM came from the work of W. Edwards Deming … and particularly his famous 14 points…" (p. 261). However, TQM is one of the many management models. The SoPK is not a management model – it is a system of guiding principles which should be used by CEOs for creating their own management models. Or, as Linderman, Schroeder, Zaheer, Liedtke, and Choo (2004) stated "Deming's system of profound knowledge is… a set of principles to guide action" (p. 592). I consider SoPK as an overarching theory of general management. Any label such as TQM or Six Sigma or Lean Production or something else narrows the significance of this approach. Second, the TQM appeared at the end of the last century as an answer to the underestimating importance of quality by business people all over the world. About twenty years later, quality became central to any product, service or organization and it needs no defense or special attention anymore. I am certainly not trying to diminish the significance of research in the quality management field – I am just interested in examining the same subject from another point of view.

4. What transformation of management is necessary for mankind to thrive in the XXI century?

Although in our earlier work (Adler, Shper 2015) we have not analyzed the principles of management from the viewpoint of CHIVU, the main conclusions of that paper remain unchanged. All new works, both mentioned here and even more not mentioned, added many nuances, but did not contradict the following conclusions.

The management of the XXI century should be

1. System-oriented;
2. Unpredictability-oriented;
3. People/Human-oriented.

The first point includes the SoPK's appreciation for a system and at the same time complexity from the CHIVU world. The second point includes knowledge about variation in the SoPK and 'variability plus unpredictability' components of CHIVU. The third point includes the theory of knowledge and psychology from the SoPK and human irrationality from CHIVU. In other words, the System-Unpredictability-People (SUP)-oriented management answers the main challenges of the current world situation and corresponds to the most comprehensive management theory of our time.

What makes me think that WED's SoPK is the most comprehensive management theory to date?

[4] I changed the times of verbs within this quote

[5] As far as we know, WED never used the term TQM in his papers or talks.

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The answer is very simple: because of the variability component.

All the authors mentioned earlier and lots of others not mentioned due to publication volume restrictions discuss thoughtfully three components of the SoPK: system thinking, knowledge growth and psychology factors. These issues are quite clear and all the researchers include them in their analysis. And only a handful of authors (not more than 4 or 5) understand the role of variability in contemporary management[6]. Why so? Because most authors are not familiar with the theory of variation. Why do we think so? Because understanding of variability cannot be boiled down to an acknowledgment of variations existence. The idea of statistical thinking ("Statistical thinking"):

- All work occurs in a system of interconnected processes.
- Variation exists in all processes.
- Understanding and reducing variation are keys to success.

is necessary but not sufficient condition for understanding the theory of variability. Why, and what else is necessary? As it was pointed out at the very beginning of this paper, management is an activity focused on achieving certain goals. To that end, one needs to be able to make reasonable decisions under conditions of ubiquitous variations presence. This task requires knowledge of such a tool as a control chart. Why? Because, this is the only way to differ variations which require management to make actions from another variations which do not require any actions. Or, this is the only way to answer if a process is predictable or not. And if not, there is no any management at all. Control chart was coined by a prominent teacher and friend of WED Dr. Walter Shewhart, who invented them and presented the theory of their applications in two books (Shewhart 1931/1980, 1939/1986). The experience of many experts in Russia and neighboring countries and great amount of papers and other publications in English tell us that most of the managers in the USA, Europe and other parts of the world do not understand and cannot interpret Shewhart Control Charts (ShCC). Why? Because, they have never been taught this skill. The theory of ShCCs has not been included into the student programs of many colleges and universities. What should managers know about variations? As variations are omnipresent and inevitable, all managers should know what the process variation is trying to tell them. It requires "… understanding of variation, including appreciation of a stable system, and some understanding of special causes and common causes of variation" (Deming 2013, 77). This is vital for the management of a system, especially for people in leadership positions. "The leadership of people (manager, leader, supervisor, teacher) is entirely different in the two states, stable and unstable. Confusion between the two states leads to calamity… There are two mistakes in attempts to improve a process, both costly:

Mistake 1: To treat as a special cause any outcome, any fault, complaint, mistake, breakdown, accident, shortage, when actually it came from common causes. (Tampering.)

Mistake 2: To attribute to common causes any outcome, any fault, complaint, mistake, breakdown, accident, shortage, when actually it came from a special cause." (Deming 2013, *ibid*). All managers should know how to minimize the losses from these two mistakes, and the only tool to do this is the ShCC. Though almost a century has passed since Shewhart coined this concept (the first ShCC appeared in 1924) there have been no further developments in methods of determining if a process is in a stable state or not. Of course, ShCC are being used in many companies, and there are industries where their application is mandatory (for example, according to IATF 16949:2016 standard, the suppliers for the Big Three are obliged to use control charts to prove the stability of their key characteristics). But management (especially top brass) often is not required to use this technique.

Meanwhile, in his foreword to Shewhart's book (Shewhart, 1939/1986) WED outlined the most important application of control charts: management of people. It is worth noting that any mistakes in this field can be highly costly and harmful. Similar thoughts were expressed in the recent paper in Quality Progress, which focuses on understanding variation (Nolan, Perla & Provost 2016): "Correctly assessing variation is fundamental to sound decisions". The authors of (Nolan, Perla & Provost 2016) provide interesting examples of the lack of understanding variation and of the right application of ShCC in such areas as GDP measurements (economics), accidents with nursing facility residents (medicine & social help), fatal occupational injuries rate in American states (safety assurance), and dropout rates by family income (education & well-being). In all these areas, ShCC turns out to be an irreplaceable tool for sound decision-making. Speaking of Russia, there is additional objective evidence of the lack of knowledge on ShCC (Shper & Beresh 2020). The author is conducting a survey of statistical process control knowledge among students, workers, operators, engineers, managers from 2005 to the present day (among all people whom I teach SPC course). One of the survey's questions is: "Are you able to construct a Shewhart control chart?" Over 15 years, 522 persons took part in the survey. The results are shown in fig.2. One can see a ShCC named *x-mR* chart or chart for individual values and moving range. Each

[6] See, for example, an excellent work of Miron Tribus about the germ theory of management (Tribus, 1992).

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point in fig.2 represents a percentage of answers 'No' to the aforementioned question. This percentage refers to a group of people (usually 12 - 20). Answers were divided into subgroups by job activity: company employees (mostly engineers), quality department staff (usually quality managers, metrologists, auditors), and future managers (students of different universities and of MBA courses). Inside each subgroup there is a chronological order of points: from the left (2005) to the right (2020). Among 46 subgroups only 5 fell below the 0.5 value – that is only about 11% of groups had more than 50% of participants who were able to construct a ShCC. In fact, things were much worse because this survey was always conducted at the very beginning of a course or training, and very often the following lessons showed that participants who considered themselves familiar with ShCC turned out to be wrong. Nevertheless, the central line for the category of company employees is equal to 0.68, for quality department staff – 0.70, and for future managers – 0.95 (!). This means that in subgroups for future managers 95% of people simply are unable to use such a fundamental tool as ShCC. It is worth noting that the process is stable (except for one point). How could they know? – usually said WED, pointing out that this knowledge could not come into the mind by itself. This skill must be taught.

It is important to take into account that the lack of even one component of the SoPK in any management model deprives it of being holistic (that was mentioned in part 2). That's why I am sure that the SoPK exceeds most of the other management theories.

Returning to the title of this section, I'd like to mention some recent works/events which add important colors to previous material.

First of all, a notable event has happened in August 2019. I mean, the Statement of 181 CEOs of the so-called "Business Round Table" (*"Statement"* 2019). For the first time, the CEOs of the biggest American corporations recognized that profit generation is not the main goal of their business. "This new statement better reflects the way corporations can and should operate today," said Alex Gorsky, Chairman of the Board and Chief Executive Officer of Johnson & Johnson and Chair of the Business Roundtable Corporate Governance Committee. "It affirms the essential role corporations can play in improving our society when CEOs are truly committed to meeting the needs of all stakeholders." (*"Business"* 2019). The same thought was claimed in a paper by Martin Wolf in "Financial Times" (Wolf 2019). Two famous persons: banker and entrepreneur - Jamie Dimon and Warren E. Buffett – (Dimon & Buffett 2018) called for public companies to reduce or eliminate the practice of estimating quarterly earnings – an approach that contradicts the long-term strategy necessary for prosperity.

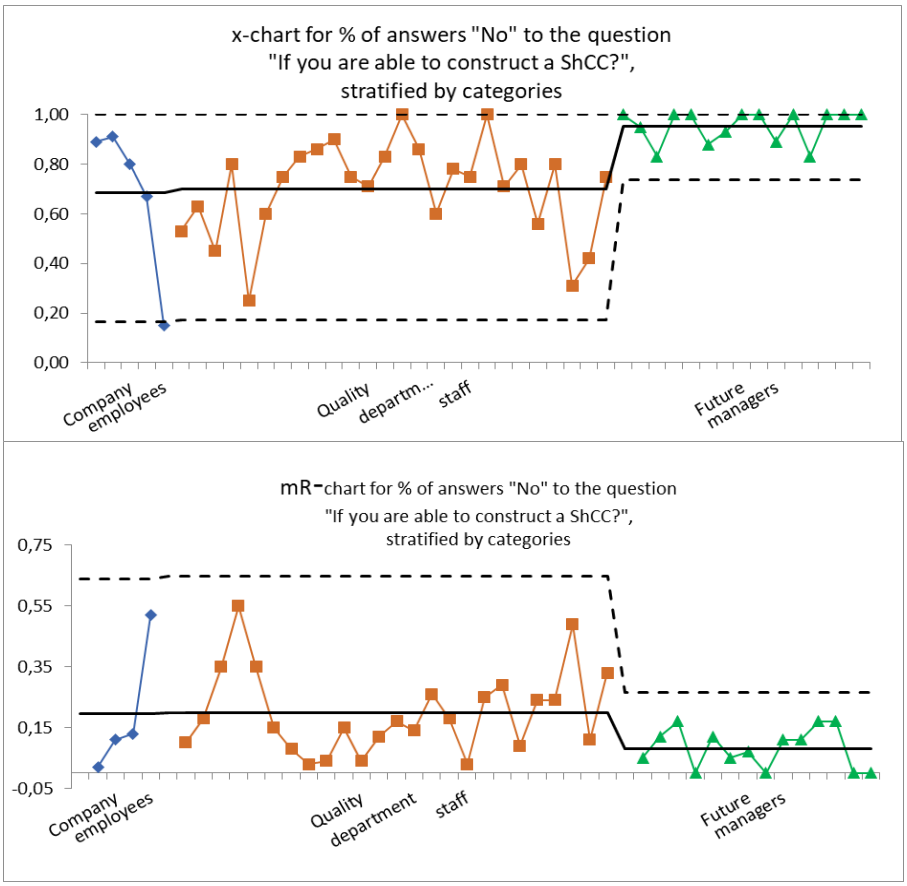


Fig. 2: x-mR chart for answers to the question "Are you able to construct a ShCC?"

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What else seemed quite interesting in my view: the authors of (Tschepin 2019; Razgulyaev 2020) as well as (Mackey & Sisodia 2013) (to name a few) obviously are not familiar with the books of WED (it is clear from the references and mentions those authors provided). Nevertheless, main principles of their approach are in close alignment with WED's 14 points. More than that, they follow the SoPK at least in relation to its three constituents: understanding system, the theory of knowledge, and psychology. But again not the theory of variations - understandably so. The thing is: all these authors lack the statistical thinking background, so they simply do not know what they do not know.

An attentive reader may ask a question: were not there some papers critical of WED's SoPK published since 1993? In fact, we have found none. There was a publication in Quality Progress (Conclin 2014) where a group of quality experts tried to revise WED's 14 points. We thoroughly analyzed their arguments (Adler & Shper 2016) and found them completely unconvincing. Moreover, I totally agree with the title of another paper from Quality Progress (Moen & Norman 2016): "Always Applicable. Deming's system of profound knowledge remains relevant for management and quality professionals today". Another attempt to refute WED's ideas appeared in the book (Blommaert, Vandenbroek & Kolthof 2019). This time authors tried to persuade us that WED's famous cycle PDSA (Plan-Do-Study-Act) ("*PDSA cycle*") became obsolete and is not suitable for conditions of the 4th Industrial Revolution. Again, I'm not convinced by their reasoning (although a detailed analysis of that work requires a separate paper).

II. Conclusion

What should be done?

No doubt that the modern world is drifting towards SUP-oriented management. This tendency corresponds with the increase in people's freedom and creativity, and it is pushed forward by scientific and technological development of global society. The draft of the new model of management equipped to deal with modern challenges exists since 1993. It was created by a prominent guru of quality W.E. Deming, who called it 'The SoPK'. However, as WED stated many times, the SoPK cannot suddenly materialize in people's minds from nowhere. As it has been already pointed out, the SoPK is not a management model. Moreover, I don't want it to become "crashed and burned" as it happened with TQM, according to Black and Revere (2006, 259). I don't want it will turn into "… a pale or highly distorted version of what Deming … laid out" (Hackman and Wageman 1995, 338). So far, there is only one possibility: the SoPK should become our way of everyday thinking. It should be taught and learned. Every person on Earth must possess the basics of the SoPK because all CHIVU components will grow and over time will permeate every day of our lives. The earlier we start teaching our children the SoPK the better. That's why I suggest starting a discussion on how to teach the SoPK in primary school. Why primary, you ask, and not in universities? Because it'll be too late. Changing the minds of adults is almost impossible. Understanding of systems, variability, theory of knowledge and psychology must become an important part of common sense for every Earth inhabitant. Slightly rephrasing a well-known quote by H.G. Wells, one can say: understanding of the SoPK will one day be as necessary for efficient citizenship as the ability to read and to write. This is essential for the survival of mankind.

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Appendix

The statements of principles for the 21st century management from the list 4-33
John Galbraith (in fact he listed not principles of good management but principles of bad management – that's why he is absent in the left column of our table)

1. The so-called market system actually is a corporate system.
2. The power in corporations belongs to management.
3. Management is guided by the uncontrollable craving for power and self-enrichment
4. The using of GDP growth as a measure of society progress is not a harmless mistake.

B. M. Carney and I. Getz

1. Stop telling and start listening.
2. Start openly and actively sharing your vision of the company so people will "own" it.
3. Stop trying to motivate people
4. Stay alert.

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Jack Myrick

1. Make them feel appreciated.
2. See their potential, not their flaws.
3. Lead with authority, not power.
4. Love them first.
5. Make them feel they are part of something special.

Steven Spear

1. One must formulate very specific goals and start moving to them by using the most advanced methods.
2. The control should be built into the process in order to find problems right away when and where they appear;
3. Problems should be solved so that root causes must be removed. To achieve this one should use PDSA cycle.
4. Problem solving should lead to the increase of process knowledge.
5. This knowledge should be spread all over the organization.
6. Leaders should help people and whole organization to move to self-perfection

Mayo Clinics (Berry L. L., Seltman K. D.)

1. Continuous striving for ideal service quality and adherence to non-profit principles.
2. Constant and sincere wish to help each patient.
3. Constant commitment to professional development of each employee.
4. Aspiration to change in response to the change of society needs.
5. Constant commitment to achieve the top results in whatever one deals.
6. Utter honesty in all deeds.

ISO 9000

1. Customer focus
2. Leadership
3. Engagement of people
4. Process approach
5. Improvement
6. Evidence-based decision making
7. Relationship management

EFQM

1. Achieving Balanced Results
2. Adding Value for Customers
3. Leading with Vision, Inspiration & Integrity
4. Managing by Processes
5. Succeeding through People
6. Nurturing Creativity & Innovation
7. Building Partnerships
8. Taking Responsibility for a Sustainable Future

David Korten

1. Redirect the focus of economic policy from growing phantom wealth to growing real wealth.
2. Recover Wall Street's unleashed profits, and assess fees and fines to make Wall Street theft and gambling unprofitable.
3. Implement full-cost market pricing.
4. Reclaim the corporate charter.
5. Restore national economic sovereignty.
6. Rebuild communities with a goal of achieving local self-reliance in meeting basic needs.
7. Implement policies that create a strong bias in favor of human-scale businesses owned by local stakeholders.
8. Facilitate and fund stakeholder buyouts to democratize ownership.
9. Use tax and income policies to favor the equitable distribution of wealth and income.

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10. Revise intellectual property rules to facilitate the free sharing of information and technology
11. Restructure financial services to serve Main Street.
12. Transfer to the federal government the responsibility for issuing money

Edwards Deming [7]

1. Create constancy of purpose toward improvement of product and services, with the aim to become competitive and to stay in business, and to provide jobs.
2. Adopt the new philosophy.
3. Cease dependence on inspection to achieve quality
4. End the practice of awarding business on the basis of price tag.
5. Improve constantly and forever the system of production and service.
6. Institute training on the job.
7. Institute leadership.
8. Drive out fear.
9. Break down barriers between departments.
10. Eliminate slogans, exhortations, and targets for the work force asking for zero defects and new levels of productivity.
11. Eliminate work standards (quotas) on the factory floor. Substitute leadership.
12. Remove barriers that rob the hourly worker of his right to pride of workmanship.
13. Institute a vigorous program of education and self-improvement
14. Put everybody in the company to work to accomplish the transformation.

Jeffrey Liker

1. Base your management decisions on a long-term philosophy, even at the expense of short-term financial goals.
2. Create continuous process flow to bring problems to the surface.
3. Use "pull" systems to avoid overproduction.
4. Level out the workload *(heijunka).* (Work like the tortoise, not the hare).
5. Build a culture of stopping to fix problems, to get quality right the first time.
6. Standardized tasks are the foundation for continuous improvement and employee empowerment.
7. Use visual control so no problem is hidden.
8. Use only reliable, thoroughly tested technology that serves your people and processes.
9. Grow leaders who thoroughly understand the work, live the philosophy, and teach it to others.
10. Develop exceptional people and teams who follow your company's philosophy.
11. Respect your extended network of partners and suppliers by challenging them and helping them improve.
12. Go and see for yourself to thoroughly understand the situation
13. (*genchi genbutsu*).
14. Make decisions slowly by consensus, thoroughly considering all
15. options, implement decisions rapidly (*nemawashi*).
16. Become a learning organization through relentless reflection *(hansei)* and continuous improvement *(kaizen).*

Brothers Hopper

1. All successful organizations, however simple, consist of systems within a system (*This is the Master Principle*)
2. All systems are nurtured by routines, which must be regularly reviewed and refreshed.
3. The most important sub-system in any organization is the managerial hierarchy, which is likely to be based on some form of line-and-staff.
4. The best type of hierarchy is "bottom-up".
5. Leadership should as far as possible be collective or "collegiate".
6. The middle manager is the keystone of the managerial arch.
7. "One man, one boss" – which should be re-stated as "one person, one boss"
8. Meeting are "the medium of management work"

[7] We abridged some wordings for compactness

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9. "Integrated decision-making" leads to right conclusions.
10. Planning should be for the short term (say, one to four years), the medium term (say, five to eight years) and the long term (say nine years up).
11. You should make a careful study of mistakes and successes of the pioneers in your field – and learn from them.
12. Excellent internal communications in all directions – but above all upwards – are necessary in any successful organization.
13. The manager must be a leader in both a practical and a moral sense.
14. You should use consultants sparingly – and "strategic" consultants never.
15. A manager should be aware of his responsibilities to society as a whole, including to his company's employees as human beings.
16. If it ain't broke, you should try to make it work better.
17. Avoid debt like the plague – or, if that is impossible, use it sparingly.
18. A manager should possess, or acquire what is known as "domain knowledge", i.e. a profound understanding of the technology and business of his company, which can normally be gained only through a long apprenticeship in that company or in the same industry.
19. The testing and training of managers should be pragmatic and continuous.
20. Managers who wish to reach the top should start at or near the bottom.
21. Job rotation (sometimes known as intra-company mobility) is desirable to create the "rounded" executive.
22. Employment should in general be for the long term – by which is meant, at least, eight and, if possible, ten years.
23. Complementarity is one of the keys to making appointments.
24. The remuneration system should promote and reward group effort.
25. Avoid ostentation like the plague.

Gary Hamel, et al.

1. Ensure that the work of management serves a higher purpose.
2. Fully embed the idea of community and citizenship in management systems.
3. Reconstruct management's philosophical foundations.
4. Eliminate the pathologies of formal hierarchy.
5. Reduce fear and increase trust.
6. Reinvent the means of control.
7. Redefine the work of leadership.
8. Expand and exploit diversity.
9. Reinvent strategy making as an emergent process.
10. De-structure and disaggregate the organizations.
11. Dramatically reduce the pull of the past.
12. Share the work of setting directions.
13. Develop holistic performance measures.
14. Stretch executives time frames and perspectives.
15. Create a democracy of information.
16. Empower the renegades and disarm the reactionaries.
17. Expand the scope of employee autonomy.
18. Create internal markets for ideas, talents and resources.
19. Depoliticize decision-making.
20. Better optimize trade-offs.
21. Further unleash human imagination.
22. Enable communities of passion.
23. Retool management for an open world.
24. Humanize the language and practice of business.
25. Retrain managerial minds.

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Konosuke Matsushita

1. Business is something that human beings do for the happiness of other human beings.
2. Those who pursue business are artists at work on an endlessly unfolding canvas.
3. The healthy growth of a corporation depends on solid business principles.
4. A business is a public entity, it should never be thought of as a private possession.
5. If you do what naturally makes sense, like putting up an umbrella when it rains, your business will prosper
6. Recognize the fact that society knows best. If you strive to be accepted, you will prosper.
7. If you manage your business with correct ideas and proper methods, it is bound to succeed.
8. You cannot fail if you keep going until you do succeed.
9. Success in business is not due to good times and failure is not due to bad times.
10. Believing that the world is perpetually evolving is what makes vigorous business possible.
11. Making a profit is part of the social responsibility of a corporation. Not to realize a profit is a crime against society.
12. The outstanding entrepreneur strives to be a winner, but also to be a winner people will admire.
13. By practicing "dam management", you can keep your company stable and constantly growing.
14. The world is constantly moving forward. We should strive to make each day a little better than the day before.
15. Every failure contains the seeds of success and every success harbors the danger of failure.
16. Trust is something that takes time to build up, but that can be destroyed in an instant.
17. To fall behind one day today could put you behind a year or for the rest of your life.
18. The mission of a manufacturer is to offer good, affordable products and in abundant supply.
19. You must find a way to demonstrate your respect and appreciation to each and every employee.
20. Rely neither wholly on intuition nor completely on science.
21. In competitive sports and business alike, in the last moment of the game you could win, or you could lose.
22. If you do what you should do and don't do what you should not do, you will never lose
23. A person who is truly successful becomes more modest and more humble with each success
24. What kind of people you put together can determine whether their combined abilities are an asset or a liability.
25. No matter what the field of endeavor, there are different roles to play, but the worth of each job is the same.
26. First make the decisions dispassionately and then consider feelings, not the other way around.
27. Much is to be learned from keeping an open mind to the opinions of others.
28. When you delegate work, remember that almost more than ability enthusiasm will assure the job is done well.
29. When hiring, focus 70 percent on a person's strong points and 30 percent on his or her weak points.
30. The most effective approach to assigning work is to delegate responsibility without relinquishing involvement.
31. An effective formula for training employees is 10 percent strict, 90 percent gentle.
32. A report that says no problem exists could turn out to be the harbinger of a major problem.
33. No matter how able, a leader cannot win the support of others unless he or she knows how to mete out appropriate rewards and punishments

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Stages of Formation of the Budget Equalization System in Ukraine and Ways of its Improvement

By Goryachuk Valeriy, Osipov Vladimir, Kutateladze Vitaliy & Murzanovkiy Genadiy

National Academy of Sciences of Ukraine

Abstract- Under the conditions of the decentralization reform, the system of budget equalization in Ukraine underwent significant changes, which took place in the direction of transition from vertical equalization of expenditures to horizontal equalization of incomes. Today, a mixed system of budget equalization is being formed in Ukraine, in which emphasis is placed on the horizontal equalization of incomes with the use of separate tools for the vertical equalization of expenditures. The main problems of budget equalization in Ukraine are the insufficient volume of own revenues in local budgets, the high level of dependence of local budgets on transfers from the State budget, the insufficient validity of the procedure for calculating the tax capacity index, the low level of financial autonomy of communities, the lack of a clear division of powers between state authorities and bodieslocal self-government, transfer of powers to the level of local self-government without appropriate financial support, significant differentiation of regions according to the level of socio-economic development.

