Conference Scientific Committee

Professor Nazif M. SHAHRANI
Indiana University, USA

Professor Ryoko Wada
Keiai University, JAPAN

Professor Lenoid G. MLNYK
Sumy State University, UKRAINE

Professor Ibrahim BAKIRTAŞ
Aksaray University, TURKEY

Professor Xianchu Zhang
The University of Hong Kong, CHINA

Professor Teresa CZERWIŃSKA
University of Warsaw, POLAND

Assist. Professor Luisa BOSETTI
University of BRES CIA, ITALY

Assoc. Professor Maria STANIMIROVA
University of Economics Varna, BULGARIA
Assoc. Professor Zoryana CHERNENKO
The National University of Kyiv-Mohyla Academy, UKRAINE

Assoc. Professor Adela COMAN
The University of Bucharest, ROMANIA

Assoc. Professor M. Veysel KAYA
Kirikkale University, TURKEY

Assoc. Professor Monica MEIRELESS
University of Lisbon, PORTUGAL

Dr. Patrycja CHODNICKA-JAWORSKA
University of Warsaw, POLAND

Dr. Danijel MLINARIC
University of Zagreb, CROATIA

Dr. Veronika SOLILOVA
Mendelu University in Brno, CZECHIA

Senior Researcher Hasse EKSTEDT
University of Gothenburg, SWEDEN
Referee Board

Professor Adnan AKIN
Kirikkale University, Turkey

Assoc. Professor Olteanu COSMIN
The University of Bucharest, ROMANIA

Assist. Professor Kemal CEBECI
Marmara University, TURKEY

Dr. Piotr JAWORSKI
University of Warsaw, POLAND

Dr. Tomislav HERCEK
University of Zagreb, CROATIA

Dr. Farzaneh Soleimani ZOGHI
SRH Hochschule Berlin, GERMANY

Dr. Konrad GUNESCH
The American University in Emirates, UAE

Dr. Patrycja CHODNICKA-JAWORSKA
University of Warsaw, POLAND
## CONTENTS

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Impact of Control Mechanism on Sales Performance Employing Mediating Role of Knowledge Transfer</td>
<td>1</td>
</tr>
<tr>
<td>Niloufar Khayam Nekouei, Behrouz Ghazi Esfahani</td>
<td></td>
</tr>
<tr>
<td>Social Activity in Conditions of Cohabitation in Polish Municipalities</td>
<td>13</td>
</tr>
<tr>
<td>Monika Sidor, Katarzyna Kuć-Czajkowska, Justyna Wasil</td>
<td></td>
</tr>
<tr>
<td>Predictors of Depression Among Caregivers of Frail Older-Adults in a Faith-Based Community</td>
<td>15</td>
</tr>
<tr>
<td>Tova Band-Winterstein, Offer E. Edelstein, Yaacov G. Bachner</td>
<td></td>
</tr>
<tr>
<td>The Drivers for Innovation Implementation in the Israeli Healthcare System</td>
<td>17</td>
</tr>
<tr>
<td>Vasylyna Leshchenko, Eleonora Shkolnik</td>
<td></td>
</tr>
<tr>
<td>Facilitating the Interaction of the Medical Community with Partners in Business &amp; Economics, Social Sciences, Anthropology &amp; Humanities through Global Health Case Reports</td>
<td>19</td>
</tr>
<tr>
<td>Nathan T. Douthit, Seema Biswas</td>
<td></td>
</tr>
<tr>
<td>A Geo-Economic Approach to Brain Drain in Morocco</td>
<td>31</td>
</tr>
<tr>
<td>Abdelhamid Nechad, Tarik Kasbaoui, Mohammed Rhalma</td>
<td></td>
</tr>
<tr>
<td>Income Distribution in Turkey during the Global Recession</td>
<td>51</td>
</tr>
<tr>
<td>Ensar Yilmaz, Hasan Karaduman, Umit Bozoklu</td>
<td></td>
</tr>
<tr>
<td>Creating Value for the Customer and Evaluating the Created Value: A Process Proposal</td>
<td>53</td>
</tr>
<tr>
<td>Lilian Aparecida Pasquini Miguel, Reynaldo Cavalheiro Marcondes, Adilson Caldeira</td>
<td></td>
</tr>
<tr>
<td>Changing City-Space Meaning and Human</td>
<td>77</td>
</tr>
<tr>
<td>Gulsum Karacetin Sarikaya, Zehra Sevim</td>
<td></td>
</tr>
<tr>
<td>The Impact of Smart Specialization Strategy on the Romanian Research and Development Sector</td>
<td>79</td>
</tr>
<tr>
<td>Cezar-Petre Simion</td>
<td></td>
</tr>
<tr>
<td>The Relationship between Poverty and Growth: The Case of Turkey</td>
<td>89</td>
</tr>
<tr>
<td>M. Veysel Kaya, Ibrahim Aytken</td>
<td></td>
</tr>
<tr>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>The Organization Functions in Knowledge Based Entities</td>
<td>91</td>
</tr>
<tr>
<td>Ciprian Nicolescu</td>
<td></td>
</tr>
<tr>
<td>Corporate Governance in China between Socialism and Market Disciplines</td>
<td>105</td>
</tr>
<tr>
<td>Xianchu Zhang</td>
<td></td>
</tr>
<tr>
<td>Investigation of Workaholism in Accounting Professional Members in Terms of Various Variables</td>
<td>107</td>
</tr>
<tr>
<td>Imdat Dogan, Esra Ulukok, Mahmut Saylikay, Adnan Akin</td>
<td></td>
</tr>
<tr>
<td>Majid Abbasi</td>
<td></td>
</tr>
<tr>
<td>The Relations between Migration and Trade: A Comparative Analysis on Turkey and Selected Countries</td>
<td>123</td>
</tr>
<tr>
<td>Deniz Ozyakiszir</td>
<td></td>
</tr>
<tr>
<td>The City of the Future. The Challenge of the ECHORD++ Project</td>
<td>125</td>
</tr>
<tr>
<td>Antoni Grau, Yolanda Bolea, Alberto Sanfeliu, Ana Puig-Pey</td>
<td></td>
</tr>
<tr>
<td>White Collar Crimes and Violent Crimes</td>
<td>147</td>
</tr>
<tr>
<td>Akalya Nathan</td>
<td></td>
</tr>
<tr>
<td>The Economical Effects of Public Investments on TRA2 Region in Turkey</td>
<td>171</td>
</tr>
<tr>
<td>Adnan Akin, Imdat Dogan, H. Bayram Isik, Esra Gorgulu</td>
<td></td>
</tr>
<tr>
<td>The Fourth Industrial Revolution and Turkey: A Study in the Framework of the National Innovation System</td>
<td>173</td>
</tr>
<tr>
<td>Onur Bilgin, H. Bayram Isik</td>
<td></td>
</tr>
<tr>
<td>Turkey and Uzbekistan: An Analysis of Relations in the post-Karimov Era</td>
<td>175</td>
</tr>
<tr>
<td>Mehmet Dikkaya, Murat Gul</td>
<td></td>
</tr>
<tr>
<td>A Glimpse of Indian Judiciary: Traditional and Modern Approach</td>
<td>177</td>
</tr>
<tr>
<td>Tulishree Pradhan</td>
<td></td>
</tr>
</tbody>
</table>
The Impact of Control Mechanism on Sales Performance Employing Mediating Role of Knowledge Transfer

(Case Study: Hamkaran System Company, Iran)

Niloufar Khayam Nekouei
Master student, Business Management, Islamic Azad University, Mobarakeh branch, Esfahan, Iran
Mandy.crasiva2611@yahoo.com

Behrouz Ghazi Esfahani
Master student, marketing management, eastern Mediterranean university, Famagusta, Cyprus
behrouzghazi@yahoo.com

Abstract

Knowledge management is a strong tool which helps organizations to improve their performance; however, it demands constant support and attention. Employing this tool can facilitate organizations to boost their performance in order to achieve more financial factors, beneficiaries, growth and innovation while improving local process for product manufacturing or services. The objective of this research has been investigation of the impacts of control mechanism over sales performance taking into account the moderating role of knowledge transfer in Hamkaran System Company in Isfahan and Tehran provinces. The method utilized in this research is traversal and statistical research society comprised of 96 members of sales staff from Hamkaran System Company that owing to limitation of the statistical society, the whole statistical society has been taken into consideration. Out of those, only 87 questionnaires were returned, and rate of return was achieved to be 91%. The validity of the questionnaires was justified by the experts in the field, and so did reliability by Cronbach Alpha to be equivalent of 81%. The findings reveal that all hypotheses of this research have been approved.

Keywords: Self Control, Professional Control, Knowledge Sharing, Sales Performance
1. Introduction

Trade and entrepreneurship have received special attention in the third millennium. As competition becomes more intense among business corporations every day, most businessmen and majority of jobs and activities rely on information since less time is available for gaining experience and pertinent knowledge. Therefore, in such circumstances, organizations indirectly compete against one another based on their knowledge acquisition and management. Products and services of organization are becoming more and more complicated which demand the share of knowledge to be increased in rendering services and products offered by them. In such circumstances, having a well-structured knowledge management (KM) can further improve performance of organizations at the cutting-edge in competition. The researchers firmly believe that KM can enhance the organizational performance while enabling the organizational for more intelligent performance (3). The issues currently facing managers are knowledge sharing in organizations and creation of self-control as well as its professional control for increasing the sales functions. Nonetheless, in most of researches, knowledge management is referred as a lever for a better trade which is considered as a distinguishing factor for companies tending to perform well at a cutting-edge in competition.

2. Research Background

2.1. Theoretical fundamental of terminology:

Self-control: The self control can be considered as inside control which based on it, the assigned task may be implemented and unlawful and disorder in behaviors may be abandoned without having external supervision or control once a task is assigned to someone irrespective of external control utilize his/her effort to do the assigned tasks without becoming vulnerable to negligence and poor performance as the one benefits from self control.

Flaherty and Papas (2015) carried out a research on control mechanism pertinent to idea transfer and performance in sales organizations based on theory of company knowledge owing to distinction between the impact of individual and group in relation to knowledge transfer from sales staff to sales manager. They also considered the mediating role of output and process control among various groups and individuals related to knowledge transfer. The performed research revealed that the level of individual or group has different impact on knowledge transfer; and these impacts were equalized once sales staff to share their ideas
with the sales manager. This trend was assessed more efficiently by the sales manager. It was also found that exchanging ideas at the group level resulted in higher improvement and performance among the sales unit.

Pearson (2014) performed a research on multinational entrepreneurship companies related to the operational effect of side integrated mechanism structure and control mechanism on knowledge transfer. His research proved that permanent controller teams have negative impact on efficiency and knowledge transfer whereas conversely temporary teams possess higher impact on efficiency and knowledge transfer. His hypothesis was tested on 74 companies. Lastly, the results revealed that operational structure, temporary controls and socializing of subsidiary companies play more influential role in overseas knowledge transfer.

Mahmood Zadeh and Sedaghat (2014) did a research on correlation of knowledge management and control in Hotel Industry; their finding revealed that the highest level of correlation exists among knowledge management, staff performance, knowledge employment and organizational control. Furthermore, knowledge management variable had direct and meaningful effect on outcome of customers and staff as well as on outcome from society and primary control outcome. They also concluded that variables of knowledge generation, storing, sharing and its utilization have direct and meaningful impact on organizational performance and control.

3. Research hypotheses

As the objective of this research is to examine the impact of control mechanism on sales performance, the mediating role of knowledge transfer sales employees of Hamkaran System Company in Isfahan and Tehran provinces were taken into consideration. Therefore, the following hypotheses can be stated for the purpose of achieving the goal of research:

\( H_1 \): Self control of sales force has meaningful impact on knowledge sharing.

\( H_2 \): Professional control of sales force has meaningful impact on knowledge sharing.

\( H_3 \): Knowledge sharing has meaningful impact on sales performance.

\( H_4 \): Control based on efficiency has mediating role between professional control and knowledge sharing.
Hs. control based on efficiency has mediating role towards self control and knowledge sharing.

4. Methodology

Since this research is after knowledge sharing, control, and its successful factors through the facts and stated views given by statistical society, the utilized method is surveying descriptive and from its nature, it is correlated.

4.1. Tools and method of information gathering

Gathering information in this research can be classified into two levels of librarial and site methods. In this research for writing the theoretical fundamental and literature and background of research, the librarial method such as books, articles and research related to knowledge management, control about the performance of organization as well as data bases have been utilized. In practical stage of research, the questionnaires were used for accessing information given through the respondent which is the same site method of collecting information. The measurements of variables are defined based on the Lecrat spectrum.

4.2. Validity and Reliability of Research

To determine the validity of questionnaire’s face validity and content validity were utilized. The content validity usually examines the forming elements of the utilized measuring tools. Based on this, the questionnaire is initially prepared, and subsequently its validity is checked by supervising professor and some other experts. Cronbach Alpha index has been calculated using SPSS software, and Cronbach Alpha index was found to be 0.81.

4.3. The applied statistical methods and data analysis

To compare the collected data through questionnaires, statistical methods employed in descriptive statistics such as frequency distribution, percentage, mean and standard deviation are used. The aim of this analysis is assessment of sex spectrum, education, age, experience and population recognition of the samples under investigation somehow that in descriptive view, a complete view of assess can be achieved. In conceptual statistics, SPSS software is used to test statistical hypotheses, and the main research model is achieved through Smart PLS. Also, the Kolmogorov Smirnov test was employed to check variable
distribution normality, variance analysis to check meaningful difference in variables and hierarchal regression to check the impact of balancing.

4.4. Statistical society

In this research, the statistical society is limited and it includes employees of Hamkaran System Company in Isfahan and Tehran who are 96 people. This statistic report has been supplied to the researchers the unit of training and human resource management of Hamkaran System Company.

4.5. Method of sampling and capacity of sample

As the number of statistical society was limited, there was no need for sampling since the capacity of society is equal to the number of samples. Therefore, the volume of society and sample is equal to all the sales employees who are 96 people and among them with 87 returns the rate of return was achieved 91%.

5. Analysis of Data

A. coefficient of path

By using the result of internal research model performed by Smart PLS software, it is possible to examine the hypotheses of the research.

5.1. The survey of research hypotheses

The first hypothesis of research is:

The self-control method has meaningful impact on knowledge sharing

The result of structural function shows that the path meaningful coefficient (Z) among self – controlling variable and knowledge sharing is over 1/96 denoting that the meaningful impact of self – controlling over knowledge sharing is at 95% certainly level which verifies this hypothesis. Also, as regards the value of standardized coefficient, it can be said that this variable has been able to state 68% of relevant variable change.
The second hypothesis of the research is:  

The professional control of sales force has meaningful impact on knowledge sharing.

The result of structural function shows that path meaningful coefficient (Z) is over 1/96 between professional control and knowledge sharing which denotes the meaningful impact of professional control over knowledge sharing at 95% certainty level which approves this hypothesis. Also, reference to the standardize coefficient, it can be said that this variable has been able to state 25% of related variable changes.

The third hypothesis of the research is:  

Knowledge sharing has meaningful impact on sales performance.

The result of structural function shows that the path meaningful coefficient (Z) is higher than 19/6 between knowledge sharing variable and sales performance denoting the meaningful impact of knowledge sharing over sales performance is at 95% certainty level which justifies the approval of this hypothesis. Furthermore, by taking into account the standardized value of coefficient, it can be said that this variable has been able to justify 0.78 of the variable related changes.

The fourth hypothesis of the research is:  

control based on efficiency has mediating role between professional control and knowledge sharing.

Hierarchical Regression shows that 30% of variation in sales performance has mediating control impact on efficiency. In other words, the variable control based on efficiency expresses its mediating role which forms 30% of sales performance which justices the hypothesis. Likewise, if self control and knowledge sharing grow among the company staff, the control based on efficiency will subsequently increase.

The fifth hypothesis of the research is:  

control based on efficiency has mediating role towards self control and knowledge sharing.

Hierarchical Regression illustrates that 35% of variation in knowledge sharing occurs as the result of mediating control based on efficiency. In other words, the
control based on efficiency stated earlier in above regression denotes its mediating role which forms 35% of variation forms knowledge sharing justifying the hypothesis. Nonetheless, if professional control and knowledge sharing grows, the control based on efficiency will also increase.

6. Discussion and Results

The objectives of organizations are to improve their performance in order to reach to self sustain level, grow and iron out social needs. On the other hand, culture can have serious impact on the performance of organizations which in turn indebted to satisfaction and loyalty of customers. The advantage of competition does not belong to organization having the most capita, instead, to those who utilize their knowledge in the best way. Using knowledge can fill out the gap between knowledge and its applications. This in turn will create a learning feedback loop by applying it. When appropriate utilization of knowledge is a burden, the organization is likely to face difficulty in competition. When creativity and innovation are considered advantageous in competition, the organization should struggle to find the appropriate form of knowledge. Utilization of knowledge means to make knowledge more active and pertinent in a way to create required value. On the other hand, one of the management tools which should be widely utilized to form and affect the salesmen is sales control system.

The outcome of this research revealed that there is a meaningful and mediating role among knowledge transfer and control mechanism over the efficiency. Also, among various control system such as feedback control, self control, professional control, there are meaningful and direct correlation among feedback control, professional control, knowledge sharing and performance.

