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Highlights

- Syrian Crisis on Jordanian Economy
- A Promising Climate Change Intervention
- Telecommunication Services in Brazil
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Discovering Thoughts, Inventing Future

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Design Evaluation of the Universalization Fund for Telecommunication Services in Brazil

By Leonardo Meira Reis & Philipp Ehrl

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Abstract- The Universalization Fund for Telecommunications Services (Fust) was designed in 2000 to provide public investments to expand services in areas that needed to be better covered by the telecom carries. However, since its creation, the fund lacks effectiveness. The study seeks to evaluate this public policy and explain the practically non-existent results and impacts until now. Our contribution is to structure this public policy using a logic model and the program theory of change to understand and evaluate the fund's regulatory design. The analysis recognizes that the recent changes in Fust's legislation have improved its architecture and governance, following suggestions from the international literature on universalization funds. Nonetheless, some additional regulatory adjustments are suggested, such as creating more restrictive mechanisms to block or reallocate the fund's revenues, keeping its steering committee active, discussing new sources of revenue, and improving communication and transparency.

Keywords: telecommunications; public policy evaluation; universalization funds; FUST, logic model, theory of change.

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Design Evaluation of the Universalization Fund for Telecommunication Services in Brazil

Leonardo Meira Reis [α] & Philipp Ehrl [σ]

Abstract- The Universalization Fund for Telecommunications Services (Fust) was designed in 2000 to provide public investments to expand services in areas that needed to be better covered by the telecom carries. However, since its creation, the fund lacks effectiveness. The study seeks to evaluate this public policy and explain the practically non-existent results and impacts until now. Our contribution is to structure this public policy using a *logic model* and the *program theory of change* to understand and evaluate the fund's regulatory design. The analysis recognizes that the recent changes in Fust's legislation have improved its architecture and governance, following suggestions from the international literature on universalization funds. Nonetheless, some additional regulatory adjustments are suggested, such as creating more restrictive mechanisms to block or reallocate the fund's revenues, keeping its steering committee active, discussing new sources of revenue, and improving communication and transparency.

Keywords: telecommunications; public policy evaluation; universalization funds; FUST, logic model, theory of change.

The authors declare that there is no conflict of interest.

I. Introdução

A crescente dependência das tecnologias de informação e comunicação (TIC) é uma tendência observada há algum tempo em diversos países. No entanto, a pandemia da Covid-19 que eclodiu no final de 2019 acelerou o processo de digitalização das economias mundiais. As medidas de isolamento social implementadas pelos governos nos momentos mais críticos da crise de saúde levaram diversas atividades do cotidiano dos cidadãos para o ambiente digital e, mesmo após o relaxamento dessas medidas, muitas atividades se mantiveram ao menos em parte nesse formato.

Essa evolução, no entanto, depende da contínua expansão da infraestrutura de redes de conectividade e principalmente da disponibilidade de acesso para pessoas de diferentes localidades e classes sociais. Por esse motivo, essa tecnologia tem se tornado cada vez mais insumo indispensável para o desenvolvimento econômico e social.

Nesse contexto, o acesso à internet passou também a ser um fator gerador de desigualdade, uma vez que populações sem acesso ou com acesso precário a essa tecnologia passaram à condição de praticamente exclusão nas economias modernas. Essa exclusão tem o potencial de gerar impactos negativos na educação, no emprego e na geração de riquezas de um país. É por isso que o problema da universalização tem se tornado ainda mais urgente, especialmente nos países em desenvolvimento.

No Brasil, apesar de o acesso à internet ter avançado de forma substancial nos últimos anos, ainda temos cerca de 15% da população desconectada. De acordo com a última Pesquisa Nacional por Amostra de Domicílios Contínua (IBGE, 2022), em 2021, 155,7 milhões de brasileiros utilizaram a internet, o que representa 84,7% das pessoas com 10 anos ou mais de idade no país.

Esse acesso não é distribuído de forma igualitária no território, nem entre as diversas camadas sociais. De acordo com o IBGE, enquanto nas cidades 92,3% dos domicílios tinham acesso à internet em 2021, na área rural esse número era de 74,7%.

A Pesquisa TIC Domicílios 2021 (CGI.br, 2022) também buscou medir essa diferença, apurando que 82% da população na área urbana era usuária de internet, contra 73% na área rural. Em relação à diferença de acesso entre os perfis de renda da população, a pesquisa aponta que 98% da população da classe A estava conectada, número que era de 93% na classe B, 85% na classe C e chegava a 66% nas classes D e E.

Esses dados apontam a livre alocação de recursos nesse mercado não está sendo capaz de garantir o atendimento a toda a população demandante. Parte da explicação está ligada à relação entre os custos de implantação da infraestrutura de conectividade e a capacidade (ou disposição) dos consumidores em pagar pelos serviços de internet—o que varia nas diferentes classes sociais e regiões do país.

É de se esperar que a população mais pobre tenha maior dificuldade de pagar por serviços de internet, uma vez que suas rendas costumam estar muito comprometidas com itens mais básicos, como alimentação e transporte, por exemplo. Assim, o preço que essas pessoas estão dispostas a pagar pelo serviço nem sempre é capaz de cobrir os custos dos fornecedores, o que impede muitos contratos deixam de ser fechados.

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Na perspectiva territorial, a lógica é parecida. No meio rural, a densidade populacional, muito inferior à do meio urbano, dificulta a economia de escala na implantação de infraestrutura e na prestação dos serviços de conectividade. Assim, como é necessário cobrir áreas mais extensas e com menos consumidores potenciais, o custo para os fornecedores tende a ser muito mais elevado no campo do que na cidade. Como resultado, a demanda por serviços tende a cair e, com ela, a quantidade de fornecedores dispostos a investir em infraestrutura nas regiões de baixa densidade populacional.

Nesse cenário, a inclusão digital das populações mais pobres e rurais segue muito menor que a das demais parcelas da população brasileira. Isso, além de reduzir o bem-estar dessas pessoas, também atrasa a inserção do país nas cadeias produtivas e de consumo nacional e internacional, limitando a produtividade da nossa economia.

Essa desigualdade de acesso gera incentivos para a intervenção estatal no mercado de telecomunicações, o que é feito por meio de um conjunto de políticas públicas. Elas têm em comum o objetivo de produzir uma maior eficiência na alocação dos recursos da economia e de tornarem mais igualitária a distribuição do bem-estar econômico (MANKIW, 2013).

Dentre essas políticas, o presente trabalho se debruçará sobre o Fundo de Universalização dos Serviços de Telecomunicações (Fust), criado pela Lei nº 9.998, de 17 de agosto de 2000, com a finalidade de acelerar a universalização das telecomunicações no Brasil. De forma mais específica, vamos buscar avaliar o desenho dessa política e quais os seus impactos no objetivo para o qual se destina.

É sabido que, desde a sua criação, o Fust tem um baixíssimo nível de aplicação de seus recursos na finalidade para o qual foi criado—os recursos arrecadados em 22 anos de existência não têm sido utilizados em políticas de telecomunicações. O primeiro repasse de recursos do fundo só foi realizado em 2022, quando o Ministério das Comunicações (MCom) e o Comitê Gestor do Fust (CG-Fust) transferiram R$ 796,7 milhões para Banco Nacional de Desenvolvimento Econômico e Social (BNDES) para investimentos no setor, com prioridade para ações em prol do acesso à banda larga.

Nossa hipótese é que esse atraso na utilização efetiva do fundo se deveu em parte ao seu desenho institucional, o qual permitiu que os valores arrecadados anualmente pudessem ser utilizados para outras finalidades, notadamente para cobrir despesas em outras áreas do governo e contribuir para o resultado fiscal das contas públicas. Além de testar esta hipótese, também buscaremos outras razões para explicar a falta de efetividade dessa política pública.

Entendemos que o Fust pode ser uma importante ferramenta para minimizar as disparidades socioeconômicas no setor de telecomunicações brasileiro e acelerar a universalização do acesso à internet de qualidade no país. Portanto, o presente trabalho buscará contribuir para o entendimento dos motivos que explicam a baixa efetividade do fundo de universalização brasileiro e apontar caminhos para aprimorar sua governança.

Além de entender o desenho contábil-financeiro do Fust e registrar a evolução histórica da ação governamental sobre a universalização das telecomunicações no Brasil, também buscaremos comparar a experiência brasileira com iniciativas semelhantes em outros países.

Uma contribuição relevante do presente trabalho será sistematizar o desenho regulatório do Fust utilizando ferramentas de análise de políticas públicas, de forma a entender a vontade do legislador e compará-la com os insumos, processos e produtos da implementação do fundo desde sua criação. Esse exercício é inédito na literatura e não foi realizado durante a fase de formulação da política. Portanto, será útil para a presente avaliação e para estudos futuros sobre o tema.

Além desta introdução o trabalho está dividido em cinco seções. Na seção a seguir, abordaremos o contexto teórico do trabalho, baseado principalmente em experiências internacionais de avaliação de fundos de universalização. Na seção 3 detalhamos a metodologia de avaliação de desenho que será utilizada neste trabalho. Na seção 4 faremos a avaliação de desenho do Fust, lançando mão de ferramentas como o modelo lógico da política, os indicadores e a teoria do programa. Na seção 5 apresentaremos os principais achados e faremos recomendações de aprimoramento ao desenho do Fust. Na seção 6 apresentaremos a conclusão do trabalho, refletindo sobre como a metodologia aplicada foi ou não bem-sucedida em avaliar a política pública e indicando gargalos a serem atacados em estudos futuros.

II. Contexto Teórico

Os desafios de implementação de políticas de universalização do acesso à internet variam de país para país e entre diferentes grupos populacionais. Ainda assim, muitos desses problemas se repetem, independente desses fatores.

As políticas públicas de universalização enfrentam desafios que podem ser de ordem econômica, política, social, geográfica ou cultural. A falta de recursos públicos e privados disponíveis, a baixa atratividade econômica de determinados mercados, os altos níveis de pobreza, a falta de consenso sobre como lidar com questões de

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privacidade e segurança cibernética, a existência de áreas remotas ou de difícil acesso, o baixo nível de educação digital e o baixo interesse ou a desconfiança em relação a novas tecnologias são algumas das variáveis que podem explicar a dificuldade de se ampliar a penetração da internet em um país.

Vejamos em mais detalhes algumas experiências avaliadas pela literatura e como os países têm buscado resolver essas dificuldades ao redor do mundo.

a) Experiências na OCDE

De acordo com estudo comparativo de políticas públicas voltadas à universalização de serviços de telecomunicações em países da OCDE e no Brasil (RAUEN, HIRATUKA e FRACALANZA, 2011), o mecanismo mais comum para financiar a expansão dos serviços no setor são os chamados fundos de universalização de serviço. Em termos gerais, portanto, o Fust está em linha com a prática de países desenvolvidos.

A forma de arrecadação do fundo brasileiro também é comum nos países da OCDE, qual seja, a cobrança de percentual do faturamento das operadoras de telecomunicações em atuação no país. No Brasil, a principal fonte de recursos do Fust é a taxa de um por cento sobre a receita bruta das operadoras. Segundo defende a OCDE, essa solução é mais transparente, apresenta maior custo-benefício, não altera a competitividade, nem a escolha da tecnologia a ser utilizada pelos agentes desse mercado.

Em relação ao escopo de atuação das políticas de universalização, ainda de acordo com RAUEN, HIRATUKA e FRACALANZA (2011), o Brasil segue algumas diretrizes parecidas com os países desenvolvidos, mas à época do estudo (2011) limitava as obrigações de universalização—e consequentemente a aplicabilidade do Fust—apenas à expansão dos serviços de telefonia fixa. Isso impedia a utilização dos recursos do fundo para levar novas tecnologias, como a banda larga, para regiões menos atrativas economicamente e para populações de menor renda.

Apesar da política pública de universalização das telecomunicações no Brasil, notadamente o Plano Geral de Metas de Universalização (PGMU), prever uma atualização periódica do escopo de atuação do governo no setor—prática também comum nos países da OCDE—, a utilização dos recursos do Fust para ampliação da cobertura de internet de banda larga só foi permitida no final de 2020, após a sanção da Lei nº 14.109, de 16 de dezembro de 2020.

Os principais desafios para a expansão da banda larga no Brasil justificam a utilização do Fust como umas das ferramentas para atacar esse problema. Segundo os autores do estudo comparativo com a OCDE, dois dos principais entraves para uma maior penetração da banda larga no Brasil são o alto custo dos serviços e a falta de infraestrutura de banda larga em regiões remotas e com baixa densidade demográfica. Nos países da OCDE, os fundos de universalização são utilizados para amortizar os custos com implantação de novas infraestruturas e para subsidiar os preços pagos pelos consumidores com maior dificuldade de acesso ao serviço.

Segundo LIN e WU (2013), uma política pública de universalização bem-sucedida deve levar em consideração questões econômicas e sociais que influenciam a adoção da internet. Os autores buscaram identificar esses fatores e analisar como eles se manifestam entre os diferentes indivíduos de uma população. A partir de dados de painel de países da OCDE coletados entre 1997 e 2009, eles dividiram os usuários de internet em três grupos que buscam refletir os estágios de adoção da tecnologia: inovadores e adotantes iniciais (estágio 1); maioria inicial (estágio 2); maioria tardia e retardatários (estágio 3). Os resultados apontaram que renda, escolaridade, custo do serviço, nível de competição no mercado, disponibilidade de conteúdo e taxa de cobertura da infraestrutura são variáveis que podem explicar a penetração da internet de banda larga em um território. Segundo o estudo, o nível de competição no mercado e a disponibilidade de conteúdo são fatores que influenciam a penetração de banda larga em todos os estágios de adoção. Por isso, os autores sugerem que políticas de fomento a esses fatores, pois elas tendem a gerar efeitos positivos na ampliação de infraestrutura disponível e na demanda por conectividade. Ao analisarem separadamente os estágios de adoção, os autores concluíram que no estágio inicial os fatores mais relevantes são a renda, a escolaridade e a disponibilidade de conteúdo. No estágio intermediário, são mais determinantes a competição do mercado e a existência prévia de sinal de internet. E no estágio 3, o preço dos serviços é a variável mais importante.

Com base nesses resultados, é possível defender que as regras de utilização dos fundos de universalização deveriam levar em consideração essa diferença entre os usuários e permitir a aplicação de seus recursos em diferentes segmentos do mercado de internet, a depender da necessidade de cada região ou da população de interesse. Segundo LIN e WU (2013), uma solução geral para todas as realidades tende a gerar resultados piores do que uma política que possibilita a combinação de estratégias.

b) Experiências nos Estados Unidos

HOLT e GALLIGAN (2013) analisaram quatro programas de universalização criados com base na Lei de Telecomunicações dos Estados Unidos (EUA): o programa federal de universalização em áreas de alto custo (*High-Cost program*), o programa de baixa renda (*Low-Income program*), o programa de escolas e bibliotecas (*E-rate*) e o programa de saúde rural (*Rural*

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Health Care program). As quatro iniciativas têm como fonte de recursos o fundo de universalização americano (USF). O programa de universalização em áreas de alto custo foi criado para estimular a expansão da infraestrutura telecomunicações em áreas rurais e remotas por meio de financiamento oferecido a empresas do setor. O programa de baixa renda teve como objetivo oferecer descontos na instalação de infraestrutura e no pagamento de serviços de telecomunicações para consumidores que não têm condições de arcar com os custos de mercado. O *E-rate* buscou reduzir os preços pagos pelos serviços de telecomunicações para escolas e bibliotecas que disponibilizarem banda larga para seus públicos. E o programa de saúde rural foi criado para financiar a infraestrutura e os serviços de telecomunicações necessários à prestação de saúde em áreas rurais.

Entre as principais preocupações que vieram à tona nas discussões sobre atualização da regulação do setor de telecomunicações americano estão a criação de mecanismos para estimular a competição no mercado de banda larga, a expansão da infraestrutura em áreas rurais e remotas e a adaptação periódica das políticas a mudanças tecnológicas. Os principais achados dos autores incluíram a falta de indicadores claros e mensuráveis de performance das políticas, a falta de regras de controle interno voltadas ao monitoramento e avaliação, a importância de regulamentações claras em relação aos objetivos das políticas e a necessidade de atualizações constantes das regulações conforme o contexto tecnológico se altera. Os autores concluíram que os desenhos dos programas de universalização influenciam de forma relevante os resultados e impactos gerados pelas iniciativas e, portanto, devem ser estudados com cuidado, de preferência na fase de formulação das políticas—visão com a qual também concordamos no presente estudo.

c) Experiências na China

Em relação à experiência da China na universalização do acesso à internet, LIU e WANG (2021) buscaram olhar para as características da população que não acessa a internet. Segundo dados apresentados pelos autores, em 2018, 95% da população chinesa estava coberta por redes de 4G—o que colocava a China entre os países com maior cobertura de banda larga móvel do planeta. No entanto, no mesmo ano, aproximadamente 30% das famílias daquele país não acessaram a tecnologia. Ou seja, a expansão da infraestrutura e da disponibilidade de acesso à internet não foi suficiente para garantir a efetiva utilização da tecnologia pela população chinesa—uma realidade que também se repete em outras partes do planeta. LIU e WANG (2021) buscaram analisar as razões e características dessas pessoas que "são deixadas para trás".

Os resultados de LIU e WANG (2021) não foram surpreendentes. As famílias chinesas em piores condições socioeconômicas apresentaram maior propensão a não acessarem a banda larga. Essas famílias eram formadas em sua grande maioria por pessoas mais velhas, mais pobres, menos escolarizadas e residentes de áreas rurais. Os autores argumentam que por conta da quase universalização da infraestrutura e da saturação do mercado de banda larga chinês, novos investimentos em expansão da rede de conectividade passaram a ter efeitos decrescentes na redução da chamada "desigualdade digital". Para atacar esse problema, os programas deveriam passar a incorporar estímulos à demanda dos usuários "desconectados", como a criação de subsídios nas contas de internet ou para compra de dispositivos que permitem navegar na rede.

Os autores também recomendam uma reformulação no desenho dos programas de universalização chineses para que os investimentos deixassem de ter uma abordagem baseada em diretrizes gerais de investimento (*top-down*) e passassem a colocar o usuário final e suas demandas no centro do desenho da política (abordagem *bottom-up*). Outra sugestão apresentada é a criação de programas de subsídios a famílias de baixa renda na contratação de serviços de banda larga. Uma terceira recomendação é ampliar a educação digital da população chinesa—ensinar as pessoas a utilizarem a internet e suas aplicações. E, finalmente, os autores sugerem a criação de um novo mecanismo de coleta de dados oficiais sobre os usuários de internet, reduzindo a dependências das informações nem sempre precisas fornecidas pelas operadoras.

d) Experiências em Países da África

No continente africano, as experiências com a expansão das telecomunicações enfrentaram desafios semelhantes aos vistos em outras regiões em desenvolvimento do planeta. Desde a onda de privatizações das telecomunicações ocorridas em vários países africanos no final da década de 90, houve relevante avanço da cobertura e adoção da telefonia móvel no continente. Todavia, as privatizações não foram suficientes para garantir a universalização dos serviços, uma vez que diversas regiões—principalmente áreas rurais e remotas—seguiram sem cobertura ou com cobertura insuficiente.

Para resolver esse problema, governos de toda a África, orientados e apoiados por iniciativas do Banco Mundial, criaram fundos de universalização de telecomunicações similares aos observados em outros países fora do continente. No entanto, a implementação dessa estratégia não gerou os resultados esperados e o continente segue com uma cobertura limitada, mesmo depois de vários anos de criação desses fundos, como visto no Brasil.

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ARAKPOGUN, WANJIRU e WHALLEY (2017) buscaram identificar os motivos do fracasso dos fundos de universalização na África comparando a experiência de 34 iniciativas ao redor do continente. Segundo eles, o principal problema dos fundos de universalização africanos está ligado a defeitos na formulação das políticas. As regulações analisadas pelos autores pecaram, por exemplo, ao utilizarem definições muito vagas sobre o que é entendido como universalização dos serviços de telecomunicações. Nenhum dos países estudados delimitou com clareza o escopo de atuação dos seus fundos, deixando em aberto quais serviços, tecnologias ou soluções seriam apoiados e qual a prioridade entre as possíveis iniciativas. Isso prejudica a criação de objetivos realistas para as políticas e consequentemente a capacidade de avaliação das mesmas.

Outros problemas encontrados pelo estudo de ARAKPOGUN, WANJIRU e WHALLEY (2017) incluem excesso de influência política nas decisões dos fundos, falta de transparência e prestação de contas, pouco envolvimento de partes interessadas não-governamentais na gestão das políticas, monitoramento e fiscalização insuficientes e baixa especialização e capacidade regulatória dos agentes governamentais. Os autores concluem que os desenhos das políticas de universalização africanas deveriam ser aprimorados para definir com maior clareza os objetivos dos fundos de universalização e seus limites de atuação. Assim como apontado pelo estudo da experiência chinesa de universalização, uma recomendação feita para os países africanos é incluir entre os objetivos das políticas de telecomunicações não apenas aspectos econômicos—como expansão da infraestrutura e redução dos custos dos serviços—mas também sociais—como mapeamento de reais necessidades tecnológicas e promoção da educação digital da população.

e) Experiências na América Latina e no Brasil

Voltando a olhar comparativamente para a realidade brasileira, estudo de GOMES, CORDEIRO e ARAÚJO (2014) buscou analisar caminhos possíveis para universalização dos serviços de banda larga fixa no Brasil a partir de experiências de países da América Latina e da OCDE. Três tipos de soluções regulatórias são analisados: (i) redução de impostos e taxas sobre o setor de telecomunicações; (ii) subsídio direto aos consumidores de baixa renda para contratação de serviços; (iii) incentivos para investimento em infraestrutura em áreas com pouca atratividade econômica.