Keywords: budget equalization, local self-government, standards of public services, transfers, distribution of powers, differentiation of own incomes.

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Stages of Formation of the Budget Equalization System in Ukraine and Ways of its Improvement

Goryachuk Valeriy [α], Osipov Vladimir [σ], Kutateladze Vitaliy [ρ] & Murzanovkiy Genadiy [ω]

Abstract- Under the conditions of the decentralization reform, the system of budget equalization in Ukraine underwent significant changes, which took place in the direction of transition from vertical equalization of expenditures to horizontal equalization of incomes. Today, a mixed system of budget equalization is being formed in Ukraine, in which emphasis is placed on the horizontal equalization of incomes with the use of separate tools for the vertical equalization of expenditures. The main problems of budget equalization in Ukraine are the insufficient volume of own revenues in local budgets, the high level of dependence of local budgets on transfers from the State budget, the insufficient validity of the procedure for calculating the tax capacity index, the low level of financial autonomy of communities, the lack of a clear division of powers between state authorities and bodieslocal self-government, transfer of powers to the level of local self-government without appropriate financial support, significant differentiation of regions according to the level of socio-economic development. The problem of restoring the district level of local self-government is in a "frozen" state.

The improvement of the budget equalization system of Ukraine should take place in the direction of creating equal financial opportunities for access to public services. In the medium and long term, it is advisable to strengthen the role of expenditure equalization tools, supplement the representative tax system with a number of taxes (property tax, single tax, excise duty), create an independent agency to periodically analyze the state of the budget equalization system and develop a proposal for its reform, resume the practice of using agreements on interregional development, agreements on regional development and programs to overcome the depressed state of the territory. The basis of the new equalization system should be state service standards. With the transition to medium-term planning of local budgets, it is necessary to ensure the stability and predictability of the volumes of transfers to local authorities and the transparency of the order of their distribution.

Keywords: budget equalization, local self-government, standards of public services, transfers, distribution of powers, differentiation of own incomes.

Author α σ: Dr. Sc. (Economics), senior research fellow of Regional Economic Systems Development State Organization «Institute of Market and Economic & Ecological Researches of the National Academy of Sciences of Ukraine» Frantsuzskyi Boulevard, 29, Odessa, Ukraine. e-mails: valeriygoryachuk@gmail.com, osipovugkonver@gmail.com

Author ρ: Director of TIS-Ugol LLC. e-mail: vkutateladze@tis.ua

Author ω: Postgraduate student of Regional Economic Systems Development State Organization «Institute of Market and Economic&Ecological Researches of the National Academy of Sciences of Ukraine» Frantsuzskyi Boulevard, 29, Odessa, Ukraine. e-mail: odessa.mgm@gmail.com

Introduction

Budgetary equalization is aimed at reducing differentiation in the level of access to public services in different administrative and territorial units (ATU). Under the conditions of the decentralization reform, the system of budget equalization in Ukraine underwent significant changes, which took place in the direction of transition from vertical equalization of expenditures to horizontal equalization of incomes. The implementation of the new equalization system promotes the interest of local authorities in increasing the revenue base of budgets, but it is accompanied by problems related to insufficient volume of own revenues, a high level of dependence of local budgets on transfers from the State budget, insufficient validity of the procedure for calculating the tax capacity index, significant differentiation of regions by the level of socio-economic development. In view of this, an important task is to find ways to improve the budget equalization system of Ukraine, taking into account the experience of the countries of the Organization for Economic Development and Cooperation (OECD).

I. Stages of Formation of the Budget Equalization System in Ukraine

a) *The stage of formation of the vertical system of budgetary equalization*

From the very beginning of independence, a national system of budget equalization began to take shape in Ukraine, which went through several stages. In 1991-2014, it was formed as a system of vertical alignment. The Constitution of Ukraine, legislation on the budget system, local bodies of executive power, local self-government were adopted. The principles of dividing revenues between levels of the budget system, expenditures between state and local budgets, as well as the independence of local budgets on the basis of own and fixed revenues have been declared. The sources of state and local budget revenues have been identified. The institution of local taxes and fees, transfers and contributions from lower-level budgets to higher-level budgets have been introduced. During this period, the powers that were transferred from the State to the executive committees of a city, a village and a settlement councils were determined. For their implementation, appropriate financial resources should have been transferred to local self-government bodies,

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but in practice this was not implemented and remained a declaration (Kozenko, 2013).

The main organizational and legal approaches of vertical budget equalization were defined, which should be based on social standards, norms of minimum budget security and other objective criteria. The need for a clear demarcation of revenue sources and spending powers between budgets of different levels has been substantiated. The tax capacity coefficients were chosen as the methodological basis for calculating the volumes of income and expenses.

The distribution of revenues between the state and local budgets of Ukraine in 1997-2010 indicates the strengthening of centralization. During this period, the share of the State Budget of Ukraine increased from 58% to 74%, and the share of local self-government decreased from 42% to 26%. An important moment of the first stage was the adoption in 2001 of the Budget Code of Ukraine, which introduced significant changes in the organization of inter-budget relations and the budget system of Ukraine as a whole.

In order to introduce a unified methodology for the functioning of the budget equalization system, the formula for the distribution of interbudgetary transfers was introduced during the 2001 budget reform:

$$T = Kv * (V – D),$$

Where Kv is the equalization coefficient; T – volume of equalization transfers from the state budget to the local budget or funds transferred from this budget to the state budget; V – volume of local budget expenditures; Disvolume of local budget revenues (Kozenko, 2013).

Vertical alignment began to take shape on the basis of a formulaic approach, that is, on the basis of calculating the volume of transfers that should be transferred to one or another local budget or withdrawn from it to the budget of a higher level, taking into account the established standards of expenditures. This was the first step towards a fair distribution of state revenues in order to provide each territorial community with the amount of funds needed to provide public services (Kozenko, 2013).

In 2007, the Concept of reforming local budgets was approved, in which the key directions of reforming the budget equalization system were defined:

- Annual increase in the specific weight of the general fund of local budgets in the consolidated budget of Ukraine by several percentage points;
- Increasing the level of self-sufficiency of local budgets;
- Clear demarcation at the legislative level of expenditures for the implementation of the delegated powers of local self-government bodies and their own powers;
- Improvement of the method of calculating local budget expenditures;
- Reduction of differentiation in providing local budgets with funds for the implementation of delegated powers;
- Development of a methodology for determining the standards of providing basic public services to the population and their cost;
- Development of methods for determining depressed areas and programs for overcoming depression (KMU, 2007).

Most of these tasks were unfulfilled or incompletely fulfilled. Implementation of local budgets in 2010 took place under the conditions of increasing their dependence on the state budget, which is evidenced by a significant increase in the absolute volumes and specific weight of inter-budgetary transfers in the total amount of local budget revenues. The specific weight of transfers in the revenues of local budgets in 2011 reached 52.1%, which contradicts the requirements of the Concept of reforming local budgets, the main task of which is to increase the level of self-sufficiency of local budgets (KMU, 2007).

Numerous changes made to the amounts and types of inter-budgetary transfers during the budget year, including in a manner inconsistent with the requirements of the Budget Code of Ukraine, led to a decrease in the effectiveness of the budget process, as they worsened the predictability of local budget revenues, which are necessary to fulfill the powers assigned to local authorities.

All regions of Ukraine received subsidies, the share of which in local budget revenues was 46.3% in 2008 and increased to 48.8% in 2010 and 52.3% in 2011. In 2010, the share of subsidies increased in the income structure of 19 regions. In Zakarpattia, Ternopil, and Volyn regions, it was 72.3%, 71.9%, and 71.1%, respectively (Kozenko, 2013). Such a high level of subsidies to local budgets of Ukraine indicates the ineffectiveness of the budget equalization system. The state withdraws a significant share of revenues collected in the regions, and then distributes part of them among local budgets. Such a system creates significant disincentives for the development of the regional economy and does not ensure the fulfillment of budget equalization tasks.

The system of vertical budget equalization, which operated in Ukraine on the eve of 2014, was imperfect and had a contradictory methodological basis in comparison with the experience of developed countries and did not provide the goals of budget equalization.

b) The stage of formation of a mixed budget equalization system

In 2015, the decentralization reform began, which was accompanied by radical changes to the budget equalization system. They took place in the direction of the transition from the expenditure

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equalization model to the income equalization model. The implementation of the new equalization system contributes to the interest of local authorities in increasing the revenue base of budgets, but it faces the problems of compliance with the redistribution of resources and powers between state, regional and local authorities, the stability of legislative innovations, the validity of the procedure for calculating the tax capacity index used for horizontal budget equalization, etc.

Horizontal budget alignment: With the introduction of the new budget equalization system, horizontal income equalization was introduced, separately for regional budgets and for community budgets (except for the budgets of the cities of Kyiv and Sevastopol and districts in cities). For the regions, it is carried out separately according to income tax of enterprises and separately according to income tax of individuals. For communities, budget equalization is carried out based on the receipts of tax on the income of individuals. For each tax, the tax capacity index is calculated for each ATU, per person. ATUs with a tax capacity index below 0.9, the average indicator for Ukraine, receive a basic subsidy (80% of the amount needed to achieve an indicator of 0.9). For ATO with a tax capacity index ranging from 0.9 to 1.1, equalization is not carried out. A reverse subsidy to the state budget in the amount of 50% of the tax capacity index exceeding 1.1 is provided for ATU with a tax capacity index above 1.1 (BC, 2010).

Equalization for other incomes is not carried out. They remain fully at the disposal of local authorities. The question of calculating the index of tax ability in relation to:

- Composition of taxes taken into account during budget equalization;
- Expediency of calculating the tax capacity index at all levels of budgets.

The new budget equalization system in Ukraine is of a mixed type, because the tools for equalizing expenditures remain (subsidies, stabilization and additional subsidies).

Own revenues of local self-government: A positive factor in the change in the budget equalization system is a significant increase in the incomes of basic-level territorial communities and the stimulation of local self-government bodies to increase their own incomes. Over the years of the decentralization reform, the share of basic-level territorial communities' own income in the consolidated budget of Ukraine increased from 2.2% to 18%. This is probably the biggest achievement of the reform (Klochko, 2021). But in this regard, it should be noted that this happened not as a result of the transfer of financial resources from the state budget, but as a result of the redistribution of income between local budgets, namely the transfer of income from the level of districts to the level of territorial communities. In general, the share of own revenues of local budgets in the consolidated budget of Ukraine during the implementation of the decentralization reform not only did not increase, but even decreased from 23.8% in 2013 to 21.8% in 2021 (SYU, 2021, 2015).

Dependence of local budgets on transfers from the state budget: The attempt to compensate for the lack of funds for the implementation of own and delegated powers at the expense of interbudgetary transfers creates a high level of dependence of local self-government on transfers due to their high volatility. The share of transfers from the state budget to local governments decreased from 59.1% in 2014 to 34.0% in 2020, but this was not due to an increase in local budgets' own revenues, but due to a significant reduction in transfers - from almost UAH 300 billionin 2018 up to UAH 160 billionin 2020, that is, almost twice. To a large extent, this happened as a result of a significant reduction in the medical subvention (SD, 2022).

Lowering the level of autonomy of local self-government: The share of subsidies in transfers to local budgets (in which there are no signs of targeting and local self-government bodies have the right to make decisions about the directions of use of these resources) was 49.3% in 2014, and about 8% in 2018. The main share of transfers now comes in the form of subventions - 91.6% (half of which are social protection subventions, local authorities perform agency functions). As a result of ineffective planning and management of financial resources, political lobbying and corruption in the authorities, subsidies have exhausted themselves as an important tool for budget equalization. At the same time, targeted subventions limit the autonomy of local authorities in the provision of financial resources (Pismeny, 2018).

Funding of delegated powers: The transfer of powers to local self-government without appropriate financial support has become a common occurrence in the process of reform in Ukraine. In particular, in 2016, the budgets of cities of regional importance were entrusted with the authority to finance vocational education without appropriate financial support, which endangered the functioning of institutions in this area. Cities of regional importance, which are not regional centers, were financially unable to fulfill these powers. The problem was solved only later with the use of a stabilization subsidy from the state budget (Benovska, 2019).

Standards of public services: The amount of educational and medical subvention, according to Art. 94 of the Budget Code should be calculated on the basis of state standards of public services, most of which are currently not approved and do not have a cost estimate. In 2020, this norm was removed from the Budget Code. In reality, the educational subvention is calculated according to the approved salaries, the tariff grid and the standards

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for the number of full-time positions, and the fullness of classes.

Budgets of regions: It is important that budget decentralization is not accompanied by a deepening of vertical fiscal imbalances - a discrepancy between the amount of financial resources of one or another level of government and the amount of tasks and responsibilities entrusted to them. The redistribution of revenues of local budgets took place in favor of newly created united territorial communities, and the biggest losses were incurred by the budgets of regions, whose share in the structure of revenues without transfers decreased from 37.9% in 2014 to 32.4% in 2018. Such changes are associated with the decline in the role of regional budgets in the financial provision of territorial development. The main factor in the decrease in income was the reduction in 2015 of the income tax rate for individuals (from 25% to 15%). These losses were greater than the revenues from the 10% corporate income tax (transferred to the regional level since 2015) (Storonyanska & Benovska, 2020).

Exclusion of the budget of the city of Kyiv from budget equalization: Before the decentralization reform, the budget of the city of Kyiv, along with other local budgets, participated in budget equalization. Starting from 2015, the budget of the city of Kyiv does not participate in the horizontal equalization of tax capacity (in accordance with the norms of Articles 98 and 99 of the Budget Code). In the capital, the amount of funds exceeding the average rate of tax revenues per resident in Ukraine is not withdrawn. This approach violates the principles of unity and fairness of the budget system of Ukraine, which is provided for in Article 7 of the Budget Code. That is, for the richest budget of the capital, the Law of Ukraine created conditions that do not provide for sharing with the budgets of "poor" communities. Defenders of such a "special status" of the capital's budget usually use the following argument - Kyiv's performance of functions related to the capital's status. In our opinion, this is a matter for state power, not local self-government.

High level of differentiation of communities according to their own incomes: In Ukraine, there is a high level of differentiation of communities according to their own incomes. For example, in 2022, in the Odesa region, out of 91 communities of the basic level, only 9 communities had a tax capacity index above 1.1 (they pay a reverse subsidy), and 78 communities had a tax capacity index below 0.9 (they receive a basic subsidy). This shows that there is a high level of differentiation of economic development not only of regions but also of communities.

Lack of a clear division of powers between state authorities and local self-government bodies. During the reformation, as in the previous period, there were repeated violations of the principle of a clear separation of powers between state authorities and local self-government bodies. It should be emphasized that the legislation of Ukraine does not contain a clear separation of powers between state authorities and local self-government bodies. The Law "On Local Self-Government in Ukraine" defines the list of own and delegated powers of the executive bodies of village, settlement, and city councils by branches of the budget sphere, which is not clear and mutually exclusive. This creates grounds for blurring the spheres of financial responsibility between local self-government bodies and executive power bodies. In addition, before the reform in the Budget Code, powers were divided into delegated and own. That is, those that are taken into account and not taken into account when determining interbudgetary transfers, after the 2014 reform, the Budget Code does not distinguish expenditures for the performance of local self-government bodies' own powers and those delegated to them by the state.

Despite the positive results of reforming the budget equalization system in Ukraine, there are a number of problems that need to be solved:

- A high level of differentiation of communities by the level of their own income;
- Substantial dependence of local budgets on transfers from the state budget;
- Low level of financial autonomy of communities;
- Transfer of powers to the level of local self-government without appropriate financial support;
- Lack of a clear division of powers between state authorities and local self-government bodies.

II. Ways and Proposals for Improving the Budget Equalization System in Ukraine

Based on the analysis of the experience of the OECD countries, it is possible to determine the sequence of stages of improving the budget equalization system (Sean Dougherty & Kass Forman, 2021). First, to carry out an analysis of the budget equalization system, which involves assessing tax opportunities, determine the main differences in the tax opportunities of ATUs (spending inequality, income inequality, etc.), whether ATUs have financial autonomy, whether there is enough data to build a cost equalization model, make the leveling system more transparent and politically neutral as soon as possible.

Secondly, choose a budget equalization model. At the same time, it should be determined to what extent equalization should bring the incomes of "poor" ATUs closer to the average level, whether "rich" ATUs should share with "poor" ATUs and to what extent, the degree of reduction of the gap between own incomes and spending needs, how equalizing transfers interact with other transfers and to what extent they should replace them.

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Third, determine the compensation measures and the duration of the transition period, including the amount of compensation for the losses of the ATU and how long it will take the ATU to compensate for the loss of its own income and transfers as a result of the reform.

The goal of budget equalization is to reduce differentiation in the level of access to public services in different ATUs. Most authors agree that any budget equalization model is based on the following principles:

- Clear separation of powers between different levels of government;
- Endowment of each level of power with sources of income sufficient to implement own and delegated powers;
- The use of transfers to smooth out vertical and horizontal imbalances of lower budgets in order to ensure a certain standard of public services throughout the country;
- Taking into account historical, national and political traditions and features, as well as the form of the state system, the size of the country and the population.

Target indicators of budget equalization and its assessment: It is proposed to evaluate the effectiveness of the budget equalization system based on the following indicators:

- The ratio of the tax capacity of the most "rich" ATU and the most "poor" ATU before equalization and after equalization. In OECD countries, this indicator is on average about 7 before equalization, and about 2 after equalization;
- Cost coverage ratio (ratio between income and expenditure needs for providing public services);
- Coefficient of autonomy (ratio of own income and total income).

The assessment based on the last two criteria can be carried out both for individual ATU and for individual levels of the budget equalization system.

It is also proposed to evaluate the effectiveness of the budget equalization system based on the dynamics of the above indicators over time.

The number of levels of the budget equalization system: A comparison of budget equalization systems of unitary and federal states indicates the presence of the latest budgets of federation members or regions as an additional level of the budget system. In the presence of such links, a more rational and clear distribution of powers and financial resources between authorities is ensured than in unitary states. At the same time, there is also a higher level of responsibility of additional branches of the budget system for the socio-economic development of regions (Pyontko, 2015).

The number of levels of the budget equalization system is determined by the number of levels of the country's administrative and territorial system. According to the Constitution of Ukraine, there are three of them (regions, districts, communities). Accordingly, the structure of the budget equalization system should be four-level (central, regional, district and basic levels). But since the district level of the administrative-territorial system has been almost leveled as a result of the decentralization reform, today only three levels operate in the budget equalization system. Therefore, one of the tasks of reforming the budget equalization system in Ukraine is to resolve the question: will it include a district level? Judging by the fact that in recent years there have been no actions on the part of the authorities regarding meaningful filling and restoration of the district level of local self-government, it can be assumed that this issue will be "frozen" in the coming years.

Based on the analysis of the experience of the OECD countries regarding the formation of budget equalization systems and the state of affairs on this issue in Ukraine, a number of directions for an improved national budget equalization system and meaningful filling of its key components have been proposed (Fig. 1).

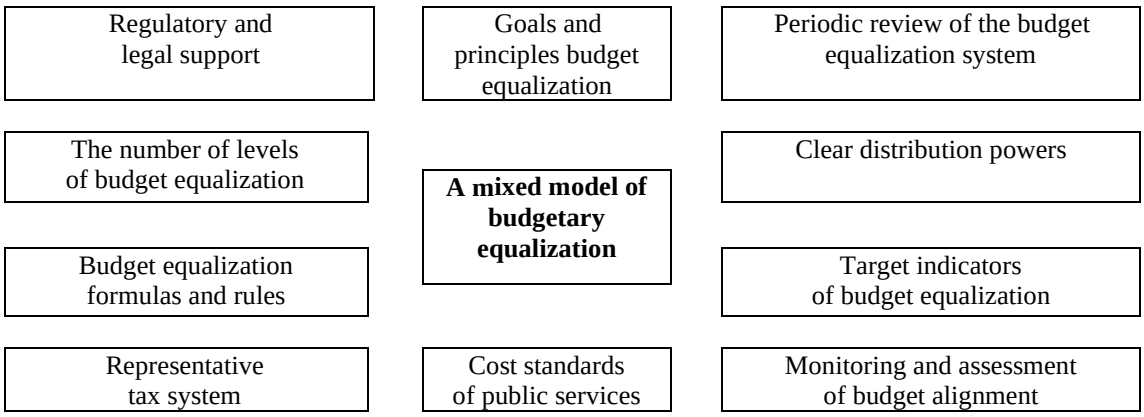


Fig. 1: Directions for improving the budget equalization system in Ukraine

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A mixed model of budgetary equalization: Based on the experience of the OECD countries, a mixed model of budget equalization has been proposed, which combines the components of vertical equalization of expenditures and horizontal equalization of incomes. The first should ensure the same level of cost coverage for the central government and local self-government, and the second should reduce the differentiation of ATU of local self-government in revenues.

Budget equalization formulas and rules: They determine the essence of the budget equalization system, its effectiveness, the level of social justice and political neutrality. The most effective way to ensure political neutrality and thus reduce the level of discretion is a simple, transparent and understandable equalization formula with several indicators that reflect the main fiscal disparities and spending needs. These indicators should be protected from manipulation by local authorities in order to prevent unfair distribution of budgetary resources between the ATU, as well as between local self-government and the central government. The size of the ATU should not be included in the equalization formula, a possible exception may be large agglomerations where the cost of living is high.

The Concept of reforming local budgets in order to increase the autonomy of communities provides for an annual increase in the specific weight of the general fund of local budgets in the consolidated budget of Ukraine by several percentage points (KMU, 2007). It has been proposed to specify this measure in the following way - to annually increase the specific weight of the general fund of local budgets in the consolidated budget of Ukraine by 2 (two) percentage points, bringing its share to the level of 30%.