Future Research and Recommendation

Encouraging employees in the organization to use self control can result in considerable independence for them to become entrepreneurs being able to design and implement self guidance. On the other hand, utilizing knowledge sharing in decision making, more flexibility, greater profit, lower work load, new job opportunities, lower expenditure, more market share and self controlling of employees shall boost the sense of job responsibilities which will gradually led to self control of employees.

It is recommended to managers of organizations to show their obligation and financial support through implementation of knowledge sharing, influencing the
rate of employee performance for assessment, motivation, rewarding, encouragement and punishment, bookkeeping of knowledge assessment at the end of fiscal year, and other guidance compatible with their situations and conditions. The professional control is considered to be key factor for success in knowledge sharing. Should professional control be taught to employees; it will result in prosperity and advancement of organizational employees. This can result in removal of official controls so that employee can achieve their objectives better.

Through the implementation of this research new points were found. Concurrently with the progress of this research, more ambiguities were created which owing to existing limitations, future research will be necessary. Therefore, for those who intend to perform future research in this field, the following subjects are recommended:

1. It is suggested to scrutinize the mechanism of control over knowledge in order to increase efficiency of human resources.

2. It is recommended to perform this research with other statistical societies such as governmental and non-governmental organizations and compare the final result.

3. Change in statistical methods and tests for examining the results can possibly bring better results.

4. In order to avoid limitations in definite analysis, it is highly recommended to prolong the research and perform experimental tests.

5. It is suggested to examine motivations of knowledge sharing pertinent to sales supervisors (such as leadership style) while imposing control on employees.
References


Dargi P,(2011), Sales Management and Face-to-Face Sales with Consideration of Iranian Market, 3rd Edition, Iran Educational & Industrial Research Organization of Iran,258.


Safar Zadeh H.& et al,(2012), A Survey on the Impact of Knowledge Management on Organizational Performance and Innovation, Case Study: Educational & Treatment Center of N. Fars, Seasonal Health Emergence, (Yazd Health Dept.) 1:76-86.


Mahmood Zadeh M & et al. (2014), Knowledge Management & Control in Hotel Management, Alameh Tabatabaei Dijital Library, 247.


Harrison,E.Franl.(1991), ” Strategic Control at ceo Level long range planning ” Journal of Marketing.24: 78-87.


Social Activity in Conditions of Cohabitation in Polish Municipalities

Monika Sidor  
*Ph.D. UMCS, Poland*

Katarzyna Kuć-Czajkowska  
*Ph.D. UMCS, Poland*

Justyna Wasil  
*Ph.D. UMCS, Poland*

Abstract

The cohabitation at local level in Poland is co-governance by the authorities: executive and legislative – supervisory ones coming from different political and ideological camps, when the mayor is elected by local residents this does not mean he enjoys the support of the absolute majority in the council or he represents the opposite political camp than representatives of the municipality council. Cohabitation can be either peaceful or conflicting. There are then questions about what is the activity of the inhabitants in such situations. In case of conflict between the authorities - the inhabitants show more activity, e.g. they initiate a referendum? The aim of this article will be the answering of this question.

Another important aspect is the fact that there is a practice in municipalities especially the municipal council sessions are recorded and made available, e.g. on YouTube. Are there any differences in the provision of information to residents based on this type of cohabitation? In a situation of acute conflict, councilors and the mayor want to show their positions or rather hide it? And finally, is the purpose of recording a session to inform the people or show the political struggle? The authors will show these different dependencies. The short conclusion is that the conflicting cohabitation influences the behaviors of both sides, but it does not increase the activity of inhabitants.

In addition, it is interesting to see whether residents are interested in the affairs of the municipality and when they are the most active. In response to this and other questions, the article will be based on nationwide research conducted by the authors throughout Poland. The research is both quantitative and qualitative. It consists of 1737 questionnaires and 74 in-depth interviews that have been analyzed for this paper.

**Key words:** Cohabition, Social Activity, Municipality
Predictors of Depression Among Caregivers of Frail Older-Adults in a Faith-Based Community

Tova Band-Winterstein  
University of Haifa, Department of Gerontology, Israel  
Offer E. Edelstein  
Ben-Gurion University of the Negev, The Spitzer Department of Social Work, Israel  
Yaacov G. Bachner  
Ben-Gurion University of the Negev, Faculty of Health Sciences, Department of Public Health, Israel

Abstract
Depression is the most frequent negative health outcome among informal caregivers. The aims of the current study were (i) to assess the level of depression, (ii) to explore associations between care recipients' characteristics, caregivers' characteristics, situational factors and depression among Ultra-Orthodox Jewish (UOJ) caregivers. A total of 112 (44 men and 68 women) UOJ primary caregivers of frail older-adults were interviewed face-to-face in their homes, using valid and reliable measures. Participants reported a notable depressive symptomatology. Three variables emerged as significant predictors of caregiver depression: higher external control (chance), being a spouse, and lower levels of social support. External locus of control, being a spouse, and social support are highly important factors for explaining depression among UOJ caregivers. Resources should be allocated to target spousal caregivers with lower levels of social support and a greater sense of external locus of control in order to alleviate their depressive symptomatology.

Key words: Minorities, Ultra-Orthodox Jews, Depression, Caregiving, Older Adults
The Drivers for Innovation Implementation in the Israeli Healthcare System

Dr. Vasylyna Leshchenko  
Post-Doctoral Researcher, Ariel University  
Dr. Eleonora Shkolnik  
Assistant Professor, Ariel University

Abstract

Provide the overview of Israeli healthcare system (HC) and innovation ecosystem; define the factors that foster the innovation; examine the process of the innovation adoption in HC, detect its “weak spots” and develop the recommendations for its effective implementation.

How do Israeli healthcare executives understand the concept “Innovation in Healthcare”? How to identify the unmet medical needs? What are the innovative ways to meet those needs? What kind of resources is used in order to meet those needs?

The research design is based on the qualitative methodology and the case-study method. After identifying the research questions, we’ve built the interviews design and the on-line questionnaire together with the establishment of the research collaborations.

Our research suggested a series of semi-structured in-depth interviews with the Israeli healthcare executives (58 interviews in 18 leading Israeli hospitals from the different districts). The research data is the subject for the direct evaluation of the innovation processes in the Israeli HC.

The importance of the concept “Innovation in Healthcare” is well discussed in the literature, but it is still important to clarify the question of how the HC executives understand it. The summarized definition of the concept is as follows: “… a complex of internal and external factors that influence the implementation of new medical devices and technologies, drugs, methods of treatment and IT into local and global HC systems. Innovation in healthcare aims in finding solutions for unmet medical needs, creating value and new intellectual property. The interviews show that the current system of the unmet medical needs data collection exists in less than a half of Israeli medical entities. The respondents underline that such a system helps in “delivering good professional treatment
and helps the hospitals to gain higher reputation in providing state-of-the-art innovative services”.

Innovations are initiated both in the hospitals and the industry. It is common in Israel that the innovative ideas come from physicians, especially the heads of departments. Nevertheless, there are excellent ideas that come from engineers and entrepreneurs. In most cases, doctors and engineers are working together. The most abundant source of the innovations financing is the private sector. Angel investors, venture funds and pharma companies help in raising funds. Government support is another important source. The seed money from the Israeli Innovation Authority, incubators and other governmental programs support the rapid innovative entrepreneurship development. Israel is also competing for the international grants. All the above factors along with the high entrepreneurial culture promote the implementation of the innovations in Israeli HC.

**Keywords:** Healthcare system in Israel, Innovative entrepreneurship in healthcare, Healthcare executives, Financing of innovation.
Facilitating the Interaction of the Medical Community with Partners in Business & Economics, Social Sciences, Anthropology & Humanities through Global Health Case Reports

Nathan T. Douthit  
Graduate Medical Education, Global Health Associate Editor, BMJ Case Reports, UK

Seema Biswas  
Editor-in-Chief, BMJ Case Reports, BMA House, UK

Abstract

Global Health is a field that is global in scope—across national borders, global in focus—addressing the entire physical, mental, social and environmental well-being of the patient, and global in approach—requiring multidisciplinary input from several different fields of expertise. Health professionals need partners in education, business, economics, anthropology, and the social sciences and humanities in order to be effective practitioners and meet the needs of their patients. This multidisciplinary focus is increasingly called for in both university and community health care settings. Case reports provide a unique opportunity for students to understand how these and other fields intersect with healthcare. This paper explores how Global Health Case Reports can provide examples of multidisciplinary solutions to complex problems that determine health outcomes in communities across the world. It also illustrates how case reports can be used to educate students and professionals in the social determinants of health - the true causes of illness. During their study, students and professionals become familiar with global health literature from diverse fields of expertise and disciplines, and interact with partners across multiple specialties (legal, social, political, and financial at community, national and international levels) to help them access quality health care and improve their living and working conditions.

BMJ Case Reports provides Global Health education resources and publishes Global Health Case Reports towards education and improvement in health care. The Global Health resource at BMJ Case Reports is a growing evidence base to advocate, across disciplines, for better health care for some of the world’s most vulnerable communities.

Keywords: Global Health, Case Reports, Education
1. Introduction

In rising to meet the challenge of health disparities across the world, there is a need for the academic and scientific world of medicine and sociology to work with partners in the community and civil society, bringing together law makers, financial stakeholders and policy makers. “Recognizing how health systems function internally, as well as how they should interconnect with…education, transportation, and agriculture…[is] vital to the development of effective health programs and interventions.” (Pfeiffer and Others, 2013, p.134) Doctors have long supported social welfare and reform to reduce the incidence of disease and address the true causes of disease – the social determinants of health. The renowned pathologist, Rudolf Virchow, championed the role of the physician in advocacy to local and national government for better living and working conditions for patients. He also advocated for democracy, agricultural and religious reform. (Brown and Fee, 2006) His “Report on the Typhus Epidemic in Upper Silesia,” prescribes “Full and unlimited democracy” as treatment for the outbreak. He goes on to use the report as an opportunity to campaign for agricultural reform, labor rights and the separation of church and state. (Virchow, 2006) In the words of Paul Farmer, another renowned global health physician, anthropologist and activist, “a strategy that focuses only on public health and medicine and neglects agriculture, clean water, and primary education doesn’t get the job done.” (Mullan, 2007) Michael Marmot, an epidemiologist who has studied extensively health disparities and inequalities in access to healthcare, began chairing the WHO Commission on Social Determinants of Health in 2005, he published ‘Closing the Gap in a Generation’ in 2008. (Marmot, 2008) He went on to chair an independent strategic review in England, publishing ‘Fair Society, Healthy Lives’ in 2010 (Marmot and Bell, 2012). Marmot and the institute of health equity continue to publish evidence and advocate for decreasing health disparities with “policy makers, politicians, voluntary sector workers, health practitioners and other influencers.” (Institute of Health Equity, 2017)

2. Educating health professionals

The 2010 Lancet Commission on the education of health professionals outlines the education necessary to produce “health professionals ready for the new century” with the knowledge, skills and attitudes required to “strengthen health systems in an interdependent world”. “All professionals in all countries should be educated to mobilise knowledge and to engage in critical reasoning and
ethical conduct so that they are competent to participate in patient and population-centred health systems as members of locally and globally connected teams”. The commission calls for “transformative learning and interdependence in education” in order to produce competent and effective global health practitioners capable of meeting the needs of individual patients and populations. Humanitarian agencies, similarly, express an “urgent need to expand the humanitarian workforce with competent leaders who have the proper training to provide them with the right tools, knowledge, skills and behaviours” (Evans and Others, 2017).

Calls for community medicine programmes to feature within the curriculum and for universities to engage with the community are growing as the means to study the determinants of health as well as disparities in access to health care in local communities (GCSAMS, 2010). “Medical students also deserve to be instructed not just about legal and ethical doctrine in the doctor-patient relationship, but also of the global role of individual physicians and the medical profession itself in protecting and promoting international human rights, especially the right to health.” (Annas, 2008) To teach students to treat patients and not treat the systems that cause their illnesses is inefficient, futile and ultimately unethical.

3. International definitions of global health

“Global health is concerned with all strategies for health improvement, whether population-wide or individually based health care actions, and across all sectors, not just the health sector” (Beaglehole and Bonita, 2010 p.5143) in order to “achieve health equity for all people worldwide” (Koplan and Others, 2009, p.1995). Global health is global in scope—delivering health across borders—global in focus—addressing the entire physical, mental, social and environmental well-being of the patient—and global in approach—involving a multidisciplinary team with members from medical, financial, environmental, political and other disciplines.

4. Global Health at BMJ Case Reports

Over the last four years the global health case report has evolved into a useful tool for assessment. BMJ Global Health Case Reports been used by clinicians and students around the world as a means to highlight and analyse global health problems. (Johns Hopkins 2017, Harvard University 2017, Emory University 2017) The advantage of the global health case report is that, as in all case reports, the patient is central in the study and discussion of global health
problems. Abstract theories become real plans and practical steps as they are implemented in the lives of individuals, families, communities and societies. In “Lifestyle changes of a family caring for a 25-year-old quadriplegic man after delayed spinal cord infarction,” the extensive effects of chronic disease are explored. These effects impact the patient, his family and community. The authors specifically consider the financial, psychological and emotional burden this places on the patient and his society. (Litwak, Dobie and Safadi, 2015)

5. Learning global health at BMJ Case Reports

5.1 The social determinants of health

As students gain deeper insights into their patients’ lives, and learn more about the patients’ families and communities, they learn how patients are affected by disease and the real causes of disease - the social determinants of health (Marmot and Others, 2012). The social determinants of health are of central importance to the study of global health: they “have a direct impact on health; predict the greatest proportion of health status variance (health inequity); structure health behaviours; and, interact with each other to produce health” (Marmot, 2008 p.15). Students learn the importance in global health education of leaving the classroom to study, first-hand, the effects and interactions of the causes of disease in the community, what makes communities vulnerable, and the fundamental importance of beginning this study at the level of an individual patient.

5.2 Social accountability: medical studies in the community

According to the Global Consensus on Social Accountability for Medical Schools, GCSAMS, strengthening links between medical schools and universities and the local community is fundamental to social accountability and the success of medical education (GCSAMS, 2010). Medical schools have an obligation, described by the World Health Organisation, to “direct education, research and service activities towards addressing the priority health concerns of the community, region or nation that they are mandated to serve”. (Boelen and Heck, 1995 p.3) Boelen, Dharamasi and Gibbs (2012) describe medical schools in terms of their social responsibility (to the welfare of society); social responsiveness (to health priorities in society through education, research and service) and social accountability in collaboration with community organisations and governments to tackle inequalities in health, the determinants of health, and access to health care. Boelen (2017) goes still further, proposing that medical
education be defined as “the science and art of preparing future doctors to function properly in society, which should imply responsibility for influencing the circumstances and conditions under which they will practice”.

The GCSAMS outlines strategies for medical schools to be socially accountable as: the response to the health needs and challenges of societies; reorganisation of education and research accordingly; strengthening partnerships with stakeholders; and, advocacy and health promotion at the level of the individual and the population. Students should be “offered early and longitudinal exposure to community-based learning experiences, both in theory and in practice, to understand and act on health determinants”. BMJ Case Reports has a role to play in medical education. BMJ Case Reports provides a free-to-download six week global health course that helps students learn more about their patients, their families, the community, local health and social services, advocacy to local and national governments and an introduction to medical anthropology and global health issues across the world. The course offers step-by-step guidance on the completion of a global health case report with analysis of important global health problems. The published case report is another tool in the armament to tackle health inequalities and the social determinants of health. To date there are over 70 published BMJ Global Health Case Reports that form a body of evidence for the impact of living and working conditions on health and inequalities in access worldwide to quality health care.

Medical students who represent local communities are more likely to stay and serve those communities as doctors in the future (Drain, 2007). All students in their global health case reports investigate aspects of local and national health care services, medical insurance schemes, and health care coverage. Faculty guiding students research these aspects, too, and further their own global health work in the community. Lunn and Sanchez (2011) explain “as faculty and students become orientated to social mission, the culture of the school is changed, with values, norms, language and practices that create a learning environment that emphasises the community as well as the individual patient. The resulting socially orientated learning environment may help create a new professional who is highly qualified, aware and knowledgeable of the social determinants of health, accepting of their role as health advocate, and helping to reduce the gap between health needs and the care provided”. Medical schools thus become ‘socially responsive’ (Boelen, Daharamasi and Gibbs, 2012) “offering exposure to real-life situations in the field” and “encouraging graduates to settle in underserved areas”.

23
5.3 Medical anthropology

Medical anthropology has a key role to play in the training of global health practitioners. Anthropological concepts help students understand how perceptions of health and well-being are shaped by society, ethnicity, religion and culture, and help students come to terms with their own as well as patients’ perceptions of health, illness, and disability. Students learn frameworks for understanding health behaviours and understand the reasons why patients may perceive healthcare differently. Making sense of their patient encounters is greatly assisted by medical anthropology guidance, and students begin the process of professionalised socialisation as they learn, interact and develop their relationships with patients, and, adjust and adapt (Irby and Hamstra, 2016).

The field journals on the BMJ Case Reports Global Health course guide students in their documentation of insights into how students form bonds with their patients and families, give of their own time to assist them, learn the local language, and go the extra mile to help them now that they know them and are part of the same community. Moreover, the commitment and sincerity evident in the case reports (essentially medical ethnographies) represent an accomplishment of practical learning that would be inconceivable in the classroom.