Na avaliação dos autores, o modelo de redução de carga tributária tem impacto potencial significativo em relação à penetração dos serviços, pois a redução nos preços de contratação permite que famílias com maior propensão a pagar sejam conectadas. No entanto, o modelo tem duas limitações: (i) para ter o efeito esperado, a redução de carga precisa ser totalmente repassada aos consumidores, o que não é possível garantir; e (ii) não há como garantir que o estoque de recursos disponíveis para as empresas fornecedoras do serviço seja revertido para ampliação de infraestrutura e serviços em áreas não atendidas. Nesse sentido, o modelo funciona melhor em mercados com alto nível de competição.

O modelo de subsídios diretos a famílias de baixa renda para contratação de pacotes de serviços também apresenta alto impacto potencial na penetração dos serviços, especialmente no curto prazo. Mas os autores classificam o modelo como fraco, pois acaba estimulando investimentos apenas nos níveis de tecnologias mais baixos, desperdiça recursos com famílias que estariam dispostas a contratar serviços mesmo sem os subsídios e ataca apenas parte da população. Como resultado, esse modelo tende a não estimular no médio ou longo prazos investimentos em expansão de infraestrutura e cobertura de serviços.

O terceiro modelo, e o que mais se aproxima do formato inicial escolhido para o Fust no Brasil, busca financiar com recursos públicos a expansão da infraestrutura em regiões com baixa viabilidade econômica no curto e médio prazo. Uma forma de implementação dessa estratégia é por meio dos chamados leilões reversos, onde as empresas interessadas competem para atender a obrigações ou projetos propostos pelo governo, vencendo aquela que se comprometer executar o contrato ao menor custo. Esse modelo, na avaliação dos autores, tem impacto potencial positivo em relação à melhora dos serviços e velocidade de conexão, porém tem baixo impacto no aumento do número de acessos.

Nesse sentido, GOMES, CORDEIRO e ARAÚJO (2014) acreditam que a melhor estratégia para buscar a universalização dos serviços de banda larga no Brasil é por meio de um modelo híbrido, que busca aproveitar as vantagens dos três modelos "puros" analisados e maximizar a função de utilidade baseada em percentual de cobertura de acesso e velocidade média de conectividade. Para isso, os autores sugerem que os modelos sejam aplicados em momentos diferentes ao longo do tempo e com alocação de recursos diferentes, conforme as necessidades de infraestrutura e cobertura vão mudando.

Em relação ao Fust brasileiro, isso nos indica um ponto de atenção sobre o desenho dessa política pública e expectativas de resultado esperados. No formato em que o fundo foi criado, focado em estimular investimentos em infraestrutura e, portanto, mais próximo do modelo 3 de GOMES, CORDEIRO e ARAÚJO (2014), havia uma limitação em seu potencial de contribuir com a universalização—parte desses problemas foram endereçados na última atualização da legislação do Fust, em 2020. No entanto, outras

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variáveis como a tributação e a propensão das famílias a pagar pelos serviços, também afetam os incentivos aos investimentos no setor e, por isso, precisam ser consideradas.

Para além dessas preocupações, o fato é que mesmo o objetivo inicial do Fust não vem sendo respeitado e isso já é de conhecimento dos gestores que atuam no setor. Em estudo mais recente, publicado pelo Instituto de Pesquisa Econômica Aplicada (IPEA), BASSI (2020) constata que boa parte dos fundos públicos brasileiros não vêm atuando em prol dos objetivos para os quais foram originalmente criados. Utilizando o Fust como exemplo, o autor afirma que a aplicação de seus recursos em finalidade diferente da inicialmente planejada faz com que, na prática, o fundo seja um mecanismo alternativo de flexibilização orçamentária. O autor conclui que por conta do fundo ser alimentado em grande parte por tarifas sobre os serviços de telecomunicações, essas deveriam ser revertidas em políticas públicas voltadas a este setor. Ao alterar essa lógica, a tributação passa a ser infundada e o fundo perde seu sentido.

Essa preocupação foi uma das motivações para a recente modificação da legislação do Fust, realizada em 2020. Para além da já citada mudança de escopo do fundo, que permitiu a aplicação dos seus recursos em serviços de conectividade, as novas regras também ampliaram as possíveis destinações e as modalidades de aplicação dos recursos.

Parte dos debates que levaram a essa alteração legislativa são resumidos e defendidos por FREITAS, MOURA FILHO e DE MORAIS (2021). Os autores realizam uma revisão sobre o debate e as propostas de modernização do Fust, traçando um comparativo histórico com as melhores práticas setoriais e aplicações internacionais do conceito de universalização no setor de telecomunicações. Os autores concluem que as mudanças promovidas pela Lei nº 14.109, de 2020, conhecida como a nova lei do Fust, permitiram uma modernização importante do fundo no que tange aos aspectos de governança, alocação e financiamento. As novas regras substituíram o foco nos serviços de voz em telefonia fixa por serviços de dados, ampliaram os órgãos de governo responsáveis pelo planejamento e gestão do fundo de universalização (com a criação de um conselho gestor), e incluíram novas formas de apoio financeiro e destinação dos projetos aprovados pelo fundo.

f) Conclusão das Experiências Internacionais

Assim, com base na análise das experiências de diversos países apresentadas nesta seção, podemos afirmar que a criação do fundo de universalização brasileiro, sua forma de arrecadação e as possibilidades de aplicação de seus recursos são condizentes com os objetivos de uma política de universalização de serviços de telecomunicações e estão alinhadas com as melhores experiências internacionais. No entanto, um problema ainda não resolvido é a utilização incipiente dos recursos alocados no fundo nos últimos 22 anos.

Um dos motivos para o problema é que a arquitetura contábil-fiscal do Fust permitiu nas últimas décadas o desvio de finalidade na utilização dos valores arrecadados pelo fundo—hipótese que buscaremos testar e analisar no presente estudo. Também buscaremos apontar outros possíveis problemas da política de universalização brasileira, os quais podem ser semelhantes aos dos exemplos de outros países que mostramos neste capítulo.

III. Metodologia

Para analisar o Fust, adotaremos a metodologia de avaliação de desenho proposta pela Presidência da República (PR), em parceria com o IPEA e os então ministérios da Fazenda (MF), do Planejamento, Desenvolvimento e Gestão (MPDG) e da Transparência e Controladoria-Geral da União (CGU). Essa metodologia consta no manual Avaliação de Políticas Públicas: guia prático de análise *ex post* (Brasil, 2018).

Avaliação que utilizaremos é do tipo *ex post*, realizada durante ou após a execução de uma política pública. Ela busca evidências sobre o desempenho da política pública e a aplicação dos recursos públicos reservados para ela, informações que são confrontadas com os objetivos iniciais da ação governamental. Esse trabalho permite a verificação dos parâmetros de economicidade, eficiência, eficácia e efetividade, orientando a tomada de decisão sobre manutenção, aperfeiçoamento ou descontinuidade da política analisada.

Mais especificamente, a avaliação de desenho analisa a performance de uma política a partir do desenho proposto na fase de formulação e de como ele afetou positiva ou negativamente o sucesso da ação governamental. Esse processo analítico busca identificar os aspectos formais da política que possam impactar na sua execução e propor possíveis mudanças na regulação a fim de torná-la mais eficaz e eficiente em relação aos seus objetivos.

A base inicial do trabalho é traduzir o desenho da política pública na forma de um modelo teórico que descreva como a intervenção estatal foi pensada para gerar os resultados desejados. Também conhecido como teoria do programa ou teoria da mudança (Banco Mundial, 2018), esse modelo teórico descreve a lógica causal de como e por que uma determinada decisão governamental (política pública) atinge determinados resultados práticos.

Na avaliação do desenho, busca-se entender as relações entre as diversas etapas da política pública até que ela produza seus efeitos. Em outras palavras,

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essa metodologia busca mapear a seguinte lógica: se determinado desenho, então determinados resultados, o que então leva a determinados impactos. Quanto maior a coerência entre essas etapas, melhor avaliado será o desenho da política pública. Mais importante, espera-se que o resultado da avaliação de desenho verifique as hipóteses iniciais da política e aponte quais insumos, processos ou ações poderiam ser mais eficazes para alcançar suas metas e promover os resultados e impactos esperados. O objetivo final desse tipo de avaliação é apoiar a tomada de decisão para aprimorar o desenho da política pública.

No presente trabalho, a avaliação do desenho do Fust será dividida em cinco etapas, conforme veremos a seguir.

a) Revisão do Modelo Lógico da Política Pública

O modelo lógico de uma política pública é uma ferramenta de formulação que tem como objetivo detalhar as etapas e resultados esperados com a intervenção a ser realizada pela ação ou ações estatais propostas por determinada política. O modelo permite a visualização desse processo de forma didática e clara e estabelece um nexo causal entre as etapas da política.

Essa ferramenta analítica divide a política em cinco partes: insumos, processos, produtos, resultados e impactos. A ideia é apresentar a lógica entre esses componentes e os mecanismos escolhidos pelos formuladores da política para atingir os resultados e impactos esperados em cada etapa da sua execução. Esse é o primeiro passo da avaliação de desenho. A Figura 1 representa a matriz do modelo lógico sugerido pela Presidência da República.



Fonte: adaptado de Presidência da República (2018).

Figura 1: Componentes do modelo lógico

b) Indicadores Relacionados ao Modelo Lógico

A partir do modelo lógico, indicamos os dados a serem monitorados na execução da política pública e que permitem avaliar seu desempenho e identificar possíveis pontos de melhoria. Esses dados são os indicadores da política. O segundo passo da avaliação do desenho é, portanto, mapear esses indicadores, analisar como eles são monitorados e como evoluíram ao longo da execução da política.

Para serem úteis, os indicadores de uma política precisam ser específicos (de fácil explicação), mensuráveis (podem ser observados), atingíveis (realistas no contexto da política), relevantes (condizentes com o modelo lógico) e temporalmente definíveis (permitem monitoramento periódico). Cada estágio da política pública deve possuir um conjunto de indicadores que atendam a esses critérios. Idealmente, eles deveriam ser definidos antes a política comece a ser implementada (etapa *ex-ante* da avaliação). Caso eles não tenham sido previamente definidos, cabe ao avaliador da política indicá-los.

c) Análise da Teoria do Programa

Os dois primeiros passos da avaliação nos permitem chegar à teoria do programa, uma ferramenta analítica que apresenta o contexto no qual a política foi formulada. Nessa etapa, buscamos levantar as premissas, hipóteses, motivações, expectativas e demais fatores que levaram à formulação da política pública em estudo. Também analisamos os mecanismos escolhidos para se promover a mudança buscada pela intervenção estatal—por isso a teoria do programa também é conhecida como teoria da mudança.

O contexto em que uma política foi formulada diz muito sobre as escolhas em relação ao seu desenho, que por sua vez impactam nos erros e acertos da intervenção estatal. O modelo lógico formulado nas etapas iniciais da avaliação nos fornece as informações necessárias para testarmos as hipóteses e o nexo causal entre as diversas etapas da política, o que nos ajuda a explicar por que os objetivos (produtos, resultados e impactos) da intervenção estão ou não estão sendo alcançados. Fatores externos também podem influenciar no sucesso ou insucesso de uma política e, por isso, também devem ser identificados nessa etapa da avaliação. Essa é uma das hipóteses do presente estudo, como veremos mais à frente.

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d) Identificação de Falhas e Erros no Desenho

No quarto passo da avaliação de desenho, consolidamos os nossos achados nos passos anteriores apontando as falhas e erros no desenho da política. De acordo com o guia de avaliação de políticas públicas do Departamento de Finanças do governo britânico (Reino Unido, 2011), desenhos equivocados de uma política podem causar efeitos não planejados e resultados não intencionais. Uma mesma política pública pode apresentar uma combinação de diversos efeitos negativos quando da sua execução, portanto a avaliação do desenho dessa política deve permitir verificar se esses riscos foram considerados pelos formuladores e que mecanismos foram definidos para evitá-los.

Para isso, é importante analisar em detalhes aspectos da política como a definição e identificação da população elegível, a forma e critérios de acesso, o seu arranjo institucional, o nível de prioridade dado pelo governo e demais atores interessados, a disponibilidade de recursos e incentivos necessários para sua implementação e os mecanismos de controle da execução. A partir desse exercício, os avaliadores são capazes de apontar com precisão os erros e falhas no desenho da política, o que dá suporte para a última fase da avaliação.

e) Recomendações de Melhorias no Desenho

A última fase da avaliação de desenho nada mais é que a consolidação e sistematização dos achados de todas as etapas anteriores na forma de sugestões para aprimorar o desenho da política pública de interesse. As recomendações devem focar nos pontos com maior influência sobre eventuais resultados negativos ou efeitos não esperados da política.

Esses efeitos podem ser sentidos em momentos distintos da execução da política pública e por grupos diferentes de interessados, o que tende a dificultar um diagnóstico preciso sobre os problemas a serem resolvidos pelos formuladores ou revisores governamentais. A vantagem da metodologia que ora apresentamos é justamente oferecer uma visão simplificada e didática da intervenção, o que facilita a comunicação e o debate sobre ajustes, continuidade ou descarte de políticas.

A avaliação do desenho, nesse sentido, não envolve apenas apontar erros, mas também propor soluções e apoiar as decisões governamentais futuras sobre as políticas de interesse. Essa é a contribuição que pretendemos deixar em relação ao fundo de universalização brasileiro.

IV. A Avaliação de Desenho do Fust

Com base na metodologia apresentada na seção anterior e na legislação do Fust, passemos agora a analisar o desenho dessa política pública.

a) Revisão do Modelo Lógico do Fust

Como o modelo lógico dessa política pública não foi disponibilizado durante a formulação do Fust, construiremos um modelo próprio a partir da sua legislação mais recente. Ele servirá de base para nossa avaliação. A Tabela 1 apresenta o modelo lógico dividido pelos componentes sugeridos na nossa metodologia.

Tabela 1: Modelo lógico do Fust

Problemas	Insumos	Processos	Produtos	Resultados	Impactos
I – Os serviços de telecomunicaçõe s não estão disponíveis para toda a população.	I – Recursos públicos orçamentários.	I – Arrecadação dos recursos do fundo.	I – Projetos executados com recursos próprios de empresas contribuintes do Fust (renúncia de receita).	I – Expansão, uso e melhoria da qualidade das redes.	I – Universalização dos serviços de telecomunicações.
II – Existem regiões onde a exploração dos serviços não gera incentivos econômicos para investimentos pela iniciativa privada.	II – Recursos regulatórios e de fiscalização da Anatel (outorgas, concessões, autorizações, multas e indenizações).	II – Disponibilização orçamentária dos recursos.	II – Projetos de ampliação do acesso de escolas públicas à banda larga (investimentos diretos).	II – Expansão, uso e melhoria dos serviços de telecomunicações.	II – Redução das desigualdades regionais no acesso às telecomunicações.
	III – Receita bruta das prestadoras de serviços de telecomunicaçõ es.	III – Apresentação dos projetos ao comitê gestor.	III – Projetos de expansão e melhoria da conectividade e de inclusão digital (investimentos diretos).	III – Expansão, uso e melhoria da banda larga nas escolas públicas.	III – Redução das desigualdades sociais no acesso às telecomunicações.

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	IV – Doações.	IV – Aprovação e seleção dos projetos pelo comitê gestor.	IV – Financiamentos a projetos de expansão, uso e melhoria da qualidade das redes e dos serviços de telecomunicações (linhas de crédito).	IV – Ampliação da digitalização dos serviços públicos.	
		V – Aplicação dos recursos e acompanhamento das operações.		V – Desenvolvimento e adoção de novas tecnologias de conectividade.	
		VI – Avaliação dos resultados.			

Fonte: Elaboração própria, com base na Lei nº 9.998, de 2000 e no Decreto 11.004, de 2022.

De acordo com a lei de criação do Fust (Lei nº 9.998, de 2000), o fundo tem a finalidade de estimular a expansão, o uso e a melhoria da qualidade das redes e dos serviços de telecomunicações, reduzir as desigualdades regionais e estimular o uso e o desenvolvimento de novas tecnologias de conectividade para promoção do desenvolvimento econômico e social.

Ele foi criado, por comando da Lei Geral de Telecomunicações – LGT (Lei nº 9.472, de 1997), para suprir a esperada falta de recursos para atender ao objetivo de universalização dos serviços. O legislador, quando da construção do arcabouço regulatório do setor, já previa que parte dos recursos que fossem aplicados para expandir o acesso aos serviços não poderia ser recuperado pela exploração eficiente dos serviços. Ou seja, algumas regiões do país não ofereceriam incentivos econômicos suficientes para realização de investimentos em telecomunicações.

Nesse sentido, o Fust busca recursos de diversas fontes, detalhados na Tabela 1 como insumos. Desde sua criação o principal insumo é a contribuição de um por cento (1%) sobre a Receita Operacional Bruta (ROB) decorrente da prestação de serviços de telecomunicações nos regimes público e privado.

A operacionalização do fundo se inicia com a parte de arrecadação dos recursos e posterior disponibilização orçamentária dos valores na Lei Orçamentária Anual (LOA). Levando em consideração esses valores, o comitê gestor do fundo fica responsável por recepcionar e selecionar projetos que visam atender aos objetivos do fundo. Somente após passarem pelo comitê gestor, os recursos são efetivamente liberados e os projetos iniciados. Também cabe ao comitê gestor fiscalizar a aplicação e avaliar os resultados dos projetos aprovados.

Os produtos esperados desses processos são programas, projetos, planos, atividades e ações voltados a serviços de telecomunicações, seja para ampliar a infraestrutura, a cobertura, os acessos ou as tecnologias disponíveis. Essas iniciativas são viabilizadas por meio dos projetos aprovados pelo comitê gestor, que podem ser executados no formato de renúncia de receita (quando são utilizados recursos próprios das empresas contribuintes do Fust), investimentos diretos do governo ou financiamentos (por meio dos agentes financeiros cadastrados para operar recursos do fundo).

O objetivo dos projetos é ampliar a qualidade de todo o ecossistema de telecomunicações do país, levar banda larga para as escolas públicas, ampliar a digitalização dos serviços e estimular o desenvolvimento e adoção de novas tecnologias de conectividade. O impacto final dos investimentos apoiados pelo fundo é atingir a universalização dos serviços de telecomunicações no país. Além disso, espera-se reduzir as desigualdades regionais e sociais de acesso da população à banda larga.

Como é sabido, o maior problema da política é a falta de aplicação dos seus recursos na finalidade para a qual ele o fundo foi criado. Nesse sentido, temos uma falha de processo, mais especificamente, uma falha na disponibilização orçamentária dos recursos do Fust. Isso compromete todas as demais etapas da política, as quais dependem desses recursos para serem implementadas. Garantir a efetiva utilização dos recursos é, portanto, a primeira iniciativa para melhorar o desempenho do Fust. A partir de 2022, com a primeira disponibilização efetiva de recursos, é importante começar a avaliar os demais componentes do desenho da política. Vamos discuti-los nas etapas seguintes da avaliação.

b) Indicadores Relacionados ao Modelo Lógico do Fust

Segundo a Presidência da República (BRASIL, 2018), deve haver um conjunto de indicadores disponível para cada estágio da política, os quais idealmente deveriam ser fixados na etapa de formulação.

Segundo a legislação e regulamentação do Fust, cabe à Agência Nacional de Telecomunicações (Anatel) elaborar e propor planos de metas para universalização de serviços de telecomunicações. A partir dessas diretrizes e do modelo lógico do programa, podemos traçar alguns indicadores para cada etapa dessa política, buscando medir o

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desenvolvimento e desempenho da política em relação aos seus objetivos gerais e específicos. Também aproveitamos o planejamento orçamentário do Fust no Plano Plurianual (PPA) e na Lei Orçamentária Anual (LOA).

Considerando que os gestores públicos têm buscado nos últimos anos promover aprimoramentos na política e já iniciaram as primeiras disponibilizações de recursos, os indicadores mais relevantes de monitoramento passam a ser aqueles relacionados aos resultados e impactos. Ou seja, a atenção deve estar focada em expandir as redes e os serviços de telecomunicações e reduzir as deficiências em termo de cobertura, tanto no nível territorial (regiões sem acesso), quanto social (estratos sociais sem acesso). Isso, porém, não tem sido medido ao longo dos anos, pelo simples fato de que nenhum recurso havia sido liberado até 2022 e, portanto, não houve nenhum resultado ou impacto a ser analisado.

Em relação aos demais indicadores, a Lei Orçamentária Anual permite o monitoramento das ações orçamentárias do Fust, contemplando boa parte dos dados quantitativos necessários para a avaliação. Em relação aos detalhes mais qualitativos das iniciativas apoiadas e de seus resultados, sugere-se o monitoramento e disponibilização de dados públicos pela Anatel sobre as redes de telecomunicações e usuários dos serviços e pelo comitê gestor do fundo em relação a projetos apresentados e aprovados.