In order to ensure social justice, it has been proposed to implement the experience of Germany in determining the place of crediting of personal income tax and profit tax, namely to make crediting of personal income tax at the place of residence of a person, and income tax at the location of an enterprise.

Distribution of powers: It is this component that largely determines the distribution of budget resources between the central government and local self-government, as well as between levels of local self-government. The existing legislative framework in Ukraine does not ensure a clear division of powers and a clear relationship between the powers transferred to the ATU level and the financial resources necessary for their implementation. This creates uncertainty and, accordingly, the possibility of discretion on the part of the central government in the allocation of budgetary resources. In this regard, it has been proposed to amend the Law of Ukraine "On Local Self-Government in Ukraine" regarding:

a) a clear division of powers between the central government and local self-government, as well as between levels of local self-government in accordance with the principle of subsidiarity;
b) determining the powers of the district level of local self-government in accordance with Article 140 of the Constitution of Ukraine, namely district councils represent the common interests of territorial communities of villages, towns and cities.

It will also be proposed to make changes to the Budget Code of Ukraine to ensure a clear relationship between the powers transferred to the ATU level and the financial resources necessary for their implementation.

Representative tax system: Budget equalization should be based on a representative tax system, which is a list of basic taxes and standard rates for them. Experts believe that a representative tax system usually allows reflecting the general ability of the ATU to collect taxes and, accordingly, ensure objective equalization (Sean Dougherty & Kass Forman, 2021; Baltina, A.M., Volokhin, V.A. & Popova, N.V., 2014).

In Ukraine, as a result of the decentralization reform of 2014, income equalization for communities is carried out on the basis of one personal income tax, and for regions on the basis of two taxes - personal income tax and profit tax. Income from personal income tax accounts for about 57% of the total tax revenue of communities. That is, almost half of the income from other taxes is not taken into account when equalizing the incomes of communities, which negatively affects the reduction of their income differentiation. To ensure a more objective distribution of income between communities, it has been proposed to supplement the representative tax system with the following taxes: excise tax, property tax, single tax.

Targeted transfers to achieve certain political goals and take into account special differences between ATU. In Australia, the Commonwealth Grants Commission has highlighted that the challenges faced by Indigenous communities cannot be adequately addressed through budgetary equalisation. In Belgium, the Brussels Capital Region receives a number of transfers outside the national budgetary equalization system, reflecting its unique status as the seat of the European Parliament. It has been proposed to use this experience to resolve the issue of the participation of the city of Kyiv in the equalization of community incomes. It has been proposed to make changes to the Budget Code of Ukraine regarding the involvement of the city of Kyiv in equalizing the income capacity of communities. At the same time, it is necessary to provide for transfers in the state budget of Ukraine for the city of Kyiv to perform the functions of the capital. This will lead to a reduction of the strong asymmetry of tax revenues per inhabitant between the capital and other autonomous regions, a significant increase in the average value of the tax capacity index and, accordingly, an increase in

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the volume of the basic subsidy and a decrease in the reverse subsidy.

The budget equalization system may also include targeted transfers to take into account special differences between ATUs in terms of the number and density of the population, the specific weight of the elderly, the presence of mountainous areas, etc.

Strengthening income equalization: Income equalization tends to be more effective and efficient than cost equalization. In all countries, the difference in income between ATUs is much greater than in the cost of public services (OECD, 2014). Therefore, first of all, income equalization should be carried out. The prototype of the Ukrainian model of budget equalization was the Polish model. The reverse subsidy in Poland is paid by ATUs, in which the tax income per person exceeds 150% of the average value for the country. The amount of reverse payments is 20% of the excess. It is important to balance the budget in accordance with the principle of territorial justice. Therefore, the distribution of income should, on the one hand, be aimed at ensuring the minimum needs of all members of society, and on the other hand, at the observance of the principle "whoever earns more, gets more". That is, with the horizontal redistribution of financial resources to improve the financial condition of the "poor" ATUs should not negatively affect the condition of the "rich" ATUs. Therefore, in accordance with the Polish experience, it is proposed to gradually reduce the reverse subsidy rate to 20% over the course of 5 years.

Cost standards of public services: Today, most countries are moving to public service spending standards, applying objective criteria to assess real spending needs. Cost standards for services should be based on a small number of indicators covering a wide range of consumers and should be resistant to manipulation. For example, the number of teachers is an indicator that ATU can adjust. The number of schoolchildren, on the contrary, is an indicator that the ATU cannot influence. Cost standards that rely on a small number of indicators are also more transparent (Sean Dougherty & Kass Forman, 2021).

The lack of cost standards limits the possibility of using models of vertical cost equalization in Ukraine and, accordingly, limits the possibility of increasing the efficiency of the budget equalization system. In this regard, it has been proposed to adopt a state program for the development and phased implementation of cost standards for public services in Ukraine.

Periodic review of the budget equalization system: Equalization systems are not static entities, the procedure for their regular analysis should be included in the legislation underlying them. Based on the results of such an analysis, decisions can be made on reforming the alignment systems. Japan reviews its equalization system annually, while Canada, India, and Australia review their methodology every five years (Commonwealth Grants Commission, 2015; Sean Dougherty & Kass Forman, 2021). In this context, it is important to have an organization that determines the policy, the analysis process and the nature of the possible reform of the budget equalization system. In order to limit the political influence on the distribution of budgetary resources between the ATU in Denmark and Australia, agencies were created. They are less prone to political bargaining and perceive budget balancing as a technical process rather than a political one. Research confirms that independent agencies are less susceptible to political influence than ministries (Khemani, 2007). It has been proposed to create an independent agency in Ukraine that will analyze the state of the budget equalization system every five years and develop proposals for its reform, taking into account consultations with interested parties.

Tools for reducing the differentiation of the economic development of territorial communities and regions: Today, there is no clear evidence that allows us to talk about the impact of budgetary equalization on the growth of regional convergence. The experience of supporting the lands of the former German Democratic Republic indicates that even after 20 years, this policy has no significant results, and some consider it even harmful, as it preserves the inefficient economic structure of the eastern regions of Germany (Sean Dougherty & Kass Forman, 2021). In this regard, it should be noted that budget equalization is primarily aimed at supporting the social sphere of the ATU, and it only affects the level of economic development of the ATU to a certain extent. The dominant factor in this matter is the level of capitalization of the ATU economy. In this context, programs to reduce regional economic development differentiation are widely used in OECD countries. This reduces their differences in tax revenues, and this in turn reduces the differentiation in the level of access to public services in different ATUs. In Ukraine, a legislative framework has been created for such programs. First, there are agreements on regional development, agreements on interregional development and programs to overcome the depressed state of the territory. Unfortunately, they have not been used for more than 10 years, although they are defined as regional convergence mechanisms in the State Regional Development Strategies for the period up to 2020 and for the period 2021-2027 (KMU, 2014, 2020). It has been proposed to resume the practice of using agreements on interregional development, agreements on regional development and programs to overcome the depressed state of the territory.

III. Conclusion

The improvement of the budget equalization system of Ukraine should take place in the direction of

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creating equal financial opportunities for access to public services, improving their quality and compliance with state standards. Today, the emphasis is on horizontal equalization of incomes with the use of separate tools for vertical equalization of expenditures. The main problems of budget equalization in Ukraine are related to the insufficient volume of own revenues in local budgets, the high level of dependence of local budgets on transfers from the State budget, the insufficient validity of the procedure for calculating the tax capacity index, the significant differentiation of regions according to the level of socio-economic development. In the medium and long term, it is advisable to strengthen the role of expenditure equalization instruments. The basis of the new equalization system should be service cost standards. With the transition to medium-term planning of local budgets, it is necessary to ensure the stability and predictability of the volumes of transfers to local authorities and the transparency of the order of their distribution.

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ATU	Administrative-territorial unit
OECD	Organization of economic development and cooperation

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Intrapreneurial Practices and Performance of Cameroonian SMEs

By Crépin Singock Sotong & Laurent Ndjanyou
Université de Douala

Abstract- This study analyzes in the Cameroonian context the influence of intrapreneurship on the performance of SMEs in order to take stock of it and question the levers for accelerating intrapreneurial behavior in this population of companies. For this purpose, it uses a sample of 131 SMEs extracted from the database of the National Institute of Statistics (INS) of Cameroon and mobilizes, after analyzing descriptive statistics, binomial logistic regression models to measure the impact of the variables of intrapreneurship on the financial and economic returns of the SMEs in the sample. If the results show that intrapreneurship has a positive effect on performance as has been shown in similar work undertaken in Europe or Africa, its implementation remains embryonic in Cameroonian SMEs.

Keywords: *SME, intrapreneurship, owner-manager, performance.*

GJHSS-E Classification: *JEL Code: L25, L26.*



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Intrapreneurial Practices and Performance of Cameroonian SMEs

Pratiques Intrapreneuriales et Performance des PME Camerounaises

Crépin Singock Sotong [α] & Laurent Ndjanyou [σ]

Résumé- **Cette étude analyse en contexte camerounais l'influence de l'intrapreneuriat sur la performance des PME afin d'en dresser un état des lieux et questionner les leviers d'accélération des comportements intrapreneuriaux dans cette population d'entreprises. La recherche prend appui sur un échantillon de 131 PME extrait de la base des données de l'Institut National de Statistique (INS) du Cameroun. Le test des hypothèses émises relatives à l'influence des pratiques intrapreneuriales sur la performance a mobilisé, après une analyse de statistiques descriptives, des modèles de régression logistique binomiale. Bien que les résultats obtenus montrent que l'intrapreneuriat a un effet positif sur la performance des PME étudiées, il n'en demeure pas moins que le phénomène d'intrapreneuriat est à un stade embryonnaire au Cameroun.**

Mots clés: PME, intrapreneuriat, propriétaire-dirigeant, performance.

Abstract- **This study analyzes in the Cameroonian context the influence of intrapreneurship on the performance of SMEs in order to take stock of it and question the levers for accelerating intrapreneurial behavior in this population of companies. For this purpose, it uses a sample of 131 SMEs extracted from the database of the National Institute of Statistics (INS) of Cameroon and mobilizes, after analyzing descriptive statistics, binomial logistic regression models to measure the impact of the variables of intrapreneurship on the financial and economic returns of the SMEs in the sample. If the results show that intrapreneurship has a positive effect on performance as has been shown in similar work undertaken in Europe or Africa, its implementation remains embryonic in Cameroonian SMEs.**

Keywords: SME, intrapreneurship, owner-manager, performance.

I. Introduction

Depuis l'ouvrage de Pinchot (1985) sur l'intrapreneuriat, la littérature sur celle-ci foisonne (Venkatamaran et collab., 1992 ; Shane, 1994 ; Block et MacMillan, 1993 ; Champagne et Carrier, 2004 ; Garel et Jumel, 2005). Ces travaux se sont consacrés essentiellement sur les grandes entreprises possédant de puissants départements de recherche et développement, et de marketing chargés des politiques d'innovation. Les études sont ainsi orientés sur le rôle et aux activités des acteurs « intrapreneuriaux », notamment la production interne d'une nouvelle activité, l'accès à de nouveaux marchés et/ou de nouveaux produits et enfin sur les démarches d'innovation. La recherche en contexte PME est peu féconde ; pourtant l'intrapreneuriat n'en constitue pas moins pour cette catégorie d'entreprises une source de valeur ajoutée. Ceci étant, toute entreprise indépendamment de la taille devrait considérer l'intrapreneuriat comme une réponse au besoin d'innover qui bien pensé et mené, impacterait favorablement sur la compétitivité et la performance. Dans cette perspective, Carrier (1991, 1994, 1996), Zahra et al. (2000) et Messeghem (2003) soutiennent explicitement l'intérêt pour les petites et moyennes entreprises de compter aussi en leur sein des intrapreneurs. Les PME peuvent aussi faire appel aux idées innovantes de leurs salariés pour assurer leur développement comme le souligne les travaux de Carrier (2002), Basso et Legrain (2004).

La présente étude s'inscrit dans le prolongement des travaux de Carrier et Gélinas (2011), qui s'interrogeant sur les pratiques que peuvent utiliser les PME pour favoriser le développement de l'intrapreneuriat, ont proposé cinq approches, notamment: miser sur l'initiative des employés, rechercher activement des intrapreneurs, mettre en place une équipe pour innover, inviter tous les employés à proposer des améliorations ou des innovations et assister les employés à créer leur propre entreprise. A côté de ces pratiques, il est important de souligner le rôle du propriétaire-dirigeant en amont. Au Cameroun par exemple, suivant le recensement général des entreprises réalisé par l'INS en 2009, 91,8 % des firmes sont des entreprises individuelles. La place centrale que l'entrepreneur occupe dans les PME constitue l'un des facteurs clés qui pourraient également être une des contraintes au développement de certaines pratiques de gestion dans ces entreprises (Singock, 2016). La question centrale de cette étude est de savoir quelle est l'influence des pratiques intrapreneuriales de la PME sur sa performance ? Cette question principale se subdivise en deux questions subsidiaires : Quelles sont les pratiques intrapreneuriales développées par les PME ?

Author α: Université de Douala, FSEGA, Cameroun.
e-mail: crsingock@yahoo.fr
Author σ: Université de Yaoundé II, FSEG, Cameroun.
e-mail: ndjanyou@yahoo.fr

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Quelle est l'influence de ces pratiques sur la performance financière des PME ?

La complexité que renferme la notion de performance est à l'origine de différents débats scientifiques qui s'accordent pour lui donner un sens unique, et qui se heurtent au même moment à la diversification de son usage. La performance est mesurée sur la base d'un nombre impressionnant de variables différentes, allant des indicateurs financiers aux indicateurs non financiers (Wang et Huynh, 2013). La présente étude retient la rentabilité financière et la rentabilité économique comme indicateurs de performance. Morrison et Roth (1992) constatent d'importantes corrélations entre le ROI (Return On Investment), le ROA (Return On Assets) et la croissance des ventes.

La suite du présent papier est organisée autour de trois parties. La première met en exergue le cadre théorique de l'étude, la seconde expose la démarche méthodologique adoptée et la troisième présente les résultats et les discussions qui s'en suivent.

II. Cadre Théorique de L'étude

Les définitions de l'entrepreneuriat sont plurielles et il n'existe pas de consensus dans la littérature. Fort de cette diversité, nous nous proposons d'abord de nous pencher sur une approche conceptuelle de l'intrapreneuriat avant de nous consacrer sur le détour théorique autour de la relation entre l'intrapreneuriat et la performance.

a) Cadre sémantique de la notion d'intrapreneuriat

Si pour Brenner et Brenner (1988), l'intrapreneuriat n'est que le nouveau nom d'un vieux phénomène dont l'invention permet cependant de concentrer l'attention sur le sujet difficile de l'innovation et la prise de risque à l'intérieur de la firme, il est important de passer en revue les origines, l'évolution et les sens que l'on peut lui attribuer.

i. *Naissance et évolution du concept d'intrapreneuriat*

Le concept d'intrapreneuriat a fait son apparition dans l'analyse des process industriels au milieu des années 70 (Carrier, 1997). On attribue aux fondateurs du groupe de consultants Foresight devenu quatre années plus tard l'École des intrapreneurs en Suède (Carrier, 1997 ; Langlois, 1988) le tout premier usage du terme. Néanmoins, Gifford Pinchot (1986) s'est proclamé inventeur du concept en 1978 suite à sa participation à un séminaire organisé par l'École des entrepreneurs de Bob Schwartz. Il a fallu cependant attendre la publication du livre de Pinchot : « Intrapreneuring » en 1985 chez Harper et Row pour voir se préciser la portée du concept et les réflexions de cet auteur sur la question. Complétée par un article paru dans Research Management dans lequel Pinchot avance un ensemble de recommandations pour remédier à la pénurie d'intrapreneurs dans les organisations, la consécration du terme surviendra quelques années plus tard avec son introduction dans The American Heritage Dictionnary, édition de 1992. Depuis lors, le concept n'a cessé de susciter des travaux aussi bien sur le plan théorique que sur le plan empirique. C'est ainsi que les années 90 ont vu se développer un effort sans précédent de la part des chercheurs dans la conduite des travaux empiriques sur les activités intrapreneuriales (Hornsby et collab, 2002).

ii. *Corporate entrepreneurship et intrapreneuriat*

Près de vingt à trente ans après son invention, le concept est resté cependant suffisamment vague et imprécis en dépit de l'importance des travaux qu'il semblait susciter. Ni sa définition, ni sa portée, ni encore moins son appartenance disciplinaire ne semblent faire l'unanimité comme c'est d'ailleurs le cas pour le terme « entrepreneuriat » avec lequel il partage de nombreuses caractéristiques. C'est ce qui justifie la profusion de sémantique sur cette notion à la fin des années 90 et le début de celles 2000.

Cette sémantique emprunte deux voies essentielles : la première apporte des clarifications sur les notions d'entrepreneuriat et d'intrapreneuriat, tandis que la seconde conceptualise davantage la notion d'intrapreneuriat en relevant les facteurs de son implémentation au sein de l'entreprise ou de l'organisation. Concernant la distinction intrapreneuriat-entrepreneuriat, Nielson (2000) met en évidence le fait que l'entrepreneuriat qui serait l'intrapreneuriat externe ferait référence à la création de nouvelles unités d'affaires tournées vers les marchés externes à l'organisation et dans un but de profitabilité. Alors que l'intrapreneuriat interne renverrait au développement des marchés à l'intérieur de l'organisation, par l'action de petites unités indépendantes qui créent ou améliorent des processus ou technologies utiles au fonctionnement de l'entreprise (Champagne et Carrier, 2004). Il faut ajouter que la distinction bien que subtile entre les concepts d'entrepreneuriat corporatif et d'intrapreneuriat, permet de percevoir que l'acteur à la source de la nouvelle idée est une des différences clés (Champagne et Carrier, 2004). Cette différence fondamentale proviendrait du fait que l'intrapreneuriat est initié par des employés n'ayant pas de participation au capital social de l'entreprise. En ce qui concerne l'entrepreneuriat corporatif, les initiatives peuvent provenir des dirigeant-propriétaires, actionnaires ou membres du conseil d'administration. La distinction ainsi faite ne pouvant pas dégager les voies d'une implémentation concrète, le second champ de la sémantique s'occupera de préciser les facteurs d'intrapreneuriat au sein d'une organisation.

C'est dans ce cadre que Antoncic et Hisrich (2001: 498) tentent d'élargir la définition de

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l'intrapreneuriat de la grande entreprise à celle de petite dimension. L'intrapreneuriat est ici considéré comme « un processus qui se produit à l'intérieur d'une firme existante, indépendamment de sa taille, et qui ne mène pas seulement à la création de nouvelles entreprises mais aussi à d'autres activités et orientations innovatrices, telle que le développement de nouveaux produits, services, technologies, techniques administratives, stratégies et postures compétitives ». Cette perception de l'intrapreneuriat corrobore celle proposée par Carrier (1991 : 21), pour qui l'intrapreneuriat traduit « la mise en œuvre d'une innovation par un employé ou tout individu œuvrant sous le contrôle l'entreprise, l'innovation étant définie comme l'adoption d'un changement par une organisation, lequel changement est envisagé dans le but d'augmenter la productivité globale, de répondre à de nouvelles exigences du marché ou de s'attaquer à de nouvelles activités ou de nouveaux marchés ». Ici, l'intrapreneuriat est appréhendée à partir de son processus qui est « la mise en œuvre d'une innovation » et de son résultat qui est l'innovation perçue comme «l'adoption d'un changement par l'organisation ».

Considérant cette perception de l'intrapreneuriat et en dépit de la difficulté éprouvée pour identifier et retenir une définition et une conceptualisation commune, l'on s'accorde sur les finalités, les enjeux, les usages ainsi que les éléments qui traduisent l'émergence des comportements intrapreneuriaux au sein des organisations (Pinchot, 1985 ; Nielsen, 2000 ; Allali, 2003 ; Bouchard et Bos, 2006 ; Seshardri et Tripathy, 2006 ; Phan et al., 2009 ; Bouchard, Basso et Fayolle, 2010). La présente étude se focalise sur le concept d'intrapreneuriat tel que développé par Carrier (1991), elle ne retient donc pas la conception de l'intrapreneuriat comme corporate entrepreneurship.

b) Intrapreneuriat et performance de la PME

Plusieurs mécanismes et processus pour faciliter l'intrapreneuriat dans les grandes organisations ont fait l'objet de plusieurs travaux (Basso et Legrain, 2004 ; Bouchard, 2009 ; Lisein et Degré, 2010). Toutefois, ces dispositifs restent difficilement transposables en contexte PME, compte tenu du fait que cette catégorie d'entreprises ne dispose pas des ressources humaines et financières suffisantes pour leur implémentation (Carrier et Gélinans, 2011). Sur le plan théorique, les travaux examinant la relation entre l'intrapreneuriat et la performance convergent dans l'ensemble sur la conclusion selon laquelle l'intrapreneuriat influence favorablement la performance. Trois niveaux d'analyse sont mis en relief. Premièrement, une catégorie d'études a montré que la probabilité de croissance des firmes qui entretiennent des structures organisationnelles et des valeurs favorables aux activités intrapreneuriales est élevée que celles où ces caractéristiques sont faibles (Antonic et Hisrich, 2001). Par ailleurs, d'autres études ont établi que l'intrapreneuriat peut améliorer les performances financières et commerciales d'une organisation en créant une valeur additionnelle aux actionnaires (Robinson 2001). Une dernière catégorie d'études, a relevé le fait que l'intrapreneuriat international conditionne le succès organisationnel et la performance aussi bien sur le marché local qu'à l'étranger (Zahra et Garvis, 2000).

Les prédictions théoriques ci-dessus sont validées par plusieurs travaux empiriques. Barrett, Balloun, et al. (2000) ont trouvé une forte corrélation entre l'intrapreneuriat et les performances de l'entreprises, même si Kuratko, Ireland et al. (2001), à l'issue d'une étude sur les effets de l'intrapreneuriat sur la performance de l'entreprise, ont lié cette dernière à la cohérence entre la politique de rémunération et la stratégie utilisée. Les résultats ci-dessus, portent sur les entreprises de grande taille. Pourtant comme nous l'avons relevé précédemment, le phénomène intrapreneurial n'est pas que l'apanage de la grande entreprise. Il semble émerger aussi en contexte PME. D'où l'intérêt de la présent étude pour ce type d'entreprise. Il s'en suit l'hypothèse majeure ci-après : Il existe une relation positive et significative entre les pratiques intrapreneuriales des PME et leur performance. Cette hypothèse est subdivisée en neuf (09) sous-hypothèses.

i. *Approches intrapreneuriales et performance de la PME*

A partir de leurs expériences respectives comme conseil dans les PME Carrier et Gélinas (2011) s'intéressent aux pratiques que peuvent s'approprier les PME pour promouvoir en leur sein l'intrapreneuriat. Dans ce cadre, il est proposé cinq approches et des conditions sous-jacentes pour favoriser le succès de l'intrapreneuriat en contexte PME. Ces approches pouvant être adoptées partiellement ou totalement se résument comme suit au sens Carrier et Gélinas (2011: 19, op. cit.) « miser sur l'initiative des employés, rechercher activement des intrapreneurs, mandater une équipe pour innover, inviter tous les employés à proposer des améliorations ou des innovations et aider les employés à créer leur propre entreprise ». Nous nous sommes appuyés sur trois des approches ci-dessus considérées comme majeures pour émettre nos hypothèses, à savoir : la prospection proactive des intrapreneurs, la mise en place d'une cellule intrapreneuriale et l'invitation de tous les employés à la proposition des idées nouvelles.