The bond formed with the patients is evident in the published Global Health Case Reports. In one report by Dunton, Higgins, Amkraut and Abu-Rabia (2016), “Navigating care for Bedouin patients with diabetes,” the authors are students who develop a rapport with the patient and his family. They see firsthand the negative outcomes associated with lack of control over the progression of chronic disease. The students encouraged the patient, a leader in the Bedouin community to assert his status in increasing awareness and decreasing the stigma of diabetes. After the patient’s death, they students were able to discuss the loss with his family and understand their perspective as well.

In “An 11-year-old boy with silico-tuberculosis attributable to secondary exposure to sandstone mining in central India,“ Murlidhar (2015) addresses the unforeseen effects of industry and environment on a child’s illness. The patient is a child, at work in the major industry in his hometown. Through studying the child’s case, the author examines the “deplorable [labor] conditions“ in the industry exacerbated by poverty, undernutrition, environmental silica exposure, a childhood at work rather than in school and the political landscape as each of these impacts the child and his health. The author makes it clear that to truly
address this problem, responsible business practices, environmental protection, political safeguards, and education frameworks are must all be addressed.

Another example may be seen in, “Analysis of psychosocial impact of caretaking on the parents of an infant with severe congenital heart defect.” The students understood the perspective of the parents taking care of a child requiring ongoing medical intervention. The mental, psychological, social, and financial well-being of the child and family is considered, and their perspective provides valuable insight into the flaws of the health and social systems where they live and how this impacts their lives. (Lazar and Hyalrides, 2015)

In, “Social determinants of health: poverty, national infrastructure and investment,” Douthit and Alemu (2016) address how social determinants including education, economics, politics and conflict conspire to make patients more vulnerable to disease. The patient is poor, and her disease prevents her from working, thus losing the key opportunity for economic advancement. Cultural and societal factors have led to her divorce and remarriage twice before she has reached the age of 20 years. Her education and the education of her sister suffers as her illness progresses – further compounding the family’s financial struggle. This patient needs medical treatment, but she and her family also need a mechanism for sustained economic improvement, education, political protection, and the freedom to choose how they will live their lives. This requires multidisciplinary intervention. The authors were close enough to the patient to provide her verbatim perspective. Alemu was also the general practitioner who brought her first round of chemotherapy drugs from the capital city. They continued to advocate for the patient after the report was published and eventually the patient was able to receive financial aid for appropriate treatment in Addis Ababa.

The closeness of students their patients in the community makes these issues impossible to ignore. As Dewachi (2009) writes, students “situate their experiences within their socio-political, economic and historical realities” and become sensitised to the realities of public health and standards of living. The students help deliver healthcare to the patient and their community, ensuring long-term physical, mental and social well-being and the students and clinicians they are working with are moved to interact with partners in business & economics, social sciences, anthropology & humanities.
6. Conclusion

Global health is not only global in scope, but also in study and approach. The practice of global health addresses the physical, mental, social, financial, and environmental well-being of the patient. As such, effective delivery of global health requires multidisciplinary training and multidisciplinary teams. Global health case reports present a unique medium by which students learn how environmental, social and financial factors may interact improve or impede the health of a patient. Students writing these reports are more likely to work with these patients and understand all the determinants of health that affect them. Moreover, they learn early on in their careers that working together in with non-medical partners is the only means by health disparities may be meaningfully addressed. Published Global Health Case Reports are an important evidence base for medical and non-medical advocates of global health in putting together fair and equitable health and social policy and delivering effective health care.
References


A Geo-Economic Approach to Brain Drain in Morocco

Prof. Abdelhamid Nechad
Professor at ESCA Shool of Management (Morocco)

Prof. Tarik Kasbaoui
Professor at FPD, Chouaib Doukkali University (Morroco)

Prof. Mohammed Rhalma
Professor at FSJESAS, Hassan II University (Morroco)

Abstract

The brain drain is but a symptom of a more serious disease that plagues the Moroccan policy of training and scientific research. The "brain drain" phenomenon is not novel and dates back to 1950. At that time, the term meant the massive departures of British scientists and engineers to the United States. Then, it referred to the South-North scientists’ migration and since recently scientists’ emigration from the East. Now this term is used in a broader sense to refer to the flight of human capital (that is to say, highly educated individuals with a university degree or equivalent) from the developing countries to the industrialized countries. Over the past two decades, the magnitude of the brain drain has reached staggering proportions.

It is however clear that the extent of the brain drain has increased dramatically since the seventies. This is due in part to the introduction of selective immigration policies favoring skilled workers in most countries. Yet, the skilled labor migration contributes essentially to the increasing globalization of the economy, a globalization that reinforces the natural tendency of human capital to agglomerate where it is already abundant.

In this article, we aim to explore some positive aspects of the "Brain Drain". In fact, we will show that, in principle, a brain drain gain can at least rhyme with positive feedback for the country of origin. We will show through empirical analysis that the migration of skilled labor from a country can play a potential role in the pace of development of the latter and can be a source of positive externalities, and that through two channels. The first is related to the acquisition of additional skills and the increase in the ex-ante level of education. The second is related to the "brain gain" thanks to a compensation in terms of migrants’ return and the technology transfer that ensues.
This article will aim to answer three major questions:

- What are the determinants of skilled labor departure in Morocco?
- Is there a link between the perspective of emigrating to a more developed country and the accumulation of human capital in Morocco?
- Why these skilled migrants return and what is their role in the development of the country of origin?

This article will present the determinants of departure and causes of return of the skilled migration in Morocco, analyze the issues raised by this migration and define the channels that mitigate its negative impact.

**Key words:** International migrations, Brain drain, Human capital, Development, Brain gain

**Introduction**

The brain drain is a characteristic feature of globalization. It is meant to grow and expand in the future. The phenomenon has been of considerable importance since the end of the last century. The term "brain drain" was popularized in the fifties referring to the migration of senior scientists from countries such as the UK, Canada or the former Soviet Union to the US; this term is now used in a broader sense to refer to the migration of human capital (that is to say, highly educated individuals with a university degree or equivalent) in developing countries to industrialized countries. Over the past two decades, the magnitude of the brain drain has reached staggering proportions. Yet, it is essentially part of the increasing globalization of economy, a globalization which reinforces the natural tendency of human capital to agglomerate where it is already abundant.

Currently, there is an affluence of expressions to describe this form of migration: elitist migration, brain drain, skills drain, knowledge leakage, exodus of intellectuals, reverse transfer of technology ... Although it’s increasingly being thrust into the limelight, the question remains little explored and poorly controlled. The issue is quite complex and multidisciplinary, it challenges the sociologist, the economist, the political scientist, the demographer, the legal expert and other disciplines. Moreover, a quantified assessment of this form of migration is difficult due to the lack of reliable statistics.

Morocco is concerned with the brain drain phenomenon and cannot stop it. Certain skills opt for life abroad, which is the case in most countries of the South now. Morocco, which has ratified most of the international human rights
instruments, cannot undermine this principle by imposing restrictions on its citizens’ right to freedom of movement or by preventing its skilled subjects from leaving the country. Some foreign skills are residing in Morocco. The skilled Moroccan emigrants are primarily members of the Moroccan diaspora. They are foreigners who emigrated for various reasons, mainly to work.

This article aims to answer four key questions: What are the determinants of the skills exodus from Morocco? Are there any effects on Morocco? What are the strategies and policies for the return of the skilled emigrants and what is their role in the development of the country?

This article will present the determinants of departure and causes of return of the skilled migration in Morocco, analyze the issues raised by this migration and define the channels that mitigate its negative repercussions.

1. DETERMINANTS OF THE BRAIN DRAIN

In order to control migration, it is crucial to understand why people are migrating. The brain drain is the product of a combination of several factors. This multitude of causes seems to share a strong propensity to emigrate. The logics that underlie this flow are both endogenous and exogenous (push and pull factors). Although there are a few factors that can be identified in several countries as the forces of "drive" or "attraction" that stimulate migration in most cases, the only way to understand the dynamics involved in the brain drain is the analysis of variables in the context of a specific region or country.

1.1 Endogenous factors

They are of different natures and do not have the same intensity in all countries. These factors are:
• Economic: the existence of an economic divide between the North and the South;
• Political: the lack of democratic mechanisms to ensure the equality of opportunity for all (meritocracy);
• Professional: the inability of the national economy to meet the aspirations of those who have acquired high level qualifications;
• Total or partial unemployment, often attributable to the inadequate implementation of the education, employment and science and technology policies;
• The failure of the entrepreneurial system whose main features are the little importance granted to research and development and the weak mentoring of the Moroccan companies;
• The limited budget allocated to research: Morocco's overall expenditure represents less than 0.3% of the GDP, well below the rates recorded in developed countries (2% in EU countries);
• The weak means of intellectual stimulation (laboratories, libraries, professional associations) coupled with bureaucratic inertia.

1.2 Exogenous factors

The incubation of the project to emigrate is often triggered by exogenous factors, the phenomenon being intensified by an international demand for the brain drain. The current globalization plays a paramount role in accelerating this elite migration. The restructuring of the production systems has led to a hike in the demand for highly qualified personnel. And this is sometimes accompanied by aggressive recruitment policies as evidenced by the Green Card in Germany which led to the proliferation of recruitment companies and of websites specialized in “talent hunting”.

Other exogenous factors of a professional nature encourage this elite to wake up from its latent phase, step up to the plate and emigrate. It is indeed the attractive environment in developed countries characterized by auspicious working and living conditions: a quest for excellence; an organizational flexibility; a competitive spirit; promotion prospects and access to opportunities; sectoral attractions related to the new trades of the new technologies. These professional factors are sustained by others of a rather personal nature: the wage incentives, the promotion systems and the opportunities at hand; the effective social security systems; the possibility to help parents and to be spoilt for choice on children's schooling.

Zimmermann (1996) distinguishes between the factors that "push" people out of their countries of origin and the factors that "attract" them to a new "host" country. Some home unfavorable internal conditions are the unsatisfactory educational capacity, the low living standards, the limitations of technology, the inadequate training and employment and the uncertainty of tomorrow, the political malaise, the armed conflicts\(^1\), the absence of realistic labor policies and the economic instability (Chang, 1999).

\(^1\) For example, a number of countries in Africa have experienced serious conflicts over the last 15 to 20 years. These include South Africa, Zimbabwe, Mozambique, Angola, Democratic Republic of Congo, Central
1.3 «Impulse» factors

The barriers to achieving educational goals or the lack of career opportunities (e.g. due to cuts in the budget allocated to public universities, as is the case in most African countries) can be an "Impulse" towards migration. The establishment of a subsidiary of an international company, or the relocation of factories, is also pushing skilled workers abroad, particularly to the developed world where some IT companies relocate some categories of skilled workers in countries such as India. There is evidence that deteriorating economic conditions are responsible for the brain drain in South Africa (Bhorat et al., 2002). However, for the skilled black South Africans, the feeling of estrangement from the political status quo and the loss of confidence in the government's ability to improve the living conditions -particularly human rights violations- seem to play an important additional role.

The "Impulse" factors can be summarized as follows: (World Migration 2003: 218):

1. Higher wages abroad, although there are cases of underemployment: Example of African holders of doctoral degrees who drive taxis or work in hotels and security agencies;
2. Greater job mobility and professional career development;
3. Few bureaucratic controls and high living standards;
4. Acquisition of high-level qualifications impossible at home as the Higher Education sector lacks resources and staff;
5. Foreign scholarships and support for education;
6. Unsatisfactory socio-economic conditions and African populations deprivation in many countries;
7. Active presence of recruiters.

1.4 «Attraction» Factors

The factors of attraction include better personal and professional opportunities in the host country, propitious policies for the immigration of the better-educated, wage differentials, differences in the quality of life, education for children, interaction with other professionals, political stability, and job security (Hillman and Weiss 1991, Porés 1991). Countries such as Canada, New Zealand, Germany, the United States and the United Kingdom now have aggressive
recruitment policies for highly qualified foreigners to increase their own skilled labor force, particularly in a globalized global economy where intellectual workers are highly coveted.

From an economic perspective, the fundamental motivation for migration is the hope to score a net gain. There are at least two potential economic benefits to migration for those participating in the labor market. The first is linked to the gains in the labor market or to income more generally. The second advantage is employment. People can move elsewhere to increase their income in the labor market; migration is then the result of the job search process. They may also move to increase their chances of landing a job, and in this case, migration is an intrinsic part of the job search.

Skilled Moroccans leave the homeland mainly to work. The working conditions they enjoy in their country of residence are generally better than those offered by their country of origin. Moroccans who emigrate choose to live abroad, but in fact it is their employers who choose them. Indeed, migration for work has always been the choice of the host countries (especially rich countries), since in most cases these countries encourage and accept only people who are sought after in their labor market. These skilled Moroccans abroad have become not only providers of intelligence for their host countries, but also "knowledge workers" in the new globalized order and new actors in international cooperation.

Nowadays, it seems that the "Moroccan emigration to Quebec is more important than the French one. There are nearly 100,000 Moroccans in Canada, immigrants or merely students, 80% of whom are settled in Quebec. Approximately 2,500 of them cross the Atlantic every year" (Bladi, 2009). The emigration of skilled Moroccans to Canada, and more particularly to Quebec, seems to have been increasingly the choice of Moroccans for quite some time. This migration is also in line with the orientations of the country's migration policy. In addressing the theme of "Globalization and the brain drain: the case of Quebec immigration policy towards Moroccan candidates", a Moroccan migration specialist underlined that "the new policies orientations in the North tend to encourage / facilitate the reception and residence of certain occupational profiles of foreign professionals". He added that "the quota policy is one of the visible aspects because it contains the idea of selection according to needs and interests". The author pointed out in his study that "the Quebec immigration policy with regard to Moroccans in particular is part of this trend" (Mohamed DIOURY Conference, 2001, http://www.afrology.com/eco/ fuitecerv.html).
The same study concluded that the Moroccans living in Quebec are more educated than the average of other immigrants and that they are more educated than the average of Quebeckers. The author deduced that "this situation represents a net positive contribution for Quebec and a net loss for Morocco" (DIOURY, 2001).

2. THE BRAIN DRAIN EFFECTS

The cost of the brain drain includes different components: the training cost since preschool and the opportunity cost for the country of origin: what this country loses in the absence of the skilled trainee (productivity, income, etc.). Furthermore, it would be possible to add other additional costs: the costs assumed by the families of the trainees (education, health, housing, leisure, etc.); the cost ensuing from the trainee’s absence incurred by his family and eventually the children …

The assessment of the brain drain cost requires the availability of various and fairly detailed data. In the case of Morocco, however, some of these data are either unavailable or difficult of access. For example, the cost of training an engineer requires a joint review of both operating and investment budgets of the institutes and training schools (as well as those of educational institutions from preschool to university). Yet, in most cases, investment data and its internal composition are difficult to produce².

2.1 An engineer’s training cost

Morocco devotes a significant part of its financial efforts to the education sector. In 2007, the budget dedicated to national education and vocational training represents one quarter of the State general budget. The cost of training an engineer includes the primary school, the secondary school, the higher secondary, the preparatory classes and engineering school. The 2005 data show that an engineer’s training in Morocco costs an average of 95,460 dirhams (about 12,000 dollars) before entering the engineering institute or school.

The branches where the biggest deficits are and which have given rise to a war for talents are the NICT. Recruiters from around the world are vying for these

² It is true that Morocco is changing and that, since the 2000s, Morocco has experienced major reforms in all areas, but the country is still in a transition period. "Anti-law" practices inherited from the old regime persist and give rise to injustice and discrimination, which push some skills to expatriate themselves in search of more equity and democracy.
specialists, dipping mainly into countries such as India, where 43,000 computer scientists expatriated in 1999 and 50,000 in 2000. In fact, the race for these geeks explains why the most coveted laureates in Morocco are those graduating from the Grandes Ecoles: Institut National des Postes et Télécommunications (INPT), Ecole Nationale Supérieure d’Informatique et d’Analyse de Système (ENSIAS) & l’Ecole Mohammedia des Ingénieurs (EMI) whose 50 to 60% of the laureates in 2000 had, according to a Moroccan daily, already left or were due to leave at the time of the closing ceremony (Abd Al Ilah Al Mouttaqi, 2010, p.15).

These three Ecoles witness a more or less substantial departure flow, depending on the period. And this is the reason why we shall limit the assessment of the cost to these three institutions, focusing on the case of the INPT for which fairly accurate data are available. Within the INPT, the unit cost of an engineer’s training is of the order of 93,380 dirhams per year (Ministry of National Education, INPT, 2007). This figure has the advantage of including investments (depreciation), the INPT having an adequate analytical accounting. If one adds the scholarships (excluded from the institute budget) and the costs of preliminary training, the training of an INPT engineer would cost 389,700 dirhams. For the EMI and the ENSIAS, the average unit cost of an engineer’s training from 2000 to 2007 is 144,000 dirhams over the three years of training (Ministry of National Education: Assessment and Long-Term Planning Department), if we add the scholarship, the total sum is then 158,100 dirhams per engineer. Thus, the average overall training cost is about 253,560 dirhams, or about 32508 USD per engineer.

Today (more than ever before), the Moroccans needed in Europe and also in North America are mostly people with a good academic background and often a proven track record of success. A great deal of the Moroccan graduates from the most prestigious Grandes Ecoles emigrate annually and more than 15% of Moroccan students are based abroad, about 50 000 students. A certain portion of the population of the Kingdom positions itself in this new type of migration opportunity.