No primeiro caso, os dados são disponibilizados pelo Plano Estrutural de Redes de Telecomunicações (PERT), enquanto os dados sobre projetos apresentados e aprovados ainda precisam ser disponibilizados em páginas dedicadas ao Fust nos portais do Ministério das Comunicações e da Anatel.

Adicionalmente, pesquisas nacionais a cargo do IBGE e do Centro Regional de Estudos para o Desenvolvimento da Sociedade da Informação (Cetic.br), a exemplo da Pesquisa Nacional por Amostragem de Domicílios (PNAD) e a TIC Domicílios, também são grandes fontes de informação para medir impacto das ações de universalização.

Um desafio relevante em relação ao monitoramento e avaliação dos resultados e impactos do Fust é isolar o papel do fundo nos números medidos anualmente pelos órgãos citados acima. Como investimentos em redes e serviços de telecomunicações ocorrem anualmente com recursos públicos e privados de outras fontes, é possível que eventuais valores investidos pelo Fust expliquem apenas parte dos resultados alcançados—o que poderia ser considerado um efeito de peso morto (discutido na seção 4.1 deste estudo).

A sugestão de indicadores para cada etapa da política é apresentada na tabela 2 a seguir.

Tabela 2: Indicadores associados ao Fust

Componentes da política	Descrição/Objetivo	Indicadores
Insumos	Monitorar os recursos públicos arrecadados para o Fust.	1) Arrecadação anual do fundo para cada tipo de receita.
Processos	Acompanhar as etapas de disponibilização e aplicação dos recursos do Fust.	2) Valores anuais disponibilizados no orçamento para aplicação. 3) Quantidade, valores e características dos projetos apresentados anualmente ao comitê gestor do fundo. 4) Quantidade, valores e características dos projetos aprovados anualmente pelo comitê gestor do fundo. 5) Valores anuais executados pelos projetos aprovados pelo comitê gestor do fundo.

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Produtos	Registrar as ações viabilizadas com recursos do Fust.	6) Quantidade, valores e características de projetos de renúncia de receita apoiados anualmente. 7) Quantidade, valores e características de projetos de ampliação do acesso de escolas públicas à banda larga apoiados anualmente. 8) Quantidade, valores e características de projetos de expansão e melhoria da conectividade e de inclusão digital apoiados anualmente. 9) Quantidade, valores e características de financiamentos aprovados para projetos de expansão, uso e melhoria da qualidade das redes e dos serviços de telecomunicações.
Resultados	Medir quantitativamente e qualitativamente os resultados dos produtos do Fust para cada objetivo da política.	10) Dados sobre as redes de telecomunicações criadas ou expandidas com apoio do Fust. 11) Dados sobre os serviços de telecomunicações criados ou expandidos com apoio do Fust. 12) Dados sobre redes de banda larga em escolas públicas criadas ou melhoradas com apoio do Fust. 13) Dados sobre digitalização de serviços públicos realizada com apoio do Fust. 14) Dados sobre desenvolvimento e difusão de novas tecnologias de telecomunicações apoiadas pelo Fust.
Impactos	Medir avanço da disponibilidade de acesso à banda larga por região, tecnologia e usuários atendidos.	15) Taxa de cobertura de acesso à internet no país por região, localidade e tecnologia. 16) Quantidade de usuários de internet por região, localidade, tecnologia e características sociais.

Fonte: Elaboração própria

c) Análise da Teoria do Programa do Fust

Após analisar o modelo lógico e os indicadores, passemos a identificar e avaliar a teoria do programa, que contempla as premissas, as hipóteses, os mecanismos de mudança, os riscos e o contexto em que a política pública é executada. Nosso objetivo nessa etapa é entender a lógica causal do desenho do Fust e responder se os insumos e processos definidos para o fundo fazem sentido em relação aos produtos, resultados e impactos planejados.

Com base na legislação e informações disponíveis sobre o Fust, a esquematização da teoria do programa pode ser representada pela figura 2 a seguir. O Fust baseia-se na hipótese de que a universalização dos serviços de telecomunicações não será alcançada no livre mercado. Ou seja, é necessária

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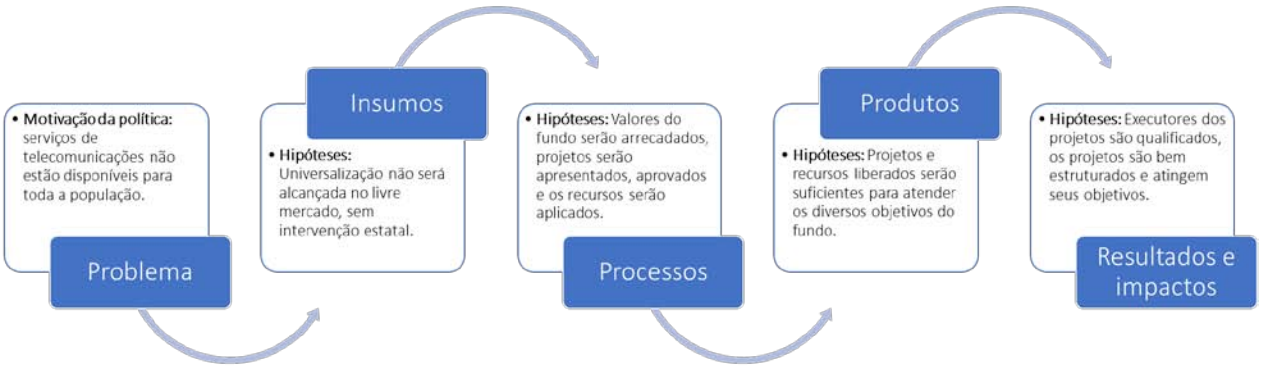
a intervenção estatal nesse mercado para garantir que não existirão áreas ou grupos populacionais sem acesso a esses serviços.



Fonte: Elaboração própria.

Figura 2: Teoria do programa do Fust

A expectativa governamental é que a disponibilização de recursos públicos para projetos de universalização possa reduzir as desigualdades de acesso aos serviços de telecomunicações. Assim, a teoria do programa pode ser resumida da seguinte forma: se houver recursos públicos disponíveis para investimentos em universalização, será possível apoiar projetos, ações e iniciativas para expandir e melhorar a infraestrutura e os serviços de telecomunicações, conectar escolas públicas, ampliar a digitalização dos serviços públicos, desenvolver e adotar novas tecnologias de conectividade, o que ao final contribuirá para a redução das desigualdades regionais e sociais no acesso às telecomunicações e para a universalização desses serviços no país.

Para que essa lógica funcione, uma das primeiras hipóteses a serem atendidas é que o governo seja capaz de arrecadar os valores ao fundo e disponibilizá-los no orçamento para investimento—é justamente nesse ponto que o programa falhou nos primeiros 22 anos de existência. Apesar de os valores definidos na legislação serem arrecadados anualmente para o fundo, eles não foram disponibilizados para aplicação até 2022.

Nesse sentido, a evolução da infraestrutura e a expansão dos serviços de telecomunicações no Brasil se deram, desde a privatização do setor no final da década de 90, sem os recursos do Fust. Desde então, as disparidades regionais e sociais foram reduzidas, mas seguem sendo um problema para a universalização dos serviços.

Isso justifica a existência de um fundo de universalização, mas a política não tem sido efetiva e o fundo na prática não vinha sendo utilizado até recentemente. Buscando contornar esse problema, ao invés de alterar a sistemática de operacionalização orçamentária do Fust, o governo e a Anatel recorreram nos últimos anos a outras soluções de universalização. Entre elas os leilões para concessão de frequências de telefonia móvel.

Um exemplo foi o leilão para implantação de redes de quinta geração (5G), realizado em junho de 2021. Conduzido pela Anatel, o leilão arrecadou R$ 46,7 bilhões que em sua maior parte foi destinado a obrigações de investimento das empresas vencedoras—o chamado leilão não-arrecadatório. Além de levar infraestrutura e sinal de 5G para todas as regiões do país, as empresas também se comprometeram a conectar escolas, rodovias e regiões remotas com outras tecnologias como 4G e fibra ótica.

Ou seja, na falta dos recursos do Fust, o leilão do 5G (ou outras frequências) passou a ser uma alternativa de política de universalização de infraestrutura e serviços de telecomunicações. No cenário atual, portanto, essas políticas passam a competir, o que dificulta a avaliação de impacto de cada uma e podem gerar o problema de peso morto, ou seja, quando os resultados da política ocorreriam de qualquer forma, independentemente da intervenção.

O decreto de regulamentação do Fust (BRASIL, 2022) se atenta para esse risco ao impedir o financiamento de projetos cuja execução seja imposta por atos regulatórios ou políticas públicas aos quais a entidade interessada esteja submetida ou que sejam redundantes em relação a compromissos assumidos pela entidade interessada em decorrência de outras ações regulatórias da Anatel ou de outras iniciativas em âmbito federal, estadual, distrital ou municipal. Projetos economicamente viáveis também são impedidos de receberem recursos do Fust.

Seguindo as etapas da teoria do programa, após a disponibilização dos recursos, o conselho gestor do Fust (CG-Fust) precisa receber e aprovar projetos que atendam aos objetivos do programa. Nesse aspecto é preciso haver interesse da iniciativa privada e de órgãos públicos autorizados pleitearem

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recursos do Fust. Os projetos apresentados também precisam ser bem estruturados para terem o aval do conselho gestor.

Por meio de resoluções e acórdãos, o CG-Fust disciplina a aplicação de recursos do fundo em programas, projetos, planos, atividades, iniciativas e ações compatíveis com os objetivos e finalidades do Fust. De acordo com essas disposições, o fundo conta atualmente com dois programas, que orientam a apresentação de projetos para acessar seus recursos. Os detalhes desses programas estão descritos na Tabela 3.

Tabela 3: Programas aprovados para o Fust

Programa	Subprograma	Modalidades
1. Ampliação do acesso de escolas públicas à internet em banda larga	1.1. Conectividade de escolas públicas urbanas	Não reembolsável, reembolsável e garantia
	1.2. Conectividade de escolas públicas rurais	Não reembolsável, reembolsável e garantia
2. Projetos de Expansão, de Uso e de Melhoria das Redes e dos Serviços de Telecomunicações	2.1. Expandir a cobertura do Serviço Móvel Pessoal (SMP), com tecnologia 4G ou superior, em áreas rurais sem atendimento	Não reembolsável, reembolsável e garantia
	2.2. Expandir a cobertura do serviço móvel pessoal (SMP), com tecnologia 4G ou superior, em áreas urbanas sem atendimento	Não reembolsável, reembolsável e garantia
	2.3. Expandir a cobertura do serviço móvel pessoal (SMP), com tecnologia 4G ou superior, nas rodovias estaduais brasileiras sem atendimento	Não reembolsável, reembolsável e garantia
	2.4. Expandir a infraestrutura rede de transporte de alta capacidade, com tecnologia de fibra óptica, em municípios ou setores censitários	Não reembolsável, reembolsável e garantia
	2.5. Expandir a infraestrutura de rede de acesso de alta capacidade, inclusive as redes metropolitanas, em municípios ou setores censitários	Não reembolsável, reembolsável e garantia
	2.6. Conectar pontos públicos de interesse à internet em banda larga	Não reembolsável, reembolsável e garantia
	2.7. Promover a conectividade de pessoas em situação de vulnerabilidade social por meio de subsídios	Não reembolsável, reembolsável e garantia

Fonte: Elaboração própria com informações do CG-Fust.

Nesse ponto, a atualização de desenho do Fust realizada em 2020 foi bem-vinda, uma vez que atacou diversos pontos problemáticos da legislação anterior. Primeiro, tornou prioridade a busca por universalização da internet, abandonando investimentos em telefonia fixa. Também ficou claro nas regras atuais que o programa vai fomentar não apenas a oferta (infraestrutura), mas também a demanda de serviços de telecomunicações. Outro destaque foi a atualização das modalidades de aplicação de recursos, que incluíram investimentos diretos (não-reembolsáveis), recursos reembolsáveis (financiamentos) e garantia (segurança para a ampliação do crédito). As decisões seguem boas práticas apontadas pela literatura discutida na seção 2.

Para avaliar como os produtos esperados para o programa estão refletidos no desenho do Fust, devemos olhar para as iniciativas definidas como prioritárias pelo CG-Fust, ou seja, o detalhamento dos programas criados no âmbito do fundo (ver Tabela). As escolhas dos gestores foram, em sua maioria, condizentes com o modelo lógico da política. Todavia, a busca por resultados em relação à ampliação da digitalização dos serviços públicos e desenvolvimento e adoção de novas tecnologias de conectividade parece ter sido pouco explorada.

Os recursos disponibilizados também precisam ser suficientes para atenderem aos objetivos do fundo. Nesse aspecto, dada a quantidade de ações possíveis e as prioridades definidas pelo CG-Fust, podem faltar recursos para entregar todas as iniciativas pretendidas. Não há uma hierarquia definida entre os projetos a serem apoiados pelo fundo e algumas das ações podem sozinhas tomarem todos os recursos disponíveis.

Um exemplo é o projeto intitulado Bolsa Conectividade, incluído no Caderno de Projetos do CG-Fust para 2023 (BRASIL, 2023). Seu objetivo é

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promover desconto em planos de serviços de telecomunicações para famílias cadastradas no Cadastro Único para Programas Sociais do Governo Federal (CadÚnico) e que participam do programa de transferência de renda, Auxílio Brasil. Segundo a referência para métrica de custo do projeto, o custo anual de uma família seria de R$ 600,00. Ocorre que de acordo com dados do governo, mais de 19 milhões de famílias estão na extrema pobreza, sendo necessários mais de 10 vezes o orçamento anual do Fust para atender a todas elas com redução das suas contas de telecomunicações.

Na fase da execução, os programas, projetos, planos, atividades, iniciativas e ações apoiadas pelo fundo precisam ser eficazes e eficientes em atenderem os objetivos do fundo de universalização. Além disso, os resultados alcançados pelos investimentos devem ser capazes de reduzir as desigualdades regionais e sociais, levando à universalização—não adiantaria, por exemplo, expandir e melhorar a infraestrutura e os serviços se eles não atingirem as regiões ou as pessoas que não acessam as tecnologias. Essa parte do desenho ainda é difícil de ser avaliada, na medida que ainda não temos executores definidos nem projetos aprovados no âmbito do fundo.

A respeito dos possíveis executores dos projetos aprovados no âmbito do Fust, vale mencionar que a legislação não delimita critérios para organizações que podem pleitear recursos do fundo, deixando a escolha a cargo do conselho gestor. Segundo a lei do Fust, os investimentos poderão ser executados pela iniciativa privada, por cooperativas, por estabelecimentos públicos de ensino e por escolas sem fins lucrativos que atendam a pessoas com deficiência (BRASIL, 2000).

Já o CG-Fust tampouco define os possíveis executores dos recursos. Esse papel é delegado aos agentes financeiros responsáveis pelos investimentos ou financiamentos—atualmente o BNDES cumpre esse papel. O conselho gestor, no entanto, determina que as seleções de projetos na modalidade não reembolsável devem ser preferencialmente por leilão reverso—quando vence o menor lance para entrega de determinado produto ou serviço—e nas modalidades reembolsáveis e de garantia, a seleção poderá ser por ordem de apresentação de projetos ou outros mecanismos que considerem critérios competitivos.

d) Identificação de Falhas e Erros no Desenho do Fust

Consolidando as reflexões das etapas anteriores da avaliação do Fust, podemos confirmar uma das hipóteses deste estudo, de que o principal gargalo no desenho do programa diz respeito à disponibilização dos recursos arrecadados pelo fundo. As mudanças recentes na legislação e, principalmente, a disposição governamental em instalar e fazer funcionar o conselho gestor do programa favoreceram a primeira utilização dos recursos em 22 anos do fundo. No entanto, a natureza discricionária das despesas do programa—que dão ao governo a liberdade de decidir sobre aplicar ou não seus recursos na finalidade inicial—tornam sua efetividade muito dependente da vontade política.

Um segundo problema percebido em relação ao desenho é o risco do efeito conhecido como peso morto, quando os resultados de uma política tendem a ocorrer de qualquer forma, independentemente da intervenção. O fato de nenhuma ação efetiva ter sido implementada desde a sua criação levaram os gestores públicos e os agentes desse mercado a buscarem outras alternativas para lidar com a universalização dos serviços de telecomunicações. Um desafio que se coloca atualmente para o Fust é justamente encontrar espaço de implementação para os seus recursos que não conflitem com outras políticas públicas e ações governamentais em curso, a exemplo dos compromissos do leilão do 5G.

Em relação à população elegível do programa, faltam critérios mais claros sobre quais podem ser os executores dos recursos e como eles são selecionados. A discricionariedade delegada aos agentes financeiros do programa pode trazer fragilidades e distorções na seleção de projetos a serem apoiados. Há ainda o risco de os critérios de seleção serem diferentes entre diferentes agentes ou regiões do país.

Em relação aos resultados esperados para o fundo, um ponto de atenção é em relação ao objetivo de se estimular a digitalização de serviços públicos e o desenvolvimento de novas tecnologias de conectividade. Apesar desses objetivos estarem contidos na legislação do fundo, eles foram pouco explorados nas prioridades definidas pelo CG-Fust. Não há clareza se esses serão desdobramentos secundários das ações de universalização ou se os recursos do fundo poderão ser aplicados diretamente em ações que busquem esses resultados.

Sobre o ambiente institucional da política, os diversos órgãos participantes do conselho gestor parecem ter atuado em harmonia desde a instalação do CG-Fust, porém as informações sobre o funcionamento, as ações e os resultados do fundo são de difícil acesso pela sociedade, estando espalhadas entre os portais do Ministério das Comunicações e da Anatel e sem uma aparente centralização na comunicação. Isso dificulta o monitoramento e o controle da política.

Ainda sobre esse tema, não está claro como se dará o monitoramento em relação aos projetos aprovados e executados por meio de recursos do fundo. Os relatórios anuais de gestão com avaliação dos resultados do programa, previstos na legislação, não foram disponibilizados até o momento. Falta atenção à definição e ao monitoramento de indicadores da política, que possam ajudar a medir as entregas,

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resultados e impactos das ações do fundo. Novamente, as informações são insuficientes e dispersas nesse ponto.

Em relação aos incentivos do desenho do Fust, um possível problema é a falta de recursos disponíveis para atender na totalidade aos programas desenhados pelo comitê gestor. Em especial nas ações de incentivos à demanda de serviços, os valores tendem a ser insuficientes para promoverem uma grande diferença na população alvo. O fator tempo também é um complicador nesse tipo de ação, uma vez que politicamente é bastante difícil criar um desconto temporário para serviços com demanda permanente, como é o caso das telecomunicações. Por esse motivo, alguns dos programas criados no âmbito do fundo podem ter um alcance muito limitado ou não estimularem a apresentação de projetos por possíveis executores.

V. Resultados e Recomendações

Como vimos na seção 2, as experiências internacionais trazem evidências de que a utilização de fundos de universalização é uma prática comum para atacar o problema do acesso a serviços de telecomunicações. A forma de arrecadação dos recursos também é condizente com as experiências avaliadas ao redor do mundo. Ademais, o atual desenho do Fust, que permite investimentos tanto em infraestrutura como no fomento à demanda por serviços, ataca os dois principais entraves ao acesso às telecomunicações observados pela literatura.

A última atualização das regras do Fust também trouxe aprimoramentos importantes à sua governança, com a inclusão de novos atores, públicos e privados, nas decisões do fundo e a criação de uma coordenação entre eles que permitiu avanços em termos de priorização e definição de regras para a aplicação dos recursos. Esse movimento também ajudou no fortalecimento político do tema na agenda governamental, proporcionando a primeira transferência efetiva de recursos do Fust para apoiar seus primeiros projetos depois de duas décadas de existência.

Entre os principais desafios ainda enfrentados pela política pública, destacamos a falta de segurança na disponibilização perene dos valores arrecadados, devido às regras orçamentárias aplicadas a esses recursos, e as incertezas na migração de investimentos exclusivos em infraestrutura para a inclusão do fomento à demanda entre seus objetivos. E esses dois desafios estão conectados, uma vez que a fragilidade orçamentária aumenta os riscos dos investimentos focados na demanda.

Nesse sentido, uma das recomendações ao desenho do Fust é buscar criar mecanismos mais restritivos em relação à utilização de seus recursos em ações que fogem aos objetivos dessa política. O papel do conselho gestor é fundamental também para dar poder de agenda e capital político aos objetivos perseguidos por essa política. Cabe, portanto, ao governo manter o CG-Fust ativo e atuante.

Outra recomendação referente à disponibilidade de recursos é abrir uma discussão sobre a possibilidade de novas fontes de arrecadação ou da combinação de ações com outros projetos e políticas públicas. Impactos mais significativos em relação às desigualdades sociais no acesso a serviços de conectividade dificilmente serão superadas com os valores disponibilizados atualmente pelo Fust.