- La prospection proactive des intrapreneurs

Pour Carrier et Gélinas (2011: 25), le dirigeant « explore comment il pourrait mieux se servir des talents dont il dispose dans les divers projets de développement ou d'expansion qu'il envisage à court

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ou à moyen terme ». Ces auteurs poursuivent en soulignant qu'un employé possédant des compétences distinctives peut bénéficier de l'entreprise, des possibilités pour les traduire en acte intrapreneurial. Il s'en suit qu'une approche proactive de prospection des intrapreneurs peut être favorable à la création de la valeur dans la PME, dû au fait que cette dernière bénéficierait des talents favorables au développement des avantages compétitifs. D'où l'hypothèse H1: La préférence par le propriétaire-dirigeant pour un employé qui innove en prenant des risques plutôt que d'un conformiste influence positivement la performance de la PME.

- La mise en place d'une cellule intrapreneuriale

Bouchard (2009) estime que la mise en place d'une cellule intrapreneuriale dont l'objectif est la proposition des solutions innovantes est l'approche la plus facile à adopter par les PME parmi les dispositifs intrapreneuriaux appliqués dans les grandes organisations. Pour Carrier et Gélinas (2011), cette approche serait simple à implémenter, car il s'agit de la mise en place d'une équipe-projet ou un groupe de travail chargé d'élaborer une innovation comme par exemple l'élaboration « d'une nouvelle technologie ou d'un nouveau processus, le développement d'un nouveau produit ou d'un nouveau marché, et parfois même une diversification de nature radicale ou dans un nouveau secteur ». Partant du fait que l'innovation apportée peut être favorable à l'entreprise, nous formulons l'hypothèse H2: La performance de la PME est positivement influencée par l'existence d'une équipe de recherche et développement chargée d'étudier les idées nouvelles proposées par les membres de l'entreprise.

- L'invitation de tous les employés à la proposition des idées nouvelles

Au-delà de la mise en place d'une cellule intrapreneuriale (Bouchard, 2009), un autre dispositif intrapreneurial serait « l'appel à tous » (Carrier et Gélinas, 2011), qui consiste à inviter tous les employés à proposer des idées nouvelles. Très souvent, pour un dirigeant de la PME, toutes les idées pouvant contribuer à faire progresser l'activité sont les bienvenues. Il peut s'agir des idées provenant des cadres supérieurs ou non pouvant entrainer des changements majeurs ou mineurs impactant favorablement le devenir de l'entreprise. Cette approche intrapreneuriale a été adoptée par plusieurs PME québécoises dans le cadre d'un programme de management par les idées dénommées « programme de suggestions » pour faire appel à la créativité de tous les salariés sans considération du grade et de la fonction (Carrier et Gélinas, 2011). Par ailleurs, Carrier (1999) a mené une recherche auprès d'une trentaine de PME ayant adopté « l'appel à tous » comme mode de management par les idées. Les résultats obtenus ont révélé des progrès significatifs dans les PME observées, malgré les faibles moyens engagés par celles-ci dans ce programme. Partant de ce résultat, nous formulons l'hypothèse H3: La performance des PME est fortement corrélée à l'émission d'idées nouvelles émanant du personnel.

ii. *Conditions de succès intrapreneuriaux et performance de la PME*

Pour garantir le succès intrapreneurial, Carrier et Gélinas (2011) soutiennent qu'il faudrait que certaines conditions soient respectées. De ce fait, le propriétaire-dirigeant doit notamment être disposé à accepter les nouvelles idées, avoir une culture favorable à l'innovation, être apte à exploiter la proximité avec les employés et d'offrir des récompenses adéquates aux intrapreneurs. Ces conditions dépendent essentiellement du propriétaire-dirigeant de la PME.

- Le degré d'autonomie laissé à la liberté créatrice

L'autonomie est un concept indissociable à toute étude portant sur l'intrapreneuriat. L'autonomie apparaît alors comme une capacité d'initiatives individuelles, voire un facteur de développement des compétences relationnelles. Ben Ali (2010) tente d'analyser à partir d'une revue d'arguments théoriques et de résultats empiriques l'influence de l'autonomie dans le travail sur l'intrapreneuriat. Il arrive à la conclusion que l'autonomie au travail, c'est-à-dire, la possibilité pour le salarié d'être acteur dans sa participation à la production et dans la conduite de sa vie professionnelle, est corrélée positivement à l'évolution et au développement des compétences des salariés. Carrier (1997 et 2000), Allali (2003 et 2007), Ben Ali (2010) insistent sur l'importance de l'autonomie dans le but de favoriser l'éclosion d'initiatives intrapreneuriales. La spécificité des résultats des travaux de Carrier (1997) réside en ce que en contexte PME, l'intrapreneur aspire à davantage d'autonomie plutôt qu'à un niveau élevé de rémunération. L'autonomie en question peut être allouée à travers divers mécanismes tels que la délégation, la responsabilisation, les contrats par objectifs, etc. Fort de cela, nous formulons les hypothèses suivantes :

H4: La performance de la PME est positivement influencée lorsque le propriétaire-dirigeant délègue le pouvoir décisionnaire à certains de ses employés dans le cadre des innovations.

H5: Le degré d'autonomie accordé aux employés chargés d'apporter des innovations influence la performance de la PME. Une autonomie souple favorise positivement la performance.

- L'exploitation de la proximité entre le dirigeant-propriétaire et les salariés

La plupart de PME a une structure relativement simple favorable au développement des relations de proximité et à une grande flexibilité. Relativement à la

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bonne exploitation de la proximité avec les employés, Carrier et Gélinas (2011) exposent quelques pratiques positives innovantes qu'adoptent des PME québécoises. Ces pratiques s'articulent autour du fait que les dirigeants doivent s'organiser pour informer tous leurs employés de façon claire et précise sur les objectifs de l'entreprise et comment ces derniers peuvent mieux contribuer à les atteindre à travers leurs idées et initiatives. Les dirigeants organisent au moins deux fois par an (tous les six mois) un « Point d'étape », où sont conviés tous les employés. Dans certaines PME, les dirigeants lancent par moment des appels à des projets ou idées spécifiques auprès des employés fixant à résoudre un problème ou à atteindre un objectif. Dans d'autres, les gestionnaires se rendent disponibles ou s'assurent que tout employé porteur d'une idée et qui souhaite la développer trouve un interlocuteur qui soit capable de la transmettre avec célérité auprès du propriétaire-dirigeant. Enfin, la valorisation régulière par les dirigeants des employés ayant soumis des idées ou projets d'innovation intéressant. Fort de cela, nous formulons les hypothèses suivantes :

H6: La performance de la PME est positivement influencée lorsque le propriétaire-dirigeant tient régulièrement des réunions avec ses employés pour discuter des tendances du marché et des plans de développement de l'activité de l'entreprise.

- La nécessité des incitations matérielles ou immatérielles à l'émergence des comportements intrapreneuriaux

L'attribution des avantages matériels et autres formes de reconnaissance semble très pertinente lorsque la PME veut apprécier les innovations apportées par certains employés. Il est cependant essentiel d'offrir une récompense qui ait du sens pour ces employés. Carrier et Gélinas (2011) ont relevé que certains dirigeants de PME pensent que les intrapreneurs sont davantage intéressés à gagner de l'argent. Pourtant, les intrapreneurs des PME qu'ils ont rencontrés ne cherchent pas la prime, mais plutôt, ils sont animés par le désir d'accroitre leur marge de manœuvre, de développer d'autres projets innovants, d'avoir une vie professionnelle excitante en termes de voyage et de découverte, détenir une part du capital social, etc.; Bien-sûr le gain pécuniaire n'est pas à négliger. Il est important que le propriétaire-dirigeant maîtrise de type de récompense adéquat à ses innovateurs. Parce que les négociations sont parfois plus laborieuse pour déterminer le type et la quantité de la récompense, que le niveau de satisfaction des intrapreneurs peut permettre d'apprécier leur adéquation avec les attentes de ces derniers. D'où les hypothèses suivantes :

H7: L'existence d'un manuel de procédure définissant les conditions de soumission, de validation et de rétribution des idées émises favorise la performance des PME.

H8: La performance de la PME est positivement influencée lorsque les employés sont régulièrement envoyés en formation.

H9: L'évaluation par le propriétaire-dirigeant du niveau de satisfaction/insatisfaction des employés influence positivement la performance de la PME.

III. Le Cadre Méthodologique de L'étude

La revue de la littérature nous a permis de formuler l'hypothèse principale et les sous-hypothèses opérationnelles. La présente section présente les sources de données, les caractéristiques de notre échantillon, les variables de l'étude et les modèles d'analyse.

a) Les sources de données et le processus de construction de l'échantillonnage

La présente étude a mobilisé les données primaires et les données secondaires provenant de l'Institut National de la Statistique (INS). Pour la constitution de l'échantillon, nous avons utilisé la méthode semi-aléatoire. L'annuaire statistique 2011 de l'INS pour le Cameroun montre que sur 93 969 entreprises recensées au Cameroun en 2009, 0,4% relèvent du secteur primaire, 13,1% du secteur secondaire et 86,5% du secteur tertiaire. Ainsi, sur un total de 131 PME de notre échantillon, nous avons essayé de nous rapprocher de ces quotas avec 15,27% pour le secteur secondaire et 84,73% pour le secteur tertiaire. Le secteur primaire a été exclu de notre analyse, car pour l'entreprise dont nous avons retrouvé les DSF, le dirigeant n'est pas propriétaire.

Sur le plan géographique nous avons retenu les villes de Yaoundé, Douala, Bafoussam et Garoua. Nous aurions souhaité couvrir d'autres villes du Cameroun, malheureusement face à aux difficultés financières, nous nous sommes limités à ces villes dont les moyens disponibles nous offraient plus de facilité de déplacement. Malgré tout, une observation du paysage économique camerounais montre que ces villes regorgent environ 70% des PME camerounaises. En effet, les villes de Douala et Yaoundé concentrent à elles seules environ 66,67% d'entreprises[1].

[1] Le rapport principal des résultats du recensement général des entreprises publié en septembre 2010, montre que 93969 entreprises et établissements sont en activité au Cameroun. Yaoundé et Douala concentrent près des deux tiers de ces entreprises et établissements recensés (INS, 2012).

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Tableau 1: Répartition de l'échantillon par ville

Ville	Effectifs	Pourcentage	Pourcentage Cumulé
BAFOUSSAM	27	20,6%	20,6%
DOUALA	49	37,4%	58%
GAROUA	9	6,9%	64,9%
YAOUNDE	46	35,1%	100%
Total	131	100%	

Source: Auteurs

L'unité d'enquête encore appelée l'unité statistique est dans cette étude la PME. Les définitions évoluent dans le temps, d'un pays à un autre et en fonction des objectifs poursuivis. Um-Ngouem (1996) observe que l'on distingue généralement deux courants qui définissent avec des critères différents la PME. Une approche fait appel à des critères qualitatifs et une autre s'appuie sur les grandeurs objectives et quantitatives. Le premier courant qui s'appuie sur des critères qualitatifs intègre dans ses définitions la propriété du capital, l'organisation et la distribution des fonctions, puis la gestion. Le rapport Bolton (1971)[2], qui fut à l'origine de la reconsidération des PME par l'économie industrielle en Angleterre, retient trois critères essentiellement qualitatifs pour distinguer les PME des grandes entreprises. Dans ce rapport, une PME est une entreprise qui détient une part relativement petite de son marché, elle est gérée de manière personnelle par son propriétaire, elle est indépendante, c'est-à-dire non intégrée dans une structure plus grande et ses propriétaires prennent leurs décisions sans contrôle extérieur. En France, l'article deux des statuts de la confédération générale des PME met en avant pour définir la PME le rôle des chefs d'entreprise qui assument personnellement et directement toutes les responsabilités quelle que soit la forme juridique de l'entreprise. A partir de ces acceptions, pour Um-Ngouem (1996) la PME serait alors une entreprise où le capital appartient à un seul individu qui, dans le souci d'en conserver la propriété, cherche à assumer toutes les fonctions essentielles de son unité de production en dépit de tous les problèmes de gestion qui pourraient naître d'une telle organisation[3].

Le second courant qualifié d'objectif ou quantitatif, s'appuie sur des grandeurs pour définir les PME, telles que le volume des capitaux propres, le niveau des investissements, l'effectif du personnel employé, le chiffre d'affaires réalisé, le total du bilan, etc. Ainsi, par rapport à la grande entreprise, la PME se définirait par des montants relativement faibles de l'ensemble de ces variables. A partir de cette approche, une recommandation de l'Union Européenne du 3 avril 1996 définit les PME selon trois catégories : les micro-entreprises, les petites entreprises et les moyennes. Les micro-entreprises sont celles qui possèdent entre 0 et 9 employés, les petites entre 10 et 49 et les moyennes entre 50 et 250 employés. En Afrique l'approche quantitative semble être privilégiée pour la définition et la classification des PME. En Algérie par exemple, la PME/PMI est définie quel que soit son statut juridique comme étant une entreprise de production de biens ou/et de services employant une (01) à (250) personnes; dont le chiffre d'affaires annuel n'excède pas 02 milliards de dinars ou dont le total du bilan annuel n'excède pas 500 millions de dinars; et qui respecte les critères d'indépendance, c'est-à-dire le capital n'est pas détenu à 25% et plus par une ou plusieurs autres entreprises ne correspondant pas à la définition de la PME/PMI.

Au Cameroun, toutes les définitions courantes tendent à privilégier l'approche quantitative, dans la mesure où elles offrent l'avantage de pouvoir apprécier aisément les critères de classification des entreprises. Le Cameroun a connu plusieurs définitions qui ont ainsi évolué au cours du temps. La loi n° 2010/001 du 13 avril 2010 portant sur la promotion des petites et moyennes entreprises au Cameroun, fixant les règles générales de promotions de ces entreprises, modifiée et complétée par la loi n° 2015/010 du 16 juillet 2015, vient mettre un terme aux divergences observées dans la tentative de définition de la PME. Elle présente les PME comme des entreprises qui emploient au plus 100 personnes et dont le chiffre d'affaires annuel hors taxe n'excède pas 3 milliard de francs CFA. Suivant cette loi, notre échantillon est constitué de la manière suivante :

[2] Cité par Ndjanyou (2008).

[3] Um-Ngouem (1996) note que, quel que soit son statut juridique, la PME conserve son statut d'entreprise personnelle tout au moins jusqu'à la disparition de son créateur. Cette disparition du créateur ou tout simplement son retrait des affaires confère alors à la PME le caractère d'une entreprise familiale.

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Tableau 2: Répartition de notre échantillon par taille des entreprises

Nombre d'employés	CAHT moyen	Effectifs	Pourcentage	Taille
De 01 à 05	De 0 à 15 000 000F	8	6,11%	TPE
De 06 à 20	De 15 000 000 à 250 000 000F	72	54,96%	PE
De 21 à 100	De 250 000 000 à 3 000 000 000F	51	38,93%	ME
Total	Total	131	100%	

Source: Auteurs

b) Les variables de l'étude

Après la mise en évidence des données et du processus de construction de notre échantillon, la présente section se focalise sur les variables expliquée et explicatives de l'étude.

i. *La variable expliquée*

La variable expliquée est la performance de la PME. Elle est mesurée à partir de deux indicateurs : la rentabilité financière et la rentabilité économique. La performance étant un concept multiforme que l'on ne peut généraliser et appréhender à travers quelques indicateurs (St-Pierre et Cadieux, 2011), nous avons choisi ces deux indicateurs car ils sont ceux largement utilisés dans la littérature (Janssen, 2004). La rentabilité financière encore appelée rentabilité des capitaux propres pour un exercice est égale au résultat net comptable de l'exercice (RN) divisé par les capitaux propres comptables (K)[4], dans le jargon financier on parle de ROE (*Return On Equity*) (Barreau et Delahaye, 2003). Nous avons retenu la moyenne des rentabilités financières observées de 2008 à 2010 notée RENTAFI :

$$\text{RENTAFI} = \frac{\sum_{2008}^{2010} \text{RN/K}}{3}$$

En tenant compte du fait que la rentabilité est le quotient d'un résultat obtenu par le capital engagé pour l'obtention de ce résultat, le choix d'un ratio pour la rentabilité économique ne devient plus en ce moment évident car laisse une large marge de manœuvre au chercheur (Barreau et Delahaye, 2003). Dans le cadre de la présente analyse, la rentabilité économique (RENTAECO[5]) est égale au résultat d'exploitation (RE) sur le total de l'actif du bilan (TA). Nous avons utilisé la moyenne des rentabilités économiques de 2008 à 2010 obtenue par la formule ci-dessous :

$$\textbf{RENTAECO} = \frac{\sum_{2008}^{2010} \textbf{RE/TA}}{\textbf{3}}$$

Les moyennes de ces indicateurs ont été rendues binaires, permettant ainsi d'avoir deux groupes d'entreprises par indicateur. Une entreprise est performante et prend la valeur « 1 » lorsque son taux de rentabilité est supérieure à zéro, elle est non performante et prend la valeur « 0 » lorsque son taux de rentabilité est négatif ou égal à zéro. Selon cette dichotomisation des indicateurs de performance, le tableau ci-dessous montre que 59,5% des PME de notre échantillon sont performantes suivant la rentabilité économique et 42 % selon la rentabilité financière.

Tableau 3: Répartition de l'échantillon suivant la performance

	RENTAECO		RENTAFI	
	Effectifs	Pourcentage	Effectifs	Pourcentage
Non Performant	53	40,5%	76	58%
Performant	78	59,5%	55	42%
Total	131	100%	131	100%

Source: Auteurs

[4] Il s'agit des capitaux propres sans prises en compte du résultat. Autrement dit, le résultat doit être exclu du montant des capitaux propres : K = Capitaux propres – Résultat net comptable de l'exercice.

[5] On trouve également les termes suivants pour traduire la rentabilité économique : ROCE (*Return On Capital Employed*) ; ROI (*Return On Investment*) ; ROA (*Return On Assets*) ; ROIC (*Return On Investment Capital*) ; RONA (*Return On Net Assets*) ; etc.

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ii. *Les variables explicatives*

Nous intéressant aux effets du comportement intrapreneurial sur la performance, nous avons adopté une démarche méthodologique qui prend en compte les variables explicatives qualitatives. Ces variables sont appréhendées à travers les questions CQ01 à CQ10 du questionnaire.

Les questions CQ01 à CQ06 permettent de capter les variables relatives à l'encouragement par le propriétaire-dirigeant à ses employés à la prise d'initiatives innovantes et de risque. La question CQ01 se focalise sur la délégation du pouvoir décisionnaire aux employés ; la question CQ02 se focalise sur la tenue des réunions avec les employés dans le but de discuter des tendances du marché et des stratégies à adoptées ; la question CQ03 se borne sur l'encouragement des employés à l'émission des idées nouvelles quel que soit leur grade. La question CQ04 cherche à savoir si la PME dispose d'une équipe de recherche intrapreneuriale. La question CQ05 cherche à savoir s'il existe au sein de l'entreprise un manuel de procédures qui prévoit des dispositions intrapreneuriale (conditions d'émission, de validation et de rétribution des idées émises par les employés). La question CQ06 cherche à capter la préférence pour le propriétaire-dirigeant entre un employé innovateur et un conformiste qui exécute seulement les ordres.

Les questions CQ07 et CQ08 permettent de capter le degré d'autonomie accordé aux employés par le dirigeant. La question CQ07 cherche à savoir si le propriétaire-dirigeant accorde souvent plus d'autonomie aux employés chargés d'apporter des idées ou solutions innovantes. La question CQ08 appréhende l'idée que se fait le dirigeant de l'autonomie à accorder aux employés par rapport au relâchement ou pas au travail.

Les questions CQ09 et CQ10 appréhendent le niveau d'encadrement du personnel. La question CQ09 cherche à savoir si le dirigeant envoie souvent ses employés en formation. La question CQ10 cherche à savoir si le propriétaire-dirigeant évalue souvent le niveau de satisfaction ou insatisfaction de son personnel.

c) Les modèles d'analyse des données

Pour la validation des relations anticipées, l'analyse a utilisé la statistique descriptive et des modèles économétriques.

i. *Modèles d'analyse descriptive des données*

Nous avons utilisés l'analyse unidimensionnelle et l'analyse bidimensionnelle. L'analyse unidimensionnelle consiste à faire des tris à plat qui permettent d'avoir une idée sur la distribution de certaines variables. C'est une analyse qui présente les résultats en fonction du type de données à disposition. En présence des variables qualitatives, il est recommandé l'usage des tableaux de fréquence des effectifs ou des graphiques. Nos variables étant qualitatives, les tableaux de fréquences ont permis d'observer la répartition des répondants selon les différentes questions. Ce qui a contribué à mieux appréhender les pratiques intrapreneuriaux dans les PME camerounaises.

L'analyse bidimensionnelle s'intéresse aux liaisons entre deux variables observées. La spécificité de cette analyse est d'observer s'il existe un lien entre deux variables. Seulement, cette méthode ne donne pas les informations sur le sens de la relation, elle donne tout simplement une première idée sur les variables qui pourraient expliquer le phénomène observé. Le test du Khi-deux est l'instrument qui a été utilisé pour cette étude, pour la simple raison que c'est un modèle que l'on utilise lorsque l'on veut effectivement vérifier l'indépendance entre deux variables qualitatives[6]. Ce test nous a permis de vérifier partiellement nos sous-hypothèses opérationnelles. Il a été question ici de voir s'il y a dépendance entre les variables intrapreneuriales et la performance de la PME qu'elle soit financière ou économique. L'analyse n'a pas pris en compte l'observation de la statistique du V de Cramer qui permet de mesurer l'intensité de la liaison, car ce n'était pas l'objet visé.

ii. Les modèles économétriques

Dans le cadre de la présente analyse, nous avons utilisé les régressions logistiques binomiales pour la validation de nos résultats. Les équations de ces modèles de régression ont été construites par le biais d'une procédure de sélection pas à pas (*forward stepwise*) qui combine les procédures ascendante et descendante. Une procédure de sélection vise à identifier quelles variables, en tenant compte des autres, permettent d'expliquer de façon significative la déviance totale. Les variables indépendantes ou les interactions entre variables issues des hypothèses sont testées une à une sur la base du degré de signification du test de score. Le test du score est une statistique se basant sur la comparaison de deux modèles permettant de porter un jugement sur la signification statistique des coefficients des modèles (Bernard, 1999). Cette procédure de sélection des variables conduit au modèle présentant le Chi-deux du score le plus élevé à être retenu comme modèle final.