2.2 Other negative consequences of this brain drain

Until recently, it was assumed that the brain drain could only be pernicious to the country of origin. As early as the 1970s, well-known economists, chief

---

3 See Survey on International Moroccan Student Mobility: EMEMI project in http://www.uae.ac.ma/dossiers/down/recherche/EMEMI/SUPPORT-EMEMI.pdf
among them was Jagdish Bhagwati, defended this pessimistic view and put forward the following arguments (Bhagwati, J.N., 1974, pp. 19-42):

- The brain drain is fundamentally a negative externality imposed on the population residing in the country of origin;
- It can be analyzed as a zero-sum game, where rich countries get richer and the poor countries become poorer; &,
- In terms of economic policy, the international community should introduce compensatory transfer mechanisms in favor of the countries of origin.

Finally, it should be noted that in the Moroccan case, the losses recorded are all the more detrimental to its economy since, on the one hand, those who leave the country are recruited mostly amongst the locally employable graduates and not graduates who have difficulty finding a job; on the other hand, the country is confronted with crucial deadlines: the upgrading of the Moroccan companies and the various major projects underway (the Emergence program and other sectoral programs) suffer from this brain drain. Upgrading and achieving productivity gains do require competence-based management.

Nevertheless, if the economic analysis is now making a more nuanced assessment of the brain drain effects on developing countries, it is mainly due to the fact that by inflating the expected return on human capital, the perspectives of emigration can contribute to boosting the investment in education in the countries of origin.

### 2.3 Economic contributions of the returning migrants

Obviously, the brain drain can in principle at least be accompanied by positive feedback for the countries of origin, such as remittances from migrant workers; their return after they have accumulated savings or new qualifications; and even the participation of these migrants in scientific and business networks promoting the circulation of technological and industrial knowledge.

- As a revealing sign of the importance of remittances, almost half of the emigrants have transferred more than 1000 Euros per year, this amount is slightly higher for emigrants opting for the voluntary return (49.1%) than for those forced to return (45.6%). More than 85% of the returnees had transferred more than 500 Euros per year, and 37% of emigrants, between 500 and 1000 Euros. These transfers are allocated to different uses, mainly to sustain their families back in the homeland (85.3%) to which must be added the children schooling (14.2%), which highlights the importance of the transfers assigned to
consumption. Investment is commonplace in 69.2% of cases, including 38.6% for the acquisition or construction of a house, 14.8% for an economic project, 12.6% for the purchase of land and 3.2% for the purchase of agricultural equipment.

Concerning the realization of investment projects in Morocco, the survey reveals that 82% of the returnees made one or more investments in their country of origin. In this respect, it should be borne in mind that, in general, traditional investments made by emigrants in the region relate primarily to housing (86.5%) and then to coffee/restaurant-type of service activities, which explains the importance of the two projects section: 45.5% including 46.6% for emigrants whose return is voluntary and almost 40% for those whose return is forced. The strong propensity to save in the latter category, aware of the precariousness of its situation, explains the respective rate.

The location of the project is mainly due to convenience and, secondarily, to economic reasons. The main lessons learned are:

- The relatively high share of investment in the place of residence before emigrating (36.2%) for those who opted for the voluntary return (35.7%) and those forced to return as well (40.5%). This can be explained by this desire to flaunt one’s social success before the eyes of one’s family and acquaintances.
- The relatively high share, but to a lesser extent, of investment in a place other than the place of birth and residence before emigrating (24.6%). Generally, the choice falls on a larger city than the town or village of origin (the capital of the province, Tangier or Tetouan), which is for the emigrant “both a geographical and social promotion”.
- The place of birth ranks third and is of particular interest to migrants who were forced to return rather than the others, which can be explained by their choice of a place where they could rely on family solidarity.

The two main sources of investment financing for returning migrants are self-financing (98.8%) and bank loans (42.8%).

Concerning the number of jobs created, apart from real estate, the investments made are micro-projects which in almost 60% of the cases employ fewer than five people and in almost 86% less than 10. Only 1.4% of the projects employ more than 50 people, and are therefore medium-sized enterprises.

More than half of returning migrants contributed to the realization of a collective welfare. Yet, emigrants returning voluntarily are more inclined to collective investment than emigrants returning involuntarily, i.e. almost 60% and nearly 37% respectively. Participation in the construction of mosques is by far the main collective investment.

The three main benefits of migration are the migrants’ remittances, recruitment and return. The repatriation of migrant workers funds could be maximized by
reducing transfer costs. Moreover, emigration countries must apply a realistic exchange rate and their governments must encourage and channel investments made with the repatriated money (Martin and Straubhaar, 2002). Another option mentioned is the taxation of the skilled expatriates, or the reimbursement of the higher education expenses that these expats received in their country of origin (The Economist, 2002). This is easier said than done, as migrant workers do not provide information about their place of residence in the countries of origin.

Another form of human capital profitability for foreign nationals may be through the system of networks (Brown, 2000). Skilled migrant workers can be an important resource and their qualifications can be used to establish research partnerships, special programs to encourage knowledge transfer and joint ventures. Bhagwati (1974) proposed taxing the additional income of emigrants at a higher rate than that applied by the host country taxation system, which is to be used eventually to finance the developing countries.

Ideally, skilled migrants should enjoy all their rights, both in their host country and in their country of origin, move from skills exodus to elite mobility (from "brain drain" to "brain gain") and make the brain drain an asset for the development of the countries of origin and not a hindrance to their development. This could be achieved through the establishment of an international scientific community capable of fostering international cooperation and serving both the host country and the country of origin. This community could maintain links with the nationals to improve the scientific and technical training in the country of origin and thereby contribute to the internationalization of the national scientific communities. This is what Morocco is currently trying to do with its diaspora. However, all governmental and non-governmental, national and international active actors in the countries of origin as well as the countries of residence must be involved in this process, without any exclusion.

The brain drain is therefore one of the main challenges facing Morocco to upgrade its economy. But if we believe in the freedom of individuals to emigrate, we should think of a policy of return, even in the framework of the pendulum migration of these skilled migrants.
3. STRATEGIES & POLITICAL OPTIONS TO MANAGE THE BRAIN DRAIN

The problem of the brain drain could be resolved fairly if the rights and interests of all parties involved are taken into account: the migrants, the country of origin and also the host country. The problem could be solved in several ways, nationally and internationally. For instance, it is necessary to:

- Introduce reforms in the country of origin to mitigate the brain drain (democratization, the rule of law and equality among citizens, recognition of all competences without discrimination or specific preferences) 4;
- Make the skilled expatriates a development engine of the country of origin by their permanent or occasional physical or only virtual return;
- Maintain links with the expats and create collaboration and mutual assistance opportunities between the skilled at home and those abroad;
- Discuss the brain drain and its consequences worldwide;
- Create a kind of "qualified immigration tax" that could be managed by a specialized United Nations fund, which host countries would pay whenever they receive skilled migrants and benefit from their knowledge.

Morocco is aware of the shortfall resulting from the settlement of some of its skilled migrants abroad, mainly in Europe and North America and tries to encourage and facilitate their return. The country is also aware that the Moroccans living abroad want to bring added value to the world and to their country of origin with which they have not ceased to have deep ties, as witnessed by the formidable "rush" to the homeland during the summer holidays, which is a fairly unique phenomenon in the world.

Morocco seeks to consolidate its ties with its community living abroad to make it a development tool, to build and strengthen the bridges with the diasporic networks and to "cash in on the diasporic talents" to make them contribute, each according to their level and their means, to the development of the country. The Moroccan authorities endeavor to make the Moroccans Living Abroad a "second hand" that the country needs to build up its development and front-line ambassadors that strengthen the relationships and boost cooperation with the host countries (Le Matin du Sahara, 2009). Indeed, the Moroccan migration policy has always been oriented towards the consolidation of ties with the diaspora, particularly with the 2nd and 3rd generations of emigrants, the

---

4 For example, in the case of certain European countries such as Spain and Italy, the change in the economic and political situation resulted in the mitigation of the MCHQ, without stopping it however.
majority of whom were born abroad and acquired their education and training in the host country.

Then, maximize emigration benefits by:

- Policies to promote the return of migrants to their countries of origin.
- Recruitment policies of international migrants which do not limit their numbers and reduce the protective measures that hinder admissions.
- Initiatives to re-engage the expatriates through increased communication, transfer of knowledge and funds, as well as investment.
- Restorative policies that will make the host countries reimburse the countries of origin to offset their loss on human capital, or just tax emigrants directly.

Another approach is to make emigration unnecessary by strengthening the national educational institutions, adapting trade, investment and assistance policies to speed up economic development. These are called the five conservative policies to prevent graduates from leaving.

The brain drain is therefore one of the main challenges facing Morocco to upgrade its economy. But if we believe in the freedom of individuals to emigrate, we should think of a policy of return, even in the framework of the pendulum migration of these skills. These skills could be the indicated actors of circular migration. However, it should be emphasized that the emotional and cultural attachment of this elite is not sufficient. It should be supported by economic incentives and an adequate investment environment. This implies a review by the various institutions of their perception of the current and potential role of migrants.

The encouragement of the return of skilled Moroccan expatriates has characterized the government actions since the 1990s. Qualified people living abroad are often invited to return to Morocco to contribute to the development of the country and consolidate its democratic achievements. Several speeches and actions of Moroccan officials echoed this invitation for skilled Moroccan migrants abroad to return. It is in this spirit that some initiatives such as the TOKTEN and FINCOME Programs were carried out in Morocco or similar initiatives by the civil society.

(i) The TOKTEN program

The TOKTEN (Transfer of Knowledge Though Expatriate Nationals) program was initiated by the PNUD in 1977 in some 50 countries. Its mission is to
identify the scientific skilled migrants living abroad and to set up a network that enables them to promote research and development for the benefit of their native countries. While this program seems to have yielded encouraging results worldwide, as in China and Turkey, the results are rather meager in the case of Morocco: the two meetings organized under this program in 1993 in Rabat and in 1994 in Casablanca did not come out with convincing results.

(ii) **International Forum of Skilled Moroccans Living Abroad (IFSMLA/FINCOME).**

The IFMCLA/FINCOME program (The IFMCLA/FINCOME website (FINCOME means "where are you", in Moroccan dialect), http://www.fincome.ma) is "a space that will allow to establish institutional links with the skilled Moroccan migrants abroad». This program intends to establish a database of these skilled Moroccans, both in the public and private sectors. The national strategy of Mobilizing the Skilled Moroccans Living Abroad aims in particular at achieving the following objectives:

- Support for research and development and training;
- Transfer of technology and know-how;
- Assistance to expertise, to devising sectoral development strategies and assessment of research projects and programs;
- The attraction of investment and business partnerships;
- The synergy between the skilled Moroccans living home and those living abroad, particularly through research networks;
- The contribution to strengthening bilateral cooperation.

In the framework of the implementation of the IFMCLA/FINCOME program, the CNRST and R&D-Morocco, with the financial support of the Ministry of National Education, Higher Education, Managers Training and Scientific Research, launch each year a call for tender to support actions that would implicate the skilled Moroccans living abroad and would benefit a Moroccan entity, public or private. Support involves two types of actions: expertise and meetings.

(iii) Other initiatives are to be mentioned. The association "Savoir et Développement" (150 to 200 members) was created in 1999 on the initiative of a number of Moroccan researchers specializing in different disciplines (computer mathematicians, economists, managers, etc.). In addition to these scientists, the association remains open to the professional world, businessmen and young promoters of innovative projects. The scope of the association covers most
French regions and some European and American countries. The objective of the association is to promote scientific and technological transfers in favor of Morocco.

(iv) Council of the Moroccan Community Abroad (CMCA/CCME)

The CMCA/CCME is working to bring back the Skilled Moroccans living abroad. For his Secretary-General, "Faced with a lack of highly qualified human resources, Morocco has a fairly large number of profiles among its diaspora that could help to fill this gap. » He adds: “It is in this perspective that for more than a decade, more and more determined attention has been paid to skilled Moroccans living abroad to contribute directly to the ongoing projects or to act as scientific, economic, social levers in some sectors or even newly identified niches"(the interview of Mr. Abdellah Boussouf, electronic Magazine of Moroccans Living Abroad, Yabiladi, 2009).

Several other institutions had been created with a view to safeguard and develop the ties with "the Moroccans of the world". Thus, in addition to the diplomatic missions and several Moroccans-Living-Abroad associations operating abroad, there are various national institutions in charge of the Moroccans Living Abroad: the Ministry in charge of the Moroccan Community Abroad before the Prime Minister, the Hassan II Foundation for the Moroccans Living Abroad, the Mohammed IV Foundation for Solidarity, etc. Some government actions target specific categories of Moroccans living abroad. Recently, actions are directed more particularly towards the skilled women in the diaspora, who represent more than 45% of the Moroccans Living Abroad. Two meetings organized on "Moroccans from here and elsewhere" showed that migrant women seem more attached than men to the country of origin and are ready to contribute to the development of the country (The Moroccan newspaper L'Economiste, 2010».

The civil society sometimes encourages the return of skilled migrants and contributes to the fight against the brain drain. For example, the Horizons-Maroc Forum, initiated by the Association of Moroccans of the Grandes Ecoles (AMGE), strives to encourage the return of the young graduates living in France. One of the persons responsible for the organization of this forum stated that "the phenomenon is gaining importance and more and more qualified young people are ready to return to Morocco, provided they are offered a position that meets their expectations" (Forum-Horizons-Maroc, 2009).

However, in its endeavor to attract the skills of the diaspora, Morocco is aware that there is an international competition for the captation of this highly qualified elite which is a boon mainly to the countries of the North, and that there are
radical changes affecting these skilled people including their feminization and the transformation of their socio-professional profiles due to the rising levels of education.

Conclusion

There is no treasure more precious than human capital. This is why we must take into consideration the brain drain from the countries of the South to the countries of the North and address the main causes of these departures and their consequences. It is true that freedom of movement is a human right and that the skilled migrants from the South cannot be held back from traveling and choosing to reside outside their countries of origin, but the interests of their countries of origin that had often invested large sums of money for their training is also to be accounted for.

The Moroccan trade unions, the political parties and the civil society organizations should be more involved in migration policies in order to better defend the rights and interests of all migrants: Moroccan emigrants and foreign immigrants on an equal footing. All skilled immigrants in a country should normally enjoy the same rights and benefits granted to persons with the same level of education and similar training, without any distinction based on origin and provenance.

Thanks to globalization, the circulation of capital and skilled people has revved up. It would be difficult to stop this circulation. But we must ensure that globalization is not synonymous with the reinforcement of injustices, the denial of migrants’ rights, inegalitarian laws in the name of the law of the strongest: countries importing labor. It is also necessary to reconcile the two facets of skilled migration: voluntary migration and impelled migration.

At the end of this article, it seems impossible to deny the role of the system of education and training, research and development in the economic growth. We have shown the importance of the skills of the diaspora. As demonstrated in the Moroccan experience, the great paradox often underlined is the brain drain under conditions of scarce qualifications and especially the financial resources while the import of the know-how is at its peak. And this is the result of an almost widespread neglect of the local skills and know-how. Morocco is worried today about the brain drain, the flight of brains, skills, so many qualifiers to name the ability to create, to innovate. Indeed, these departures are a loss on several levels. The migrant graduates who have cost a small fortune in terms of investment in training are, on the one hand, not directly involved in the national
economic activity and, on the other hand, not passing on their knowledge, know-how and experience to the local businesses.

Generally speaking, by 2020, Morocco will have to become a land of attraction for all kinds of investments, both material and non-material. It shall not be just a land of fiscal attraction or improved foreign exchange regulations only. Morocco (which still has many assets) shall have to respond favorably to the demands of the brain drain, be it in terms of the quality of everyday life, of the education system, of leisure, of tourism, of cultural life or of social life debureaucratization. This indeed underlines how titanic is the task that awaits all our leaders.

References

ABD AL ILAH AL MOUTTAQI, « La Fédération Sportive dépose une plainte contre les personnes qui ont aidé à l’émigration de sportifs marocains au Qatar- The Sports Federation files a complaint against the people who helped Moroccan sportsmen emigrate to Qatar », Assabah N° 3029, Jan 6th, 2010, p.15 (www.assabah.press.ma


L’ECONOMISTE, « Marocaines d’ici et d’ailleurs. Quel est leur profil?-Moroccans from here and elsewhere. What is their profile? », 2010


ELECTRONIC MAGAZINE OF THE MORROCANS LIVING ABROAD YABILADI, l’interview de Monsieur Abdellah Boussouf, le Secrétaire Général du CCME publiée le 01 décembre 2009-, the interview of Mr. Abdellah Boussouf, the Secretary General of the CCME published on December 01, 2009. in: [http://www.yabiladi.com/article-economie2226.html](http://www.yabiladi.com/article-economie2226.html)


Income Distribution in Turkey during the Global Recession

Prof. Ensar Yilmaz
Yildiz Technical University, Turkey

Dr. Hasan Karaduman
Yildiz Technical University, Turkey

Dr. Umit Bozoklu
Istanbul Gedik University, Turkey

Abstract

It seems that some observable structural trends in recent decades such as globalization, skills-biased technological advances and level of unionization all over the world have affected income distribution, in addition to other economic variables. The latest trends in the 2000s exhibited a widening gap between the rich and the poor not only in some of the already high inequality countries, but also in traditionally low-inequality countries. In order to mitigate inequality, many countries have followed redistribution policies (taxes and transfers). In this paper, we mainly analyze main parameters in income distribution in Turkey using micro data. Then since financial crises have been becoming more important with increasing frequency of crises all over the world, we also search for the effects of crises on inequality and the degree of mitigation of redistributive policies, especially during the Global Recession.