Sobre o processo de priorização de iniciativas a serem apoiadas, sugere-se dar mais clareza aos critérios de seleção de projetos e de possíveis beneficiários dos recursos do fundo. Esses critérios devem conversar com os impactos de longo prazo pretendidos pela política, principalmente no tocante à redução das desigualdades regionais e sociais no acesso às telecomunicações.

Em relação ao monitoramento e controle, sugere-se uma reformulação no plano de comunicação do CG-Fust, incorporando ferramentas tecnológicas mais efetivas para dar transparência à gestão e aos resultados do programa. Também é desejável uma maior aproximação institucional dos gestores do Fust com centros de pesquisa públicos e privados com vistas a ampliar disponibilidade de dados primários e secundários sobre a universalização dos serviços de telecomunicações no país.

VI. Conclusão

No presente estudo, buscamos analisar uma das políticas públicas brasileiras criadas para alcançar a universalização dos serviços de telecomunicações e que recentemente passou a tratar o acesso à conectividade como sua maior prioridade. O Fust foi criado para reduzir as desigualdades regionais e sociais do país nesse setor, porém vem apresentando resultados decepcionantes desde a sua criação.

Aplicamos uma metodologia de avaliação focada no desenho dessa política pública, buscando primeiramente entender a lógica causal que permeou a formulação da ação governamental. Posteriormente, comparamos essa lógica com as definições apresentadas na legislação, na regulamentação e nas ações implementadas pelo poder público durante a execução da política pública.

Uma contribuição do presente estudo para a literatura do setor foi a estruturação do modelo lógico e da teoria do programa do Fust, ferramentas muito úteis para a avaliação de desenho de uma política pública. Esse exercício não foi feito quando da formulação do fundo, o que impediu uma análise crítica de seu desenho regulatório antes que suas regras fossem colocadas em prática. Nossa estruturação lógica das

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regras, ferramentas, objetivos e resultados esperados do Fust poderá permitir um melhor monitoramento da execução e avaliação de impacto da política, bem como pode servir como base para estudos futuros sobre o tema.

Também olhamos para as experiências internacionais de programas de universalização estudados pela literatura especializada em diversas partes do mundo, incluindo países desenvolvidos, em desenvolvimento e subdesenvolvidos. Os problemas e recomendações apontados por outros autores nos ajudaram apontar erros e acertos da experiência brasileira.

Nossos principais achados indicam que o Brasil está bem-posicionado em termos de legislação no setor de telecomunicações, repetindo boa parte dos desenhos mais atuais das políticas de universalização. As regras do Fust contemplam preocupações relevantes de países que buscam ampliar a penetração de infraestrutura e serviços de conectividade. O maior desafio está na fase de execução da política pública.

Nesse sentido, o estudo apresenta alguns pontos frágeis do desenho do Fust, que incluem regras pouco rígidas de aplicação dos recursos arrecadados na finalidade do fundo, critérios poucos claros em relação à seleção de projetos a serem apoiados e seus executores, possível falta de recursos necessários para atender os objetivos perseguidos pelos gestores do fundo e dificuldade de acesso às informações necessárias para o monitoramento e avaliação dos resultados do fundo. Apresentamos algumas sugestões que visam aprimorar essas fragilidades, especialmente em relação à disponibilidade de recursos, seleção de projetos e transparência das atividades do Fust.

Em estudos futuros, recomendamos avaliar a execução dos primeiros projetos financiados com recursos do Fust e como os problemas apontados acima foram relevantes para os resultados dessas iniciativas. A falta de casos concretos de investimentos no âmbito do fundo certamente foi uma limitação do presente estudo. Outra pauta interessante é debater o uso de fundos de universalização para fomentar a demanda de serviços de telecomunicações. Essa é a nova fronteira a ser superada pelas políticas públicas de telecomunicações, considerando que as novas tecnologias e investimentos na área tendem a minimizar consideravelmente o problema da disponibilidade, mas não necessariamente o do acesso aos serviços.

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Analysis of Foreign Experience of Staff Motivation for use in the Development of Small Business in the Republic of Moldova

By Vinokurova M.V. & Muratov Sana

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Analysis of Foreign Experience of Staff Motivation for use in the Development of Small Business in the Republic of Moldova

Vinokurova M.V. [α] & Muratov Sana [σ]

Abstract- **Staff motivation is one of the important components of small business management. Modern challenges determine the need to clarify the factors of personnel motivation for the formation of effective motivation systems at small businesses, which make up a significant amount in the economies of many countries. The study of various forms of motivation used in various countries allowed the authors to form an algorithm for the development and implementation of a staff motivation system at small business enterprises of the Republic of Moldova, which is currently a candidate for EU membership.**

I. Introduction

In modern market conditions, an important component of the competitiveness of the enterprise is the human factor, that is, the formation of a team of personnel. In order to compete in a complex and rapidly changing market environment, the company must decide on an effective system of employee motivation, since correctly selected motivational factors stimulate high-quality performance of work, as well as stimulate more complex work.

Employees without motivation, at best, will work for a standard result and, as a rule, without full interest and return. And in the worst case, an unmotivated employee can even be dangerous for the team. Almost always, the formation of a motivational system is the responsibility of the manager.

In the practical activities of enterprises, various types of motivation and stimulation of employees are now used. The variety of types of incentives should be used in the enterprise in a complex, in the spirit of fairness and transparency of remuneration. Without a motivation system that determines the relationship between employees and the company, it is impossible to effectively manage personnel.

II. Modern Experience of Staff Motivation in Small Business

In the EU countries, labor legislation is at a very high level of development. The main provisions of labor law affecting many issues in the field of personnel management are being developed by the EU Commission. Deep economic ties and territorial proximity of European states contributed to the rapid interpenetration of progressive ideas in the field of motivation. One of the concepts of the European approach is a combination of extrinsic and intrinsic factors of staff motivation. Moreover, extrinsic motivation should mainly be based on determining the factors of intrinsic motivation.

However, it should be noted that the outbreak of the pandemic crisis in early 2020 introduced a new variable in the motivation's analysis, never before studied, which therefore acted as an incentive to deepen this theme. The dual perspective of motivation aims at a more holistic understanding of the factors that influence staff motivation, both in normal and crisis work situations.

One of the newest post-pandemic studies of staff motivation factors in the EU relates to employees of public administration, however, many conclusions can be used in the work of small businesses [1].

The study revealed the TOP 10 factors of external and internal motivation.

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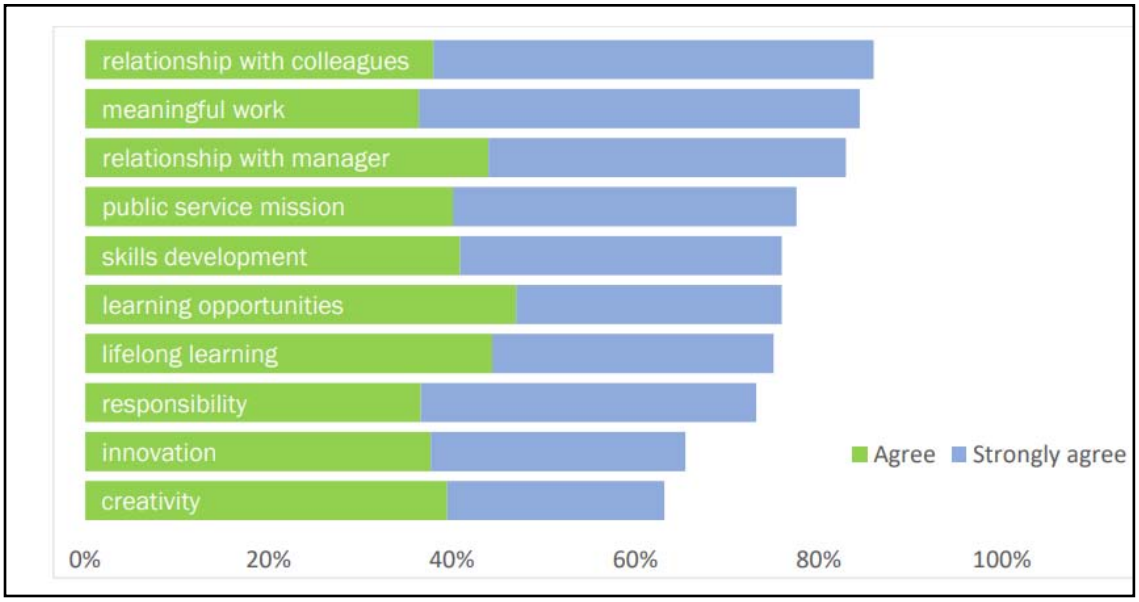
Intrinsic motivation primarily included the following factors, presented in the form of a diagram in Figure 1.

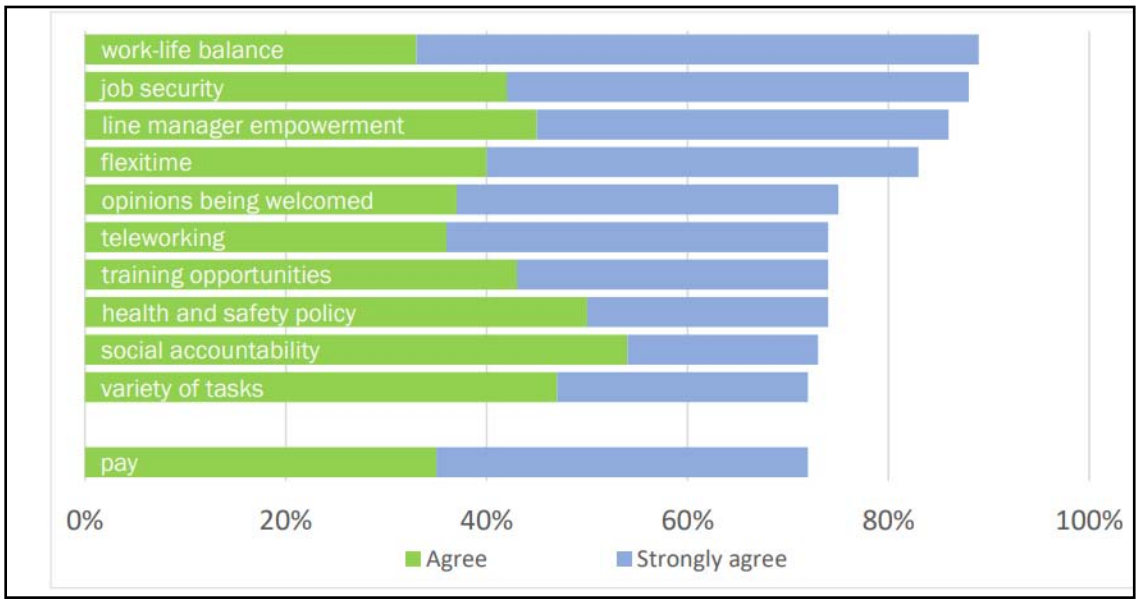


Source: 2020 EUPAN survey on central/federal public administration employees' motivation

Fig. 1: Top 10 intrinsic staff motivation factors

The researchers note that oddly enough, but the results of various surveys have been illustrating that satisfaction; motivational factors are not purely external, but rather internal motivations. As regards the main intrinsic motivational factors, the relationship with both colleagues and manages and the meaningful work occupy the first three rank positions. These factors, together with work autonomy and learning/training opportunities have a positive impact on the quality of the working environment [1].

As for external motivation, the researchers identified the following main factors, presented in the form of a diagram in Figure 2.



Source: 2020 EUPAN survey on central/federal public administration employees' motivation

Fig. 2: Top 10 extrinsic staff motivation factors

Extrinsic motivation means an individual's motivation is stimulated by external factors, like rewards and recognition. In this last case, it fulfils both the basic need of esteem as individuals and facilitates belonging. As human beings, individuals place great value on how they themselves and their work are regarded by others. Some people may never be motivated internally, and only external motivation would work with them to get the

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tasks done. The same person may be motivated by both intrinsic and extrinsic factors depending on their life cycle. We must bear in mind that motivation is something extremely volatile. What motivates now may not work tomorrow [1].

In particular, a feature of the modern period, according to researchers, is the appearance of such a factor as Job security. Job security is indeed an incentive that provides great motivation to employees. It encourages loyalty to the organisation and avoids mental tension of instability regarding their work future.

These ghosts of the past feeds - the time of the 2007-2008 financial crisis and the COVID-19 pandemic the feeling of fear of further job cuts. This is why job security is more highly valued, especially in contexts of high uncertainty

It is also significant that the level of remuneration is not included in the TOP 10 external factors of motivation.

This study can significantly contribute to the formation of effective motivation systems in small businesses, which play a significant role in the economies of the EU countries. A properly formed motivation system will help to effectively organize the work of personnel, which as a result will favorably distinguish the company from the general market background. This is especially true in industries where the work of staff is directly related to customers, for example, in the service sector.

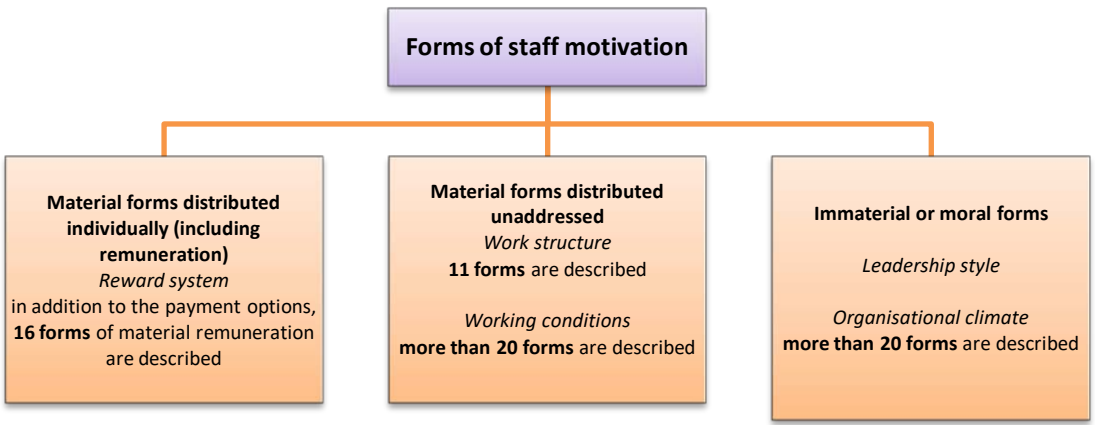
It is difficult to overestimate the importance of the contribution of the small business sector to the EU economy. In 2022, according to the annual report of the European Commission, about 24.3 million SMEs were active in the EU-27 and these SMEs accounted for 99.8% of all enterprises in the non-financial business sector (NFBS). These SMEs employed 84.9 million people in the EU-27 in 2022. However, while almost all enterprises in the EU-27 NFBS were SMEs in 2022, the latter accounted for just under two-thirds of EU-27 NFBS employment and slightly more than half of EU-27 NFBS value added [2].

Accordingly, much attention is paid to the formation of motivation systems for personnel in this sector of the economy. Motivated employees show lower levels of absenteeism and turnover, are less stressed, have a greater enjoyment of work, they don't need to be told how to get work done, they take initiatives, are eager to take up additional responsibilities, are innovative and go-getters and, as a result, are physically and mentally healthier. Additionally, motivated employees are more committed and less conflictual. On the other hand, their greater creativity, innovation, and responsiveness to customers contribute to the long-term success of the organisation [1].

Specialists identify the following areas of staff motivation, which are widely used, including in European countries:

1. *Leadership Style:* Authoritarian, paternalistic, democratic, etc.
2. *Reward System:* A system of remuneration, material bonuses, payment of insurance, transport services, short- and long-term training, financial assistance, provision of lunches, subscriptions to sports clubs, etc.
3. *Organizational Climate:* Relationships between employees, absence of conflicts, birthday greetings, joint holding of holidays, etc.
4. *Work Structure:* The opportunity for career development, both horizontally and vertically, administrative incentives for success in work, vocational training, etc.
5. *Working Conditions:* The possibility of remote work and flexible schedule, comfortable conditions in the office, etc [1].

Depending on the orientation and material contribution of the employer, these forms can be structured into groups, presented in the form of a scheme in Figure 3. The total number of described forms of motivation, according to the authors, reaches 65.



Source: Authors' development

Fig. 3: Classification of forms of staff motivation organized by employers

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The forms of motivation in companies in different countries are diverse and combine financial, material and non-material incentives. Experience shows that the attitude of the staff to the duties serves as a mirror image of the employer's attitude to the staff. Let us briefly describe the forms of staff motivation in different countries.

Germany: At the center of the German motivation model is an employee with his interests as a free person who is aware of his responsibility to society.

The concept of socially oriented remuneration, widespread in Germany, assumes guarantees of minimum payment for piece-work, including in case of insufficient output; determination of rates and rates depending on age, the corresponding length of service at this enterprise; linking wages with marital status (family allowance); payment of wages in case of illness; provision of paid educational vacations; additional allowances for overtime, night work, etc.; admission to profit distribution; provision of social services; payments on the occasion of Christmas.

Much attention is paid to stimulating key employees. For this purpose, both bonuses for holidays in the amount of 25-50% of monthly wages and payments for regular vacations are used, as well as the provision of benefits and free services: the provision of vehicles for personal use with gasoline payment; full or partial compensation for the cost of housing; compensation for family vacations; the establishment of a flexible working schedule, etc.

Staff development is a mandatory factor of an effective employee motivation system. The company must have a personnel development plan. Professional training and training of personnel is carried out within the framework of a dual system - a cycle of theoretical training (within the walls of training centers) and a cycle of practical training (directly at the enterprise). The catalog of training seminars includes: specialty trainings, language courses, seminars for PC users. [3]

In *France,* the wage system includes two areas, such as salary indexation and individualization of wages. Indexing salaries depending on price increases is the duty of French employers, which is enshrined in collective agreements and is strictly controlled by trade unions. Individualization of salaries means accrual of payments taking into account education, qualifications, quality of work, and the level of employee mobility.

The best non-material incentive for employees is a flexible schedule or remote work, which eliminates the need to be present in the office. The French pay attention to such bonuses as corporate health insurance, assistance in mortgage repayment, lunches at the expense of the company. However, there is no interest in paying for advanced training courses.

The advantage of the French motivation system in terms of stimulating an increase in productivity and quality of work is the "self-regulation" of the salary amount. All employees know what additional payment they can expect for good work. Foreign ezp.

The model of labor motivation in the *UK* provides for two systems of remuneration - monetary and joint-stock. In both schemes, the salary of employees depends on the total profit of the enterprise. There is also a salary scheme that fluctuates in proportion to the company's income. It is also not uncommon for employees to participate in the capital, when employees buy out part of the company's shares and receive either part of the profit or income in the form of interest on shares. The total income of an employee with labor equity participation consists of a salary (official salary), a bonus depending on the efficiency of work and a part of the company's profit depending on the invested capital.

The shared participation of staff in the company's profits perfectly motivates employees of any rank to increase the effectiveness of work, show genuine interest in business processes and create a friendly and favorable atmosphere in the team [4].

In *Sweden,* the problems of decent wages and guarantees are dealt with by trade unions. During the renegotiation of collective labor agreements, they insist on the introduction of a policy of solidary remuneration, which is based on two principles, such as equal salaries in similar positions and reducing the gap between the maximum and minimum wages.

In Sweden, the principle of equal wages for equal work works. This principle means that employees in similar positions in different firms with the same qualifications receive the same salary regardless of the profitability of the enterprise they work for. The amount of official salaries is prescribed in the industry collective agreement and does not depend on the size of the company's profit.

The principle of reducing the gap between high-paid and low-paid specialists is implemented in the form of a single-level wage increase system. This contributes to the averaging of salaries, when minimum wages are increased and maximum wages are restrained. When renegotiating collective labor agreements, trade unions try to include a clause on accelerating the growth of wages of low-paid workers. Such a policy is aimed at the development of highly qualified specialists in all spheres of the economy [5].

In *Japan,* the basic principle of motivation is based on the following postulate: the more experience, the higher the position and salary. This means that career growth directly depends on the duration of work in the company. Professional abilities, qualifications, and personal qualities of an employee are important, but vertical movement in the company is impossible without appropriate experience. Moreover, the transition to a new place of work nullifies past achievements, and only

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an employee of the company can get a managerial position.

Types of incentives in the Japanese motivation system, in addition to salary increases, include: bonuses and bonuses that are paid at least once every six months; payment of travel expenses to the office and home; medical insurance for the employee and his family; partial payment for housing; loans for the purchase of real estate; study at universities in Japan, as well as Europe and the USA; professional development on the job from the main place of work.

The Japanese motivation system as a whole is aimed at team building, strengthening a positive attitude and strengthening the employee's connection with the company. This experience is applicable only in a society with a strongly developed sense of civic responsibility and self-awareness, where common interests are above individual needs [4].

In the *United States of America,* the approach to motivation is based on encouraging the activity of staff. The success of the American motivation model is due to the Americans' focus on personal success and achieving a high level of well-being.

The system of staff motivation in the USA is based on the wage system. Most often, American employers charge wages according to a piecework-premium scheme: hourly pay plus various modifications of bonuses.

Another way to motivate staff in the American way is to calculate salaries in accordance with the number of professions mastered and the level of qualification. For each new specialty, an employee is awarded points. To get a salary increase, an employee must score a certain number of points.