Pour l'entrée et la sortie des variables du modèle, nous avons utilisé les seuils statistiques généralement admis pour une analyse optimale. Le seuil d'entrée des variables dans le modèle est 0,05, cela voudrait dire que la probabilité d'entrée d'une variable dans le modèle doit être inférieure ou égale à 0,05. Le

[6] On peut citer le test exact de Fisher lorsque l'on veut étudier les liaisons entre deux variables qualitatives, le test de Khi-deux lorsque l'on veut observer les liens entre variable qualitative et variable quantitative ou entre deux variables qualitatives et le calcul du coefficient de corrélation linéaire dit de « Bravais-Pearson » lorsque l'on veut observer les liaisons entre deux variables quantitatives.

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seuil de sortie est fixé à 0,10, autrement dit, la probabilité de sortie d'une variable du modèle doit être égale ou supérieure à 0,10. D'autre part, les variables entrent dans l'équation, une après l'autre. Après chaque entrée, les variables introduites précédemment sont testées à nouveau pour apprécier si l'entrée de la nouvelle variable entraîne la sortie d'une variable entrée avant et par conséquent son élimination du modèle final, ce qui veut dire qu'une variable précédemment significative peut perdre de sa signification après l'entrée d'une nouvelle. Pour cela, c'est la statistique de Wald qui permet de tester si les variables dans l'équation sont significatives avant et après l'entrée d'une nouvelle variable. Ce qui permet de constater que, à chaque fois qu'une nouvelle variable est introduite, le modèle est réestimé. La régression arrive à son terme après un certain nombre d'itération, généralement 20 (mais on peut aller au-delà), et surtout lorsque plus aucune variable ne remplit les critères d'entrée ou de sortie, ou encore lorsqu'un modèle identique au précédent est sélectionné. Telle est le processus de la régression logistique binomiale que nous avons employé.

La régression logistique présente certains avantages par rapport à la régression multiple standard qui est soumise à des conditions d'application plus restrictives (Janssen, 2004). Parmi ces avantages, on peut notamment citer le fait que la régression logistique ne présuppose pas une relation linéaire entre la variable expliquée et les variables explicatives et ne requiert pas une distribution normale des variables comme dans le cas d'une régression multiple standard. Aussi, la régression logistique permet d'intégrer dans le même modèle les variables de types dichotomique, polytomique et de type métrique. Seulement, c'est un modèle de régression qui permet de tester un modèle de régression dont la variable dépendante doit être dichotomique, les variables indépendantes pouvant être continues ou catégorielles. Dans le cadre de notre étude, les variables dépendantes sont dichotomiques, plus précisément binaires et les variables indépendantes sont pour certaines dichotomiques, pour d'autres polytomiques. C'est la raison pour laquelle nous avons choisi d'utilisé ce modèle qui nous a semblé plus approprié pour notre analyse.

Pour faire une régression logistique binomiale, en dehors du fait que la variable dépendante (prédite) doit être binaire et que les variables indépendantes (les prédicteurs) peuvent être continues, dichotomiques ou catégorielles, toutes les variables pertinentes doivent être comprises dans le modèle et celles qui ne le sont pas doivent être éliminées. Par ailleurs, il ne doit pas y avoir de relation linéaire parfaite, ni très élevée entre deux ou plusieurs prédicteurs. Par conséquent, les corrélations ne doivent pas être trop fortes entre les prédicteurs. La taille de l'échantillon doit être suffisante pour que l'on puisse procéder à l'analyse. Selon Harris (1985), la taille de l'échantillon doit excéder le nombre de prédicteurs d'au moins 50. Pour d'autres auteurs comme Bernard (1999), il faudrait un minimum de 10 observations par prédicteurs. Harris (op. cit) souligne que ce principe ne repose sur aucune preuve empirique. Il ajoute dans son argumentaire que d'autres chercheurs suggèrent des règles plus libérales en estimant que le nombre d'observations ne doit excéder le nombre de variables que de 40. Un échantillon de 131 entreprises respecte donc ces règles puisque l'analyse du Khi-deux va contribuer à l'élimination de certaines variables devant entrer dans le modèle.

IV. Les Résultats de la Recherche et Leur Discussion

La présente section présente d'une part les résultats de l'analyse descriptive et d'autre part, les résultats issus des régressions logistiques binomiales.

a) Les résultats de l'analyse descriptive

Cette section présente les résultats de l'analyse descriptive organisés autour de trois axes à savoir : la prise de risque et l'innovation au sein de la PME ; le degré d'autonomie accordé aux employés ; le niveau d'encadrement du personnel.

i. *… sur la prise de risque et l'innovation au sein de la PME*

La première question abordée est la délégation du pouvoir décisionnaire par le propriétaire-dirigeant à certains employés dans le cadre des innovations. L'analyse descriptive montre que 19,8% de répondants ne délèguent pas ce pouvoir aux employés. 32,1% délèguent très souvent et 48,1% délèguent souvent. La seconde question s'est focalisée sur la tenue régulière des rencontres avec les employés pour aborder des questions relatives aux tendances du marché et pour apporter des solutions. L'analyse unidimensionnelle a montré que 6,9% de dirigeants de notre échantillon ne tiennent pas souvent ce type de rencontre, contre 49,6% qui tiennent très souvent ces réunions. La troisième question est partie de la théorie selon laquelle l'innovation peut être apportée autant par un cadre qu'un ouvrier. L'ouvrier dans l'exécution de sa tâche peut proposer une nouvelle manière de faire qui puisse apporter un avantage concurrentiel. C'est pourquoi la question CQ03 a cherché à savoir si l'entrepreneur-dirigeant encourage tous les employés quel que soit le grade à l'émission d'idées nouvelles. Ce qui a semblé surprenant est que la quasi-totalité des dirigeants a répondu par l'affirmative, soit 95,4%. C'est-à-dire que tous ces propriétaire-dirigeants encouragent leurs employés quel que soit le grade à émettre des idées nouvelles. La quatrième question a cherché à capter l'impact de l'existence d'une équipe de recherche et de développement sur la performance de la PME. Le tableau des fréquences montre que 40,5% des

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propriétaire-dirigeants affirment avoir une telle équipe, contre 59,5% qui déclarent ne l'avoir pas.

Les résultats du test du Khi-deux indiquent à leur tour qu'il y a indépendance entre la délégation du pouvoir et la performance de la PME ; la tenue des réunions avec le personnel et la performance de l'entreprise ; l'encouragement des employés à l'émission d'idées nouvelles et la performance ; l'existence d'une équipe de recherche et développement et la performance de la PME, qu'elle soit financière ou économique. Il en résulte alors que les sous-hypothèses opérationnelles H2, H3, H4et H6sont rejetées.

Tableau 4: Statistiques des tests sur la prise de risque, l'innovation et la performance

Variables explicatives	Performance	Pearson Chi-Square		
		Value	df	Asymp. Sig. (2-sided)
Préférence pour un employé qui innove en prenant des risques plutôt qu'un conformiste qui exécute seulement les ordres (H1)	RENTAFI	4,257	2	,119
	RENTAECO	2,536	2	,281
Existence d'une équipe chargée d'étudier et développer les idées nouvelles proposées par les employés (H2)	RENTAFI	2,933	1	,087
	RENTAECO	,274	1	,601
Encouragement des employés quel que soit le grade et la fonction à l'émission d'idées nouvelles (H3)	RENTAFI	,166	1	,684
	RENTAECO	,238	1	,626
Délégation du pouvoir décisionnaire à certains employés dans le cadre des innovations (H4)	RENTAFI	1,885	2	,390
	RENTAECO	,760	2	,684
Tenu des réunions avec les employés afin de discuter des tendances du marché et des plans de développement (H6)	RENTAFI	3,175	2	,204
	RENTAECO	,571	2	,752
Existence au sein de l'entreprise d'un manuel de procédures valide et connu (H7)	RENTAFI	10,976	1	,001
	RENTAECO	10,552	1	,001

La cinquième question a cherché à appréhender l'impact de la formalisation des procédures intrapreneuriales sur la performance de la PME. Elle s'est appuyée sur le fait que, rendre les procédures formelles permettait d'éviter les discriminations et les traitements de faveur. L'analyse unidimensionnelle révèle que seulement 13,7% des entreprises de notre échantillon disposent d'un manuel de procédures qui prévoit des dispositions sur l'intrapreneuriat. Les résultats de l'analyse bidimensionnelle par le test du Khi-deux indiquent qu'il existe un lien entre l'existence d'un manuel de procédure et la rentabilité, qu'elle soit économique (α_0 égal à 0,001) ou financière (α_0 égal à 0,001). Ce qui permet de valider partiellement la sous-hypothèse H7.

La sixième question s'inspire du fait qu'il existerait une volatilité de la main d'œuvre dans les PME. Les employeurs ne sont pas souvent près à améliorer les conditions de leurs employés pour les conserver. D'autres trouvent des prétextes pour les renvoyer, surtout lorsque l'employé veut s'imposer au sein de la firme. L'analyse a voulu à travers cette question, capter l'impact d'une préférence par un dirigeant entre un employé qui innove en prenant des risques et un employé conformiste qui exécute seulement les ordres. Il ressort que 25,2% de dirigeants préfèrent très souvent un innovateur et 58% préfèrent souvent, contre 16,8% qui préfèrent un conformiste. Les résultats de l'analyse bidimensionnelle indiquent grâce au test du Khi-deux, qu'il n'existe aucun lien entre la préférence pour un innovateur plutôt que d'un conformiste et la performance dans les PME. La sous-hypothèse H6 est alors rejetée.

ii. … *Sur le degré d'autonomie des employés*

La mise en place des stratégies intrapreneuriales requièrent un certain degré d'autonomie à accorder aux employés chargés d'apporter des innovations. L'analyse unidimensionnelle montre que sur cette question, les entrepreneur-dirigeants ont des avis plutôt partagés (Kurtosis négatifs). Ils ont dans l'ensemble conscience de l'importance de l'autonomie dans le cadre des innovations, mais craignent en même temps l'installation d'un laxisme de la part des employés.

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Tableau 5: Statistiques sur le degré d'autonomie

Items	Très souvent		Souvent		Pas souvent		Total répondant		Asymétrie	Kurtosis
	Eff	%	Eff	%	Eff	%	Eff	%		
Vous accordez plus d'autonomie aux employés chargés d'apporter des idées et/ou solutions aux innovations	38	29,0	69	52,7	24	18,3	131	100,0	,104	-,558
Vous pensez plutôt que plus d'autonomie accordée aux employés peut entrainer un relâchement au travail	35	26,7	76	58,0	20	15,3	131	100,0	,137	-,831

Source: Auteurs

Les résultats des tests statistiques d'indépendance indiquent que le degré d'autonomie accordé aux employés influence la rentabilité économique et la rentabilité financière (α_0 égal à 0,040). La sous-hypothèse H5 est alors partiellement validée.

Tableau 6: Statistiques du test entre degré d'autonomie et performance de la PME

Variable explicative	Performance	Pearson Chi-Square		
		Value	df	Asymp. Sig. (2-sided)
Autonomie accordée aux employés chargés d'apporter des idées et/ou solutions innovantes au sein de la PME (H5)	RENTAFI	20,967	2	**,000**
	RENTAECO	38,426	2	**,000**

iii. *… Et sur le niveau d'encadrement du personnel*

Le niveau d'encadrement a mis en exergue l'envoie des employés en formation et l'évaluation du niveau de satisfaction et/ou insatisfaction des employés.

Sur la question de l'envoie des employés en formation, les avis sont également partagés. 13% des dirigeants envoient très souvent leurs personnels en formation, 34,3% envoient souvent et 52,7% n'envoient pas souvent. Soit alors 47,3% qui au moins font suivre à leurs employés des formations. Les tests statistiques du Khi-deux indiquent qu'il y a une indépendance entre le fait d'envoyer les employés en formation et la performance des PME. Cela pourrait s'expliquer par le fait que les employés ayant déjà une certaine expérience et bien formés ne peuvent être conservés par les PME. Un propriétaire-dirigeant d'une PME disait à ce sujet que lorsqu'il dépense de l'argent pour former ses employés, ceux-ci sont débauchés plus tard par les grandes firmes qui offrent de meilleurs avantages que lui. Ce qui lui a conduit à ne plus trop envoyer ses employés en formation. Les résultats obtenus permettent alors de rejeter la sous-hypothèse H8.

Tableau 7: Statistiques du test entre niveau d'encadrement du personnel et la performance de la PME

Variables explicatives	Performance	Pearson Chi-Square		
		Value	df	Asymp. Sig. (2-sided)
Envoie des employés en formation (H8)	RENTAFI	1,109	2	,574
	RENTAECO	,827	2	,661
Évaluation du niveau de satisfaction/insatisfaction des employés (H9)	RENTAFI	6,090	2	**,048**
	RENTAECO	4,376	2	,112

Par rapport à l'évaluation du niveau de satisfaction ou insatisfaction du personnel, là encore les avis sont également partagés entre les chefs d'entreprises (kurtosis négatif : -1,080), avec une relative orientation vers une tendance à ne pas faire cette évaluation (coefficient d'asymétrie négatif : -0,395). De manière simple, il apparait que seulement 18,3% d'entrepreneur-dirigeant se livre très souvent à cet exercice, 40,5% souvent et 41,2% pas souvent. Les résultats du test du Khi-deux indiquent qu'il y a une

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indépendance entre l'évaluation du niveau de satisfaction/insatisfaction des employés et la rentabilité économique, mais une dépendance avec la rentabilité financière. La sous-hypothèse H9 est alors partiellement validée du point de vue financier.

b) La validation des résultats par les régressions logistiques binomiales

Relativement à la validation des résultats obtenus ci-dessus, nous avons utilisé deux modèles de régression logistique binomiale ; un avec la rentabilité financière et l'autre avec la rentabilité économique. La variable dépendante est le taux de la rentabilité (économique et financière), elle est codée « 0 » pour non performant et « 1 » pour performant. Les variables indépendantes étant nominale, elles ont été classées par catégories.

i. *La validation des résultats suivant le premier modèle*

Pour le premier modèle, la variable expliquée est la rentabilité économique. Les variables explicatives retenues sont : l'existence d'un manuel de procédure et le degré d'autonomie accordé aux employés. Le tableau suivant présente l'historique des itérations pour le modèle de base. Nous retenons particulièrement la probabilité log (-2LL) initiale. Elle est de 125,270 et représente la probabilité que nous cherchons à améliorer.

Tableau 8: Historique de la deuxième étape des itérations du modèle de base

Iteration		-2log-likelihood	Coefficients			
			Constant	EXIMANU(1)	EXIMANU(2)	AUTONO(1)
Step 2	1	131,928	-1,408	2,914	1,559	,896
	2	126,252	-1,787	3,899	1,903	1,797
	3	125,312	-1,936	4,376	2,043	2,431
	4	125,270	-1,971	4,491	2,079	2,612
	5	125,270	-1,973	4,496	2,080	2,623
	6	125,270	-1,973	4,496	2,080	2,623

Le tableau de classement montre pour sa part que la prédiction en se basant sur la catégorie la plus fréquente permet de classifier correctement 71,8 % des participants. Le tableau des variables hors de l'équation initiale affiche une statistique globale significative de 0,014, ce qui veut dire que l'ajout d'une variable permettrait probablement à améliorer le modèle de base. Le tableau suivant présente le résumé du modèle.

Tableau 9: Résumé du premier modèle

Step	-2 Log likelihood	Cox &Snell R Square	Nagelkerke R Square
1	132,240	,288	,389
2	125,270	,325	,439

On se rend bien compte que l'ajout d'une variable a permis l'amélioration du modèle par une diminution significative du -2LL.

Tableau 10: Test de spécification du premier modèle

		Chi-square	df	Sig.
Step 1	Step	44,564	2	,000
	Block	44,564	2	,000
	Model	44,564	2	,000
Step 2	Step	6,971	1	,008
	Block	51,534	3	,000
	Model	51,534	3	,000

A partir de ces deux derniers tableaux, nous pouvons dire que le modèle final permet de prédire significativement mieux la probabilité d'obtenir une performance que le fait le modèle incluant seulement la constante. En examinant le test de Hosmer-Lemeshow, celui-ci indique qu'il n'existe pas un écart important entre les valeurs prédites et observées. Une fois que l'évaluation de la signification du modèle est faite, il faut évaluer la signification statistique des coefficients estimés des variables indépendantes conservées dans

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l'équation finale afin de s'assurer que chacune contribue à mieux prédire qu'un modèle qui ne l'inclurait pas. Le tableau suivant présente les variables retenues dans le modèle final.

Tableau 11: Prédicteurs statistiquement significatifs de la rentabilité économique

		B	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
								Lower	Upper
Step 1	AUTONO			24,594	2	,000			
	AUTONO(1)	4,500	,910	24,461	1	,000	90,000	15,129	535,408
	AUTONO(2)	1,813	,599	9,167	1	,002	6,129	1,895	19,820
	Constant	-1,609	,548	8,634	1	,003	,200		
Step 2	EXIMANU(1)	2,623	1,220	4,620	1	,032	13,780	1,260	150,696
	AUTONO			22,177	2	,000			
	AUTONO(1)	4,496	,958	22,034	1	,000	89,657	13,718	585,970
	AUTONO(2)	2,080	,670	9,642	1	,002	8,007	2,154	29,768
	Constant	-1,973	,628	9,869	1	,002	,139		

Les coefficients *B* et de Exp(B) indiquent une relation positive entre l'existence d'un manuel de procédure valide (EXIMANU), le degré d'autonomie accordé aux employés (AUTONO) et la performance économique. Ce résultat permet de valider les sous-hypothèses H5 et H7.

ii. *Validation des résultats suivant le second modèle*

Pour le second modèle, la variable expliquée est la rentabilité financière. Les variables explicatives retenues sont : l'existence d'un manuel de procédure, le degré d'autonomie accordé aux employés et l'évaluation du niveau de satisfaction et/ou insatisfaction des employés. Le tableau suivant présente l'historique des itérations pour le modèle de base. Nous retenons particulièrement la probabilité log (-2LL) initiale. Elle est de 151,395et représente la probabilité que nous cherchons à améliorer.

Tableau 12: Historique des itérations du second modèle de base

Iteration		-2 Log likelihood	Coefficients			
			Constant	AUTONO (1)	AUTONO (2)	EXIMANU (1)
Step 1	1	156,816	-1,333	2,175	,725	
	2	156,517	-1,587	2,485	,959	
	3	156,515	-1,609	2,507	,981	
	4	156,515	-1,609	2,507	,981	
Step 2	1	152,078	-1,424	1,923	,752	1,086
	2	151,401	-1,741	2,287	1,026	1,377
	3	151,395	-1,777	2,326	1,061	1,408
	4	151,395	-1,777	2,327	1,061	1,409

Le tableau de classement montre pour sa part que la prédiction en se basant sur la catégorie la plus fréquente permet de classifier correctement 58 % des participants. Le dernier tableau de classement indique également que 73,3 % de participants ont été correctement classifiés. Le tableau des variables hors de l'équation initiale affiche une statistique globale significative de 0,00, ce qui veut dire que l'ajout d'une variable permettrait probablement à améliorer le modèle de base. Le tableau suivant présente le résumé du modèle.

Tableau 13: Résumé du second modèle

Step	-2 Log likelihood	Cox &Snell R Square	Nagelkerke R Square
1	156,515	,153	,205
2	151,395	,185	,249

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Nous pouvons calculer 156,515–151,395, ce qui donne 5,120. Cette valeur est évaluée dans une distribution χ^2 et sa signification est présentée dans le tableau tests de spécification du modèle. La ligne étape montre en effet la différence entre la probabilité -2LL de l'étape précédente et celle obtenue par l'ajout d'un nouveau prédicteur. On se rend bien compte que l'ajout d'une variable a permis l'amélioration du modèle par une diminution significative du -2LL.

Tableau 14: Test de spécification du second modèle

		Chi-square	df	Sig.
Step 1	Step	21,708	2	,000
	Block	21,708	2	,000
	Model	21,708	2	,000
Step 2	Step	5,120	1	,024
	Block	26,829	3	,000
	Model	26,829	3	,000

A partir de ces deux derniers tableaux, nous pouvons dire que le modèle final permet de prédire significativement mieux la probabilité d'obtenir une performance que le fait le modèle incluant seulement la constante et la première variable. En examinant le test de Hosmer-Lemeshow, celui-ci indique qu'il n'existe pas un écart important entre les valeurs prédites et observées. Le tableau suivant présente les variables retenues dans le modèle final.

Tableau 15: Prédicteurs statistiquement significatifs de la rentabilité financière

		B	S.E.	Wald	df	Sig.	Exp (B)	95% C.I.for EXP(B)	
								Lower	Upper
Step 1	AUTONO			18,621	2	,000			
	AUTONO(1)	2,507	,654	14,691	1	,000	12,273	3,405	44,236
	AUTONO(2)	,981	,603	2,644	1	,104	2,667	,818	8,698
	Constant	-1,609	,548	8,634	1	,003	,200		
Step 2	EXIMANU(1)	1,409	,657	4,600	1	,032	4,091	1,129	14,824
	AUTONO			13,899	2	,001			
	AUTONO(1)	2,327	,670	12,066	1	,001	10,244	2,756	38,071
	AUTONO(2)	1,061	,618	2,952	1	,086	2,889	,861	9,692
	Constant	-1,777	,567	9,815	1	,002	,169		

Les résultats obtenus à partir du tableau ci-dessus indiquent une relation positive entre l'existence d'un manuel de procédures valide (EXIMANU), le degré d'autonomie des employés (AUTONO) et la performance financière des PME. En revanche, il ressort que l'évaluation du niveau de satisfaction ou insatisfaction des employés n'influence en rien la performance financière des PME. Les sous-hypothèses H5 et H7 sont validées et la sous-hypothèse H9 est rejetée.

V. Conclusion

Il ressort de cette étude que la formalisation des pratiques intrapreneuriales au sein de la PME et le degré d'autonomie accordé aux employés dans le cadre des innovations impactent positivement la performance de la PME en termes de rentabilité économique et financière. Aussi, par le test d'indépendance du khi-deux, l'évaluation du niveau de satisfaction et/ou insatisfaction des employés est inhérente à la performance de la PME. Il se dégage également que les stratégies intrapreneuriales sont très peu connues par les dirigeants des PME et par conséquent, ces pratiques ne sont pas assez implémentées dans les PME camerounaises. Pourtant, leur mise en application pourrait permettre aux PME qui s'en servent de se démarquer des autres. Les propriétaires dirigeants de PME étant des acteurs sur lesquels la survie de leur entreprise en dépend, il sera question de déterminer non seulement les profils entrepreneuriaux favorables au développement des pratiques intrapreneuriales dans les PME, mais aussi de discriminer les pratiques favorables à l'innovation et/ou à l'exploitation des opportunités d'affaires.

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The Condensed Treasure: Forgotten Impressive Video. 'How can we Harness the Power of Social Media to Fight Poverty?'