Keywords: Income Inequality, Redistribution, Polarization

JEL codes: D31, D63, D30
Creating Value for the Customer and Evaluating the Created Value: A Process Proposal

Dr. Lilian Aparecida Pasquini Miguel
Mackenzie Presbyterian University, lilian.miguel@mackenzie.br

Dr. Reynaldo Cavalheiro Marcondes
Mackenzie Presbyterian University, reynaldo.marcondes@mackenzie.br

Dr. Adilson Caldeira
Mackenzie Presbyterian University, adilson.caldeira@mackenzie.br

Abstract

The purpose of this article is to propose a set of indicators that allow measuring the creation of value for the client as a reference for the decision process. Although in a more academic format, this proposal refers to a practical application of these indicators, based on a process of value creation that contemplates the client, the consumer and the other stakeholders of the organizations. The study was based on several aspects considered in the concepts of value creation, focusing on the market perspective, involving all stakeholders of the organization, main actors and coadjutors in the process of creating organizational value. This work is justified by the apparent pragmatic gap in Brazil, despite the many works that approach the theme. Therefore, it seems appropriate to offer a proposal for a process of value creation, which will capture the main approaches that involve this theme, as well as point out a set of indicators to measure the value created.

Keywords: Value Creation, Co-creation, Marketing, Balance Scorecard

1. Introduction

The issue related to value creation has become of fundamental importance for executives since the intense global market activity gave customers and consumers a clear sense of their buying and satisfaction possibilities. That not only made them aware of the diversity of existing products and solutions to
serve them, sharpened their desires and made them aware of their emerging needs.

For that reason, it has seemed a good idea, based on many authors and visions, to offer the manager a practical proposal of value creation process, which suggests a logical sequence within the organizational and marketing context. The beginning of the creation of value can be pointed out around the 70's, when it was more focused on the value created for the shareholder, in a fundamentally financial aspect.

Soon after, the first publications of Edward Freeman, in 1984, on the theory of the stakeholders take place. From this, there are works in which value is created not only for the shareholder but also for other communities in which the companies are inserted.

Then, the focus on value creation by Marketing, in 1972, began to worry about customer value to satisfy it. Such satisfaction is a function of the customer's perception of value over price, quality, and value, encouraging in companies the concern with the process of creating value.

Thus, value creation began to be studied and developed under several other perspectives, all of them considering the logic of creating value as a direct or indirect way of creating a competitive advantage for the organization.

The value then became established in the relationship between consumers and business, and/or customer and company, in an approach of "value co-creation," or creating shared value, vision advocated by Prahalad and Ramaswamy (2000, 2004a, 2004b). However, from a market perspective, there seems to be a logical gap in Brazil, since no paper points to a proposal of how to create value so that it can be a guide for companies.

In spite of the existence of works such as de Oliveira, Gomes and Cardoso (2001), which is limited to presenting a strategy of value creation, through a system of production of mass customization, or the discussion of value creation suggested by Rego (2013) in the Key Account Management (KAM) process. In turn, Gale (1996) presents a method of customer value management, as well as Kaplan and Norton (2004), in his acclaimed Balanced Scorecard.

However, such models are oriented to the suggestion of some actions, more generalized and focused on the relationship with the client, or, as in the case of
BSC, to structuring the measurement of the created value, the reason why it is part of the process proposed here.

Therefore, it seems appropriate to offer a proposal for a process of creation of value, which will capture the main approaches that involve this theme, the central objective of this article, structured as follows: the next section presents an overview of the evolution of the concept of value creation, in its various aspects. Then, in Section 3, the proposal for a process of customer value creation is presented, the scope of this work, including details about its elaboration, culminating with the final considerations related to this work.

2. Creation of Value - A Brief Overview

The beginning of the issue of value creation can be pointed out in the 1970s, based on agency theory, advocating value creation for shareholders, believing that this would ensure firms' ability to be competitive (Copeland, Koller and Murrin, 2010, Stacey, 2010, Cravera, 2012). Friedman’s (1970) article The Social Responsibility of Business to Increase its Profits, makes it clear that the sole purpose of the company was to generate profits (value) for its shareholders. Shortly after Edward Freeman’s first publications on stakeholder theory in 1984, the sustainability report was published by the Brundtland Commission in 1987. From this, over some years, the implementation of both approaches - stakeholders and sustainability - in which value is created not only for the shareholder but also for other communities in which the companies are inserted. During the period from 1984 until today, different terms are used in research to study stakeholder theory, especially those that talk about "value creation," "sustainable value" (2016).

Considering companies as living systems whose survival involves management issues, purely financial methods to measure value creation are limited in effectiveness and structure, and may even reduce organizational competitiveness (Cravera, 2012).

In view of this evolution, value creation has been studied and developed over several other perspectives, all of them considering the logic of value creation, as a direct or indirect way of creating a competitive advantage for the organization and a critical strategic element of companies for the creation of value to its customers and consumers (Othman and Sheehan, 2011). One of the most well-known and researched ones was the value creation logic elaborated by Porter (1989), that is, his value chain proposal, in which some
activities are considered essential, and others are considered support activities depending on the scope of the business developed by the company.

Stabell and Fjeldstad (1998) elaborate a typology of value creation based on technology, in three aspects the first transforming inputs into goods and services, the second used by knowledge experts to solve customer problems, and the third creating a network of contacts facilitating all transactions. The work of these authors gives rise to the application of value creation at various stages of the supply chain, whether by manufacturing companies or not, regarding production, knowledge or transactions (Othman and Sheehan, 2011).

The resource-based-view proposed by Barney (1991) relates to a sustainable competitive advantage created by resources and capabilities that are valuable, hard to imitate, non-replaceable, and articulated by the organization's DNA. Regarding Marketing, in 1972, based on the expanded view suggested by Kotler, Marketing began to worry about creating customer value to satisfy it. According to Anderson, Fornell, and Lehmann (1994), such satisfaction becomes, then, a function of the customer's perception of value. Zeithaml and Bitner (1988) discuss customer perceptions of quality, usefulness, and relevance, such as tangible and intangible aspects, and prices, effort, and risk, as monetary elements of value.

Woodruff, Schumann, and Gardial (1993) seek to understand value from the consumer’s point of view, as well as Woodruff (1997), concerned with the process of value creation, as a resource for competitive advantage.


Galvagno and Dalli (2014) view consumers as generators and/or authors of productive functions in different moments and actions, such as collaborative innovation, service encounter, residence, empowerment and consumer experience. From these actions, the consumer's understanding emerges as an active part of the process of value creation, restricted until then, the companies. The value

The most current aspect is the creation of social value, defended by Porter and Kramer (2011) as "big idea: creating shared value", postulates the creation of "policies and operational practices that foster the competitiveness of a company while at the same time improving the economic and social conditions of the community in which the company operates" (p.1).

Using the German expression Eine Grundsatzkritik, or translated as "fundamental criticism," Beschorner and Hajduk (2015), produce a critique of the idea of Porter and Kramer, claiming that the authors diminished the modern understanding of corporate responsibility, without addressing visions current, more adequate on the relationship between business and society.

Value creation, regardless of its many aspects, seems to be the essence of organizational competitiveness. The next session presents the proposed process and its detailing. It is important to emphasize that the theoretical approaches and concepts introduced in the model relate to the respective stage (step) of the process in which they are inserted.

2.1 Creating value for the customer - a process proposal

This proposal involves in each of its steps, several approaches, and theoretical concepts, integrated into the end. The views of the authors mention in this article are declined here, starting with Lanning and Michaels (1988) value chain, passing through the approaches of value creation suggested by Woodruff (1997), Zubbac, Hubbard and Johnson (2009), involving the resource-based view of Barney and Hesterly (2011).

Regarding organizational intelligence, which is fundamental to value creation, the entrepreneurial intelligence approaches of Cavalcanti and Gomes (2001), strategic intelligence, by Ansoff (1975) and Janissek-Muniz, Lesca and Freitas (2007), followed by the competitive intelligence approach, according to Tarapanoff (2002).

This proposal also inserts the knowledge management process, proposed by Miguel (2010), as well as marketing concepts defended by Kotler (2003), Kotler

In addition to these authors, the visions of dynamic capability, defended by Teece, Pisano, and Shuen (1997), and core competence, by Prahalad and Hummel (1990), appears herein in a summarized form.


The postulates of Aaker (2001), Prahalad and Ramaswamy (2000, 2004a, 2004b), Vargo and Lusch (2004, 2006, 2008), Grönroos (2008), Ramaswamy (2008, 2011), Payne and Others (2009), and Ramaswamy (2014) is adopted for the understanding of the market response to the value proposition, and the feedback process based on the co-creation of the value of products and brands. In the end, closing the process, it includes a value creation proposition that permeates the process, especially in the last few steps, related to the Balanced Scorecard view of Kaplan and Norton (2004). The BSC is suggested here because of its intrinsic relation to the organizational strategy adopted by the company, which makes it widely flexible and appropriate to the creation of the metrics necessary for each situation, market, reality.

2.2 The steps of the process

- First Step: Market ➔ Segmentation, Selection, Positioning

Like every process, and despite its consequent circularity, this also has a starting point, which in this case is the market. By market, both end-users of B2C (business to consumer) products and B2B (business to business) customers are understood.

In this case, a particular organization can create value for its Original Equipment Manufacturer (OEM) customer, the term that refers to the customers they produce for other producers, or to their final consumers, by understanding what those consumers need or want, which allows the supplier to make an appropriate OEM offer. A clear example of this practice is with systemic companies that provide components for motor vehicle manufacturers.
In this first step of the process, integrating it into the value chain of Lanning and Michaels (1998) and Kotler and Keller (2012), the selection and positioning of the company regarding the segment to prospect, which should provide the necessary elements understanding of these customers and/or consumers. At this point, the company needs to define the market segment and customer you want to prospect - B2B or B2C, or both.

According to Kotler (2003), organizations can follow five types of strategic orientation: for production (cost and process); for the product (innovation and technology); for sales (promotion); to market (market intelligence and involvement of the entire organization with customers); and for societal marketing (consumer welfare).

According to Narver and Slater (1990), market orientation involves customer orientation, competition orientation and cross-functional coordination - the whole company engaged with the customer. It is also necessary to know about current and potential competitors, and their skills in the long run.

According to these authors, in each of these segments, there must be a precise definition of the company's positioning concerning its market approach - oriented to pioneering and innovation, geared to the competitor, a follower, or oriented to the client.

The orientation to pioneering and innovation involves technological aspects and can be costly, but very profitable in the medium and long-term. Guidance to the competitor, as a follower, may be less expensive, since the company launches products based on those created by the competitor - with little or no differentiation. This strategy is based on creating products similar to the pioneer, whose R & D costs become lower, generating a positive impact on the final price to the segments adopted.

Kohli and Jaworski (1990) define as fundamental steps to client/market orientation: (1) intelligence generation, (2) dissemination of intelligence and (3) responsiveness. Each of these items is dealt with below, in its respective phase of the proposed process.

- **Second Step: Organizational Intelligence ➔ Business Intelligence, Value to the Customer, Customer Needs, and Desires**
Intelligence is defined broadly by psychology as problem-solving ability, involving, in management's view, decision-making, aiming at the creation of value products (Cavalcanti and Gomes, 2001). It consists of the process of knowledge management, addressed in the next step.

Business intelligence, strategy, and competitiveness are related terms, the first being considered an organizational expertise that allows the company to capture, select, analyze and manage the information relevant to the business management. Investing in sound information systems is not enough to achieve adequate control. It involves business intelligence and competitive intelligence (Cavalcanti and Gomes, 2001).

On the strategic side, the monitoring of the environment aims at anticipating signals, indicating threats and opportunity to the company (Ansoff, 1975), having in vital intelligence a contributor in the reduction of uncertainty and identification of opportunity (Janissek-Muniz, Lesca and Freitas, 2008). Competitive intelligence can be summarized in the process of collecting and analyzing information about the activity of competitors and trends in the economic, technological, social, market and regulatory environment (Tarapanoff, 2001), aiming at the creation of knowledge, as support for the strategic decision.

In this step, the company must seek, through its business intelligence, information about the characteristics and behavior of consumers: demographics (region, social class, age group, marital status), ethnography (race, religion, cultural habits), and psychography (lifestyle, patterns of consumption, personality and their values) - (Churchill and Peter, 2000, Kotler and Keller, 2012).

From this detailed knowledge and the most in-depth possible, it will be possible to identify the needs and desires of the segment adopted, and what may prove to be value for these consumers. Often value is something intangible, as a social reference, or tangible, as quality assured, the basis for creating the value proposition.

In the case of OEM customers, the understanding of their needs and desires is much more rational and explicable by the customer, which does not exclude the possibility that he has a limited or partial view of what he can have of his supplier. It is then for this to seek ways to understand what is not and what can be offered, based on the expertise of your company.
Third Step: Resources, dynamic capabilities, core competencies, knowledge management, source, design/development/product/service, manufacturing

From the understanding of what can become an offer of value to the customer/consumer, it is time for the company to look at itself and evaluate its resources, aiming at creating the value offer. This step involves the noblest and essential resource, arising from the company's knowledge management process (Miguel, 2010).

As argued explicitly by Cavalcanti and Gomes (2001, p.55), "the great gains in productivity will henceforth come from improvements in knowledge management," that involves the organization's sources of supply of raw materials and inputs, its manufacturing processes, design, product development, and services.

Santos, Pacheco, Pereira and Bastos (2001) understand knowledge management as the management of knowledge assets of the organization, related to the company's strategy, involving its management of skills, management of intellectual capital, organizational learning, corporate education and business intelligence.

The process of knowledge management, proposed by Miguel (2010), captures the business intelligence, being permeated by four phases. The first one is the identification of the knowledge necessary to the development of organizational competencies, a stage that occurs in the accomplishment of the strategic plan when it is sought to determine the existing entrepreneurial skills and those demanded by the market and not developed in the organization.

From the identification of what is not known and needs to be developed, in the next phase occurs the generation of knowledge. The company identifies which kind of knowledge should be generated inside the organization - knowledge creation, or that needs to be acquired - acquisition of knowledge (acquisitions, mergers, research, among others).

The third phase - the divulgation -, contemplates the diffusion of the existing knowledge in the organization to all the members that act in her. It is a very delicate process because it involves the identification of what knowledge should or should not be shared, with whom, as, taking on the difficult task of transferring knowledge.
The last stage, the storage, contemplates the registration of all the explicit knowledge contained in the organization. Another complicated process, because strategies related to competitiveness must define what knowledge should be stored, which should be discarded, and how this will be done since this implies organizational memory, and aspects of its culture (Miguel, 2010).

The third step of this process proposal involves three other essential concepts related to:

1. Resource-based view (VBR): a strategic perspective on which Barney and Hesterly (2011) deal with, whose distinctive features and competencies result in a competitive advantage, whose main characteristics - value, rarity, the difficulty of imitation and substitution, and organization, give the company superiority in offering to the market.

2. Dynamic capacity, defined by its authors, Teece, Pisano and Shuen (1997) as the capacity plus the ability of the company, in the integration of its external and internal competencies (processes and routines) to respond to changes in the environment.

3. Core competencies are the company's expertise, its talent, what it does best, and it represents its differential about the competition (Prahalad and Hummel, 1990). Those competencies cannot be outsourced to the organization because they represent what it knows and how does to create superior value for the market.

These strategic elements represent the strengths that the company has in determining its ability to make a market value offer, creating value concerning company resources, based on a sustainable competitive advantage generated by resources and be imitated, non-replaceable and articulated by the organization's DNA.

**Fourth step: Offer of value ➔ Benefits, Solution, Experience, Price**

This phase concerns the creation of an offer of value (product or service) that has the characteristics that satisfy the customer/consumer, their needs, and desires, and that is perceived by this client/consumer as value, from the perspective of the client / (1993), transforming inputs into goods and services, solving customer problems, or by creating a network of contacts (e.g., facilitating all transactions (Stabell and Fjeldstad, 1998).

The supply of value must translate customer's / consumer's expectations and expectations, so that they can experience a differentiated experience (Baron and Harris, 2003), or the reward for sacrificing the effort to obtain the desired good
(Zeithaml, 1988), a solution to their tangible or intangible problems (Stabell and Fjeldstad, 1998), or simply, the attractive and advantageous result, in the eyes of the client / consumer, of the benefit / cost equation (Porter, 1989, Kotler and Keller, 2012).

For the value offer to be effective, the organization must know its target audience well. This knowledge is provided by the intelligence obtained in Step 2. It is not enough, however, to know. It is necessary to interpret the signals of the external environment, together with the behavior and perception of the consumer/customer, regarding their potential desires and continuously changing.

• Fifth Step: Offer to the market ➔ Distribution, Communication

This step refers to the moment when the value offer is presented in the form of a product or service to the customer/consumer. It is the moment in which the company works the compound of marketing - product/service, price, distribution and communication (Kotler and Keller, 2012) so that such product/service is placed in the market.

One of the focal points addressed by Kotler and Keller (2006) concerns integrated marketing communication, i.e., the point of view of the message from the customer/consumer perspective.