In addition to a flexible wage system, it is typical for American companies to use other ways to motivate employees. The company's personnel, as a rule, have access to:

- medical insurance, which is paid by the employer;
- advanced training courses;
- free lunches;
- corporate holidays;
- joint trips.

American companies are looking for non-standard incentive systems for employees. For example, IBM and AT&T corporations have chosen the path of "family" motivation. The average age of most of the company's personnel is under forty years. These are family people who have children growing up. Therefore, the administration allows you to work on a flexible schedule, helps to select nannies and home helpers, organizes corporate nurseries and kindergartens, arranges family holidays [4]/

In the *UAE,* the system of staff motivation in medium and large companies includes a wide variety of methods. So, a special study of motivation methods in a large family business in Dubai showed the following [6].

All 5 areas of motivation presented above are developing.

The *management style* in the company is paternalistic.

Out of 65 possible methods of motivation of different nature (see Fig.3) 28 positive forms of motivation are used, including the following.

Reward System: Material bonuses, additional payment for language proficiency, payment for insurance, transport services, short-term training, financial assistance, purchase of goods and services of the company on preferential terms, etc. - 10 forms (out of 16).

Organizational Climate: Friendly relations with colleagues, friendly relations with line managers, birthday greetings, joint holding of holidays, contests, exchange of experience between structural divisions, etc. - 9 forms (out of 25).

Work Structure: The possibility of career development, both horizontally and vertically, administrative incentives for success in work, vocational training, etc. - 5 forms (out of 11).

Working Conditions: Flexible schedule, comfortable working conditions, provision of transport to workplaces, etc. - 4 forms (out of 20).

Of the negative forms, only 2 forms are used (censure and official warning).

The possibilities of using foreign experience in staff motivation are currently relevant for enterprises in the MB sector of the Republic of Moldova, especially considering that in 2023 the country received the status of a candidate for EU membership.

III. The State of Modern Moldovan Small Business

The National Bureau of Statistics reports that, in 2022, the share of small and medium-sized enterprises (SMEs) accounted for about 99.2% of the total number of reporting enterprises (in 2021 - 99.1%); the average number of employees of SMEs was 347.3 thousand people, which is 65.6% of the total average number of employees of enterprises (in 2021 - 64.2%); revenues from sales of small and medium-sized enterprises amounted to 274.8 billion.lei of the amount of sales revenue in the economy as a whole (in 2021 - 46.1%).

In 2022, the majority of SMEs carried out their activity in the field of trade, constituting 21.1 thousand enterprises, or 34.0% of the total SMEs. In agriculture, forestry and Fisheries, 5.4 thousand SMEs or 8.8% of the total SME were active, in the manufacturing industry 5.1 thousand SMEs or 8.0% of the total SME [7]. The dynamics of the main SME's sector indicators is presented in Table 1

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Table 1: Share of SMEs in total reporting enterprises in 2021-2022 by main indicators

Years	No. of Enterprises, Thousands			Average Annual Number of Employees, Thousands			Sales Revenue, mild.lei [1]		
	Total	SME	Share of SME in total, %	Total	SME	Share of SME in total, %	Total	SME	Share of SME in total, %
2022	62,6	62,1	99,2	529,3	347,3	65,7	612,0	274,8	44,9
2021	60,3	59,8	99,1	532,5	342,1	64,2	488,0	225,0	46,1

Source: Activity of small and medium enterprises in 2022 in RM - https://statistica.gov.md/ro/activitatea-intreprinderilor-mici-si-mijlocii-in-anul-2022-9557_60492.html

The analysis of the table shows that with a significant proportion of the number of enterprises and employed employees at SMEs, the share of income from their activities decreases in 2022 compared to 2021, which can be explained by various reasons, including the lack of effective methods of staff motivation compared to large enterprises.

Given the significant share of small businesses in the economy of the Republic of Moldova, it was relevant to propose modern approaches to staff motivation based on European experience and recommendations of competent European organizations, as well as on the positive experience of other advanced countries.

Currently, small businesses in Moldova are facing new challenges in the realities of the market economy and are forced to take steps to raise the quality level of their business to European and world.

Nevertheless, a special study of the staff motivation system in one of the successful Moldovan enterprises in the field of fitness services revealed the following situation.

The management style in the company is authoritarian.

Out of 65 possible methods of motivation of different nature (see Fig.3) 14 positive forms of motivation are used, including the following.

Reward System: commissions for attracting new customers, payment of insurance, use of the company's services on preferential terms, encouragement for holiday dates - 4 forms (out of 16).

Organizational Climate: Friendly relations with colleagues, friendly relations with line managers, birthday greetings, etc. - 5 forms (out of 25).

Work Structure: The possibility of career development, both horizontally and vertically - 1 form (out of 11).

Working Conditions: Flexible schedule, comfortable working conditions, provision of transport at a later time - 3 forms (out of 20).

Of the negative forms, 3 forms are used - a system of fines, censure and publication of comments in a corporate chat.

Thus, even in a fairly successful company of SME's sector, the system of staff motivation is very poorly formed, only 20% of the potential of known forms of motivation is used. At the same time, the remuneration of labor at the enterprise does not exceed the average salary level of this sector in the Republic of Moldova, determined on 1.01.2023 in the amount of 8000 lei [8]. Management does not investigate the opinion of employees regarding relevant and attractive forms of motivation. This situation is typical for almost the majority of Moldovan small businesses. Accordingly, an algorithm for introducing forms of motivation was developed for Moldovan enterprises in the MB sector.

The algorithm for the introduction of forms of staff motivation in the Moldovan SME

In accordance with the studied publications and based on our own research on staff motivation in the Republic of Moldova, the following algorithm for developing a staff motivation system for employees of small businesses was proposed.

1. *Detailed study* by the management of the experience and forms of staff motivation in similar, including foreign, enterprises for use in the motivation system at their own enterprise.
2. *Conducting a study* on the importance of extrinsic and intrinsic motivation factors for the personnel of a particular enterprise. The research should be conducted on the basis of an anonymous questionnaire to obtain the most honest answers.
3. *Analysis of the results* and their correlation with the capabilities of the enterprise to use the forms of motivation that are most acceptable to the personnel of this enterprise.
4. *Development and approval of forms of motivation* combined into a system that includes the various forms noted above. A significant number of non-material forms of motivation are possible for small businesses in the Republic of Moldova, but they should cover all the main directions offered in the EU countries. It is important that the forms of motivation offered by the owner of the enterprise coincide as much as possible with the preferences of employees. Otherwise, the motivation system at

[1] The exchange rate of the euro to the Moldovan lei on 1.09.2023 was 1 euro = 19.18 lei

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the enterprise will not achieve its main goal - the activation of personnel to achieve the goals of the owner of the enterprise.

5. *Pilot launch of the motivation system* for a period of six months to test its effectiveness. All forms of motivation should be used in a transparent and fair assessment of staff actions.
6. *Identification of the results of the effectiveness* of the adopted system. At the end of 6 months, depending on the management style at the enterprise, it is possible to openly discuss the results of the motivation system at a general meeting of the team or conduct an anonymous questionnaire.
7. *Approval of the adopted motivation system* for a long-term period, or its adjustment with a subsequent pilot period.

The foreign experience of staff motivation should be used in the Republic of Moldova only taking into account the peculiarities of the national culture and mentality. Mindless copying of other people's ideas will not bring the desired result. It is also important to take into account that non-material methods of motivation work only when employees have at least minimally satisfied material needs.

IV. Conclusion

Motivation is the process of encouraging yourself and others to work to achieve the goals of the organization. Building a well-organized, transparent system of motivation and stimulation of labor by an entrepreneur will greatly contribute to attracting highly qualified personnel. This, in turn, will help to create a workable team capable of achieving the goals set for the organization.

The enterprises of the small business sector of the Republic of Moldova, focused on joining the EU in the long term, should actively adopt the foreign experience of staff motivation in order to achieve European benchmarks both in the economic sphere and in the field of relations between employers and employees. The implementation of the proposed algorithm will contribute to the effectiveness of motivation systems in Moldovan business.

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Impact of the Syrian Crisis on Jordan during the Period (2010-2022)

By Tahani Saieq

Introduction- Recent political conditions represented by the Syrian refugee crisis in Jordan depended on a reality that constitutes another challenge in achieving national stability in addition to various challenges that Jordan suffers from, and its attempt to adapt to all variables and different requirements, whether stemming from the internal or external environment, and drawing logical policies with the aim of creating Solutions in achieving the Jordanian future based on the constants and foundations of the political system and the humanitarian aspect.

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Impact of the Syrian Crisis on Jordan during the Period (2010-2022)

Tahani Saieq

I. Introduction

Recent political conditions represented by the Syrian refugee crisis in Jordan depended on a reality that constitutes another challenge in achieving national stability in addition to various challenges that Jordan suffers from, and its attempt to adapt to all variables and different requirements, whether stemming from the internal or external environment, and drawing logical policies with the aim of creating Solutions in achieving the Jordanian future based on the constants and foundations of the political system and the humanitarian aspect.

II. Research Summary

This research aims to study the effects that accompanied the Syrian refugee crisis on the various sectors in Jordan during the period (2010-2022), whether they were internal challenges, especially on the Jordanian labor market sector, or the increasing pressures on the infrastructure and economic resources, or external challenges with the international pressures it bears by providing Aids and grants are related to the policies of donor countries. The research also sheds light on governmental and local initiatives to mitigate the effects of the Syrian crisis, in addition to clarifying the value of grants and loans that Jordan received in bearing the burdens of hosting Syrian refugees.

The research has been divided into an introduction and three main chapters and conclusion. The first chapter talks about the internal and external challenges and conditions in Jordan since the second Gulf War until before the Syrian crisis, and the second chapter deals with the negative effects on the internal level through researching the economic challenges on poverty, unemployment, health, and water. And security, and foreign affairs through a statement of aid, grants, and loans provided to Jordan, in addition to an explanation of the effects of the fluctuation of political stability in the Middle East region on Jordan from the beginning of the Syrian asylum until now. From the brunt of the crisis that the Jordanians are going through.

III. Research Methodology

The importance of the research is summed up in diagnosing the obstacles and challenges that Jordan faces in facing the Syrian refugee crisis, and the importance of the role of research in shedding light on these challenges in a way that contributes to supporting decision makers and benefiting them towards reaching solutions that contribute to addressing this crisis in a way that shows the extent of the results and the level of damage to the sectors different infrastructure, economy and even social security.

a) Internal and external challenges to Jordan before the Syrian crisis

i. *Introduction*

Jordan is like the rest of the countries in the global community that are looking for political, social, economic and security stability in its society, which posed clear challenges in the process of building and the Jordanian presence, which was following its conditions and capabilities in the long term, and which Jordan strived to reach cases of stability varying according to circumstances internal and external that constitute a clear influence on the threat to its national and economic security in an attempt to overcome it and protect its entity.

ii. *External challenges to Jordan before the Syrian crisis*

The capabilities of the Jordanian state in terms of economic aspects are considered insufficient due to the lack of capabilities or wealth that can be based on in the process of consolidating economic development, in addition to the situation of the surrounding Arab countries, the most prominent of which is the effects of the Arab-Israeli conflict on it, and the deterioration of the Arab situation under the names of the unstable Arab Spring. To establish new political systems that came with a popular starting point that paves the way for an incomprehensible and clear Arab situation in the future.

There is no doubt that the internal and external challenges that Jordan went through before the Syrian crisis are of difficult and harsh conditions, especially after the second Gulf War between Iraq and Kuwait, which led to clear divisions in the Arab ranks, especially after Jordan was considered a Gulf country that supported the Iraqi force in its war against Kuwait, even after clarifying the Jordanian position calling for an Arab solution to the crisis without the intervention of foreign forces, resorting to a conciliatory diplomatic option and not taking decisions that would condemn Iraq, with the aim of not expelling it and isolating it from the Arab

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ranks in a way that leads to an imbalance in the balance of Arab power versus Israeli power.

However, with the repercussions of the Arab understanding of resolving the crisis and the entry of foreign forces into the Arab region, Jordan was unable to contain the crisis, which posed an economic and political challenge to it. This is due to the influx of Jordanian and Palestinian labor into the Jordanian territories, which led to an additional burden that drained its economic energies due to the conditions of unemployment, poverty and disability. Indebtedness, in addition to the circumstances of the Arab-Israeli conflict, which forced Jordan to absorb the huge numbers of Palestinian refugees in the war (48,67), and to absorb Iraqi refugees during the years of American intervention in Iraq and cases of political turmoil after its exit from the war in a way that is not commensurate with the size of Jordanian resources, and its loss of aid Arab Gulf and Jordanian labor remittances in resuming the economic development process.

As for the political aspect, it should be noted that the collapse of the Iraqi force and the division of the Arab ranks led to a development at the level of the Arab-Israeli conflict through the absence of Arab forces such as Iraq as a force confronting Israel and the intervention of foreign forces and their survival until now in the Arab Gulf, which ended its regional role in the region and limited it to the hands of America. Supportive of Israel, in addition to its indirect control of Iraqi oil wealth, which supported the Jordanian economy in the absence of Gulf aid.

Thus, Jordan will be in the face of the State of Israel, which increases the burden of the Jordanian state in protecting its entity from the danger of achieving the Israeli expansionist ambitions that seek the so-called Greater State of Israel, and its indications for the establishment of the so-called alternative homeland based on Jordan accepting Palestinian refugees and ending their claims to the creation of a Palestinian state.

As a result of these circumstances, Jordan found itself in front of an American leadership seeking to impose its power on the Western and Arab world, which called for the necessity of finding a just and comprehensive peace in the Arab region in which Israel would be a major part. International and regional changes in the region, in which the principle of peace with Israel was approved, until secret negotiations between the Palestinians and the Israelis were announced, which ended in the signing of an agreement between the two parties, followed by the signing of the Washington agreement that includes ending the state of hostility between Jordan and Israel.

One of the most prominent aspirations that Jordan aimed at through the treaty was to put an end to the Israeli expansionist ambitions in Jordan, and to try to solve the effects of the Iraqi-Kuwaiti crisis in a rational and clear manner with the developments of the new international life, so as to allow Jordan to provide a stable atmosphere to overcome the internal economic crisis.

iii. *Jordan's internal challenges before the Syrian crisis*

Based on the political and economic conditions that Jordan went through after the second Gulf crisis and the Jordanian-Israeli peace treaty, followed by the death of King Hussein, and the accession of King Abdullah II to power, Jordan found itself facing new data and assumptions that it had to confront at the internal and external levels, and facing huge economic challenges, the most prominent of which is unemployment And poverty and indebtedness. As for the economic situation in Jordan, Jordan's basic national wealth is limited, in conjunction with the impact of political events that made it dependent on creating unstable economic investment climates.

Accordingly, we will present these challenges in general and their impact on the Jordanian economy:

Unemployment

The multiple imbalances witnessed by the Jordanian economy since the implementation of the economic reform system in 1989, which led to an unprecedented exposure of its financial reality due to the small size of the local market, the weakness of the economy, the scarcity of foreign investments, the high size of the public sector, and the reliance on foreign and local labor to perform some work. vital sectors such as construction, agriculture and industry, which directed Jordanian labor towards the public sector.

With the return of Jordanian and Palestinian labor from the Arab Gulf following the second Gulf crisis, Jordan stood before the challenges of finding job opportunities for them, in addition to the scarcity of resources and the lack of available job opportunities.

Despite that, Jordan is one of the developing countries that has achieved an achievement in terms of human wealth by developing it and making it efficient in the local and regional market, due to the development of the education sector. (37.1./.) of the total population, and (3.8./.) their age is over 65 years and over, and the remainder falls in the age group from 15 to 64 years, i.e. (59.1./.) This category is the one that provides society with the workforce, which led to a rise in the total dependency ratio, that is, the ratio of those of working age to those outside the working age, and the reason for this is due to the increase in the proportion of young people due to the high birth rate and the increase in the proportion of those attending schools.

Which in the future constituted a crisis in increasing the unemployment rate after 10 years, with the entry of the older age group (the youth group) into the labor market, which exceeded the economic growth rates with the increasing demand for energy and water, and the increasing poverty segment, as the size of the

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labor force was estimated in Jordan for the year 2007 with about (1.3./.) million people, which is expected to reach (1.9./.) million in 2020.

On the other hand, we find that the percentage of women's participation in the labor market is in increasing proportions, which makes the market narrow for males, because her work involves a social intellectual belief in her society encouraged by the emergence of women's freedoms and rights that the international community has called for in recent years.

Among the important factors that affected the increase in the unemployment rate is the influx of Jordanian, Palestinian and even Iraqi labor into the Jordanian labor market due to the previously mentioned political circumstances.

Poverty

There is an unclear understanding in the definition and methods of measuring poverty, which is due to the difference between the studies related to this field and the different geographical regions in which it was applied. Therefore, the concept of poverty in Jordan is centered on two types, the first (extreme poverty and natural poverty). The second is by obtaining the lowest level of his natural needs, including housing, food and clothing. In 2004, the Jordanian government adopted an index to measure the poverty rate called the poverty line index.

By looking at the poverty report in Jordan for the year 2010 issued by the Department of Statistics, the results showed that the poverty rate in Jordan amounted to less than one percentage point (0.32%), which is less than the target value that was set in the Millennium Development Goals report of (3). 3%, and natural poverty reached (14.4%).

The causes of poverty in Jordan are due to several factors, including:

1. Unemployment
2. high cost of living.
3. Low level of income.
4. Increasing population growth in a way that exceeds the ability of the family to bear its support, with a stable monthly income
5. The role of the political factors surrounding Jordan, which pushes investors to exit their investments to other countries with more stable political conditions, which reduced job opportunities.
6. Slowing economic growth.

We also point out that material poverty is directly related to two main factors, which are the average per capita income and the distribution of income. Poor workers in the private sector than the public sector.

In addition to a report published by the Department of Statistics in July 2010, it shows that about 57% of the total number of poor people in the Kingdom, amounting to 781 thousand people, are below the poverty line. its total population.

Jordan has made continuous efforts to reduce the phenomenon of poverty in terms of adopting development policies and programs and increasing social solidarity in cooperation with the private sector, civil society institutions and international organizations. However, the economic and political conditions that Jordan went through were difficult and did not achieve the desired goal except in a relative and slight decrease in poverty. Especially due to the difficulty of coping with external financial obligations and the inability to pay off debts.

Accordingly, and because of the crowding out of Syrian refugees in the private sector and their receiving income less than what the Jordanian worker demands, the poverty rate in Jordan has increased even more burden on This increases the burden on the income of the Jordanian citizen through the imposition of new fees and an increase in prices, which covers the state of government deficit in subsidized spending.

Chapter II

a) Internal and external challenges to Jordan after the Syrian crisis

i. *Preface*

The events of the Syrian crisis began in mid-March 2011, when demonstrations broke out in several Syrian cities, demanding that the Syrian regime grant freedoms and release political detainees from prisons, then followed with time the ceiling of those demands gradually increased until it reached the point of calling for the complete overthrow of the regime of President Bashar al-Assad from power. Then the manifestations of these protests developed into open sit-ins in the major squares in those cities, in which they were exposed to more repression and violence at the hands of the Syrian regular forces, which caused, successively, the emigration of thousands of Syrians to seek refuge in neighboring countries.

With the development of the crisis, the defections in the regular army began to increase until it was announced the establishment of a Free Syrian Army to confront the Syrian regular army of Bashar al-Assad, where military confrontations began on a limited and small scale until it gradually expanded to reach the level of direct battles by the end of 2012.

Like the rest of the neighboring countries, Jordan has received thousands of Syrian refugees on its lands, a large part of them entered into camps near the Jordanian-Syrian border, and the rest of them lived in the homes of Jordanians in various governorates of the Kingdom. International relief organizations provide them with the requirements of a safe life, including food, housing and education, until Their capabilities exceeded the limit that kept pace with their increase, which made

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Jordan in the internationally affected ranks due to the impact of asylum due to the great pressure on various sectors such as education, transportation, water and electricity in a way that exceeds its capabilities.

ii. *Who is a refugee*

The Director of Cooperation and International Relations at the United Nations High Commissioner for Refugees says that it falls under the clause of the 1951 Convention relating to the status of a refugee, which is considered the official document that defines his rights, duties, and obligations incurred by him to the country hosting refugees, that a refugee is: - He who is subjected to persecution because of his race, religion, political affiliation, or social groups Or because of his political views, in addition to the wars and the refugees' fear of staying in their country and wanting to flee to other countries.

According to impartial studies, the cost of hosting one refugee is about 2,500 dinars annually, and the United Nations and donor countries bear the bulk of it.

The status of a refugee also applies to everyone who holds a card of the United Nations High Commissioner for Refugees, which has taken charge of protecting him and preserving his rights until his voluntary return to his country from which he left.

In Jordan, there are four camps for Syrians in addition to the Zaatari camp, which are the Emirati-Jordanian camp (Murajeb al-Fuhud), the Azraq camp (Mukhaizen West), the Garden camp in Ramtha (in the north of the country), and the Cyber City camp. More than one million and 300 thousand Syrians live in Jordan, of whom 750 thousand Refugees who entered the Jordanian lands before the Syrian revolution by virtue of lineage, intermarriage and trade.

Official statistics issued by the Camps Affairs Department of the Ministry of Interior showed that the number of Syrians in Jordan before and after the crisis is approximately 00,000, which is more than 10% of the population of Jordan.