By Godwin Mwesiga George

Introduction- Time is ticking, seven years are rem ain the door of the Sustainable Development Goals (SDGs) closes on 2030, after the success of the Millennium Development Goals (MDGs) which were introduced in 2000 which focused on eight goals (Eradicate Extreme Poverty and Hunger, Achieve Universal Primary Education, Promote Gender Equality and Empower Women, Reduce child mortality and Improve Maternal Health, Combat HIV/AIDS Malaria and other diseases, Ensure Environmental Sustainability, and Develop a Global Partnership for Development) and end 2015 after which the Sustainable Development Goal (SDGs) will replace the MDGs initiatives whose aim is to go further and end all forms of poverty. The new goals are unique, therefore call for action from all countries, poor, rich and middle-income to promote prosperity and to protect the planet.

To implement the SDG initiatives, social and economic projects were introduced mainly to a large extent at grassroots level (climate change, agriculture, livestock, fishing, home products, clean energy (solar energy and wind energy), construction, sustainable forest and other entrepreneurship) to accomplish the 17 goals worldwide.

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To implement the SDG initiatives, social and economic projects were introduced mainly to a large extent at grassroots level (climate change, agriculture, livestock, fishing, home products, clean energy (solar energy and wind energy), construction, sustainable forest and other entrepreneurship) to accomplish the 17 goals worldwide. At that time social media was in its infancy and was not considered as a critical tool for poverty. Some platforms for the first time were developed and used for the first time in Developed Countries particularly in the United State of America and Western Europe for people to share information on social issues before it became a a business platform. For instance, Myspace made its first appearance in 2003 and achieved its milestone around 2004 after reaching1million users in a month, this was followed by Facebook in 2004, and YouTube was launched in 2005 and provided internet users a platform to communicate: create, view and share videos.

According to investopedia.com, (retrieved on 25th September 2022) "Social media refers to a computer-based technology that facilities the sharing of ideas, thought and information through virtual networks and communities. Social media is internet-based and gives users quick access to electronic communication of content such as personal information, documents, videos and photos."

When Sustainable Development Goal (SDGs) were launched in 2015 with its 17 goals, social media was at its high pace trying to expand everywhere around the globe for instance by 2010, social media had 970 million users, even though its rapid growth hasn't reached the peak of its popularity, yet it is not considered by the new SDGs as tool for spreading education and poverty reduction and the challenges brought out by climate change which aim to lessen important natural resources for us and the future generations.

Currently, the expansion of social media worldwide has attracted 4.59 million users (Facebook 2.74 billion users, YouTube 2,29 billion users, and WhatsApp 2 billion users, Facebook Messenger 1.3 billion users, Instagram 1.22 billion users, We Chat 1.21 billion users, TikTok 2 billion, QQ 617 million users etc.) worldwide out of 7.7 billion people. This means 58% of the world population are using social media for various issues related to socio-economic and political activities. Social media platforms are used by one in every-three people in the world and more than two-thirds of all internet users (ourworldindata.org(retrieved on 26th January 2022) though approximately 90% of social media users aged between 18-29 years use at least one form of social media- the young generation are supposed to gain skills and knowledge through this use. (Users of social media are young generation (even though how young people are defined in developed and developing countries differs. At least young people in developed countries) continue to be the highest users of social media and also currently have access to smartphones and other electronic gadgets).

According to an article published by Maryan mahsin, (12th September 2022) on www.oberlo.com states that "social media has changed the way we live our lives the way we get our news and the way we interact with our loved ones. Social media is everywhere. Its unavoidable, it's powerful and it's here to stay"- the world has been taken by storm by social media. When you move to and from, people focus on and concentration is on their smartphones it is as if they are digging for precious metals such as gold or diamonds.

Author: Project Practitioner, Dar es Salaam-Tanzania, East Africa.
e-mail: mwesigag@gmail.com

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Ourwordindata.org (retrieved on 12th September 2022) support the argument above by saying that "social media has changed the world. The rapid and vast adoption of these technologies is changing how we find partners, how we access information from news, and how we organize to demand political change".

Behind the iron curtain, poverty is booming serious among the world society particularly in the least Developed Countries. People have in adequate money to meet their basic needs: food, clothing and shelter even though the definition of poverty can be relative between the urban and rural dwellers, because there are some places where they have all access to basic needs but they don't have access money like in some remote areas of the Africa continent. Even though food is available, clothes are purchased once and shelters are available yet they are categorized as the people who live below 2 USD per day.

According to the World Bank 2008-2009) "Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor. Poverty is not having access to school and not knowing how to read. Poverty is not having a job, is fear for the future, living one day at a time.

Poverty has many faces, changes from place to place and across time, and has been described in many ways. Most often poverty is a situation which people want to escape. So poverty is a call action-for the poor and the wealthy alike- a call to change the world so that many more have people can enough to eat, adequate shelter, access to education and health, protection from violence and to have a voice in what happens in their communities".

About 9.25% of the people worldwide, or 689 million people live in extreme poverty or less than $ 1.90 a day, according to the World Bank. And according to world vision 1.3 billion people in 107 developing countries which account for 22% of the world population, live in multidimensional poverty whereby about 84.3% of the multidimensional poor live in sub-Sahara Africa and south Asia.

Poverty is more linked with lack of skills and competence and to some people does not promote their skills to ensure they are unique so that the person can be in more demand in a particular society in terms of skills or gifts he/she has. Our schools teach us maths, science, history and other subjects but do not consider life skills, when students are out of school, college, or university, and certain practical skill can help him/her to survive without necessarily a white color job.

In another context, unemployment is likewise associated with lack of skills and in adequate knowledge about a particular issue or environment someone exists in, because a person who has a certain skill(s) is likely to accomplish daily tasks that constrain him/her. Practical life skills are not only important for living and a means for a productive, efficient and successful life but also for simply being able to exist in the world. Mastering the environment key to human achievement, key for conquering poverty. Knowledge and skills like how to plant a garden in squeezed area and ensure, food banks in abundant seasons, food packaging, animal husbandry, homemade products i.e. soap, extracting milk from soya, to make different kinds of beverages, types of food (not eating common unhealthy foods), artificial intelligence (AI), proper water sanitation, knowledge on mosquitoes repellent flowers(mosquitoes kill millions of energetic people in developing countries), innovations, big data analysis and land management and so on can uplift society from one stage to the next.

Do poor people use social media? The answer is yes. According to Google, "social networks are used more often in poor neighborhoods than in affluent neighborhoods while the latter tend to consume information from traditional online media". In addition, the latest social media statistics show that "an average of two hours and 25 minutes are spent by a person per day on social media" (Data Reportal, 2021).

The agenda above shows us, that most social media users are hungry for information but not knowledge and transformation, that's why countless educational and knowledge materials online that reveal numerous skills to fight poverty do not trend like entertainment media.

Current, social media users upload photos and videos on numerous social media platforms: including Facebook, Instagram, Tiktok, YouTube, Google, WhatsApp, Twitter, Snap chat, and other social sites, more than 133+. This means that, 3.2 billion images and 720,000 hours of video are uploaded every day on popular media like Facebook, WhatsApp, and Instagram. Music audio, videos, movies, computer and TV games, and sports from various fields are more popular and trend more than various important educational materials posted on social media.

Despite the availability of skills and knowledge from numerous social media, the global society is confronted with a number of challenges, a majority particularly the younger generation, can find solutions but sometimes they forget to search online for information on how to solve these problems.

Therefore, one of the critical questions which has not been posed practically to this contemporary generation by development specialists is 'how do we really harness the Power of Social Media to Fight Poverty'.

In 2017 at a conference, The U.N first asked "how can the international community best harness the power of media….to educate and transform?" even though this requires a complicated response social media and poverty reduction can be connected concretely addressed by harnessing the power of

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information to foster development in a technologically advancing world.

The U.N recognizes the many "opportunities available in which communities can play a strategic role in eradicating poverty". This responsibility rests heavily on the media's ability to inform and educate the general public about poverty and ramifications of society. This can be achieved in many cases by disseminating information through using voices of those who have truly experienced poverty. Social media provides an inclusive and open platform and forum to share the views and concerns of people living in vulnerable situations.

The world of social media is quite incredible; everyone who is aware of technology has the opportunity to become a content creator on social media, and can upload anything in the hopes of impressing the world society, or people around him/her as long as they adhere to the terms and conditions established by platform owner(s). As a result, the content uploaded can sometimes perplex social media users when browsing, and are left dire straits regarding what content to best chose, hence they end up clicking anything that comes up in front of them, especially that which looks to have more engagements or trending videos- (we understand the existence of algorithm).

Attention-seeking by attention seekers is a major problem of this contemporary generation, some media users tend to opt for unwise things in order to get known, and if their videos trend in one way or another, income is created. Attention seekers are on the increase worldwide daily, hence it is difficult to abstain from people's desires as long as they are not breaking laws of their land, but we can do otherwise.

One day I attended a religion training in my city about social media, the presenter said, "the availability of content online, has three types of digital users: (1) Those who don't know what to do (majority of social media users), (2) Those who know what they want but do not know where to get and (3) Those who know what they want, know where and how to find it (estimated to be 5%)".

As indicated earlier, only seven years are remaining until the SDGs period ends, yet little effort has been made to harness the power of available social media platforms in the eradication of poverty' in extreme areas particularly in the urban centers of Third World Countries, where social media is available in the hands of youth and other members of society. These media provides new opportunities for free learning, but it is constrained, because there no mechanisms put in place, to facilitate independent learning or youth and society members in general. By contrast, most social media users do capture other things trending on social media platforms.

Therefore, 'a blueprint' was prepared and the way forward and mechanism to implement the 'forgotten Impressive Videos' (fiV), (A dependent social media). Similarly, a prototype is in preparation for this project. The best impressive video content is not viewed frequently by the world society, yet 'forgotten Impressive Videos' are rich in knowledge and provide numerous skills, experience, competences uplifting their livelihoods by learning numerous Income Generating Activities (IGA).

Non-government Organizations (NGOs) and numerous Colleges and Universities particularly in Third World Countries will part of the project (mechanism was proposed in a blueprint), to implement Sustainable Development Goal (SDGs).

According to www.exlodingtopics.com, video is one of the most effective methods for transmitting information and viewers can retain 95% of the messages presented in the video unlike messages which requires to read the content presented in written texts in which only 10% of information /knowledge is retained. This is why marketers try to optimize for ROI (Return on Investment) videos have long proved to be effective tools for disseminating/transmitting information, knowledge and skills. Revenues of Marketers who use grow 49% faster than for non-video users. The uniqueness of the video platform will ensure hidden knowledge and skills are easily seen and captured by users, unlike those appearing in numerous social media platforms, where various video content are mixed up regardless of their titles, which do not conquer or capture the nature and desire of human particularly those who prefer too much information and entertainment over knowledge or skills.

In view of the above, this project calls for concerted efforts from all stakeholders unnamed and named involved in this project, to discuss how the blueprint can be implemented: our stakeholders are: social media companies, (YouTube, Google, Facebook, Apple, Estee Lauder, Ikea, Intel, Patagonia, Unilever) NGOs, FBOs, CBEOs and INGOs like United Nations and associate organizations: UNESCO, ILO, FAO, UNICEF, other organizations: The Organization for Poverty Alleviation and Development, Concern Worldwide, End of Poverty Now, Global Citizen, Care International, Institute for Research on Poverty, Innovation for Research Action, The Borgen Project, Association for Childhood Education International, Education International, The Global Partnership for Education, and Plan International and World Hope International, Trickle Up, Village Enterprise, Results and Smithsonian Science Education Center, akin.

Finally, after launching the site this project will contribute to the following SDG goals; goal number 1, 2, 3 and others coherent with poverty reduction, this dependent social media project will also speed up this global movement, and will create revenues for companies involved and will, assist internet users in search of inspirational educational films that will educating them on a variety of human topics. The

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project will also attract millions of students and experts from all over the world, willing to learn about hidden skills available on social media and these combined will contribute greatly to poverty eradication and uplifting of people's livelihoods.

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Social-Media based Online Businesses: New Opportunity for Enhancing Youth Employment in Bangladesh

By Raisha Rahman & Nishath Anjum

Bangladesh University of Professionals

Abstract- Bangladesh has seen a significant rise in the number of young people who run businesses on social media sites. In the last few years, this pattern has become apparent. Social-media-based businesses significantly contribute to the nation's economy since young people constitute a significant proportion of the total population. The study aims to determine how social media assists young people in starting their enterprises and in educating the younger generation about the difficulties and opportunities that can help improve Bangladesh's economy. In addition, a questionnaire-based survey was conducted to determine whether a low initial investment cost, a high-profit ratio, simple and direct payment methods, and sufficient networking opportunities make businesses more attractive to young entrepreneurs. This paper shows that young entrepreneurs are becoming more interested in social-media-based enterprises because they can make money and work for themselves.

Keywords: online business, entrepreneurs, social media, youth employment, economic-development, challenges, success, skill, benefits, finance.

GJHSS-E Classification: DDC Code: 822.33 LCC Code: PR2831.A2



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Social-Media based Online Businesses: New Opportunity for Enhancing Youth Employment in Bangladesh

Raisha Rahman [α] & Nishath Anjum [σ]

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I. Introduction

Social networking is an online engagement service that builds and connects individuals with similar interests. Numerous individuals are drawn to social media, and Websites such as Facebook, Twitter, and YouTube are social networking platforms. These sites have been integrated into their everyday life. Some social media sites attempt to recruit a broad audience, while others can only afford to attract users who share a similar language or national identity. They are creating their blog on the Internet.

These sites are gaining popularity since they continue to draw many visitors, particularly teenagers and the younger generation, whose interests are catered to by these sites. Numerous students devote endless daily hours to social media platforms such as Facebook, Instagram, Twitter, and YouTube. Initially, this may seem a waste of time, but it helps students develop essential information and social skills. (Hoglund, W& Leadbeater, B. 2004)

For young people, the Internet has opened up a new universe of social networking. Ten years ago, the internet world was drastically different. Due to the introduction of social media, young men and women today share thoughts, emotions, personal information, photographs, and videos at an astounding pace. They use e-mail, the Internet, instant chatting, and text messaging to maintain friendships and build new ones. However, the majority of exchanges are pleasant. New technologies have provided the younger generation with a unique and powerful social networking platform that allows them to target their goal. (Forrester, 2004)

Author α: Lecturer, Department of Economics, Bangladesh University of Professionals, Dhaka, Bangladesh. e-mail: raisha.rahman@bup.edu.bd
Author σ: Student, Department of Economics, Bangladesh University of professionals, Dhaka, Bangladesh.
e-mail: anjumnishath0010@gmail.com

II. The Concept of Social-Media

Social media is the network of interactions between individuals. It may be described in several ways:

> Social media are computer-mediated technologies that allow people, corporations, and other organizations to produce, share, or exchange information, professional interests, ideas, and images/videos within virtual communities and networks.

Users can build up and share information or participate in social networking through websites and apps.

Social media is a collection of online communication channels dedicated to community-based involvement, engagement, content exchange, and collaboration. There are several types of social media, such as forums, microblogging, social networking, bookmarking, social curation, and wikis. Some popular social media are given below,

Facebook: Facebook is a well-known, free social networking website that allows registered users to create profiles, upload photos and videos, send messages, and keep in touch with friends, family, and colleagues.

Twitter: Twitter is a free microblogging platform that enables registered users to broadcast "tweets," brief blog entries. Twitter users can share their tweets and read other user's tweets on several devices.

Google+: (pronounced Google plus) The objective of Google's social networking endeavor was to replicate offline interactions more accurately than current social networking platforms. "Real-world sharing recreated for the Internet" is the project's slogan.

Instagram: Facebook purchased Instagram 2012, a free online photo-sharing and social network platform. Instagram enables users to post, edit, and share photographs with other users through the Instagram website, email, and social networking platforms like Twitter, Facebook, and Tumblr.

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YouTube: YouTube is a video-sharing website headquartered in San Bruno, California. Users can publish, read reviews, share, add to favorites, report, comment on, and subscribe to other users' channels on this website.

Wikipedia: Wikipedia is a free online encyclopedia open to the public and produced by the Wikipedia community. Anyone registered on the site may publish an article; registration is not required to change an existing theme. January 2001 saw the birth of Wikipedia.

Social media is becoming an increasingly effective instrument for youth empowerment in the current day. Young entrepreneurs in poor communities can access modern communication and information tools. Empowering youth requires a lot of training, analysis, planning, making, executing, monitoring, evaluating, and thinking about how it will affect their lives and situations.

III. Review of Literature

A new class of Bangladeshi youngsters has arisen in the online business. Though some research has been completed on social media-based enterprise and how it helps people to become self-employed in Bangladesh, no recent substantial research has been conducted on how social media influence young people to start their businesses and become self-employed and decreases the youth unemployment rate in our nation.

Kurniawan's article, "Driving Performance of Youth Creative Firms Based on Online Markets Using Social Media," aims to determine what factors affect the success of businesses run by creative young people who take advantage of the technological revolution. Descriptive analytic methods were used in this study to provide a synopsis of the data analyzed. This study uncovered the keys to startup success among millennials, including using social media as a branding and marketing tool. Thus, the success of an age-neutral business will depend on the factors that make up its infrastructure. Create successful companies out of their unique ideas for using the internet. This study's findings suggest that many social media channels may be used as branding channels for online marketplaces. A company owner could benefit from social media product photo personalization. (Kurniawan, 2019)

Detailed research by Tanbirul about online business found that many aspects of running a company are influenced by the unsettling speed with which digital technology is advancing. The use of social media for commercial purposes, for instance, has become commonplace. Significantly, less developed countries like Bangladesh have benefited from technological progress along with more developed ones. There has been a proliferation of small enterprises in Bangladesh, many of which rely on online marketplaces for their success. Many of these companies successes might be attributed to importing items from the United States, where the market could be more competitive. One exciting thing about this marketplace is that the prices are much lower than at traditional stores. (Tanbirul, 2020)

Khondoker did this study to discover the advantages and disadvantages of e-commerce. And highlighted what factors are obstructing or producing issues in the development of the e-commerce business in Bangladesh, as well as what might be done to overcome these obstacles, as well as examining the industry's prospects for assuring the growth of the e-commerce industry in Bangladesh. This quantitative and qualitative research was inspired by the current online frauds perpetrated by several e-commerce including Evaly, Eorange, Dhamaka, Qcoom, Dalal, Sirajganj Shop, Aladiner Prodip, Boom Pradip, Adian Mart, etc. (Khondoker, 2020)

Business operations in Bangladesh are reportedly being modernized with the use of various e-commerce technologies, as reported by Ahammad et al. (2007). Customers in Bangladesh can now use verified internet connections to buy and sell multiple products on a micro-scale, beginning with orders placed with chosen vendor partners. The potential for e-commerce and related businesses in Bangladesh is substantial. For companies thinking about incorporating e-commerce solutions into their operations, this paper outlined the potential and future of e-commerce. Overall, it provided a picture of e-commerce in Bangladesh. (Ahmed et al. 2007)

The e-commerce sector in Bangladesh is still in its infancy. Karim, Thohidul, and Xi Xi (2018) offered details about the history and current state of Bangladesh's e-commerce sector. They have brought out a few issues with the existing e-commerce industry. Both the availability of internet shopping options and the number of people doing their shopping in this way in Bangladesh are on the rise. Customers in Bangladesh were found to have a generally favorable impression of online purchasing but to be wary of its potential security risks. Therefore, it is incumbent upon e-commerce merchants to make an effort to cultivate a long-term connection with customers and win their trust by facilitating open communication, encouraging the formation of communities, soliciting feedback, and putting customers' suggestions to good use. They need to boost their marketing efforts to expand their customer base and create a plan that centers on the end user's needs. (Karim, 2018)

Hossain observed that women's empowerment, in terms of social standing, economic security, self-actualization, etc., is an inextricable aspect of the development of any given society. Succeeding in long-term development is next to impossible without including women in conventional programs. Without women's full and equal participation in the nation's

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growth, the goal of this progress would remain just that: a dream. According to Hossain's research, women company owners in Bangladesh find e-business the most practical and straightforward way to operate their companies. (Hossa in, 2018)

Modern Bangladesh has focused on young entrepreneurship to provide employment opportunities, strengthen economic competitiveness, and promote regional development. According to Dash and Kaur (2012), two fundamental characteristics draw the attention of young entrepreneurs in underdeveloped countries such as Bangladesh. The first is the rising number of jobless young people compared to the rest of the population. The second is the need for better competitiveness, and the attendant demands for skill development and entrepreneurship to counterbalance the consequences of globalization and liberalization. (Das h and Kaur, 2012)

To avoid misrepresentation and safeguard client rights, e-commerce businesses pay careful attention to the specifics of the online items, such as the product's quality and return policy. E-commerce enterprises will also be required to establish contracts with things, suppliers, delivery networks, and payment gateways to guarantee that consumers' rights are adequately safeguarded to gain customer confidence (Srinivasan, 2004).

Malhotra and Schuler's in-depth study using Kabeer's idea of empowerment employs a range of indicators to assess women's empowerment. According to them, women's empowerment must occur in six diverse areas: the economic, social, familial/ interpersonal, legal, and political spheres, as well as the psychological realm. Each of these may be evaluated at several levels, from the household to the community to the national, regional, and global levels. In the economic dimension, empowerment indicators may include women's control over family income, access to labor, credit, and markets, representation in high-paying professions, and participation in macroeconomic policy. (Malhotra et al., 2005)

IV. Methodology

a) *Sampling techniques, Target groups, Data collection, Data analysis techniques*

This research contains both primary and secondary sources. To gather primary data, an online poll was done to determine how social media assists adolescents in becoming self-sufficient and increasing the employment rate in our nation. Young people involved in online business who live in Dhaka or near the city were selected as the study's target population. The sample size for this population is calculated using a non-probabilistic sampling technique. The sample size is 30. Participants in the survey vary in age from 18 to 30 years old. Secondary data are from websites, publications, organizations, papers, and e-commerce specialists. Microsoft Excel is used to analyze the survey data. The simple average or percentage approach generates quantitative statistics from semi-structured questionnaire data.

V. Findings and Discussion

This survey has a sample size of 30 people. The survey included open-ended and more narrowly focused questions and those with multiple-choice and yes/no options. The results and interpretation of this study's questionnaire are shown below.

Table 1: Demographic Profile

Gender	Percentage	Frequency
female	77%	23
male	23%	7
total	100%	30

Based on gender, there are 77% female and 23% male respondents. The majority of the respondents are female.

Table 2

Age Range	Frequency	Percentage
≤18	2	7
19-24	19	63
25≤	8	30
total	30	100

In the table (2), the survey samples reveal that 7% of respondents are below or equal to the age of 18 and they initially started their university life, while 63% fall within the age range of 18-24 years, 30% are above or equal the age of 25. The survey reveals that most respondents began their businesses via social media between 19 and 24. As they mature, they become aware of the risk linked with business.

Table 3

Educational Qualification	Frequency	Percentage
undergraduate	25	83
graduate	4	13
Higher Secondary	1	3
Others	0	0
total	30	100

The educational analysis shown in table-(3) represents that 83% of the respondents are undergraduates, 13% are graduates, and 3% of them are at the higher secondary level. As we can see, 83% of the respondents are undergraduates, which means they are university students. For this reason, respondents have a good knowledge of the facilities provided by social media.