However, it is worth noting that value can be found in a package of benefits, ranging from the physical product, its intangible aspects (status, satisfaction, seduction, for example), price level, to the place where the customer/consumer finds it for purchase, which involves the issue of availability. An example of this is online sales - which may be attractive for convenience, or insecurity, for the risk of fraud.

• Sixth step: Feedback from the market

All previous steps produce an effect on the market, whether or not the product is acquired, and even if this acquisition occurs, it can offer a negative response in the form of dissatisfaction. It is fundamental that market research is carried out at the moment to understand the effectiveness of the value offer (Aaker, 2001). According to the result, we return to the initial stage, to redefine, if necessary, the proposal.

It is understood, then, the customer/consumer as an active part of the process of creating value, well informed and interested in innovations. The essential advocate of this idea, which received the name of value co-creation, focus on

Such a view of Ramaswamy aligns the approach linked to relationship marketing (McKenna, 1992), focused on a long-term relationship between customer and company, through a win-win.

That basic rule gains strength to take into account the dynamics of the technological environment, which focuses on the speed of innovation makes them obsolete products quickly, while the relationship with the company is the most critical asset to be constant.

In such a context, it can be inferred, then, that the capture value the company does not occur only in relation to the customer/consumer pays for the product that acquires, but especially for the information it provides for better products and/or services are created for him and/or other customers/consumers.

For a complete view of the proposal, the process is presented, in Figure 1, with the main characteristics of the previously detailed.

**Figure 1.** Proposed process of value creation for the customer
3. Evaluation of Value Creation

The BSC proposed by Kaplan and Norton (2004) involves four perspectives: financial, customer, internal processes, and learning and growth. Within this proposal of value creation process, the economic aspect focuses on the capture of value (appropriation) by the company. The customer perspective reflects the organizational strategies about its market positioning, regarding product/services and segmentation.

The perspective of internal processes reflects the organizational resources that will give rise to innovation, operation, and services. Finally, the learning and growth perspective involves adequate skills and knowledge management, which will provide the organization the renewal and longevity conditions.

For each of these perspectives, the company must adopt performance indicators that are strategic and can measure its performance regarding real value creation, and although there are no fixed rules, some indicators become more common, but all must be linked to clear and objective organizational goals. From a financial perspective, for example, net earnings per division or product line, as well as return on investment are widely used indicators. From a customer perspective, the percentage of market share is commonly used, as well as the effectiveness of the company / product in relation to customer / consumer
perception, as well as other indicators related to customer / consumer perception regarding the attributes of the product, price, distribution and communication of the company with its market.

From the perspective of internal processes, the indicators related to the performance of the sales force in each segment, operational costs per product and/or product line, logistics, process improvement, among others, are decisive for monitoring the performance of value creation.

Finally, from the perspective of learning and growth, new product launch indicators, measuring innovation, research, and development can indicate the company's performance concerning meeting market expectations in the short, medium and long-term.

Although they are accurate indicators, their set acts in an integrated way in the measurement of wealth creation of the company about its investors, but mainly, concerning its entire range of stakeholders.

Although the BSC - Balanced Scorecard is the methodology of management and measurement of value creation performance suggested in this process, it has been adopted an adjustment proposed by Cadotte and Bruce (2008), due to its flexibility in the creation of metrics specific to each business reality, which is detailed furthermore, in the context elaborated by the authors.

These indicators are applied in the business simulations created by Cadotte and Bruce (2008), which are a significant contribution to MBA and undergraduate students.

### 3.1 Total Performance

The total performance is a quantitative measure of the executive team's ability to efficiently manage the resources of the firm. It considers both the historical performance of the company as well as how well the business is positioned to compete in the future. As such, it measures the action potential of the firm.

The index employs what is called a balanced scorecard to measure the executive team's performance. The most important measure is the team's financial performance, and thus its ability to create wealth for the investors. However, the focus on current profits has caused many executives to stress the present at the expense of the future.
The long-term viability of the firm requires that the executive team be good at managing not only the firm's profitability and marketing activities but also investments in the future. These expenses might depress the creation of wealth for the business but are vital to creating new products and markets.

In short, top managers must be good at managing all aspects of the firm. The balanced scorecard puts this perspective into practice. It focuses attention on multiple performance measures, and thus numerous decision areas. None can be ignored or downplayed. The best managers will be active in all areas measured. The Total Business Performance measure is computed by multiplying several indicators of business performance. This model underscores the importance of all standards. This is because any strength or weakness will have multiple effects on the outcome, the Action Potential of the Firm.

The following is a summary of the measure of the firm's Total Business Performance and its key performance indicators. The computational details follow. Note that a negative score in any of these indicators will result in a Total Performance of "0".

\[
\text{Total Performance} = \text{Financial Performance} \times \text{Market Performance} \times \text{Marketing Effectiveness} \times \text{Investments in the Firm's Future} \times \text{Creation of Wealth}
\]

### 3.2 Financial Performance

The financial performance measures how well the executive team has been able to create profits for its shareholders. A positive number, the larger, the better, is always desired. The operating profit for the division is used to compute the executive team's financial performance.

\[
\text{Financial Performance} = (\text{Operating Profit} \div \text{Sales Revenue}) \times 100
\]

### 3.3 Market Performance
The market performance is a measure of how well the managers can create demand in their primary and secondary segments. The firm's market share in two target segments is used to measure this demand-creation ability. The score ranges from 0 to 1.0 and will depend upon the number of competitors. If there are three firms, a good score would be higher than 0.5. If there are eight teams, a good score would be higher than 0.35.

\[ \text{Market Performance} = \frac{\text{Average Market Share in Targeted Segments}}{100} \]

### 3.4 Marketing Effectiveness

This indicator is a measure of how well the managers have been able to satisfy the needs of the customers as measured by the quality of their brands and ads. Customer perceptions of the firm's brands and ads in its primary and secondary segments are used to measure customer satisfaction. The two scores are then averaged to obtain the indicator for marketing effectiveness. The score ranges from 0 to 1.0. A good score would be higher than 0.8.

\[ \text{Marketing Effectiveness} = \frac{\text{Average Brand Judgment} + \text{Average Ad Judgment}}{2} \]

### 3.5 Investments in the Firm's Future

This indicator reflects the willingness of the executive team to spend investment funds and current revenues on future business opportunities. They are necessary but risky. In the short-term, these expenditures may cause substantial negative contributions. In the long-term, these investments are required if the firm is to be competitive.

Thus, there is a need to balance the loss of stockholders' equity against investments which could create even more significant returns for the investors in the future. The score is always greater or equal to 1.0, and a good score would be higher than 3.0.

\[ \text{Investments in the Firm's Future} = \frac{\text{Cumulative Expenses that Benefit Firm's Future}}{\text{Cumulative Net Revenues}} \times 10 + 1 \]

### 3.6 Creation of Wealth
To compute the creation of wealth measure, the division’s net investment (cumulative profit + cumulative investment) is divided by the collective investment from Corporate Headquarters to obtain a gauge of return on investment.

A value of less than or equal to zero indicates the executive team has bankrupt the division and is thus unable to finance its current operations from current revenues. The division is a financial drain on Corporate Headquarters.

A value of greater than zero and less than one indicates that the division is a viable entity and should continue with its marketing plan. An amount higher than two suggests the Marketing division has earned more profit than Corporate Headquarters has invested in it. The division is now in a position to contribute to the overhead and profits of the entire company and its stockholders.

\[
\Rightarrow \text{Creation of Wealth} = \frac{\text{Net Investment}}{\text{Cumulative Investment from Corporate Headquarters}}
\]

4. Considerations

The objective of this work was to propose a process of creation of value to the client, including a proposal for measuring the created value, and aiming to offer the companies a guide to work. It is a continually evolving proposal, but it can be correctly applied in organizations from the status it presents here.

However, it should be pointed out that the approaches and concepts used in the proposal have been treated in this article in a very brief way since they are concepts that are widespread in contemporary strategic management.

The process in question, based on the many strands advocated in relation to the concept of value creation, focuses on the creation of customer (B2B) / consumer (B2C) value, even though it clearly considers the involvement of all organization, both as actors in the creation of value, as well as direct or indirect receivers of this.

It is necessary to point out that the conceptual aspects used in this work on value and its creation were not the object of judgment on the part of the authors of this proposal. On the contrary, it was tried to include all the main ideas defended, not by its epistemological roots. As such, it is intended to justify eventual absences found throughout the article.

It is important to emphasize that within each step (or phase) of the process proposed here, there are specific sub-processes, not declined by a question of space or epistemological choices made by some affinity with the process itself.
For this reason, it is understood that there are paths not explored here by the authors.

Another conscious choice to authors is the lack of distinction between the two market segments considered here - B2B and B2C, especially when considering the differences in the adopted processes of products and services between the two segments, which is explained by the fact that it is not possible to detail all the procedural structures existing in both marketing and market strategies for each one of those segments.

References


Oliveira, R.C., Gomes, S.M. & Cardoso, O.R. (2009). Uma estratégia de criação de valor para o cliente: o sistema de produção customizada em massa. VI CONVIBRA – Congresso Virtual Brasileiro de Administração. Anais...


Changing City-Space Meaning and Human
Abstract

Change is an inevitable phenomenon for all social realities. The fact that change is universal and continuous has been recognized for centuries, and Heraclitus has stated that change is a characteristic of every social element, stating "nothing in the world is fixed except for change" (Özkalp, 2011:295; Giddens, 2000:551). Each society shows a number of changes with internal and external influences. The influence of a new phenomenon, the adoption of a new understanding and technique, necessitates the physical and social reorganization of the lifestyle (İşçi, 2000:55). Considering that your future depends on the traces of the past, it is necessary to think of different spatial processes, different viewpoints of these processes and technological developments as a whole. Nowadays global nets are forced to change more quickly by coming to the agenda. Therefore, it is necessary to evaluate the development and transformation tendencies that have occurred in the regions and cities that are affected by local, national and global developments and how they affect the change on the space (Eraydın, 2006: 1). We can also see from the following Henri Lefebvre's statement how important the place is for society and human: "change the life", "change the society"; there is no meaning unless there is a suitable space production (Lefebvre, 2016: 87). Harvey, who argues that space is not just an ontological category but a dimension that shapes and shapes human beings, says: "Spatial forms are not the inanimate objects in which social processes are formed, but the social processes, things should be seen ". Harvey states that social space is not homogenous with physical space, and that every mode of social activity defines its own space. As Soja puts it, "Space, social action and relationship as a social product is both the environment, the result, the presupposition, and the embodiment" (Yıldız, 845).

Objective: This study aims to reveal the changing urban-space understanding and human relations. Method: The study was conducted as a literature review. The data obtained as a result of the literature search and some research data have been taken as basis and the subject has been evaluated theoretically. Conclusion: The post-industrialization of production associations into a new form rapidly changed both people's living spaces and their production relations. The life cycle in the city has gone from collective to industrialization and globalization, to a form based on capital relations where money is the primary location. If the
The Impact of Smart Specialization Strategy on the Romanian Research and Development Sector

78
Prof. Cezar-Petre Simion  
*The Bucharest University of Economic Studies, cezarsimion@yahoo.com*

**Abstract**

In Romania, for 2020, a smart specialization strategy for the development sector was adopted, whose main objective was to re-orientate this sector towards those research activities that produce economic results. The smart specialization strategy for the R & D sector has included the following key areas: bioeconomy; information and communication technology, space and security; energy, environment and climate change; eco-nano technologies and advanced materials. These areas of research have been favored by national research development programs since 2014. The aim of the paper is the analysis of the effects that the implementation of this smart specialization strategy has generated in R & D and innovation in Romania. The research methodology has started from establishing the areas for which the effects of strategy implementation will be evaluated and included the analysis of results using indexes for the first two years of the strategy. The main conclusion of this research is that the implementation of the smart specialization strategy did not lead to significant mutations within the sector, the strategic targets set being difficult to achieve.

**Keywords:** Strategy, Specialization, Research, Development

**JEL codes:** L10, M10,M19

1. Introduction

R & D has obvious positive implications on the economic development of the states. National strategies in the field of R & D and innovation are destined, in most European countries, to shape the main directions of development of this field for 5-7 years, following the main strategic planning periods at the European Union level.

In Romania, the development and implementation of development research strategies followed, after joining the European Union in 2007, the European strategic planning model for seven years. The National Development Strategy for 2007-2013 has had important objectives: to increase the scientific output and the human resource involved in national development research activities. The implementation of the R & D strategy at national level in Romania during the period 2007-2013 has had a number of significant achievements, of which the most important were: increasing the quality and quantity of scientific
publications, important investments for support of research infrastructures, better connection to international research compared to the period before 2007. However, at the end of the 2007-2013 strategic cycle, Romania’s research-development sector is still experiencing a number of issues, of which the most important are: the low number of researchers compared to the European average, the reduced demand for research services from the private environment, the inability to generate competitive products, services and works on the market. Therefore, the Romanian economy had a relatively low competitiveness at global level and was not based on the results of research and development.

For the 2014-2020 period, they propose to implement an intelligent strategy focused on the following areas: bioeconomy; information and communication technology, space and security; energy, environment and climate change; eco-nano technologies and advanced materials. This strategy aims at increasing the competitiveness of the Romanian economy at regional and global level. In this article we propose the analysis of the effects of implementing the smart specialization strategy on the R & D sector in Romania.

2. Literature review

Public R & D strategies and the efficiency of allocating funds in this area have been extensively studied. Some research (Choi J. and Lee J., 2017, p. 265) shows why public funding for research is needed: “because private firms will not fully recoup their investment in R & D that is intended for public value, the private market lacks the incentive to fund R & D for public benefit”. As a result of their research, they have come to the conclusion that many of the national research programs need to be reconfigured and many of their objectives need to be changed. Changing research programs during the implementation of a national research strategy may prove difficult especially if they have ongoing research projects.

Other studies (Meyer-Krahmer F. and Reger G., 1999, p.752) have shown that funding for research by states is a good prerequisite for increasing the private sector’s R & D and innovation funding. Without public funding for fundamental or applied research in some areas, the private sector would not be interested in financing innovation or technological development. National research strategies should be a focus of a joint, public and private effort to fund and achieve of this activity.

The contribution of national R & D strategies to the economic development of the states has been underlined by studies by governments, firms and researchers. Some authors (Wang E., 2007, p. 357) consider that “any country that manages its R&D resources efficiently could benefit in terms of achieving better economic performance. It attempts to place emphasis on the effective use of
R&D resources once they are in place rather than on efforts to engage in new investments”. The allocation of resources for long-term research and development can only be achieved as a result of a national R & D strategy.

3. Research methodology

Considering the main approaches in the literature and the fact that the effects of implementing the smart specialization strategy in the R & D sector in Romania have not been studied this research had the following objectives:

- establishing the main effects of the national R & D strategy;
- evaluating the effects of implementing the smart specialization strategy on the development research sector in the 2014-2017 strategic period.

To achieve these objectives, a research methodology has been developed that includes the following steps:

1. The delimitation of the areas where the effects of implementing the national R & D and innovation strategy will be studied during 2014-2017;
2. Establishing relevant data sources on the effects of implementing the national R & D and innovation strategy over 2014-2017;
3. Collect relevant data and information and process them to analyze the effects of the national R & D strategy and innovation in 2014-2017;
4. Evaluating the effects of the implementation of the national R & D and innovation strategy in 2014-2017;
5. Analysis of the results of the research and formulation of the conclusions.

4. Research results

The analysis of the effects of implementing a strategy of intelligent specialization on the research and development sector in Romania started from the strategic objectives. The strategy had three general objectives and six specific objectives. The three general objectives of the strategy were: increasing the competitiveness of the Romanian economy through innovation, increasing the Romanian contribution to the progress of frontier knowledge, increasing the role of science in society. The six specific objectives of the national strategy for development research were: to create a stimulating environment through the private sector initiative; supporting smart specialization; concentrating an important part of research on societal issues, reaching the critical mass of researchers by 2020, and developing highly performing research organizations.

The analysis of the strategy implementation results has taken into account the key performance indicators set for the 2014-2017 and 2014-2020 period. The most important of these are presented in the following table.
Table 4.1. Key Performance Indicators for 2014-2020

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Target 2017</th>
<th>Target 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public expenditure on R &amp; D (% of GDP)</td>
<td>0,63</td>
<td>1,00</td>
</tr>
<tr>
<td>Number of public sector researchers (full-time equivalent)</td>
<td>15000</td>
<td>17000</td>
</tr>
<tr>
<td>R &amp; D expenditure of the business sector (% of GDP)</td>
<td>0,6</td>
<td>1,00</td>
</tr>
<tr>
<td>Number of private sector researchers (full-time equivalent)</td>
<td>7000</td>
<td>14500</td>
</tr>
<tr>
<td>SMEs introducing innovative products or services (%)</td>
<td>16</td>
<td>20</td>
</tr>
</tbody>
</table>

The research was focused on the evolution of these indicators in 2013 (the first year before the implementation of the strategy), 2014 and 2015 (the first two years of strategy implementation). The results of the strategy implementation analysis regarding human resources are presented in Tables 4.2 and 4.3.

Table 4.2. Evolution of the number of researchers in Romania during 2013-2015
The total number of researchers fell by 6% between 2013 and 2015. The largest reduction in the number of researchers was recorded in the business sector where there was a reduction in the number of researchers by 21% in three years. In the government sector, the number of researchers increased by 1% and in the public sector decreased by 1%. The number of nonprofit private sector researchers increased by 5% but it remains insignificant as a share of the total number of researchers compared to other sectors.