And because the political and intellectual premises of the Jordanian state emanate from the reality of the Islamic faith that seeks to achieve Islamic unity and cooperation, and the principles of the Great Arab Revolt that called for its pan-Arabist orientations, and Jordan's connection with the Arab nation in history, reality, and a common future.

It was necessary for Jordanians to bear the burdens and pressures of the Syrian refugee crisis, despite the scarcity of natural resources, by securing assistance in all its material and moral forms through the various voluntary governmental and non-governmental competent authorities. The High Commissioner for Refugees in Jordan stated that it had coordinated in cooperation with the Jordanian government such as The Armed Forces, the Ministry of the Interior, the Ministry of Education, the Ministry of International Cooperation and Planning, the Ministry of Housing and Transport, and the Directorate of Syrian Refugee Affairs, in addition to non-governmental organizations such as the Jordanian Hashemite Charitable Organization, the Jordanian Hashemite Fund for Human Development, the Jordan River Foundation, and the Noor Al-Hussein Foundation, a joint work team in all sectors to help refugees by providing basic services from Housing and food, in addition to providing health services, necessary relief supplies, financial assistance and protection, the financial burdens of which are borne by the United Nations and donor countries.

b) The first axis

i. *Internal challenges to Jordan and the Syrian crisis*

a. Introduction

The political situation of Syrian asylum has imposed clear challenges on economic resources, in addition to the exposure of infrastructure and natural resources to increasing pressures. Jordan suffers from a financial deficit in its annual budget that makes it seek to solve it internationally by appealing to the international community to find out the effects of what the Jordanian government spends through its official bodies. And informal in securing the services provided to them, water and energy..., in which Jordan's attention was drawn to the donors' conference on Syria, which was held in London on February 4, 2016, with the aim of increasing funding for humanitarian efforts in Syria and by providing increased support to its neighboring countries, with a focus on Creating job and educational opportunities for refugees and residents of host communities alike.

Accordingly, we will present these challenges as follows: First: economic challenges Jordan suffers from a historical fiscal deficit that is mainly due to fundamental distortions in the macroeconomy stemming from the inability of local revenues to cover the country's total expenditures, despite entering into structural correction programs that have corrected many of its imbalances. The global financial crisis and the popular movement in the region and Jordan led to the need for governments to provide support for many commodities and fuels. Among the challenges it also faces is the high unemployment rate, especially among young people, which is close to 32%. They are graduates of the educational system from schools, technical and vocational centers and universities. The capabilities of the economic system are limited to securing 55,000 job opportunities compared to 100,000 job opportunities, a large part of which is generated by the construction and services sector. Which migrant workers go to. We also point out the great challenge represented in the persistence of the state's general budget deficit, which, according to the indicators of the 2015 Budget Law, amounts to about (1.82) billion dinars out of the total

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budget amounting to (8.1) billion, or 22% of the total budget and (6.5))% of the gross domestic product, which indicates that the budget depends on aid and grants, which will lead to an increase in public debt levels, which has reached an unprecedented increase of 23 billion Jordanian dinars, which threatens security and economic and social stability. Accordingly, the Syrian asylum in Jordan imposed itself on a difficult economic reality by the entry of Syrian labor into the Jordanian market, which crowded out Jordanian labor because of their lower wage levels, instead of the great pressure that came on weak economic resources that do not meet the needs of the Jordanian state in terms of energy and water sources. The Jordanian Ministry of Labor indicated that the Syrian asylum had a negative impact on Jordanian employment, at a rate of 4% working in the construction sector and 23% working in the wholesale, retail and repair trade sector, while 6% of Jordanians work in the construction sector and 18% in the wholesale trade sector and Retail and reform, in which 150,000 job opportunities were lost as a result of the Syrian worker replacing the Jordanian worker until 2016. Second: - Energy challenges Jordan is a non-energy-producing country that relies on imports to provide it, which costs the state treasury increasing financial obligations over the years that it needs to move the various sectors and their multiple purposes, and in order to show the reality of energy consumption in Jordan, we will review a table showing the amount of energy consumption since 2011 Until 2014, that is, before the Syrian crisis and beyond. Table No. (1) The amount of energy consumption from 2011 to 2014 Sector 2011 2012 2013 2014 Domestic 5548 5126 6265 2580 Industrial 3445 3461 3541 3877 Commercial 2269 2427 2415 2358 Water pumping 1939 1955 2067 2257 Street lighting 334 305 291 316 Total 13535 14274 14588 15388 Sectoral distribution of electric energy consumption (GWh) Third, social challenges Jordan has witnessed a social reality of varying strength over the years by observing the social life associated with poverty experienced by Jordanians with the high cost of living, to comparing the social situation after the Syrian refugee crisis to Jordan, in the total assistance that was provided by local, regional, specialized and international charities has been affected. Directly with the presence of Syrian asylum, which negatively affected the percentage of aid that was provided to poor Jordanian families, and to rectify this situation, the Jordanian government stipulated an agreement with charitable institutions to allocate 20% of the volume of aid for Syrian asylum to poor Jordanian families, and despite this measure, the assistance provided to Jordanian families remained In shrinking and retreating, this aspect has put the most sympathetic segment of the Syrian refugees, who are the poor, in direct confrontation with asylum, which has raised the level of sensitivity and apprehension to a degree that amounts to rejection of Syrian asylum. Especially with the calls of many international and Arab civil society organizations to contribute to the treatment that is provided to Syrians only, as the standard of living of the Syrian refugee family has become much better than the standard of living of the Jordanian citizen living in the areas inhabited by refugees. We also refer to the state of popular dissatisfaction with the crowding of Syrian workers into the labor market in an illegal and organized manner because of their charging of lower wages, which has caused the loss of work for many Jordanian families, in addition to their obtaining consumption support cards from donor agencies to suffice their monthly consumption compared to the intermittent aid on which they depend. poor Jordanian families. And it added to the state of general discontent experienced by the Jordanian society with the growing frustration that prevailed in anticipation of the surrounding Arab political events and their fear of the idea of an alternative homeland in return for the crisis in finding solutions to find a breakthrough in the Arab crises, especially the Syrian one. As for the education crisis, the number of Syrian students studying in government schools has reached about 145,000 students, who are treated like a Jordanian student. The Ministry has established schools at a cost of $600 million to meet the needs and requirements of accommodating this unorganized flow, in addition to appointing and training large numbers of students. To deal with the increasing numbers, as the cost provided to them amounted to 250 dinars annually, and the support provided to them by international organizations does not exceed 38% of the total cost of hosting them, which indicates a financing gap of 62% borne by the state budget, in addition to the presence of 190 thousand students waiting to enter schools In the future, the Ministry of Education has also converted 98 public schools to the two-shift system, and will work to convert 100 other schools to accommodate the numbers of new students. In addition to the social challenges, there is the risk of increasing the rate of beggary and child.

IV. Conclusion

Jordan has faced great political and economic challenges since the emergence of the Jordanian state until now, in which its forces have focused on facing these difficulties with the presence of basic pillars, the most important of which was the approach of the Hashemite leadership in dealing with all surrounding circumstances, whether internal or external.

The Jordanian political system has also taken successful steps in enhancing security and stability on Jordanian lands and steadfastness in transmitting the message of the Great Arab Revolt in order to embrace its principles aimed at containing Arab hope for Arab unity and solidarity over the years, which has considered containing Syrian refugees as part of its message despite the lack of Jordan signed the Convention on

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Political Asylum advocated by the United Nations in 1951.

Jordan also lives in difficult economic conditions due to the scarcity of resources and wealth, which made it affected by the Syrian crisis in a clear way, which was clarified through the presented research, which negatively affected many vital sectors in it, a burden in the state treasury, an increase in indebtedness, and an increase in the budget deficit, in addition to the damage to the commercial sector and trade. Foreign Ministry, which was crossing from Syria to Turkey towards Europe due to the decline in land transport.

Despite the negative effects that were associated with the Syrian refugee crisis in Jordan, there are some positive signs that have benefited from it, especially those related to the increase in demand for commercial goods and services, as well as the unprecedented flow of foreign aid from donor countries.

The presence of the Syrian refugees has revived the commercial movement in many of the Kingdom's governorates, as the demand for food commodities increased in general, in addition to the high quality of the services provided and the goods, as the competition in the local market pushed to raise the level of the commercial and industrial sectors, not to mention the experience of the Syrian labor, especially in The food industry sector, which dictates to those in charge of the Jordanian economy the need to take advantage of the opportunities available from the presence of the Syrians on its lands by attracting investors from them and promoting small and medium industries, and benefiting from the grants and loans that were provided and will be provided to Jordan in developing targeted plans and programs to get out of the negative effects Which the crisis brought about, and realizing the available opportunities to contain any subsequent problems at all levels and sectors, in addition to developing and creating new production and job opportunities to solve the problems that Jordan suffered from before the emergence of the Syrian crisis.

The aspiration to hope for a breakthrough in the Syrian crisis at the present time depends on the policies of the superpowers and their political and military interests, in addition to everything that develops in the global arena, whether Arab or foreign. Therefore, the effects of the Syrian crisis on Jordan will continue, and may multiply at times or may stabilize in light of the current political situation., which will focus on its results in the near and long future.

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Trends and Patterns of Foreign Direct Investment Inflows in Karnataka

By Pawan Kumar

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Keywords: *foreign direct investment, non-debt creation, multi-dimensional aspects, policy promotions, growth implications.*

GJHSS-E Classification: *JEL: F2*



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Abstract- Since the New Economic Policy in India, Foreign Direct Investment (FDI) has received more attention at both national and state levels. According to the World Investment Report (2021) published by UNCTAD, India is one of the top investment destinations and ranks 7th place in receiving FDI inflows. While attracting inflows from all the regions, Karnataka garners a larger share among the total FDI inflows in India. This paper examines the trends and patterns of Foreign Direct Investment (FDI) inflows in the state of Karnataka in the past decade (2012-13 to 2021-22) with emphasis on investment promotion policies, comparative performance among the top five states of India, cumulative inflows from abroad and challenges for the state to further strengthen the inflows. It is hypnotized that FDI has a positive impact on Per Capita Net State Domestic Product (NSDP) and infrastructure development in the state. The multi-regression analysis is used as a statistical tool. Data compiled from DPIIT and Annual Economic survey reports of the Government of Karnataka. The empirical evidence shows that Karnataka has gained prominence in FDI share especially IT/ITes sector has lured about 30 percent of total FDI inflows in the state.

Keywords: foreign direct investment, non-debt creation, multi-dimensional aspects, policy promotions, growth implications.

I. Introduction

Karnataka is the third major state of India contributing 8.8 percent to the National Gross Domestic Product constituting less than 5 percent of the population (Economic Survey Report 2021-22). As an Investors' favorite destination attracts a lion's share of the total FDI inflows in India. The FDI inflow in the state has grown from US $ 1581 Million in 2007 to US $ 22072 Million in 2021. FDI has a crucial role in developing economies (S. Hymer). Karnataka was the first state to enact the Industrial Facilitation Act 2002, proactive policy measures, integrated services, nodal agency, and focus on capacity building are some other initiatives that Karnataka govt. has taken to fascinate FDI inflows. Karnataka has received about 40 percent FDI in post post-pandemic period during 2021-22 maintaining a numero uno position in the country. The inflow of capital into a location generates employment, fosters innovative practices, and accelerates productivity through advanced techniques (Blomstrom, 1994).

II. Review of Literature

The various studies and research reviews about FDI trends and how it accelerates economic indicator of a destination are reviewed. OLI or Eclectic paradigm by John H Dunning serves as a holistic framework to highlight the location factor as an advantage factor to increase the production of a multinational company. Government policies are crucial to attracting transnational Corporations (Dirk Willem te Velde). FDI inflows are catalysts to reconstruct an economy.

The paper signifies the role and importance of the retail sector and its contribution to the gross domestic income of India. The paper focuses on the policies undertaken by the governments to mitigate the disparities in regional developments in India. Post-Independence agricultural and industrial policies along with New Economic Policy paved the way for Foreign Direct Investment in different sectors of the economy. Nevertheless, FDI widened the gap between regions in terms of attracting investments. This research paper has analyzed the patterns of FDI and regional disparities in India during the period 1990 to 2020. The findings of this paper show the coastal area, industrial areas, and port availabilities have attracted more investments than the backward areas. (Singh, 2021)

The authors explain the importance of Foreign Direct Investment and international commerce-related activities in the country. Trade between the countries is explained through the export and import of goods and services. Economies benefit in terms of tax, tariffs, exceptions, or reductions to build infrastructure and thereby build an economy at large. The paper focuses on both the highs and lows of FDI in the Indian Economy. (Deep, (2022).)

Special Economic Zone contributes to better exports, enhancing economic activities, generating employment opportunities, and attracting investment from abroad. Karnataka benefitted from the advent of the SEZ Act in 2006.

However, several hurdles like government approvals, clearance from statutory bodies, withdrawal of tax benefits, and incentives have had huge negative repercussions on the smooth functioning implementation of SEZ activities. Hence, the paper tries to relate the macroeconomic variables like Per Capita Net State Domestic Product, availability of industrial land, skilled labor, the gap in the supply of electricity, and capital formation in government that are likely to impact SEZ investment. The results showed selected independent variable does determine investment decisions in SEZs in the state of Karnataka. (Parmar, (2021).

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The paper finds that Indian states rich in natural resources, a strong industrial base, and service sector activity attract more FDI inflows. There is a strong significant relationship between market size, agglomeration effects, and size of manufacturing, services sector activity, and FDI flow. Also, taxation and cost of labor in FDI inflows have a negative impact. (Atri Mukherjee, (2011) The objective of the research analysis is to investigate the impact of foreign direct investment on regional inequalities and to analyze cross-country time series data on FDI and regional inequalities. Hence, the author has used a regression model for 55 countries covering the period 1980-2009. Statistical tools used are coefficient of variation, regression analysis, and scatter plot of the data. The paper finds foreign investments are a boon to China's growth but a bane to regional inequality. Net FDI inflow increases regional inequality in low- and middle-income countries whereas negative re-distributional consequences in high-income economies. It also found out FDI impact on capital stock in host regions acting regional inequality within countries. (Christian Lessmann, (2012))

The focus is on the impact of the labor market on FDI inflow and the author attempts to quantify labor market rigidities using the available data and analyze their impact on interstate variations in FDI inflows in India. The methodology used is investigative research with the help of secondary data to investigate the sensitivity of overseas investment to labor market conditions across Indian states. The methodology includes Count Models and Panel Corrected Standard Estimates (PCME) technique for the estimation of two sets of dependent variables. The paper concludes with the finding Infrastructure and regional development is a key factor in attracting higher FDI both in the export and domestic market sectors. Also, the size of the host economy is the most popular explanation of a country's propensity to attract FDI. (Aggarwal, 2015). The research article emphasizes the objective of finding regional disparities existence in India and the trends and patterns of FDI flows and its impact on regional disparities in India.

Also, the repercussions were accentuated after the adoption of the new economic policy in India. The methodology used is analytical research using secondary data obtained from the Census of India, Reserve Bank of India, and Economic Survey Reports.

The indicators are female literacy, rural non-agricultural workers, population above the poverty line, and urbanization.

Tools used to study the variables in the paper are correlation, coefficients, development index, and rankings.

The paper finds and concludes to balance regional growth; the government has to improve the infrastructural base in its backward parts. *(Singh R., (2016)*

The objective of the study is to find out the trends of FDI inflows into the country and the dynamics of FDI locations in India. Identify the factors determining FDI location and suggest suitable policy measures for the equitable distribution of FDI in the country.

The methodology used is exploratory research based on secondary data sourced from RBI bulletins SIA newsletters, FDI factsheets, and other publications of the government of India. Collected data is arranged in tables, converted to percentages, and with the help graphs drawn out of tables are used to analyze the data to draw meaningful inferences. The GIS technique has been used to show the dynamics of the location of FDI in India in the post-liberalization period. The paper finds geographical distribution of FDI within the country is skewed, Benefits of globalization are confined to a few leading states, wherein the existence of MNCs attracts more FDI inflow. The potential may be in the form of a strong concentration of manufacturing activities, an abundance of natural resources, a highly skilled labor force, and location advantages like seaports, airports, railways, and road connectivity, etc., *(Sedam. H, (2017).*

State of Foreign Direct Investment in Karnataka: FDI means an investment through equity instruments by an individual or a firm other than the host country acquiring a controlling stake or ownership into a country (DPIIT). It includes "mergers and acquisitions", the equity capital of foreign banks having branches in the host country, and reinvestment of profit earned by foreign investments. It is preferred over borrowing because FDI inflow are non-debt-creating capital resource. It has multi-dimensional spillovers in the field of employment generation, modernization, and uplifting an economy. Fiscal and administrative efforts have been made over the years to attract consistent inflows.

a) *Investment promotion policies and programs in Karnataka*

The New Industrial Policy 2020-25 introduced by the state aims to attract investment worth 5 Lakh Crore (Appox. US $ 61.20 billion), 20 lakh new jobs, and to acquire a third place in goods export in India. These policy promotions are in a mission mode and various steps at the macro-economic level, sector-specific orientation, fiscal measures, and infrastructure development are the top priorities of the state. The following are the steps taken up by the Government of Karnataka in the last decade to facilitate inflows and dedicate the state to an investor's investor-friendly climate.

- Establishment of Karnataka Udyog Mitra with the objective to promote FDI in the state.

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- Investment projects completed within the time projected are given incentives and govt. has strengthened the state's infrastructure.
- Special focus on the development of industries, trade, and service sectors.
- Striving to remove intra-regional disparities by diverting investments in backward areas of the state. (Industrial Policy 2009-14)
- Karnataka Industrial Tax concessions and capital investment subsidies,
- Global Investor's Meet 2010/2012/2014/2016/2018/ 2022
- Agriculture Global Investment Meet 2011
- The State High-Level Clearance Committee (SHLCC)
- State-Level Single Window Clearance Committee (SLSWCC)
- Investment in skill building and human capital formation for uninterrupted supply of manpower.
- Sector-specific industrial zones and Special Economic Zones (SEZ) in accordance with the availability of raw materials and natural resources.
- High-speed internet connectivity and tele-communication network.

The mission mode work done by Karnataka state administration and friendly policies made could serve as a comparative study for the other states of India as well as regions striving to attract FDI inflows. There is a provision for dedicated single window clearance and a dedicated single contact point named Karnataka Udyog Mitra (KUM). Strategically working on developing Export Development Centres at other important cities of Karnataka.

b) Trends and pattern of FDI in the state

Karnataka has successfully recovered and attracted the highest FDI in the post-pandemic period top with about 37.5 percent inflows. Aerospace, defense manufacturing, Biotech, and Fintech are the dominant sectors receiving this inflow (KESDM). Historical data reveals that the state has successfully grabbed global investments as a consistent part of the state's economy and generated a significant number of job opportunities. The state of Karnataka is aware of the benefits of FDI inflow. Eventually, the region is progressing as a reputed investor's investor-friendly location for Foreign Direct Investment (FDI) inflows. FDI inflows in Karnataka have risen substantially over the period of 2012- 2022. The analysis of FDI inflows in Karnataka shows that the total FDI inflow share in the state was US $ 1023 million in 2012-13 which rose to almost four times in the year 2015-16 but declined in the next year i.e. 2016-17 years and remained only US $2132 million. Again, in the next year, it increased to US$ 8575 million in the year 2017-18. The year 2019-20 suffered the terrible hit of the Covid-19 pandemic and economies were sluggish globally. However, India did a 'V' shape recovery and the inflows rebounded to US$ 7670 million in the year 2020-21. Karnataka received all-time high inflows in the year 2021-22 and topped the country with about 37.55 percent of FDI inflows share. The presence of large multinational companies has attracted other new investors also eventually Karnataka has become a hub of investment.

Table 1: Foreign Direct Investment (FDI) Inflows into Karnataka: 2012-13 to 2021-22.