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It has been noted that most university students aspire to engage in income-generating activities during or shortly after their graduate education. Young generations with higher levels of education find that a business based on social media requires less movement and capital. It is one of the reasons why there is a more significant proportion of educated younger generations in companies based on social media.

VI. Business Characteristics

a) Product variety

Table 4

Selling Product Name	Percentage	Frequency
Stitched and Unstitched Clothing	40%	12
Jewelry & Cosmetics	20%	6
Art and crafts	23.30%	7
Food items & Catering Service	13.30%	4
Meat Products	3.30%	1
jamdani	3.30%	1
Electronic gadgets	3.30%	1
Digital product/ service	3.30%	1

From table (4), we can see that 40% of the respondents sell unstitched and stitched clothing and 20% sell jewelry and cosmetics, and 6.6% sell both. On the other hand, 23.3% of the respondents are doing art and craft bussiness.13.30% of the sellers are doing the food business. 3.3% are doing both (arts and crafts and food business). Again 3.3% are selling meat through social media, and 3.3% are selling traditional jamdani. Additionally, 3.3% are selling electronic products, and 3.3% are giving digital services. Clothing, art and crafts, food supply, and jewelry businesses are now popular on social media.

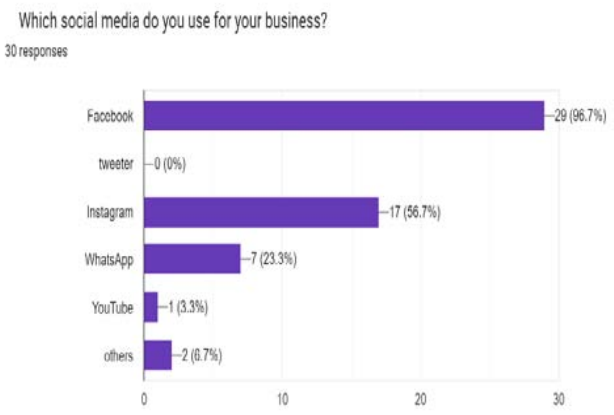


Figure 1

Figure (1) shows that 96.7% of young entrepreneurs run their businesses on Facebook. This platform motivated many young people to become social media entrepreneurs and helped them acquire the customer connection skills necessary to run a profitable Facebook business. Everyone chooses Facebook for too many reasons, including the fact that Facebook is an inexpensive method of advertising, that it can be used to distribute both general company information and specific product/service-related content, that it can be used to connect with current and potential customers and offer support, To attract clients' attention, the majority of entrepreneurs give their page a unique name.

On the other hand, 23.3%% of business owners use WhatsApp, and 56.7% use Instagram to run their businesses. Moreover, only 3.3%% use YouTube and 6.7% use another website. Personal branding and self-promotion on social media have grown in importance today. To start a business, one must first establish oneself as a brand. Numerous young individuals operate their businesses online, yet they need to gain awareness of and understand personal branding on social media.

b) Business Profile

How much is your monthly income?

Table 5

How Much Is Your Monthly Income	Percentage	Frequency
less than 10K	53%	16
10k to 25K	33%	10
25k to 45k	7%	2
More than 45k	7%	2
total	100	30

Table (5) reveals that 53% of the respondents earn less than 10k in a month .this can be happened because of a lack of knowledge about the business or because of small business. Again 33% of the respondent earn 10k to 25k; moreover, only 7% earn 25k to 45k. On the other hand, 7% of business owners make more than 45k.

Profit ratio

Table 6

Profit Ratio	Percentage	Frequency
less than 20%	20%	6
20% to 30%	30%	9
30% to 40%	23%	7
more than 50%	27%	8
total	100	30

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Only 27% of respondents have a more than 50% profit ratio. 30% of the owners are in the 20% to 30% profit ratio category. Again, 23% of those polled are between 30% and 40%. 20% of the respondents are in the type of less than 20% profit ratio. Here, the profit ratio could be more noteworthy. Possibly due to a need for more management experience and marketing strategy expertise.

Initial investment

Table 9

Initial Investment	Percentage	Frequency
less than 25k	40%	12
25k to 50k	30%	9
50k to 1lac	23%	7
more than 1 lac	7%	2
total	100	30

Among the respondents in table-7, 40% started their business with an initial investment of below 25k, 30% of the respondents have an initial capital within 25k-50k, 23% started with 50k-1lac, and only 7% had an initial money above 1lac taka. Due to financial constraints or risk issues, it is evident that entrepreneurs have little desire to launch their businesses with large amounts of capital.

Engagement

Table 8

How strong is your engagement with your customers?		
Level	Percentage	Frequency
High	27%	8
low	7%	2
moderate	67%	20
total	100%	30

Entrepreneurs must establish a strong network with their online clients to achieve a healthy profit. With the assistance of family, friends, and colleagues, many business owners enjoy an extensive network of connections. In the table(8), 27% of respondents have an excellent network with their clients. 67 percent have a moderate network with their clients, whereas 7 percent cannot maintain a good network.

Spending time

Table 9

How much time do you spend on your business?		
Type	Percentage	Frequency
less than 2 hours	20%	6
3 to 5 hours	50%	16
5 to 7 hours	17%	5
more than 7 hours	13%	4
total	100%	30

Table 9 demonstrates that almost 50% of owners devote 3 to 5 hours daily to their business, while 20% devote less than 2 hours to social media. Over 17% of owners spend between 5 and 7 hours on social media, while only 13% spend more than 7 hours on social media. Generally, physical business owners must pay daily to engage with clients, while online merchants only need to devote their entire day and night to customer service.

Furthermore, the majority of business owners in this survey are students. Therefore, they must spend their time efficiently between school and business. Therefore, online business platforms aid in time management. Young entrepreneurs effectively manage their time via social media sites.

Experience in online business

Table 10

Experience in online business		
Experience	Percentage	Frequency
less than 1	43.30%	13
2 to 3 years	43.30%	13
3 to 4 years	3.30%	1
more than 4 years	10%	3
total	100%	30

The research indicates that 43.3% of owners have less than one year of experience. In contrast, 43.0% of the owners had two to three years of online business experience. Only 3.3% of the owners have 3 to 4 years of expertise on this platform, while the remaining 10% have more than 4 years of experience.

As a social media platform, it is mainly used for marketing businesses and enhancing connections with clients. Therefore, it presents a chance for young entrepreneurs to continue their businesses online. The combination of a robust business strategy, high-quality goods, the existence of corporate integrity, and a suitable market drive can improve the quality of online business.

VII. Likert Scale Result Analysis

A questionnaire has been created to find out why social media platforms are the best way for young people to start making money on their own. Five options have been used for this. "Strongly disagree," "disagree," "neutral," "agree," and "strongly agree."

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Initial investment

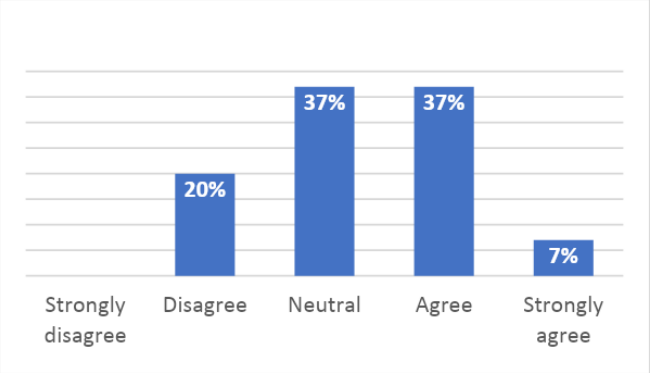


Figure 2

New businesses require an initial investment to launch. However, it is onerous for most young entrepreneurs to acquire adequate funding. In this industry, e-commerce helps young companies. Entrepreneurs can launch their businesses by creating a Facebook profile and investing a small amount of money. Figure 2 reveals that 20% of respondents strongly agree and 60% are agreed that a minimum initial expenditure is required to launch a new social media-based business. In contrast, 10% of respondents disagree with the statement.

Profit ratio

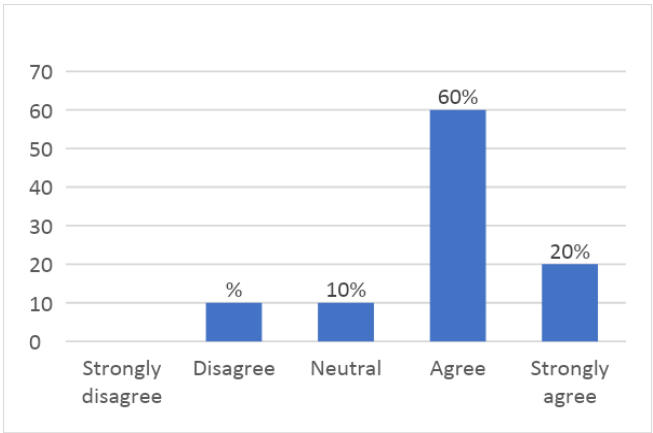


Figure 3

In terms of profit, Table 3 reveals that 7% of respondents strongly agree, and 37% agree that using social media for business helps generate a healthy profit within the first year of firm operation. 20% of entrepreneurs disagree with the statement and believe that earning a good profit within one year of business start-up is very difficult. Entrepreneurs think that the profit ratio varies depending on their product categories. Again, 37% of the respondents are neutral about this statement.

Running an online business is less expensive.

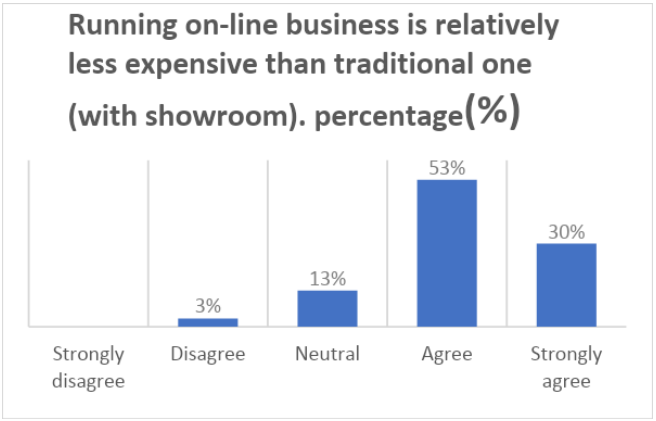


Figure 4

30% of respondents strongly agreed, and 53% agreed that e-commerce is less expensive than traditional companies since there are no showroom costs, personnel salaries, or power bills. While 13% were neutral, and 3% disagreed.

Saves time

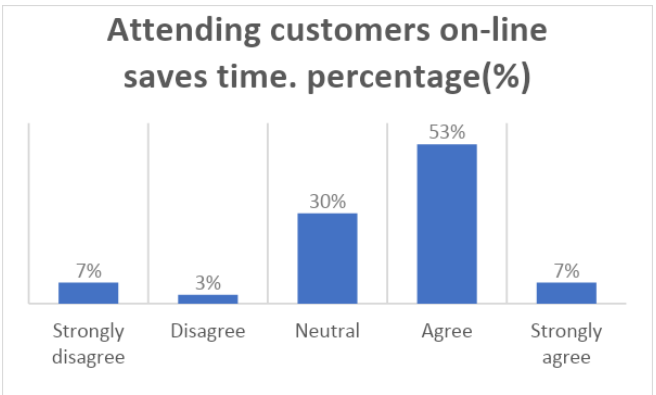


Figure 5

Business owners feel that clients increasingly depend on online purchasing since city traffic and poorly designed roads make it difficult for them to go shopping. They prefer online shopping with the option of home delivery.

On the other hand, entrepreneurs save time with e-commerce because interacting with individual clients is time-consuming. According to the survey, 7% of respondents strongly agreed, and 53% agreed that a traditional business is more time-consuming than an online business.

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Soft loans by the government

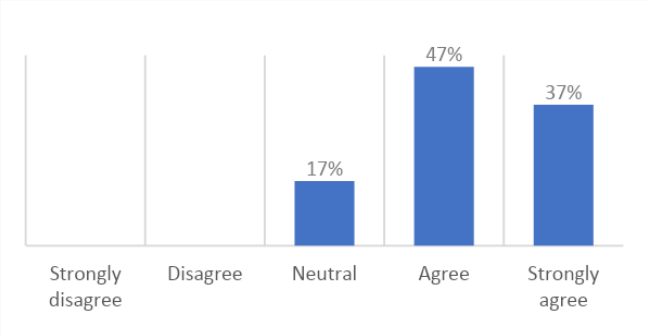


Figure 6

47% agreed, 37% strongly agreed that government should provide soft loans, and 17% were neutral about this statement. The government must create policies, legislation, and incentives to foster trust and confidence among young entrepreneurs and establish a national framework. The government can issue soft loans to encourage young people to launch businesses on social media platforms.

Self-reliance

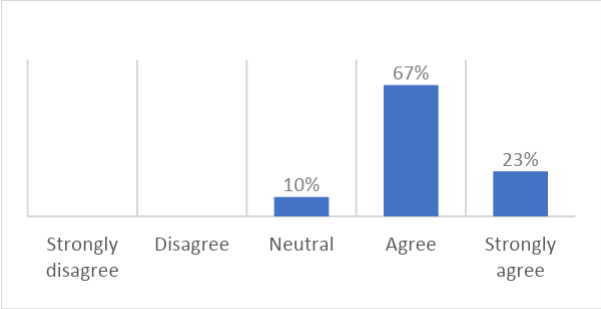


Figure 7

Social media is a big online market. It is a business that requires minimal investment. There is no requirement for a private showroom. It is simple to establish and manage a personal and professional profile. The social media platform provides an accessible networking facility with customers and a cost-effective marketing facility.

Moreover, Through social media, young business owners are gaining respect from others. They can provide financial help to their family. Thus, the online business creates economic independence and assists young entrepreneurs in achieving high social status. The graph demonstrates that 67% of the owners thought social media promotes independence. In contrast, 23% of respondents strongly agreed. None of the owners dispute the claim. 10% of owners are neutral on this matter

Low marketing cost

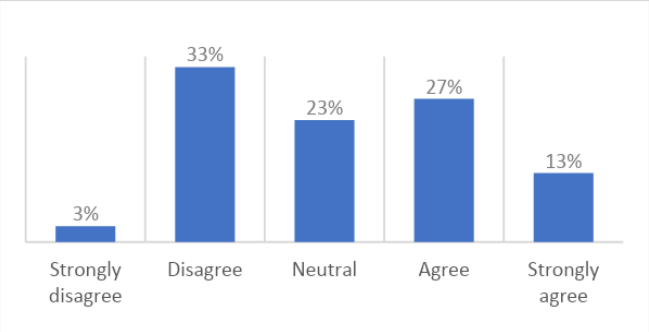


Figure 8

27% of respondents agreed that social media offers minimal marketing costs, and 13% strongly agreed. Social media provides small companies with a cost-effective and efficient digital marketing approach for boosting brand recognition and communicating with their target audience. To successfully promote on social media, one must discover which platforms the target population uses, create accounts, and interact with the target audience to increase brand exposure and sales. In contrast, 33% of respondents disagreed with this assertion, 23% were ambivalent, and just 3% strongly disagreed that social media marketing costs are cheap. Social media marketing is often seen as a low-cost kind of advertising. However, depending on how aggressively it is used, it might take a significant amount of the entire marketing budget, mainly if sponsored social is used. During social media marketing for small businesses, entrepreneurs must consider future expenditures and compare them to their return on investment.

High competition

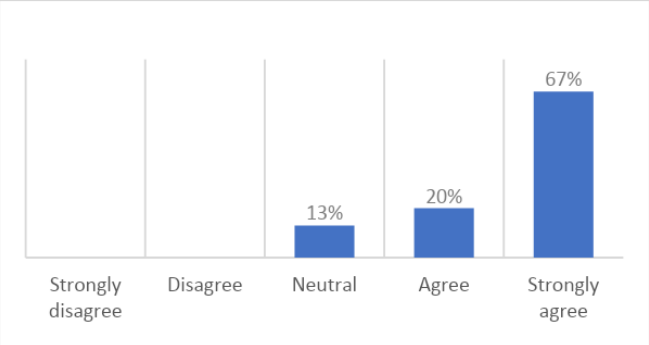


Figure 9

20% and 60% of respondents agreed and strongly agreed that online business competition is extremely high. No one disagreed with the assertion, and just 13 percent of respondents were indifferent. Online business is a highly competitive center. There are hundreds of thousands of businesses that serve the same clients. The present level of digitization has

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enabled clients to have infinite options. For them, switching to a rival is as simple as clicking a new link.

Government should impose a tax

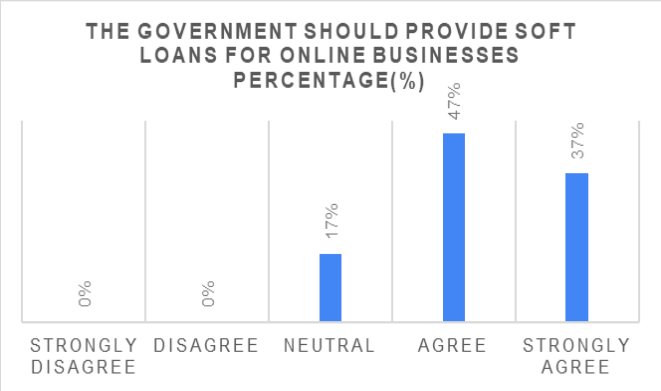


Figure 10

17% of respondents agreed with the assertion that the government should impose a tax on internet businesses. 3% of respondents strongly agreed with this statement. 40% of respondents disagreed, and 10% strongly disagreed with this statement. 27% were indifferent to this statement.

According to daily star, in response to the increasing popularity of online shopping, a 7.5% VAT has been implemented to assist the government in meeting its income goals. When the state government gets a new source of revenue, public service cutbacks are reduced.

But many small company owners have concerns about this tax issue. Companies that can sustain a sales tax price increase have an unfair edge over smaller enterprises that cannot. Due to this tax regime, new entrepreneurs would lose motivation.

Analysis of the Relationship between youth employment and social media based online business

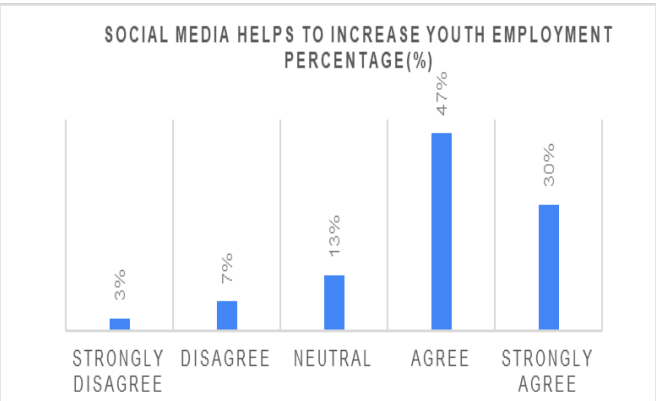


Figure 11

Figure 11 shows the relationship between youth employment and social media-based online business. Respondents were asked whether they believe social media helps to increase youth employment. The table shows that most respondents (30%) strongly agreed, and 47% agreed that social media helps increase youth employment.

After Evaluating the Results of the Analysis and Findings Section, the Research Concluded that Social Media is the Most Convenient Method for Young Entrepreneurs in Bangladesh to do Business. the Primary Benefits of doing Business through Social Media are:

Huge web-based market: Entrepreneurs use Facebook, Twitter, WhatsApp, and Instagram to do business. These mediums encourage young people to do business online since they are affordable advertising methods. Communication with clients and customers is quite simple. Entrepreneurs use many mediums to interact with as many customers as possible. Facebook is the most popular business medium.

Saves valuable time: At a physical business, the proprietor must spend the whole day and night in the store serving customers. However, individuals who do business online devote a maximum of three to five hours daily to it. Given that the majority of company owners in our poll are students, it is apparent that they must divide their time between school and business effectively. Online business platforms thus assist in time management. Through social media, young entrepreneurs efficiently manage their time.

Business requires minimal capital: It is challenging for young entrepreneurs to get money, but social media has made it simple for them to do so. They may begin their enterprises by establishing a profile on social media with an attention-getting name. This involves a little expense.

There is no need for a private showroom: We need ample space for a business's showroom. However, social media makes it easy to develop and maintain a company without a physical location. They need to offer a broad description of their product and attract consumers specifically interested in it. This contributes to the maintenance of a personal and professional profile.

Simple networking capability with clients: In online business, business people interact with their customers through their website or online page. Customers rely more on internet shopping since metropolitan traffic and poorly planned roads make it impossible for them to purchase in person. They prefer internet shopping with home delivery options. Entrepreneurs must build a solid network with their online customers to generate a healthy return.

Inexpensive advertising facility: Social media is a cheap and effective way for small businesses to use digital marketing to increase brand awareness and communicate with their target audience. To increase brand exposure and sales, one must find out which

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platforms the target audience uses, make accounts, and talk to the target audience.

Economic independence: Young entrepreneurs are aided in attaining high social standing through internet business, which promotes financial autonomy. Thus, they can support their family financially.

Again, Whenever any information is updated, it will be shown on the walls of all the individuals who have been added as friends. Entrepreneurs may tag posts or images on the walls of their frequent consumers without sending out invites individually. In addition, regular customers and friends bring in more consumers via word-of-mouth marketing and by inviting their friends to join the business's Facebook page. After a certain amount of time, these clients will become loyal.

However, businesses still need help with various obstacles while doing business online. That is given below,

Limited access to information in the IT industry: Most young individuals in the internet business need more technological competence. Consequently, maintaining a company is a significant obstacle for young individuals.

Lack of Internet connectivity facility: Most places in Bangladesh need more Internet access. Therefore, any new entrepreneurs who want to launch a company using social media are discouraged. A weak internet connection might threaten businesses that rely on social media.

Lack of Training Program Accessibility: Young entrepreneurs who want to continue their firms online must possess a strong business plan, high-quality products, and corporate ethics. However, their inability to conduct business effectively results from their ignorance of business strategy. In Bangladesh, no training program provides information on internet business strategy. Thus, young individuals acquire knowledge via experience, but this comes with a substantial danger.

Absence of management experience: Entrepreneurs often start businesses relatively early. It is typical for them to need more management experience. As a result, they face loss in the first stage.

Need for an adequate marketing capability: People often think of social media as a cheap advertising method. However, this all depends on how information is used for commercial purposes. Marketing budget allocation is very critical. Most new entrepreneurs in our nation need help to manage their marketing plans.

Strenuous competition: There are millions of firms that service the same customers. The current degree of digitalization has allowed customers to have limitless possibilities. They may easily switch to a competitor by clicking a new link.