The evolution of the number of researchers per domains in Romania during the period 2013-2015 is presented in Table 4.3. The number of researchers in the public domain remained relatively constant while the number of private sector researchers experienced a significant decrease of more than 20%.

Table 4.3. Evolution of the number of researchers per domain in Romania during 2013-2015

<table>
<thead>
<tr>
<th>Number of researchers per domain</th>
<th>Year 2013</th>
<th>Year 2014</th>
<th>Year 2015</th>
<th>Index 2015/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of researchers in the public domain</td>
<td>13161</td>
<td>12787</td>
<td>13139</td>
<td>0.998</td>
</tr>
<tr>
<td>Number of private researchers</td>
<td>5415</td>
<td>5322</td>
<td>4320</td>
<td>0.798</td>
</tr>
</tbody>
</table>

(Source: INSSE data, EUROSTAT, own calculations)

The analysis of the evolution of the number of researchers compared to the targets for the 2014-2020 strategy is presented in Table 4.4. It can be noticed that the number of researchers in the public sector in the Romanian R & D sector is 12% below the strategic target set for 2017 and 23% below the strategic target
set for 2020. In order to meet the strategic objectives for the year 2020, the average annual increase in the number of researchers should be 4.6%.

Table 4.4. Analysis of the evolution of the number of researchers compared to the 2014-2020 strategy targets

<table>
<thead>
<tr>
<th>Number of researchers per domain</th>
<th>Target 2017</th>
<th>Index 2015/target 2017</th>
<th>Target 2020</th>
<th>Index 2015/target 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of researchers in the public domain</td>
<td>15000</td>
<td>0.88</td>
<td>17000</td>
<td>0.77</td>
</tr>
<tr>
<td>Number of private researchers</td>
<td>7000</td>
<td>0.62</td>
<td>14500</td>
<td>0.30</td>
</tr>
</tbody>
</table>

(Source: own calculations)

In the case of private sector researchers, less than a third of the strategic target for 2020 and 38% below the strategic target for 2017 was met. In order to meet the strategic 2020 target for the number of researchers in the field the annual average growth of the private sector should be 14%.

Expenditure on research activity increased by 41% over the period 2013-2015, as shown in Table 4.5. The largest increase in spending on research activity was recorded in the private sector with an index of 2.02.

Table 4.5. Expenditure on research activity by sector in 2013-2015

<table>
<thead>
<tr>
<th>Expenditure on research by sector</th>
<th>Year 2013</th>
<th>Year 2014</th>
<th>Year 2015</th>
<th>Index 2015/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business environment sector</td>
<td>755710</td>
<td>1059424</td>
<td>1529866</td>
<td>2.02</td>
</tr>
<tr>
<td>Government sector</td>
<td>1213368</td>
<td>1097795</td>
<td>1330167</td>
<td>1.10</td>
</tr>
<tr>
<td>Higher education sector</td>
<td>485963</td>
<td>388960</td>
<td>606508</td>
<td>1.25</td>
</tr>
<tr>
<td>Private nonprofit sector</td>
<td>9738</td>
<td>9483</td>
<td>10392</td>
<td>1.07</td>
</tr>
<tr>
<td>Total expenditure on research activity</td>
<td>2464779</td>
<td>2555662</td>
<td>3476933</td>
<td>1.41</td>
</tr>
</tbody>
</table>

(Source: INSSE data, EUROSTAT, own calculations)

The share of spending on R & D in GDP over the period 2013-2015 is shown in Table 4.6.
Table 4.6. Share of R & D expenditure in GDP over 2013-2015 (by sectors)

<table>
<thead>
<tr>
<th>Share of spending on research and development in GDP</th>
<th>Year 2013</th>
<th>Year 2014</th>
<th>Year 2015</th>
<th>Index 2015/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business environment sector</td>
<td>0.16%</td>
<td>0.21%</td>
<td>0.29%</td>
<td>1.77</td>
</tr>
<tr>
<td>Government sector</td>
<td>0.26%</td>
<td>0.22%</td>
<td>0.25%</td>
<td>0.96</td>
</tr>
<tr>
<td>Higher education sector</td>
<td>0.10%</td>
<td>0.08%</td>
<td>0.11%</td>
<td>1.09</td>
</tr>
<tr>
<td>Private nonprofit sector</td>
<td>0.002%</td>
<td>0.0019%</td>
<td>0.002%</td>
<td>0.93</td>
</tr>
<tr>
<td>Total expenditure on research activity</td>
<td>0.53%</td>
<td>0.51%</td>
<td>0.66%</td>
<td>1.23</td>
</tr>
</tbody>
</table>

(Source: own calculations)

The share of spending on research - government sector development in GDP fell by 4% in the first two years of implementing the smart specialization strategy. The share of GDP in development spending in the business sector grew significantly, and research spending grew by 23% at national level. The analysis of the share of R & D expenditures in GDP is presented in the table below. It is noticed that business sector spending has increased greatly while public sector spending has remained relatively constant. However, the share of public spending on research and development in GDP is higher than in the private sector.

Table 4.7. Share of R & D expenditure in GDP over 2013-2015 (field analysis)

<table>
<thead>
<tr>
<th>Share of spending on research and development in GDP</th>
<th>Year 2013</th>
<th>Year 2014</th>
<th>Year 2015</th>
<th>Index 2015/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public spending on research and development</td>
<td>0.37%</td>
<td>0.30%</td>
<td>0.36%</td>
<td>0.996</td>
</tr>
<tr>
<td>R &amp; D spending of the business sector</td>
<td>0.17%</td>
<td>0.21%</td>
<td>0.29%</td>
<td>1.758</td>
</tr>
</tbody>
</table>

(Source: own calculations)

Table 4.8 presents the analysis of the share of R & D expenditures on GDP compared to the 2014-2020 strategy targets. Although R & D spending in the
business sector has seen a strong upward trend, they reach only 48% of the target for 2017 and less than one third of the value of 2020.

Table 4.8. Analyzing the evolution of the share of expenditures in GDP development research compared to the 2014-2020 strategy targets

<table>
<thead>
<tr>
<th>Share of spending on research and development in GDP</th>
<th>Target 2017</th>
<th>Index 2015/target 2017</th>
<th>Target 2020</th>
<th>Index 2015/target 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public spending on research and development</td>
<td>0.63%</td>
<td>0.58</td>
<td>1%</td>
<td>0.36</td>
</tr>
<tr>
<td>R &amp; D spending of the business sector</td>
<td>0.60%</td>
<td>0.48</td>
<td>1%</td>
<td>0.29</td>
</tr>
</tbody>
</table>

(Source: own calculations)

Public spending on R & D in GDP is well below the 2020 target. To reach the 1% target for 2020, it should have an average growth of 12.4% per year, a rate that has not has never been touched before.

The share of innovative SMEs accounted for only 3.6% of all enterprises in 2014. In these circumstances, to achieve the 2020 strategic targets, an average annual increase of 16.4% is needed in this area.

5. Conclusions

The implementation of the smart specialization strategy has so far not led to significant mutations in the R & D sector in Romania. The strategic targets set for 2020 are difficult to achieve in terms of both the number of researchers and the share of spending on R & D in GDP.

From the analysis, the number of researchers remained relatively constant in the public sector in the first two years after the implementation of the strategy and fell by almost a fifth in the private sector despite the doubling of spending on R & D in this sector. This means that private sector research spending was not based on own research efforts. Equally distant from the 2020 strategic horizon remain the values for other key performance indicators such as the share of innovative SMEs in all enterprises.
References


The Relationship between Poverty and Growth: The Case of Turkey

Assoc. Prof. M. Veysel Kaya  
*Kirikkale University, Turkey*

Ibrahim Aytekin  
*PhD Student, Kirikkale University, Turkey*

**Abstract**

Globalization has contributed to the growth of country's economy as it rapidly transformed the world economy into a single market; but it has increased poverty. In this context, the relationship between poverty and the economy in the world is not only an economic phenomenon but also a social outcome. In this work is to be discussed in relationship between growing and poverty of Turkey, and despite having entered recently in Turkey among the growing economies of the world, poverty rates could not be reduced to the desired level. One of the major reasons of this case is that the unemployment rates can not be reduced to the desired levels. There are many reasons of unemployment in Turkey rather than poverty. Finally, in this study, also that are available in literature will be discussed. By using Turkey Statistical Institution (TSI) datas relationship between poverty and economic growth will be explained and the results discussed.

**Key words:** Poverty, Growth, Economy, Unemployment
The Organization Functions in Knowledge Based Entities

Prof. Ciprian Nicolescu
The Bucharest University of Economic Studies, ciprian.nicolescu@gmail.com

Abstract

The paper aims to emphasize the changes occurred at the level of organisation functions within knowledge based entities. There are approached three categories of changes - affecting all functions, regarding the ascendancy of some functions and activities and referring the emergence of new functional elements - and it is presented a new structure of organisation functions. Thus, besides of classical functions - research & development, commercial, production/operational, financial and accounting, human resources - there are proposed and analyzed two new functions: knowledge and training. Also the work highlights the particularities of classical functions in knowledge based organizations and ends with conclusions and recommendations for managers and entrepreneurs.

Keywords: Organization functions, Knowledge, Changes, Training, Research & Development, Human Resources

JEL codes: M10, M19, D80, D83

1. Introduction

Changes in the nature and size of company resources, as well as changes in its ambient environment, related to the transition to knowledge based economy and organizations have been accompanied by mutations within the functions of organization, which can be summarized in three categories (figure 1):
The main categories of changes in business functions based on knowledge
Source: Nicolescu and Nicolescu, 2005, p.131

In the followings will be approached these major changes, focusing on new functions of the knowledge-based organization.

2. Changes THAT affect all functions OF ORGANIZATION

Considering the changes impacting all organization functions must be mentioned as most relevant, the following:
• intellectualisation of work processes, of course, not all in the same proportion, but substantial within each function;
• transforming knowledge into an input, into an essential "row material" for almost all activities of the organization;
• increasing of the creative dimension of work processes within every function and activity;
• amplification of work processes efficiency, of productivity, which is reflected in the superior performance of companies, compared with the previous period, while maintaining the same size or even reduce them;
• outsourcing of certain specific activities in relation to value vector, which in knowledge based enterprise is the vector of strategic knowledge, generating competitive advantages for the company, while other activities are internalized if knowledge embedded belong to value vector of the company;
• focusing of activities on the creation, sharing, using and capitalization of key knowledge in relation to profile and objectives of organization;
computerization of labour processes operationalization, as consequence of the placing to forefront of knowledge, of their use and capitalization and not of formal discipline that prevailed in classical firm. Consequence of these changes is the superior functionality of the running activities in companies, of the organizations processuality.

3. New functional configurations within the organization

On background of the maintaining and even emphasizing of systemic nature of the organization functions, it is found that some of them acquire increasing importance, impacting on organizational performance, noticeably higher than in classical capitalist enterprise:

- research & development function and especially technical conception activity become paramount. Innovation in the field of products and technology amplifies and accelerates substantially. Therefore, increase the role of technical conception activities, concomitant with their integration in a larger extent, with the production and commercial activities;
- human resources function, particularly through training activity, which, because of the transformation of the company into a learning organization, tends and acquires a magnitude and considerable impact. As a result, some experts (Prokopenko, 1998, p.p.369-370) already refer to the training function of the organization, separating it from the human resources function and placing it at the same level as the other known functions: research and development, production, commercial etc.

Simultaneously, it finds occurrence and the rapid development and consistent of numerous processes of knowledge treatment, some of them contoured at level of activities. From this reason emerged a new function - knowledge function. Must be mentioned that activities of knowledge function are conducted within a given organization in two forms:

a. either freestanding, not overlap with the current activities of the company. This is the case of learning processes within programs of training or creation of knowledge in design departments;

b. or, most often, integrated within other activities of the company - purchasing, production, sales, etc.
Both forms of manifestation tend to increase in knowledge based organization, according to advancing towards the knowledge economy, being generators of functionality and sustainability.

Simultaneously, the training activity within the human resources function is amplifies substantially with functions, complexity and dimension, tending to become a stand-alone function. This view is supported in the work of the International Labour Organization (Prokopenko, 1998, p.p. 369-370).

The impact of outlining training function is represented by the increasingly larger processes of organizational and individual learning within enterprises, that conditions more and more the functionality and performances of companies. In figure 2 is presented the specific configuration of functions within the organization based on knowledge.

![Functions Diagram](image)

**Figure 1.** Specific configuration of the knowledge based organization' functions
Source: Nicolescu and Nicolescu, 2005, p.135

### 4. Knowledge Function

As a result of the above items, the determining element in the functional plan of organization based on knowledge is the emergence of knowledge function. In essence, knowledge function can be defined as whole process of knowledge treatment within the organization that ensures the necessary knowledge, use, development, protection and capitalization of them, contributing decisively to obtaining of products and competitive knowledge. In the followings, it will be presented briefly the main activities which compose the knowledge function.
• Identifying of needed knowledge to achieve the organization's objectives and its components. Identifying has as sphere of inclusion both interior of organization and the environment in which it operates. To identify knowledge needed by employees, it is necessary to trigger special actions for observation of areas from organization environment, where is likely to discover sought knowledge, with the best price-quality ratio.

• Buying of knowledge, practiced when necessary knowledge were identified within other organizations and/or individuals from outside of company, from which can be obtained only for a fee. To be successful, it must be thoroughly prepared and procurement costs and other terms related to acquisition have to be correlated with the needs, possibilities and priorities of the organization. The main role in acquisition of knowledge must have the specialists from the domain in which will be used.

• Learning, assimilating of knowledge by employees of the company and sometimes by the organization itself. The simple identification and/or purchasing knowledge is not enough. They should be assimilated by specialists, usually through a learning process and, of course, used the firm. Learning and assimilation of knowledge can take place either formally, in special actions with this aim, either informally through the efforts and skills of respective specialists. The highest part of knowledge, but not the most important, is assimilated through informal ways.

• Creating knowledge is required when, to meet the organization's objectives, existing knowledge is not sufficient and/or buying them from outside the firm is not possible and/or cost too much. Creating knowledge is widespread in knowledge-based organizations due to their focus on permanent innovation and the capacity of its specialists to generate new items. Creating knowledge within the organization has a decisive role in getting by it of the competitive advantage and sustainability.

• Storing of knowledge, both own and attracted or purchased are processes particularly important. They must be so designed as to provide simultaneously easy access to knowledge of persons and departments entitled, reduce storage costs and protect knowledge.

• Sharing of knowledge is one of the most difficult and often complex work process centred on knowledge as pointed out by numerous specialists. Capitalizing knowledge and their value depends on the jointly access, learning and debate made by individuals and departments involved. Sharing knowledge is
made both through formal approaches - notifications on the existence of knowledge, its transmission to potential users, organizing presentations and group debates focused on knowledge – and informal, related to organization’s culture, the power of example given by certain specialists and managers, so on.

- Using knowledge is without any doubt a key process, often quantitatively dominant in all work processes oriented on knowledge. In order that the use of knowledge to be effective and efficient it should be made by the right people, at the right moment, in the right place and to be properly done. It is always essential that the use of knowledge to be subordinated to organization's strategic objectives. Using knowledge is often combined with some of the work processes mentioned - creating, learning, sharing, so on – mutually amplifying.

- Protecting knowledge is an activity whose importance and magnitude grows with the proliferation of explicit knowledge, especially due to their characteristic to demultiply and to be electronically stored on documents, which highly skilled intruders can sometimes access, despite organization and its specialists’ efforts. Knowledge protection should be done so that not to make harder their share and use by specialists, because otherwise it becomes unproductive.

- Capitalizing of knowledge can be done directly - through their sale as such - and indirectly - through products in which they are incorporated. Considering the fluidity and rapid obsolescence of knowledge, performant capitalization of knowledge requires high speed of reaction and commercial skills. It must provide the needed resources to ensure the continuity of activity and the development of the company.

5. Training function

The new function of training in knowledge based companies is substantially different from the training activity practiced in traditional companies from multiple points of view:

- approaching training and operationalization as a strategic process, being integrated in the core of the redesigning activities’ processes and of building knowledge based strategic advantages

- binding tight the training to all processes of knowledge treatment within the organization
quasi-permanent implementation of the training, overcoming episodic training phase, at certain distanced periods, usually for periods in which the company has crisis or when changing strategy
• training’s organic correlation with the ongoing processes of change and which will be developed within the organization
• designing and implementing training processes within the organization under intense collaboration conditions between specialists in human resources and all managers of the organization, ensuring a strong pragmatic content which generates technical, commercial and economic performance to company
• offering training to knowledge based employees and other stakeholders, under multiple forms
• diversifying and improving learning methods and techniques, by putting up front those focused on knowledge capitalization
• building training processes within the company on a new type of organizational culture centred on learning and reaction to new and on attitudes and behaviours of employees, specialists and other stakeholders which are favourable to getting knowledge and continuous training
• intense participating of each knowledge based specialist both in establishing forms, programs and training methods and in the actual implementation of the training processes involving them
• treating learning processes not as a itself scope but closely related to current and future objectives of the company, subordinating them to the increase of its performance

The base of these features is largely represented by the concept of sustainable education, mentioned in recent years (Fien, Maclean and Park, 2009, p.p.382-392)

Pronounced specificity of the training in knowledge based company is reflected in the tendency to shape a new type of specialist – the agent of organizational learning (Friedman, 2002, p.p.70-89) which has the following characteristics:
• proactive in actions, but reflective thinking
• high training and economic performance aspirations, but realistic in terms of organization’s limits
• critical in analysis but constructive and dedicated in solutions and actions
• independent thinking, but also team worker in training actions
Practice shows that learning agents can substantially contribute to the training of knowledge based specialists under high economic performance conditions. Training function within the knowledge based company uses concomitantly a variety of forms of training human resources (internal and external to the company, e-learning and classical, individual and group, formal and informal so on)

Naturally, the content of programs through which the personnel training is performed varies between very wide limits from one firm to another and from one period to another.