Year	FDI inflow in Karnataka (US $ millions)	Total FDI inflows into India (US $ million)	Share of Karnataka in total FDI inflows into India (%)
2012-13	1023	21825	4.69
2013-14	1892	24299	7.79
2014-15	3444	30933	11.13
2015-16	4121	40001	10.30
2016-17	2132	43478	4.90
2017-18	8575	44857	19.12
2018-19	6721	44366	15.15
2019-20	2385	49977	4.77
2020-21	7670	59636	12.86
2021-22	22072	58773	37.55

Source: Compiled from FDI Fact Sheet, DPIIT.
Note: FDI inflows refer to FDI through FIPB Route/ RBI's Automatic Route/ Acquisition Route (Equity Capital components only).
Source: Department of Promotion of Industry & Internal Trade, Government of India (New Delhi)

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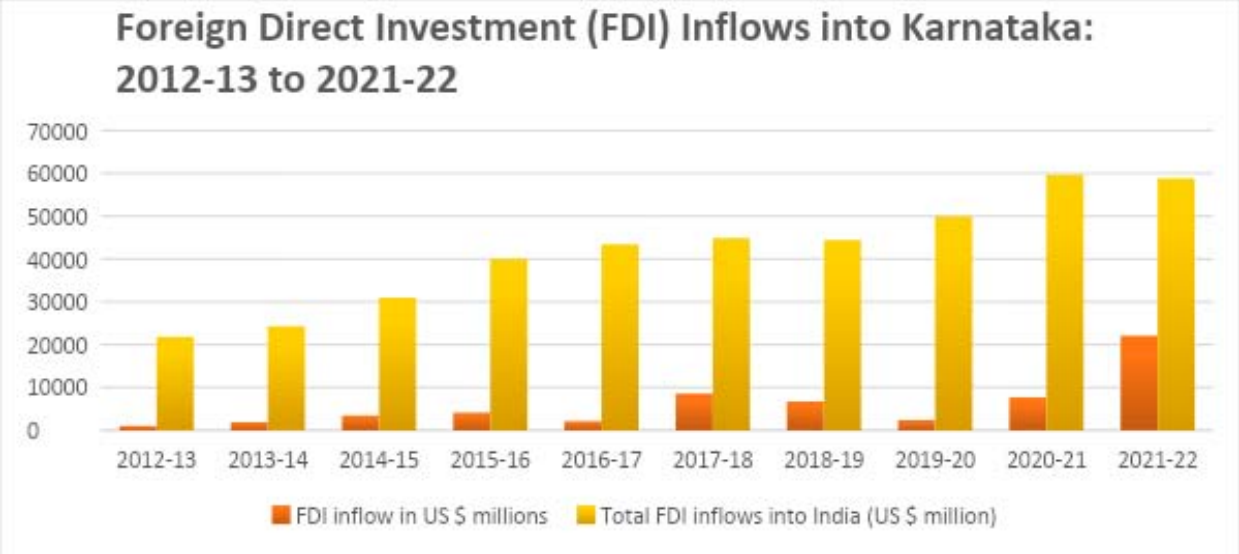

Figure 1: Karnataka State's Comparative Performance among top 5 states of India.

Investor-friendly policies, good governance, controlled law and order, availability of highly skilled manpower, and robust connectivity facilitate an investor-friendly climate in the state.

In the year 2021-22, Karnataka has recorded US$ 22072 million in inflows the highest among the top five states of India. The state with a 23 percent share of total inflows stands on 2nd rank with a cumulative inflow of US$ 39361 million from October 2019 to September 2022. During the same period, Maharashtra the leading state received 28 percent of FDI inflows which is 5 percent more than Karnataka. Most recently, the capital city Bengaluru has emerged as a leading global tech cluster and a habitat for startups in India.

Table 2: Foreign Direct Investment (FDI) Inflows from October 2019 to September 2022

STATE	2020-21 (April – March)	2021-22 (April – March)	2022-23 (April– September)	Cumulative inflow (October, 19 – September, 22)	% age (to total equity inflow of USD)
MAHARASHTRA	16,170	15,439	8,000	47,165	28%
KARNATAKA	7,670	22,072	5,329	39,361	23%
GUJARAT	21,890	2,706	3,473	30,660	18%
DELHI	5,471	8,189	4,539	22,197	13%
TAMIL NADU	2,323	3,003	1,564	7,896	5%

Source: Compiled from FDI Fact Sheet, DPIIT.

c) *Cumulative FDI inflows from top 10 investing countries*

India has emerged as a preferred investment destination, FDI inflows have increased 20 times more in the last 2 decades. Karnataka emerges as the top FDI inflow recipient state in India. (PIB, Ministry of Commerce & Industry). Cayman Island (31%) followed by Singapore (30%) are the top countries investing in Karnataka. USA and the Netherlands with 18 percent each are the third country to hold a stake in the region. Karnataka receives inflows from across the globe which reflects its popularity and reputation worldwide.

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d) *Cumulative FDI equity inflows from top 10 countries investing in India during the period January 2000 to December 2021 in USD Billions.*

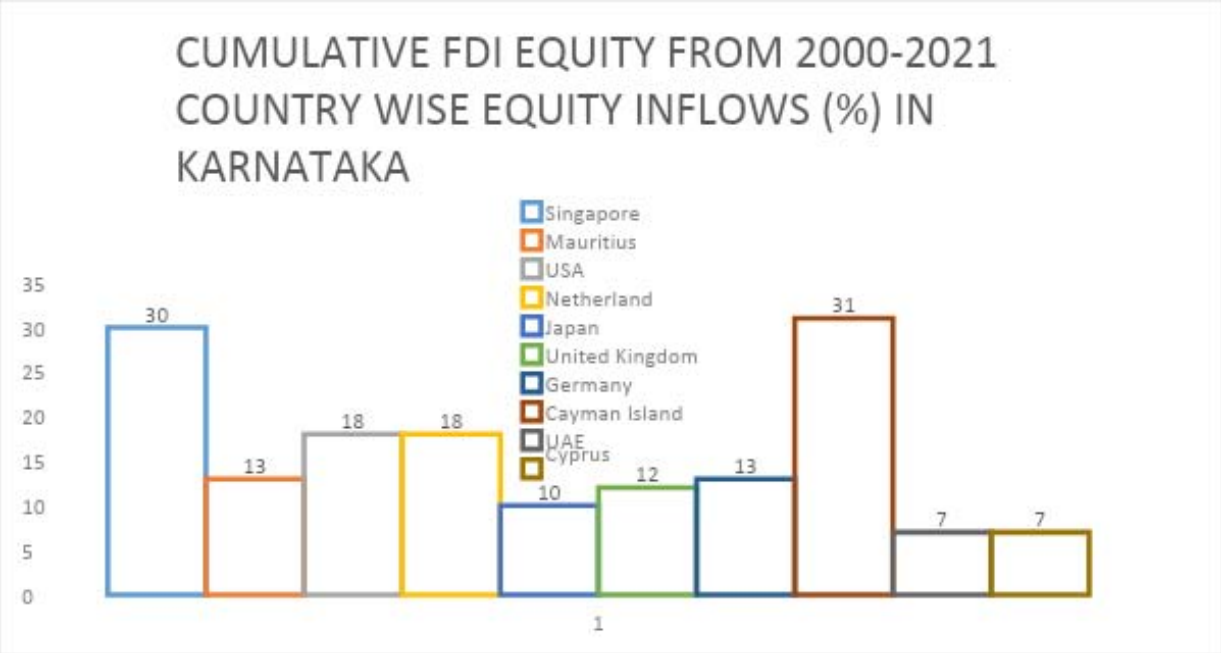

Figure 2: Cumulative FDI equity country wise inflows in Karnataka

Table 3: Share of top five countries attracting FDI equity inflow at Karnataka (From October, 2019 to December, 2021)

Rank	Country	Amount of FDI equity inflows		% of FDI equity inflow from all countries
		INR in crores	UDS in Million	
1	Singapore	79,772.05	10,850.51	37.14
2	USA	31,173.44	4,215.46	14.43
3	Switzerland	30,530.78	4,165.61	14.26
4	Cayman Island	18,417.84	2,493.99	8.54
5	Mauritius	13,213.88	1,793.52	6.14
Total of above		173,107.99	23,519.09	80.51

Source: Compiled from FDI Fact Sheet and Synopsis of FDI Karnataka, DPIIT
Note: Amount includes the Inflow received through FIPB/SIA route, acquisition of existing shares & RBI's automatic route only

The Information technology and biotechnology sectors have received remarkable investment globally and contributed to the growth of state's economy. Computer software and hardware with US$ 8954 million (30.65 percent) of FDI equity top recipient sector in the state.

Supplementary Table 1 Share of top five sectors in FDI equity inflow at Karnataka (From October, 2019 to December, 2021)

Rank	Country	Amount of FDI equity inflows		% of FDI equity inflow from all sectors
		INR in crores	UDS in Million	
1	Computer Software & Hardware	66,165.35	8,953.67	30.65
2	Automobile Industry	33,759.90	4,608.76	15.78
3	Trading	28,465.21	3,892.65	13.32
4	Education	28,032.59	3,803.28	13.02
5	Services Sector	26,804.74	3,622.27	12.39
Total of above		183,227.79	24,880.63	85.16

Source: Compiled from FDI Fact Sheet and Synopsis of FDI Karnataka, DPIIT.

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e) *Impact of FDI on the growth and development of Karnataka*

The government of Karnataka has taken various steps to lure FDI in the last decade. The capital city of Bengaluru emerged as the Silicon Valley of India, the establishment of the Software Technology Park of India (STPI) in Bengaluru was the revolutionary initiative of Karnataka state to develop an IT hub, where over 2,500 Multi-National companies doing their business and contributing over 25 percent of the state's GSDP. FDI inflow has a significant contribution to the development of Karnataka state economic transformation. Statistical analysis suggests that FDI inflows have a positive correlation in generating employment. About 54 new investment projects are approved from year march 2016 to September 22 which has created more than 2 lakh jobs in the state. (Economic Survey Report 2021-22). Karnataka is the hub of 400 Fortune companies and a leading exporter of software in India. Karnataka's export share is about 19 percent of the total exports of India (2021-22). About 32 operational sector-specific SEZ and business-friendly policies catalyzed export performance mainly in the IT/IT sector, biotechnology, high-tech engineering products, pharmaceuticals, and aerospace industries. These exports contribute to the GDP growth of the nation as well as the State's GSDP, resulting in a high per capita GSDP in Karnataka.

III. Methodology of the Study

The study is based on secondary data compiled from the Handbook of Statistics on Indian states, RBI, Annual Economic Survey reports of Karnataka, Planning, Programme Monitoring and Statistics Department, Government of Karnataka. The relationship between FDI inflows with Per Capita Net State Domestic Product and Per Capita Availability of Power was analyzed using multiple regressions. The author tries to examine the impact of FDI inflows on Per capita Net state domestic product (NSDP) and Infrastructure building in the region. Hence, the methodology applied is a time series analysis covering 31 states and UTs for the period 2000-01 to 2010-11. The source of data collection is secondary data from DIPP, CMIE, and Government publications. Data collected on equity inflows, sector orientation of FDI equity inflow in Indian states. The explanatory variable FDI and Response variables are NSDP and PCAP. The statistical tool used is ANOVA, regression, and coefficients.

a) *Hypothesis*

H0: There is no relation between variables FDI inflows, Per Capita NSDP, and Per Capita Availability of Power in Karnataka.

Ha: There is a significant relation between variables FDI inflows, Per Capita NSDP, and Per Capita Availability of Power in Karnataka.

b) *Data Analysis*

Table 5: Key indicators

Category	Symbol	Definition
Explanatory variable	FDI	Foreign Direct Investment inflows (US$ Million)
Response Variable	NSDP	Per Capita Net State Domestic Product (Current Prices)
Response Variable	PCAP	Per Capita Availability of Power (Kilowatt-Hour)

FDI inflows as explanatory variable NSDP and PCAP as response variables.

Supplementary Table 2: Analysis of variance (ANOVA)

Explanatory variable	Response Variable	Multiple R	R Square	Adjusted R Square	P-value	t Stat	Coefficients
FDI	NSDP	**0.738**	**0.544**	**0.512**	0.0001	4.093	10.67
FDI	PCAP	**0.602**	**0.363**	**0.317**	0.013	2.82	0.018

*Dependent variables: NSDP and PCAP, The overall Adjusted R square value is **0.317.***

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Supplementary Table 3: ANOVA description

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	48429573523	48429573522	16.75	0.001
Residual	14	40460660176	2890047155		
Total	15	88890233699			

Critical F significance is larger than the F value in table

IV. Result of Empirical Analysis and Interpretation

The results from supplementary table 2 revealed that the adjusted R square for the overall model is 0.317 which means that the model explains more than 31 percent variance in NSDP and PCAP of Karnataka. The significance F is 0.001 which is smaller than the p-value of 0.05 and proves that the null hypothesis is true. Positive coefficients are found between all three variables selected for this study. The model indicates that FDI inflow has increased annually and there is a positive correlation between the increase in NSDP as well as PCAP and it is statistically significant but it is not the only variable responsible for the increase in NSDP and infrastructure in the state. Further, the adjusted R square value of FDI and NSDP is 0.544 which reflects a significant positive relationship.

a) *Challenges for the state to deal with in respect of FDI inflows*

FDI has been seen as a positive indicator but it has negative aspects also. However, FDI has more positive impacts on the macro and micro levels of the economy. Various studies suggest the benefits of FDI, however, there are some challenges to deal with FDI inflows in a location, Karnataka also has such challenges:

- The state has decentralized FDI inflows beyond Bengaluru in 2/3 tier cities of the state especially in North Karnataka cities such as Belagavi Hubli-Dharwad, Kalburgi, and Mangaluru.
- Human capital formation according to the needs of MNCs, Capacity building for the skilled labor force, work culture development, Professionals supporting fast-moving city life, efficient logistics, rapid connectivity, and massive power supply. It is a challenge to raise infrastructure at par with the capital city in other places of Karnataka.
- IT parks, SEZ, and Export-oriented zones in the state will definitely work on ease of doing for business favorable climate.
- Digitalization of land records, simplification of GST laws, single point of contact for center and state projects clearance, timely completion of projects and infrastructure building, support of Product Linked Incentive (PLI) scheme for foreign manufacturing companies optional in India. The fiscal and administration efforts towards minimizing adversaries will lure investors and the region will gain more inflows for a long time.

V. Conclusion

The existing literature focuses on the preparedness to attract FDI and the status of inflows in Karnataka. On a long-term objective, systematic government expenditure is done to strengthen the ease of doing climate for the investors in the region. Historical data suggests that economic development has improved year on year. Karnataka is the 5th state in India in terms of NSDP Per capita Income ₹210,887/- (2018-19, RBI) and 6th top power-consuming state. However, this study reveals that FDI Benefits have reached to a specific location. The concentration of FDI in the capital city of the state is leading to intra-regional imbalances. Extending FDI in other cities of Karnataka is a big challenge for the government. The findings of this paper suggest two main policy implications. Policy promotion to drive the FDI towards other parts of the state viz. launching SEZ, Industrial zone, or Export oriented unit in remote locations of the state with tax concessions and investment incentives. Second, the FDI in the region can be attracted by raising infrastructure, better connectivity, power supply and availability of skilled labor near the natural resources could balance FDI inflow across the state.

To study the strong empirical relation between FDI inflow promotion policies, determinants, and its impact on economic growth a detailed study is needed. This is an area of extension of this study in the future.

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Appendix 1: Time series data on FDI inflow in Karnataka, Per Capita NSDP and PCAP during the year 2006- 2021.

Year	FDI inflow in US$ Million	PER CAPITA NET STATE DOMESTIC PRODUCT (Current Prices)	PCAP (Kilowatt-Hour)
2006-07	1427	35981	755.9
2007-08	1581	42419	742.3
2008-09	2026	48084	767.8
2009-10	1029	51364	795.5
2010-11	1332	62251	882.2
2011-12	1533	90263	883.7
2012-13	1023	102319	933.1
2013-14	1892	118829	949.6
2014-15	3444	130024	980.3
2015-16	4121	148108	997.4
2016-17	2132	169898	1088.5
2017-18	8575	185840	1107.5
2018-19	6721	204804	1172.7
2019-20	2385	222002	1190.7
2020-21	7670	236451	1125.9
2021-22	22072	278786	1184.6

Source: Compiled by author from DPIIT, Annual Economic Surveys of Karnataka and Handbook of statistics on Indian States, RBI.

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Switching Crypto to Proof of Stake: A Promising Climate Change Intervention

By Dhaksha Vivek

Introduction- Climate change poses an immediate and escalating threat to human health, intensifying extreme weather events like deadly heatwaves, fiercer hurricanes, and devastating wildfires. Vulnerable populations—children, the elderly, those with pre-existing health conditions, and marginalised communities—face heightened risks (www.noaa.gov, 2021). The repercussions extend beyond health, imperilling food and water sources: warming and acidifying oceans jeopardise seafood supplies and marine ecosystems, while prolonged droughts endanger crop yields and water availability. The ecological toll is staggering, with an estimated one million species at risk of extinction due to habitat loss, notably in the Arctic. Financially, climate-related disasters cost billions, with projections indicating a potential 1.5°C rise in global temperatures within a decade, leading to catastrophic sea-level increases, mass displacements, and an influx of climate refugees (IPCC, 2021). Inaction could escalate health crises, with 2°C warming foreseeably resulting in thousands of premature deaths and increased childhood asthma cases, exacerbating societal inequalities (EPA. 2021)..

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I. Introduction

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Crypto mining is the computerised process that yields cryptocurrencies. As the industry has grown, so has the power it consumes. In 2021, crypto miners consumed 102 terawatt-hours of electricity, according to an estimate compiled by Cambridge University (Messina, 2023). That is roughly equivalent to the annual electricity demand of Pakistan, a country of 228 million people (FCA, 2021). In August 2018, a Princeton University associate professor expert in cryptocurrency testified at a hearing of the US Senate Committee on Energy and Natural Resources, saying that bitcoin mining accounts for nearly 1% of the world's energy use. While mining may potentially be done using renewable energy, in practice, it is not. This is highly concerning, considering the huge magnitude of cryptocurrencies and the expanding demand for Bitcoin mining. Thus, the highly energy-intensive process threatens the ability of governments around the world to reduce their dependence on climate-warming fossil fuels.

Since its inception, Bitcoin's trust-minimising consensus has been enabled by its proof-of-work algorithm. Machines that do "work" consume enormous amounts of energy. Moreover, the energy used is mainly derived from fossil fuels (Reiff, 2021). The design of proof-of-work cryptocurrency mining incentivises miners to ramp up operations as quickly as possible, often irrespective of the source of energy (DeRoche et al., 2022).

II. Switching to Proof of Stake as a Promising Technical Fix

Any inspection of policy intervention to mitigate cryptocurrency's carbon emissions will consider how to motivate a switch away from the proof-of-work blockchain used by Bitcoin. Although Bitcoin is the largest cryptocurrency by market share, most of the top 25 cryptocurrencies use more energy-efficient protocols than PoW – and new tokens generally avoid PoW. That said, the market capitalisation of PoW-based crypto-assets remains high, at around 80% of the total crypto-asset market.

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Chart 3

Market capitalisation of PoW-based crypto-assets vs. other consensus mechanism-based crypto-assets

(1 Jan. 2020-31 May 2022; left-hand scale: EUR trillions; right-hand scale: percentages)

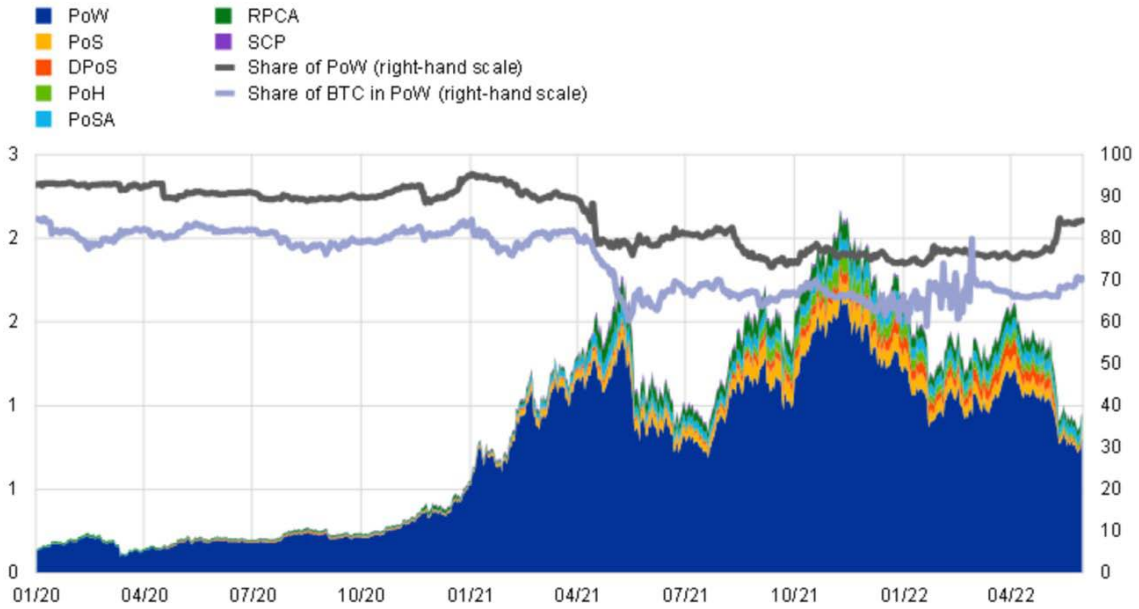

Fig. 4: (Gschossmann et al., 2022)

However, less energy-intensive models are available whose adoption should be encouraged. The US Congressional Research Service proposes proof-of-stake and proof-of-authority as more sustainable consensus mechanism alternatives to proof-of-work (Gulli, 2020). With Ethereum, the platform of choice for the NFT market, developers have been pressured to reduce Ethereum's carbon impact. Pressure from scholars and regulators, as well as a social outcry against the carbon impact, has motivated developers to adapt to less polluting alternatives to proof-of-work, such as proof-of-stake (Truby et al., 2022).

III. A Past Success Story: Ethereum's Transition to Proof of Stake

Proof-of-stake (PoS) is one of the well-known consensus mechanisms offering high energy efficiency. In the case of PoS, participants referred to as "validators" lock up set amounts of cryptocurrency or crypto tokens – their "stake" – and in exchange, they get a chance to validate new transactions and earn a reward (Singh, Oguntoye and Packard, 2022). Crypto-assets built on PoS blockchains thus rely on miners pledging crypto-asset collateral instead of computing power, which involves much fewer mathematical calculations and has lesser computational requirements, leading to substantially lower energy consumption.