Effect of social-media based business on youth employment

Social media-based businesses in a developing nation such as Bangladesh are relatively new. In Bangladesh, 27.82%[1] of the population comprises youth, while the unemployment rate among young people is 14.7%[2] Thus, businesses based on social media have provided a new chance for the younger generation. The moment is now for young people to work and generate since the breadth of commerce and marketing is expanding due to information and communication technologies. Utilizing the internet to advertise and sell their goods, businesses can expand the scope of trade and marketing. It is more productive and efficient since the buyer does not have to spend money traveling to the shop. Therefore, the seller is also advantageous since they save money because they do not need to invest additional funds to rent and locate an ideal site. They are decreasing the cost of doing extra work. They need to post the product's description and image on social media. Nonetheless, in the current day, young people also sell their items using a website they created themselves. The fact that social media makes buying and selling things easier shows how valuable it is.

VIII. Recommendation

- Students and young entrepreneurs struggle to acquire the financing needed to launch a new firm. In this case, many financial institutions, banks, and even the government may be able to help the person by giving them small personal loans.
- If young entrepreneurs can build a solid network, it will be straightforward to produce a healthy profit within the first year of operation. It would help their reputation if they put more effort into building networks, kept their Facebook page up-to-date, and posted interesting product videos.
- Young entrepreneurs may start their businesses with relative ease by creating a Facebook profile. However, most clients want a showroom to examine the items in more detail. In this case, e-commerce will help customers learn more about the business and serve as a draw.
- Providing accurate information, prompt delivery, and maintaining client loyalty are essential to gaining consumer confidence.

[1] https://en.prothomalo.com/bangladesh/o9i009reql#:~:text=One%20fourth%20of%20the%20country's,Bureau%20of%20Statistics%20(BBS).

[2] https://www.macrotrends.net/countries/BGD/bangladesh/youth-unemployment-rate

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- Academic institutions may provide career counseling services to help young entrepreneurs and networking opportunities.
- According to the study, young people in Bangladesh are more interested in starting their businesses. Therefore, regulations and policy formulation should encourage development.
- Payment mechanisms on Bangladeshi e-commerce websites should provide a higher degree of security. Bangladesh's ICT legislation governing e-commerce must be modernized. International norms must perform it.
- Businesses operating online in Bangladesh should improve customer service and address areas of concern. Entrepreneurs should prioritize timely delivery.

IX. Conclusion

In Bangladesh, social media is rapidly benefiting the economy and business. It significantly adds to the nation's GDP and overall growth. Currently, the nation's largest firms are also starting to deliver all services via social media. The rapid growth of social media was due to the favorable attitude of the country's population toward it. Young adults (18–24 years old) are particularly drawn to it (Islam, 2019). However, except in a few major cities, not everyone in the nation has been able to reap the advantages of social media. The whole country will reap the rewards if this sector is enhanced further. The E-Marketplace is a data source that acts as an information agent, supplying buyers and sellers with product information. Everyone must know its specifics to make this sector more lucrative and extensive. This paper has examined various social media-based business issues, including its operations, development, expansion in Bangladesh, etc.

Additionally, some of their operations and regulations have been proposed so that this industry might expand throughout the nation. In addition, this paper has discovered that consumers and businesspeople need to gain awareness of the whole system. Suppose everyone is aware of the present status and complete specifics of the social media industry in Bangladesh. In that case, many individuals, entrepreneurs, and international investors will be interested in participating in this dynamic area. Business based on social media and online business has become the new way for young people to work for themselves.

X. Limitations of the Study

The Research is conducted with a small number of participants due to time and financial constraints. The sample is gathered only in the city of Dhaka. This study is based on an analysis of existing literature and primary data obtained via questionnaires and in-person interviews with young entrepreneurs.

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- Author name in font size of 11 in one column.
- Abstract: font size 9 with the word "Abstract" in bold italics.
- Main text: font size 10 with two justified columns.
- Two columns with equal column width of 3.38 and spacing of 0.2.
- First character must be three lines drop-capped.
- The paragraph before spacing of 1 pt and after of 0 pt.
- Line spacing of 1 pt.
- Large images must be in one column.
- The names of first main headings (Heading 1) must be in Roman font, capital letters, and font size of 10.
- The names of second main headings (Heading 2) must not include numbers and must be in italics with a font size of 10.

Structure and Format of Manuscript

The recommended size of an original research paper is under 15,000 words and review papers under 7,000 words. Research articles should be less than 10,000 words. Research papers are usually longer than review papers. Review papers are reports of significant research (typically less than 7,000 words, including tables, figures, and references)

A research paper must include:

a) A title which should be relevant to the theme of the paper.
b) A summary, known as an abstract (less than 150 words), containing the major results and conclusions.
c) Up to 10 keywords that precisely identify the paper's subject, purpose, and focus.
d) An introduction, giving fundamental background objectives.
e) Resources and techniques with sufficient complete experimental details (wherever possible by reference) to permit repetition, sources of information must be given, and numerical methods must be specified by reference.
f) Results which should be presented concisely by well-designed tables and figures.
g) Suitable statistical data should also be given.
h) All data must have been gathered with attention to numerical detail in the planning stage.

Design has been recognized to be essential to experiments for a considerable time, and the editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned unrefereed.

i) Discussion should cover implications and consequences and not just recapitulate the results; conclusions should also be summarized.
j) There should be brief acknowledgments.
k) There ought to be references in the conventional format. Global Journals recommends APA format.

Authors should carefully consider the preparation of papers to ensure that they communicate effectively. Papers are much more likely to be accepted if they are carefully designed and laid out, contain few or no errors, are summarizing, and follow instructions. They will also be published with much fewer delays than those that require much technical and editorial correction.

The Editorial Board reserves the right to make literary corrections and suggestions to improve brevity.



Format Structure

It is necessary that authors take care in submitting a manuscript that is written in simple language and adheres to published guidelines.

All manuscripts submitted to Global Journals should include:

Title

The title page must carry an informative title that reflects the content, a running title (less than 45 characters together with spaces), names of the authors and co-authors, and the place(s) where the work was carried out.

Author details

The full postal address of any related author(s) must be specified.

Abstract

The abstract is the foundation of the research paper. It should be clear and concise and must contain the objective of the paper and inferences drawn. It is advised to not include big mathematical equations or complicated jargon.

Many researchers searching for information online will use search engines such as Google, Yahoo or others. By optimizing your paper for search engines, you will amplify the chance of someone finding it. In turn, this will make it more likely to be viewed and cited in further works. Global Journals has compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

Keywords

A major lynchpin of research work for the writing of research papers is the keyword search, which one will employ to find both library and internet resources. Up to eleven keywords or very brief phrases have to be given to help data retrieval, mining, and indexing.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy: planning of a list of possible keywords and phrases to try.

Choice of the main keywords is the first tool of writing a research paper. Research paper writing is an art. Keyword search should be as strategic as possible.

One should start brainstorming lists of potential keywords before even beginning searching. Think about the most important concepts related to research work. Ask, “What words would a source have to include to be truly valuable in a research paper?” Then consider synonyms for the important words.

It may take the discovery of only one important paper to steer in the right keyword direction because, in most databases, the keywords under which a research paper is abstracted are listed with the paper.

Numerical Methods

Numerical methods used should be transparent and, where appropriate, supported by references.

Abbreviations

Authors must list all the abbreviations used in the paper at the end of the paper or in a separate table before using them.

Formulas and equations

Authors are advised to submit any mathematical equation using either MathJax, KaTeX, or LaTeX, or in a very high-quality image.

Tables, Figures, and Figure Legends

Tables: Tables should be cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g., Table 4, a self-explanatory caption, and be on a separate sheet. Authors must submit tables in an editable format and not as images. References to these tables (if any) must be mentioned accurately.

Figures

Figures are supposed to be submitted as separate files. Always include a citation in the text for each figure using Arabic numbers, e.g., Fig. 4. Artwork must be submitted online in vector electronic form or by emailing it.

Preparation of Eletronic Figures for Publication

Although low-quality images are sufficient for review purposes, print publication requires high-quality images to prevent the final product being blurred or fuzzy. Submit (possibly by e-mail) EPS (line art) or TIFF (halftone/ photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Avoid using pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings). Please give the data for figures in black and white or submit a Color Work Agreement form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

For scanned images, the scanning resolution at final image size ought to be as follows to ensure good reproduction: line art: >650 dpi; halftones (including gel photographs): >350 dpi; figures containing both halftone and line images: >650 dpi.

Color charges: Authors are advised to pay the full cost for the reproduction of their color artwork. Hence, please note that if there is color artwork in your manuscript when it is accepted for publication, we would require you to complete and return a Color Work Agreement form before your paper can be published. Also, you can email your editor to remove the color fee after acceptance of the paper.

Tips for writing a good quality Social Science Research Paper

Techniques for writing a good quality homan social science research paper:

1. Choosing the topic: In most cases, the topic is selected by the interests of the author, but it can also be suggested by the guides. You can have several topics, and then judge which you are most comfortable with. This may be done by asking several questions of yourself, like "Will I be able to carry out a search in this area? Will I find all necessary resources to accomplish the search? Will I be able to find all information in this field area?" If the answer to this type of question is "yes," then you ought to choose that topic. In most cases, you may have to conduct surveys and visit several places. Also, you might have to do a lot of work to find all the rises and falls of the various data on that subject. Sometimes, detailed information plays a vital role, instead of short information. Evaluators are human: The first thing to remember is that evaluators are also human beings. They are not only meant for rejecting a paper. They are here to evaluate your paper. So present your best aspect.

2. Think like evaluators: If you are in confusion or getting demotivated because your paper may not be accepted by the evaluators, then think, and try to evaluate your paper like an evaluator. Try to understand what an evaluator wants in your research paper, and you will automatically have your answer. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

3. Ask your guides: If you are having any difficulty with your research, then do not hesitate to share your difficulty with your guide (if you have one). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work, then ask your supervisor to help you with an alternative. He or she might also provide you with a list of essential readings.

4. Use of computer is recommended: As you are doing research in the field of homan social science then this point is quite obvious. Use right software: Always use good quality software packages. If you are not capable of judging good software, then you can lose the quality of your paper unknowingly. There are various programs available to help you which you can get through the internet.

5. Use the internet for help: An excellent start for your paper is using Google. It is a wondrous search engine, where you can have your doubts resolved. You may also read some answers for the frequent question of how to write your research paper or find a model research paper. You can download books from the internet. If you have all the required books, place importance on reading, selecting, and analyzing the specified information. Then sketch out your research paper. Use big pictures: You may use encyclopedias like Wikipedia to get pictures with the best resolution. At Global Journals, you should strictly follow here.



6. Bookmarks are useful: When you read any book or magazine, you generally use bookmarks, right? It is a good habit which helps to not lose your continuity. You should always use bookmarks while searching on the internet also, which will make your search easier.

7. Revise what you wrote: When you write anything, always read it, summarize it, and then finalize it.

8. Make every effort: Make every effort to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in the introduction—what is the need for a particular research paper. Polish your work with good writing skills and always give an evaluator what he wants. Make backups: When you are going to do any important thing like making a research paper, you should always have backup copies of it either on your computer or on paper. This protects you from losing any portion of your important data.

9. Produce good diagrams of your own: Always try to include good charts or diagrams in your paper to improve quality. Using several unnecessary diagrams will degrade the quality of your paper by creating a hodgepodge. So always try to include diagrams which were made by you to improve the readability of your paper. Use of direct quotes: When you do research relevant to literature, history, or current affairs, then use of quotes becomes essential, but if the study is relevant to science, use of quotes is not preferable.

10. Use proper verb tense: Use proper verb tenses in your paper. Use past tense to present those events that have happened. Use present tense to indicate events that are going on. Use future tense to indicate events that will happen in the future. Use of wrong tenses will confuse the evaluator. Avoid sentences that are incomplete.

11. Pick a good study spot: Always try to pick a spot for your research which is quiet. Not every spot is good for studying.

12. Know what you know: Always try to know what you know by making objectives, otherwise you will be confused and unable to achieve your target.

13. Use good grammar: Always use good grammar and words that will have a positive impact on the evaluator; use of good vocabulary does not mean using tough words which the evaluator has to find in a dictionary. Do not fragment sentences. Eliminate one-word sentences. Do not ever use a big word when a smaller one would suffice.

Verbs have to be in agreement with their subjects. In a research paper, do not start sentences with conjunctions or finish them with prepositions. When writing formally, it is advisable to never split an infinitive because someone will (wrongly) complain. Avoid clichés like a disease. Always shun irritating alliteration. Use language which is simple and straightforward. Put together a neat summary.

14. Arrangement of information: Each section of the main body should start with an opening sentence, and there should be a changeover at the end of the section. Give only valid and powerful arguments for your topic. You may also maintain your arguments with records.

15. Never start at the last minute: Always allow enough time for research work. Leaving everything to the last minute will degrade your paper and spoil your work.

16. Multitasking in research is not good: Doing several things at the same time is a bad habit in the case of research activity. Research is an area where everything has a particular time slot. Divide your research work into parts, and do a particular part in a particular time slot.

17. Never copy others' work: Never copy others' work and give it your name because if the evaluator has seen it anywhere, you will be in trouble. Take proper rest and food: No matter how many hours you spend on your research activity, if you are not taking care of your health, then all your efforts will have been in vain. For quality research, take proper rest and food.

18. Go to seminars: Attend seminars if the topic is relevant to your research area. Utilize all your resources.
Refresh your mind after intervals: Try to give your mind a rest by listening to soft music or sleeping in intervals. This will also improve your memory. Acquire colleagues: Always try to acquire colleagues. No matter how sharp you are, if you acquire colleagues, they can give you ideas which will be helpful to your research.

19. Think technically: Always think technically. If anything happens, search for its reasons, benefits, and demerits. Think and then print: When you go to print your paper, check that tables are not split, headings are not detached from their descriptions, and page sequence is maintained.

20. Adding unnecessary information: Do not add unnecessary information like "I have used MS Excel to draw graphs." Irrelevant and inappropriate material is superfluous. Foreign terminology and phrases are not apropos. One should never take a broad view. Analogy is like feathers on a snake. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Never oversimplify: When adding material to your research paper, never go for oversimplification; this will definitely irritate the evaluator. Be specific. Never use rhythmic redundancies. Contractions shouldn't be used in a research paper. Comparisons are as terrible as clichés. Give up ampersands, abbreviations, and so on. Remove commas that are not necessary. Parenthetical words should be between brackets or commas. Understatement is always the best way to put forward earth-shaking thoughts. Give a detailed literary review.

21. Report concluded results: Use concluded results. From raw data, filter the results, and then conclude your studies based on measurements and observations taken. An appropriate number of decimal places should be used. Parenthetical remarks are prohibited here. Proofread carefully at the final stage. At the end, give an outline to your arguments. Spot perspectives of further study of the subject. Justify your conclusion at the bottom sufficiently, which will probably include examples.

22. Upon conclusion: Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium though which your research is going to be in print for the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects of your research.

.

Informal Guidelines of Research Paper Writing

Key points to remember:

- Submit all work in its final form.
- Write your paper in the form which is presented in the guidelines using the template.
- Please note the criteria peer reviewers will use for grading the final paper.

Final points:

One purpose of organizing a research paper is to let people interpret your efforts selectively. The journal requires the following sections, submitted in the order listed, with each section starting on a new page:

The introduction: This will be compiled from reference matter and reflect the design processes or outline of basis that directed you to make a study. As you carry out the process of study, the method and process section will be constructed like that. The results segment will show related statistics in nearly sequential order and direct reviewers to similar intellectual paths throughout the data that you gathered to carry out your study.

The discussion section:

This will provide understanding of the data and projections as to the implications of the results. The use of good quality references throughout the paper will give the effort trustworthiness by representing an alertness to prior workings.

Writing a research paper is not an easy job, no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record-keeping are the only means to make straightforward progression.

General style:

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

To make a paper clear: Adhere to recommended page limits.



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Mistakes to avoid:

- Insertion of a title at the foot of a page with subsequent text on the next page.
- Separating a table, chart, or figure—confine each to a single page.
- Submitting a manuscript with pages out of sequence.
- In every section of your document, use standard writing style, including articles ("a" and "the").
- Keep paying attention to the topic of the paper.
- Use paragraphs to split each significant point (excluding the abstract).
- Align the primary line of each section.
- Present your points in sound order.
- Use present tense to report well-accepted matters.
- Use past tense to describe specific results.
- Do not use familiar wording; don't address the reviewer directly. Don't use slang or superlatives.
- Avoid use of extra pictures—include only those figures essential to presenting results.

Title page:

Choose a revealing title. It should be short and include the name(s) and address(es) of all authors. It should not have acronyms or abbreviations or exceed two printed lines.

Abstract: This summary should be two hundred words or less. It should clearly and briefly explain the key findings reported in the manuscript and must have precise statistics. It should not have acronyms or abbreviations. It should be logical in itself. Do not cite references at this point.

An abstract is a brief, distinct paragraph summary of finished work or work in development. In a minute or less, a reviewer can be taught the foundation behind the study, common approaches to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Use comprehensive sentences, and do not sacrifice readability for brevity; you can maintain it succinctly by phrasing sentences so that they provide more than a lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study with the subsequent elements in any summary. Try to limit the initial two items to no more than one line each.

Reason for writing the article—theory, overall issue, purpose.

- Fundamental goal.
- To-the-point depiction of the research.
- Consequences, including definite statistics—if the consequences are quantitative in nature, account for this; results of any numerical analysis should be reported. Significant conclusions or questions that emerge from the research.

Approach:

- Single section and succinct.
- An outline of the job done is always written in past tense.
- Concentrate on shortening results—limit background information to a verdict or two.
- Exact spelling, clarity of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else.

Introduction:

The introduction should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable of comprehending and calculating the purpose of your study without having to refer to other works. The basis for the study should be offered. Give the most important references, but avoid making a comprehensive appraisal of the topic. Describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will give no attention to your results. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here.

The following approach can create a valuable beginning:

- Explain the value (significance) of the study.
- Defend the model—why did you employ this particular system or method? What is its compensation? Remark upon its appropriateness from an abstract point of view as well as pointing out sensible reasons for using it.
- Present a justification. State your particular theory(-ies) or aim(s), and describe the logic that led you to choose them.
- Briefly explain the study's tentative purpose and how it meets the declared objectives.

Approach:

Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done. Sort out your thoughts; manufacture one key point for every section. If you make the four points listed above, you will need at least four paragraphs. Present surrounding information only when it is necessary to support a situation. The reviewer does not desire to read everything you know about a topic. Shape the theory specifically—do not take a broad view.

As always, give awareness to spelling, simplicity, and correctness of sentences and phrases.

Procedures (methods and materials):

This part is supposed to be the easiest to carve if you have good skills. A soundly written procedures segment allows a capable scientist to replicate your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order, but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt to give the least amount of information that would permit another capable scientist to replicate your outcome, but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section.

When a technique is used that has been well-described in another section, mention the specific item describing the way, but draw the basic principle while stating the situation. The purpose is to show all particular resources and broad procedures so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step-by-step report of the whole thing you did, nor is a methods section a set of orders.

Materials:

Materials may be reported in part of a section or else they may be recognized along with your measures.

Methods:

- Report the method and not the particulars of each process that engaged the same methodology.
- Describe the method entirely.
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures.
- Simplify—detail how procedures were completed, not how they were performed on a particular day.
- If well-known procedures were used, account for the procedure by name, possibly with a reference, and that's all.

Approach:

It is embarrassing to use vigorous voice when documenting methods without using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result, when writing up the methods, most authors use third person passive voice.

Use standard style in this and every other part of the paper—avoid familiar lists, and use full sentences.

What to keep away from:

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings—save it for the argument.
- Leave out information that is immaterial to a third party.



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Results:

The principle of a results segment is to present and demonstrate your conclusion. Create this part as entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Use statistics and tables, if suitable, to present consequences most efficiently.

You must clearly differentiate material which would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matters should not be submitted at all except if requested by the instructor.

Content:

- Sum up your conclusions in text and demonstrate them, if suitable, with figures and tables.
- In the manuscript, explain each of your consequences, and point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation of an exacting study.
- Explain results of control experiments and give remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or manuscript.

What to stay away from:

- Do not discuss or infer your outcome, report surrounding information, or try to explain anything.
- Do not include raw data or intermediate calculations in a research manuscript.
- Do not present similar data more than once.
- A manuscript should complement any figures or tables, not duplicate information.
- Never confuse figures with tables—there is a difference.

Approach:

As always, use past tense when you submit your results, and put the whole thing in a reasonable order.

Put figures and tables, appropriately numbered, in order at the end of the report.

If you desire, you may place your figures and tables properly within the text of your results section.

Figures and tables:

If you put figures and tables at the end of some details, make certain that they are visibly distinguished from any attached appendix materials, such as raw facts. Whatever the position, each table must be titled, numbered one after the other, and include a heading. All figures and tables must be divided from the text.

Discussion:

The discussion is expected to be the trickiest segment to write. A lot of papers submitted to the journal are discarded based on problems with the discussion. There is no rule for how long an argument should be.

Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implications of the study. The purpose here is to offer an understanding of your results and support all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of results should be fully described.

Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact, you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved the prospect, and let it drop at that. Make a decision as to whether each premise is supported or discarded or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."



Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work.

- You may propose future guidelines, such as how an experiment might be personalized to accomplish a new idea.
- Give details of all of your remarks as much as possible, focusing on mechanisms.
- Make a decision as to whether the tentative design sufficiently addressed the theory and whether or not it was correctly restricted. Try to present substitute explanations if they are sensible alternatives.
- One piece of research will not counter an overall question, so maintain the large picture in mind. Where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.

Approach:

When you refer to information, differentiate data generated by your own studies from other available information. Present work done by specific persons (including you) in past tense.

Describe generally acknowledged facts and main beliefs in present tense.

The Administration Rules

Administration Rules to Be Strictly Followed before Submitting Your Research Paper to Global Journals Inc.

Please read the following rules and regulations carefully before submitting your research paper to Global Journals Inc. to avoid rejection.

Segment draft and final research paper: You have to strictly follow the template of a research paper, failing which your paper may get rejected. You are expected to write each part of the paper wholly on your own. The peer reviewers need to identify your own perspective of the concepts in your own terms. Please do not extract straight from any other source, and do not rephrase someone else's analysis. Do not allow anyone else to proofread your manuscript.

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Criterion for Grading a Research Paper (Compilation) by Global Journals

Please note that following table is only a Grading of "Paper Compilation" and not on "Performed/Stated Research" whose grading solely depends on Individual Assigned Peer Reviewer and Editorial Board Member. These can be available only on request and after decision of Paper. This report will be the property of Global Journals

Topics	Grades		
	A-B	**C-D**	**E-F**
Abstract	Clear and concise with appropriate content, Correct format. 200 words or below	Unclear summary and no specific data, Incorrect form Above 200 words	No specific data with ambiguous information Above 250 words
Introduction	Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited	Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter	Out of place depth and content, hazy format
Methods and Procedures	Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads	Difficult to comprehend with embarrassed text, too much explanation but completed	Incorrect and unorganized structure with hazy meaning
Result	Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake	Complete and embarrassed text, difficult to comprehend	Irregular format with wrong facts and figures
Discussion	Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited	Wordy, unclear conclusion, spurious	Conclusion is not cited, unorganized, difficult to comprehend
References	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring

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