Ethereum 2.0 attempts the energy problem by shifting from the PoW consensus mechanism to the PoS, estimating that energy consumption would be reduced by 99.95 percent, comparable to that of a small town of around 2,100 homes in the United States (Gschossmann et al., 2022). Its energy consumption relative to other technologies is shown in Fig. 5, which shows both estimated energy consumption after the transition to PoS (Ethereum 2.0) and consumption before the transition.

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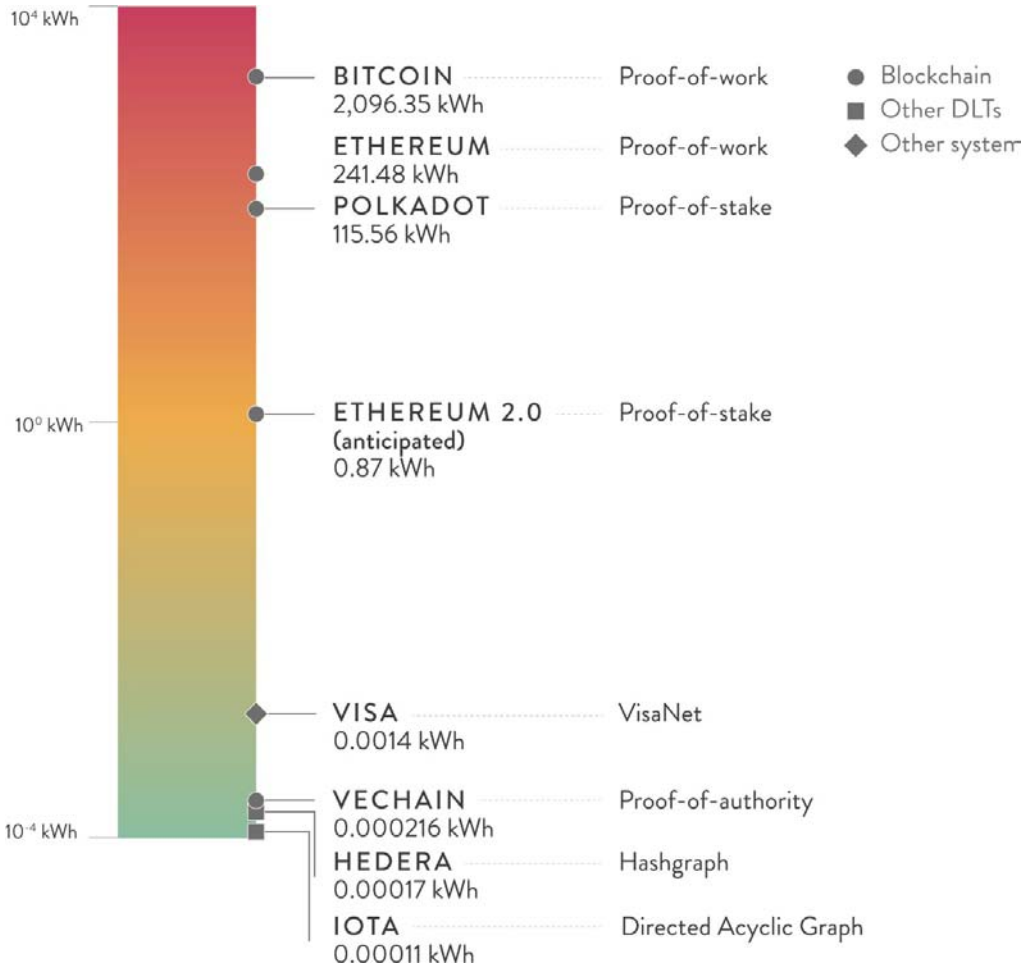

Fig. 5: (Singh, Oguntoye and Packard, 2022)

Ethereum completed its transition to PoS in September 2022. CCRI (Crypto Carbon Ratings Institute) estimated the network's annual electricity consumption to be 2.601 MWh (0.0026 TWh), down from 23 million MWh (September 2022), which corresponded to yearly carbon emissions of 870 tons CO2e applying regional-specific carbon intensity factors, down from 11 million tons. This corresponds to 44,000 times less carbon emitted than Bitcoin in a year. The report commissioned from (CCRI) also claims that Ethereum now uses approximately 99.99% less energy than before the merge was completed. It also suggests the blockchain's carbon footprint has dropped by just over 99.99% as well (Hayward, 2022), meaning that Ethereum's energy needs, and carbon footprint have both fallen even more than anticipated.

Previously, Ethereum was not very scalable due to increased network congestion and data redundancy with the addition of nodes and transactions. This increased the energy consumption of the cryptocurrency network, in addition to slowing down the speed of the transaction process. Ethereum 2.0 introduces the Beacon Chain, which implements the concept of sharding. Sharding involves distributing the load on a network among nodes or groups of nodes to reduce network congestion and increase throughput. The release also includes the introduction of 64 new chains, with each chain consisting of a fraction of the nodes validating the transactions. Hence, more transactions can be processed in parallel, with the requirement to share the transaction details with only a fraction of the nodes. This reduces energy consumption. Although the PoS approach reduces the energy expenditure, new issues arise that weren't present in PoW-based blockchains. Some of these include the possibility of double spending money and increased insecurity. The latter is because, unlike proof-of-work systems, a proof-of-stake (PoS) system informs node validators in advance what blocks they will validate, thus enabling them to plan attacks. However, this issue could be fixable if the crypto tokens are "well distributed across an ecosystem of diverse stakeholders, users, developers, investors, enthusiasts, and others" (Alex Shipp), making a PoS system resistant to 51% attacks and other high-risk scenarios (Liu, 2022). PoS's biggest selling point is its energy efficiency and scalability. However, these benefits come at the cost of decentralisation, a fundamental principle of crypto-currencies. Bitcoin, for example, was created on the principle of equality, which promises to provide equal

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opportunities for all who wish to participate. However, PoS creates a staking barrier where the highest stakes have the first say in the decision-making process, creating an excessive concentration of decision-making powers on crypto exchanges and wallet service providers, which may increase market integrity risks (Agur et al., 2022). On the other hand, PoS could be said to prevent over-centralization of miners, as ownership of coins is considered as opposed to sharing computational power for reward pay-outs.

IV. The Promise of Regulation for Encouraging Proof of Stake

As developers frequently favour proof-of-work blockchain due to its perceived advantages, policy intervention can also consider how to motivate the industry to switch to a more sustainable version. The European Commission is among the regulatory bodies trying to incentivise the industry to migrate applications from PoW to PoS, but the Bitcoin network has resisted any such move (Clarke, 2022).

Highlighting the social cost (negative environmental externalities) of proof-of-work blockchain designs has encouraged some innovation in designing alternatives to proof-of-work blockchains and improving the problems with the proof-of-work blockchain itself. However, it seems unlikely that Bitcoin will voluntarily move to a proof-of-stake model, as many believe that a shift to PoS will absolutely shatter Bitcoin's worth, given that the underlying value of Bitcoin is tied directly to the amount of computing power on its network (MacDonald, 2022). Furthermore, many Bitcoin investors are hesitant to move away from proof-of-work, as it would represent a massive setback to innovation in money, as all the electricity invested into the network will have gone to waste. Only time will tell how effective voluntary industry change will be in reducing emissions and energy use and whether political intervention is necessary to force developers to go beyond industry choices.

Where social and environmental concerns are insufficient to incentivise a change away from proof-of-work, policy intervention has been used to achieve the desired outcomes, and this remains an option for future policymakers. Some states in the US recognise the demand to discourage proof-of-work mechanisms-given their specific high energy use. Policies that induce changes in the energy consumption structure of mining activities may be more effective than intuitive punitive measures in limiting the total amount of energy consumption and carbon emission in the Bitcoin blockchain operation (Jiang et al., 2021). The New York State Senate has passed a bill that halts proof-of-work blockchain verification methods until an environmental impact assessment occurs. This would severely delay approvals for new proof-of-work miners. Bill S6486 would require an environmental impact assessment to ensure that such mining would not hinder the State's obligations under the Paris Agreement (required by the Climate Leadership and Community Protection Act 2019) (Truby et al., 2022). This should incentivise a shift to less energy-intensive mechanisms (away from the Bitcoin-style design), and other jurisdictions following suit would have greater impacts.

V. Conclusion

PoW comes together with an enormous energy demand. The current estimate is that the Bitcoin protocol's energy needs are comparable to the energy consumption of Ireland (Siim, n.d.). An increase in adoption will only make the situation worse. The highly energy-intensive process threatens the ability of governments around the world to reduce their dependence on climate-warming fossil fuels. Bitcoin alone can push global warming above 2 °C (Mora et al., 2018). If counteractive measures are not taken, this could result in unprecedented levels of food insecurity, a huge loss in biodiversity, an increase in health risks and climate refugees, as well as massive numbers of indirect and direct deaths. As the level of environmental impact from cryptocurrencies is inextricably linked to the type of blockchain (with energy consumption levels differing based on consensus protocols as well as the polluting level of the energy being used), it is imperative that proof-of-work is phased out, and energy efficient blockchains are promoted.

This is no easy task, as, since the inception of cryptocurrencies, there have yet to be many regulatory measures enforced on the industry, directly inhibiting crypto mining-intensive countries, such as the US, from meeting climate goals announced in the Paris Agreement. From a regulatory perspective, a global coordinated policy response is necessary due to the mobility of miners in seeking minimal regulation and lower energy prices. We are at a tipping point as investors await an evaluation of Ethereum's performance. Whether Ethereum succeeds or fails in its transition to proof-of-stake is a key factor in determining the future of the blockchain industry. Success persuades other blockchains to switch to a less polluting design, while failure reinforces the path's dependence on a polluting proof-of-work model. Similarly, the industry's reaction to policy interventions, most of which are confined outside of China, will influence whether more drastic interventions are needed.

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Challenges of Restraining of Illicit Financial Flows in Nigeria's Extractive Sector

By Mohamed Rashid

Abstract- Illicit Financial Flows, also knowns as Capital Flight, has become a common practice across the African continent. The Global Financial Integrity (2019) discovers that between 1980 and 2009, illicit financial outflows from Africa amounted to US $ 1.22 – 1.35 trillion. Evidence shows that illicit financial flow out of the continent is associated with extractive industries and natural resources generally. Nigeria is one of the resource rich countries crippling with the effects of capital flight in Africa. Despite the absence of concrete studies on the scale and scope of this condition in Nigeria[1], it is critical to unpack the underlying challenges and contributing factors the practice across a spectrum of institutional arrangements, rules and political commitment to lesser extent. This short paper sheds light on the illicit financial flows in the context of extractive industries and unpacks factors associated with absence of effective anti-corruption measures and poor governance of extractive industries.

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I. Introduction

Nigeria is one of the leading resource-rich countries in the world and a member of the organization of Petroleum Exporting Countries (OPEC), an intergovernmental organization that brings together member countries to coordinate and exchange information on extractive policies. However, a large proportion of the revenue generated from the extractive industries is illegally earned and transferred to become what is known as 'Illicit Financial Flows.' A working definition of the concept of illicit financial flows has been defined in this short paper and will be discussed in the following sections, although there is no widely agreed definition in the literature. This paper provides a comprehensive analysis of factors contributing to the challenges of curbing illicit financial flows (also known as capital flight) in the extractive sector of Nigeria by looking at the practicality of anti-corruption measures, governance issues of transparency agencies in the extractive sector the Nigeria Extractive Industry Transparency Initiative (NEITI), and how the absence of political commitment in fighting illicit financial flows is accelerating the rate of capital flight in the Nigerian extractive industry from an organizational/bureaucratic perspective.

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[1] https://www.elibrary.imf.org/display/book/9781557757913/ch007.xml

II. Illicit Financial Flow in the Extractive Sector in Nigeria

Before directly going into the main challenges that resulted in barriers to fighting illicit financial flows out of Nigeria, this paper sheds some light on the meaning of illicit financial flows and the extractive industry. It draws on previous literature on this concept. According to Sigam (2012), extractive industries can be defined as "processes that involve different activities that lead to the extraction of raw materials from the earth such as oil, metals, mineral and aggregates, processing and usage of consumers." This encompasses both humans and machines that widely use extracted materials. Illicit financial flows (IFF) are one of the major factors that undermine the effectiveness and influence of the governance process in many developing countries, which collect huge revenues in the form of unearned income, whether this has to do with natural resources or international aid (ibid).

According to the World Bank (2017), there are three main areas that trigger illegal capital flight out of Nigeria (1) the acts of illicit financial flow are illegal in nature whether they take the form of corruption or tax evasion, (2) the sources of capital are illegal (rents from the extractive sector that would otherwise be used for national development), and (3) the capital is used for personal/group interests other than investment for citizens.

In addition, being the most populous country in the Organization for Petroleum Exporting Countries (OPEC), as of 2019, Nigeria had a GDP per capita of 2284, with major sources of income being the Natural resources (OPEC: Nigeria, 2019). While Nigeria relies mainly on the extractive sector as the biggest source of unearned income. There are facts about capital flight as a barrier to economic development, and the main challenges in the fight against illicit financial flows.

III. Uncoordinated and Ineffective Anti-Corruption Measures

Various Nigerian regimes have not taken concrete steps to undertake strict and effective anticorruption measures with sanctions. Ayodeji (2017) points out that successive governments in Nigeria failed to operationalize coordinated anti-corruption measures due to a range of factors, including the absence of civil

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society engagement, lack of political commitment, interference of the judiciary branch, and many acts that undermined the mandate of public oversight offices as well as the legislature by ruling elites. This is particularly one of the main reasons why there is capital flight in Nigeria. Anti-corruption institutions are not well-equipped with rules and operating environment to serve as watchdogs to anti-corruption, which is the main form of illicit financial outflow in Nigeria. In addition, anti-corruption commissions and the rest of government branches are not connected in terms of information sharing, monitoring, and reporting of anti-corruption incidents whether it is associated with earned income or unearned income from the extractive sector. Therefore, illicit financial flows remain active in many sources and forms without sound anticorruption agents.

With the availability of anti-corruption institutions, corruption has become pervasive in the government sphere despite Obasanjo's rule in Nigeria. Many anti-corruption laws were passed, and anti-corruption commissions were established. As argued by Coker, Ugwu, and Adams (2012), big contract awards have been given to high-profile politicians, and public offices serve as a playground for corrupt activities despite the presence of these anti-corruption measures. This is also true when politicians and business elites agree to bend appropriate procurement processes and tender processes over personal interests due to weak anti-corruption measures, which later lead to money laundering. In addition, there are also some cases reported by the international media where Nigerian politicians and foreign business interest groups fell into the corruption trap, including Shell's support for corruption activities in 2004; the Federal Inland Revenue Services' (FIRS) fraud on tax revenue and bribery acts of three former Nigerian cabinet ministers with France's electric SAGEM S.A; and many other corruption incidents (ibid). Hence, capital flight is active behind bureaucratic institutions, which also eventually opened new doors for other ways of corrupting public money for the interest of a few political elites that have held political positions in Nigeria.

IV. Poorly Governed Extractive Agencies

Even though illicit financial flows result from ineffective and uncoordinated anti-corruption agencies, poorly governed transparency institutions for the extractive industries also contribute to factors that delay efforts to combat capital flight in Nigeria. As Billon (2011) argues, the absence of well-governed extractive institutions is the main source of illicit financial flows from many resource-rich developing countries, including Nigeria, resulting in poor transparency capacity. This particularly targets the role of the Nigeria chapter of the Extractive Industries Transparency Initiative (EITI), known as the Nigeria Extractive Industries Transparency Initiative (NEITI), which fails to provide information and reports on how revenues from extractives are collected and spent to the wider public audience, whether these are civil society organizations, non-state actors, independent think tanks, and other independent channels. It also undermines its capacity to uncover the cases associated with illicit financial flows from the extractive sector. Hence, the failure of effective extractive governing institutions prevents anti-corruption agencies from holding rent-seeking bureaucrats accountable and increases the chances of illicit financial flow.

Furthermore, resource-rich countries do not execute efforts aimed at promoting transparency and adopting a legal framework sanctioning political elites associated with illicit financial flows. In addition, Lemaître (2019) emphasizes the effectiveness of transparency agencies and states the importance of battling opacity to ensure institutions mandated to improve transparency under the overall management of extractive industries and track how widespread rules are enforced to prevent capital flight. In contrast, Schlenther (2016) believes that a lack of expertise in extractives results in developing countries falling into an illicit financial flow trap. There is no doubt that bending rules and spotting loopholes in anti-corruption and anti-money laundering sanctions, as well as weak governance in Nigeria's extractive industries, open up new doors for ruling elites to practice the act. Therefore, gaps in the setup of extractive industries to strengthen transparency channels into a wider array of citizens and the absence of rules and regulations in the extractive sector are sources of challenges to stop the spread of illicit financial flows in Nigeria.

V. Absence of Political Will

Political commitment to fight illicit financial flows is another factor that remains a huge burden in addressing the harmful consequences of capital flight in Nigeria. Georges (2015) argues that politicians from resource-rich countries in the developed world have their roots in extending the status quo, strengthening patronage, and maintaining financial and political incentives in continuing their status quo, which compromise efforts to tackle illicit financial flows. In this regard, Nigeria fails to adopt measures preventing political elites from holding themselves accountable for the anti-capital flight, which was new to President Obasanjo, who paid more financial incentives to return to the country's presidency for the third time. In contrast, however, Janský (2015) argues that it is not necessarily essential to deal with the consequences of illicit financial flows through policy or legal measures but rather to focus more on the sources of capital flight and why policy elites are tied to them. Therefore, the absence of

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political commitment and the desire to target politicians with vested interests to exercise capital flight in Nigeria will not accelerate the rate of illicit financial flows.

VI. Conclusion

In conclusion, the capital flight from Nigeria results in huge financial and investment losses, which hinder efforts to limit elicit financial flows, particularly revenues generated by the extractive industries. Three main challenges that are barriers to the fight against illicit financial flows in Nigeria have been broadly analyzed Despite the government's ability to curb capital flight from the country, unsuccessful anticorruption measures are providing opportunities to corrupt political elites to illegally grasp money and transfer it to a foreign destination by crossing an international border. Faulty extractive governance agencies in terms of improving transparency and citizen engagement are added weaknesses. Finally, the absence of political commitment facilitated many corrupt politicians in Nigeria to increase their willingness to accept illegal money is also common.

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Preferred Author Guidelines

We accept the manuscript submissions in any standard (generic) format.

We typeset manuscripts using advanced typesetting tools like Adobe In Design, CorelDraw, TeXnicCenter, and TeXStudio. We usually recommend authors submit their research using any standard format they are comfortable with, and let Global Journals do the rest.

Alternatively, you can download our basic template from https://globaljournals.org/Template.zip

Authors should submit their complete paper/article, including text illustrations, graphics, conclusions, artwork, and tables. Authors who are not able to submit manuscript using the form above can email the manuscript department at submit@globaljournals.org or get in touch with chiefeditor@globaljournals.org if they wish to send the abstract before submission.

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3. Ensure corresponding author's email address and postal address are accurate and reachable.
4. Manuscript to be submitted must include keywords, an abstract, a paper title, co-author(s') names and details (email address, name, phone number, and institution), figures and illustrations in vector format including appropriate captions, tables, including titles and footnotes, a conclusion, results, acknowledgments and references.
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2. Drafting the paper and revising it critically regarding important academic content.
3. Final approval of the version of the paper to be published.

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Unless specified in the notification, the Editorial Board's decision on publication of the paper is final and cannot be appealed before making the major change in the manuscript.

Acknowledgments

Contributors to the research other than authors credited should be mentioned in Acknowledgments. The source of funding for the research can be included. Suppliers of resources may be mentioned along with their addresses.

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Authors can submit papers and articles in an acceptable file format: MS Word (doc, docx), LaTeX (.tex, .zip or .rar including all of your files), Adobe PDF (.pdf), rich text format (.rtf), simple text document (.txt), Open Document Text (.odt), and Apple Pages (.pages). Our professional layout editors will format the entire paper according to our official guidelines. This is one of the highlights of publishing with Global Journals—authors should not be concerned about the formatting of their paper. Global Journals accepts articles and manuscripts in every major language, be it Spanish, Chinese, Japanese, Portuguese, Russian, French, German, Dutch, Italian, Greek, or any other national language, but the title, subtitle, and abstract should be in English. This will facilitate indexing and the pre-peer review process.

The following is the official style and template developed for publication of a research paper. Authors are not required to follow this style during the submission of the paper. It is just for reference purposes.

Manuscript Style Instruction (Optional)

- Microsoft Word Document Setting Instructions.
- Font type of all text should be Swis721 Lt BT.
- Page size: 8.27" x 11'", left margin: 0.65, right margin: 0.65, bottom margin: 0.75.
- Paper title should be in one column of font size 24.
- 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.

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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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- 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.

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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.

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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.

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- Do not discuss or infer your outcome, report surrounding information, or try to explain anything.
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- Do not present similar data more than once.
- A manuscript should complement any figures or tables, not duplicate information.
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Approach:

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

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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.

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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.

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- 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:

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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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