However, according to specialists (Kessels, 2001, p.p.497-506) should always be included the following categories of elements:

a. The manner in which the knowledge is treated, such as transformation of tacit into explicit knowledge, facilitating working in groups and building teams, generating new knowledge, knowledge protection, increasing added value through the use of knowledge, creating knowledge based strategic advantage, improving capacity to learn, so on.

b. Changes in information technologies and communications, such as new programs and computer languages, the use, advantages and limitations of new computers and communications equipment, new functions and benefits of the recent portals, web pages, so on.

c. Developments in the markets and in the local, regional, national and international business environment, with priority given to changes in preferences and in current and potential customers’ demand, in strategies and marketing methods of competitors and other companies in the same field or related fields, in new ways and methods of marketing and trade based on internet, e-commerce, so on.

d. Changes in technique and technologies, focusing on those that occur in the organization’s domain of activity, in complementary sectors and areas that provide substitutable products and knowledge in relation to that company.

Regarding training methods and techniques, we mention three major changes:
• increased use of active learning that is based on strong participation of employees and on the focus on the development of approaches, abilities, skills, so on; among these we mention simulations, case studies, management games, roll-playing, so on
• widespread proliferation of approaches and methods of training-consultancy that appeared in recent decades, especially coaching and mentoring, which are proving very effective although they are expensive
• shaping new training methods and techniques that consider the specificity of organizational learning processes within the knowledge based company, such as the FNL (Ford Learning Network) and CBR (Case-Based Reasoning).

The training is - as demonstrated in a paper (Mertens, 2004, p.p.3-14) developed under the auspices of the International Labour Organisation - the main driver of growth in labour productivity, the principal source of economic development.

Finally, we note that spectacular changes in organization's training generates maximum economic performances when they are permanently subordinated to achieving the objectives of the organization and consider the specificity of processes of knowledge treatment under particular conditions of each company.

6. Particularities of the traditional functions within the knowledge based organization

Based on the elements presented in the preceding paragraphs and other analyzes made in prior years (Nicolescu and Nicolescu, 2011, p.p.113-118), we briefly present which are the main features of the five "classic" functions in knowledge based organization.

Table 1. Particularities of traditional functions within the knowledge based organization

<table>
<thead>
<tr>
<th>FUNCTION</th>
<th>MAIN PARTICULARITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research &amp; Development</td>
<td>• The dimension of its activities is amplified both absolute and relative within the organization, based on intense participatory approaches and on knowledge based specialists. This development occurs relatively equal at the level of each one out of the three component activities - organizational forecasting, technical design and organization.</td>
</tr>
<tr>
<td></td>
<td>• Within these activities participates a considerable part of knowledge based experts.</td>
</tr>
<tr>
<td></td>
<td>• The rhythm of changing the content and the ways of manifestation of research and development processes, regardless of nature - technical, commercial, human resources, management, so on - is the highest within the organization.</td>
</tr>
<tr>
<td></td>
<td>• New products, which represent the final stage of research activities, include an increasingly amount of knowledge, which is crucial to achieving competitive advantage.</td>
</tr>
<tr>
<td></td>
<td>• R&amp;D activities are often performed in communities based on specific knowledge.</td>
</tr>
<tr>
<td></td>
<td>• The impact of R&amp;D function focused on knowledge which relates to functionality and overall performance of the organization</td>
</tr>
</tbody>
</table>
The importance and complexity of commercial activities is continuously amplified, requiring an increasing amount of knowledge with a pronounced specificity, difficult to owned and developed, especially in small organizations. Trends of outsourcing activities requiring particularly demanding knowledge - especially marketing - accessing specialized companies. The trend to outsource a part of the supply and sales processes, especially those requiring equipment and knowledge with significantly specificity. The impact of commercial function on the organization’s functionality and performance tends to grow, under conditions of internationalization and globalization of economic activities and of the fierce competition.

<table>
<thead>
<tr>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>The size of work processes involved and equipment used decreases because of the use of highly performant automated systems, often miniaturized, as a result of using modern technologies.</td>
</tr>
<tr>
<td>At production processes level, we have an intense tendency of intellectualizing, reducing rapidly physical work, even disappearing in modern companies.</td>
</tr>
<tr>
<td>Human resources used are highly qualified, widely addressing to knowledge based specialist, in an increasingly proportion with higher education.</td>
</tr>
<tr>
<td>Production activities tend to have a pronounced innovative dimension, often generating new knowledge, resulting in modernization of products and technologies.</td>
</tr>
<tr>
<td>The production activities are particularly focused on</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Production (Exploitation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The importance and complexity of commercial activities is continuously amplified, requiring an increasing amount of knowledge with a pronounced specificity, difficult to owned and developed, especially in small organizations.</td>
</tr>
<tr>
<td>Trends of outsourcing activities requiring particularly demanding knowledge - especially marketing - accessing specialized companies.</td>
</tr>
<tr>
<td>The trend to outsource a part of the supply and sales processes, especially those requiring equipment and knowledge with significantly specificity.</td>
</tr>
<tr>
<td>The impact of commercial function on the organization’s functionality and performance tends to grow, under conditions of internationalization and globalization of economic activities and of the fierce competition.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>The importance and complexity of commercial activities is continuously amplified, requiring an increasing amount of knowledge with a pronounced specificity, difficult to owned and developed, especially in small organizations.</td>
</tr>
<tr>
<td>Trends of outsourcing activities requiring particularly demanding knowledge - especially marketing - accessing specialized companies.</td>
</tr>
<tr>
<td>The trend to outsource a part of the supply and sales processes, especially those requiring equipment and knowledge with significantly specificity.</td>
</tr>
<tr>
<td>The impact of commercial function on the organization’s functionality and performance tends to grow, under conditions of internationalization and globalization of economic activities and of the fierce competition.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Production (Exploitation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The size of work processes involved and equipment used decreases because of the use of highly performant automated systems, often miniaturized, as a result of using modern technologies.</td>
</tr>
<tr>
<td>At production processes level, we have an intense tendency of intellectualizing, reducing rapidly physical work, even disappearing in modern companies.</td>
</tr>
<tr>
<td>Human resources used are highly qualified, widely addressing to knowledge based specialist, in an increasingly proportion with higher education.</td>
</tr>
<tr>
<td>Production activities tend to have a pronounced innovative dimension, often generating new knowledge, resulting in modernization of products and technologies.</td>
</tr>
<tr>
<td>The production activities are particularly focused on</td>
</tr>
</tbody>
</table>
components of the value chain and as a result, activities of maintenance, repair, auxiliary production, so on are frequently outsourced.

- Impact of production activities - which in many industrial, agricultural or construction organizations is predominantly quantitative - on organizational performance stays at a high level.

**Financial Accounting**

- The size of specific work processes diminishes because of the codification of information, standardization of financial statements, computerization and outsourcing specific processes, such as auditing and accounting.
- Financial activity tends to dominate this operation, both quantitatively and qualitatively, based on increasingly sophisticated financial, economic and managerial knowledge.
- Human resources involved in carrying out these processes are of high quality and small in number.
- Amplification of the area of information considered in the design and implementation of financial processes due to increased internationalization of economic activities and developments in the global banking system.
- The impact of financial-accounting activities on functionality and performance of knowledge-based organizations is maintained at an appreciable level, with growing tendency in times of economic crisis.

**Human Resources**

- The size and complexity of human resources activities are amplified because of the decisive role that these resources – mainly represented by knowledge-based employees - have in starting, development, use, possession, so on of knowledge.
- Expanding the scope of the HR function on key external stakeholders in order to attract, use and capitalize their knowledge in the interest of the organization.
- The contents of all HR activities are changing as a result of placing knowledge in the forefront of management.
- Personnel training activity becomes increasingly important, reflecting the increase of share of individual and organizational learning processes, with a tendency to be built as independent function within large companies.
- Major changes occur in the motivational activity, whose content remodels, moving up front the use, increase and capitalization of staff knowledge.
- The impact of HR function on the functionality and performance of knowledge-based organizations increases due to their possession of the main background of knowledge, on which depends the organization at all levels of manifestation.
Presented elements indicate multiple and essential changes in the functions and activities of knowledge based organization that can be considered and used only through a specific management - knowledge based management.

7. Conclusion

Given that worldwide it can be observed acceleration of transition to knowledge-based economies and organizations, managers need to understand the trends that manifest in the knowledge-based entities, the reconfigurations that occur in the organizations and their management.

Although the paper is considering only mutations within functions of the company, building knowledge based organization devolves many and profound changes with managerial character, from which stand out as very important those relating to managerial subsystems, methods and techniques used, elaboration of strategies and organizational culture. Must be mentioned that changes in the functions and activities of a company are impacted by the intensity with which are manifested within it the features of the knowledge-based organization and the stage of its transition to the knowledge organization (stage 1 - recognition of knowledge, stage 2 - reengineering of knowledge, stage 3 - networking of knowledge, stage 4 - motivation based on knowledge, stage 5 - intensification of knowledge, stage 6 - firm based on knowledge).

Managers who want to be effective must know the changes that manifest at the level of functions and activities in the knowledge-based organization and make efforts in order to adapt their businesses to these mutations. Disregarding them can have negative repercussions of the competitiveness and sustainability of managed systems.

To successfully face the challenges generated by the new type of economy, the Romanian managers and entrepreneurs must contract one or more services provided by firms of training and consultancy specialized in domain of knowledge management, concomitant with initiation of actions to transfer best practices from countries which are in an advanced stage of transition to the knowledge-based economy.

References


Abstract

In the course of rise of China corporate governance has increasingly become a crucial benchmark to judge its market status, a key to its further growth and an important reflection of its rule of law development. While facing the potential financial crisis the Party-State has been struggling in between promoting market reform and maintaining the security of the regime. The paper will critically examine the contradictory developments with respect of corporate governance under the new leadership of Mr. Xi since 2012, leading to the further tension between the Party-State political ideology and the market disciplines. Such a condition is analyzed to illustrate the limited applicability of the current corporate governance theories in China due to its unique environment as a socialist market economy and uncertainties of its sustainable development under the rule of law.

Keywords: China, Corporate governance, Socialist market economy
Investigation of Workaholism in Accounting Professional Members in Terms of Various Variables

Dr. Imdat Dogan  
Independent Researcher, Istanbul, Turkey

Esra Ulukok  
Kirikkale University, Turkey

Mahmut Saylıkay  
Kirikkale University, Turkey

Prof. Adnan Akin  
Kirikkale University, Turkey

Abstract

In this research, the perception of workaholism are examined by those who are self-employed as certified public accountants (CPAs). In this context, workaholism perception of CPAs will be determined by utilizing some demographic variables such as education, income, age and career, etc. Furthermore, if available, the relationship between demographic variables and workaholism perception along with the level of relationship will be investigated. This study was conducted in Kirikkale, a trade and industrial city in Turkey. We believe that this research will have some significant contributions both for academicians and sectoral counterparties.

Keywords: Accounting Professional Members, Workaholism, Attitude and Behaviours

Assoc. Prof. Majid Abbasi
Allameh Tabataba’i University, Tehran, Iran. Email:dr.majidabbasi@gmail.com

Abstract

Humanitarian law includes principles and rules of law aimed at protecting the lives of individuals and property exposed to the effects of international and non-international armed conflicts. The observance of this principle has always been an important concern for pacifist societies throughout history. In this regard, globalization and the expansion of communication and information as a process that has the greatest impact on human interaction and relationships has led to the enhancement of the role and status of the individual and the rights that they enjoy within public opinion, governments and international organizations now more than even before. Thus, when a war or a humanitarian crisis occur, their news and information are quickly made available to the public opinion of the countries, and responsible international organizations and institutions. In this context, it is increasingly expected that the international organizations to fulfill their task in preventing human rights violations, but these organizations may not be able do this under certain circumstances.

The main goal of this research is to examine the impact of globalization on observing humanitarian rights and the case study of the Yemeni crisis resulting from Saudi Arabia’s intervention in Yemen. This research uses a descriptive-analytical method to answer the main question that what is the impact of globalization on humanitarian law and how it has been observed in the Yemeni crisis during the years 2015-2017? The findings suggest that although globalization has led to the promotion of human rights, they have been neglected by the governments and international organizations and have been overshadowed by the political interests of the great powers in the Yemeni crisis.

Keywords: Humanitarian Law, Globalization, Yemen, International Organizations.
Introduction

Since the beginning of human life, perhaps there has been no period of time in human life in which conflicts were absent and people lived in peace and tranquility. War as a social fact is a multi-faceted phenomenon and can be studied from various aspects. One of these important aspects is paying attention to humanitarian law. Because in the war, one of the means of exercising power and committing human and social crimes is armed action which takes place within the framework of existing relations between actors in the international and domestic arenas.

Human history has been fraught with great and small wars since the beginning. Wars which constitute a large but, of course, saddening part of the experience of human social life, are so entrenched in the history of the world that many thinkers regard war as an inseparable and inevitable part of the relationship between peoples and nations throughout history. Armed conflicts are often accompanied by a great deal of human, financial and psychological costs, and the most important aspect of which is the massive casualties manifested in the form of death, disability and displacement of thousands of innocent people.

In this regard, one of the important concerns of the international community has been the establishment of sustainable justice and peace among the various peoples and nations. In this way, though, the idea of eradicating the war seems to be an unattainable goal, but limiting its scope is achievable. Therefore, the emphasis on the peaceful resolution of conflicts in order to avoid the occurrence of a war, along with limiting the scope of the war and regulating it, in case of occurrence, is an important issue for the international community. This trend has accelerated in the age of globalization and with the development of communications and information. In this era, the lack of respect for humanitarian law in wars quickly reflects negatively in the world public opinion, and the media rapidly transmit the news of war crimes. Therefore, it is anticipated that international organizations will also act in accordance with their mandate and quickly take steps to prevent the occurrence of crimes. But in some cases, the observance of human rights is influenced by political issues and is not realized. One of these cases is the start of the war on Yemen since 2015, in which humanitarian law has been neglected and the United Nations has failed to fulfill its legal duty.

The main objective of this study is to examine the effects of globalization on the observance of humanitarian law and the case study of the Yemen crisis (2015-2017) resulted from the invasion of Saudi Arabia's military forces on this country. This research uses a descriptive-analytical method to answer the main
question: How has globalization affected humanitarian law and how has it been observed in the Yemeni crisis?

1. Theoretical framework: The Relationship of Culture, Identity and Humanitarian Law in International Relations

In recent decades, incredible events have taken place in the field of international relations. The expansion of communications through Internet and satellite technologies, awareness and knowledge of people about their rights and duties towards their respective governments, the diminution of the importance of borders and the development of countries’ cooperation in protecting the fundamental rights of human beings, the emergence of issues such as the comprehensive and practical support of human rights, struggle against terrorism, protection of the environment ... are the consequences of these developments. At this time, the status of human rights in the international community has become more elevated. (Abbasi, 2004: 298)

There are two major approaches to the globalization of human rights values. First, values with a single source and origin which do not vary according to different cultures and civilizations. Interest in such values and the disgust of any action against them, is quite obvious and natural. The issue of the forbiddance of murder, the prohibition of torture, slavery and racial discrimination, immunity from invasion and rape, the right to life in security, the existence of a fair judicial system, etc. are among the general and extra-cultural values of human rights which have been embraced, emphasized and promoted by all cultures, and it can be said that they have been also envisioned by prophets, reformers and enlighteners in all periods of human history. There are no controversies in the field of universal values which, according to the natural rights school, is related to human nature. (Safa’i, 2000: 529). Humanitarian law is also among the legal norms that are sought and endorsed by all nations beyond cultural, identity and normative differences. In other words, humanitarian law enjoys a general and universal credit.

As long as the inherent dignity of the human being as indicated in the Universal Declaration of Human Rights, deals with human nature, the conflict between cultures has no meaning, and almost the process of globalization of human rights takes place without any tension in international relations. But the problem is about human rights values. Specific values are those approaches and attitudes that vary from one society to another.
There is also debate on human rights among scholars in this field. In other words, there is no cultural consensus on human rights. We cannot see a unified and universal culture in human rights norms, because cultural and identity beliefs vary from one society to another. But these conditions do not exist for humanitarian rights, and observing humanitarian rights is an accepted thing in all cultures and among all nations because it is compatible with human nature. The principles and teachings of humanitarian law are not categorized according to cultural differences. The observance of the rights of prisoners of war, suppression of the act of genocide, prohibition of the use of weapons of mass destruction, separation between civilians and soldiers, avoidance of killing children, women and civilians, prohibition of torture and rape, ... which are fundamental humanitarian principles, because they emanate from human nature and are respected by all cultures, regardless of all differences.

In spite of the cultural differences over human rights values in different societies, there are a number of rights that are not only inviolable, but also the obligation to their enforcement and sanction in all circumstances and times is infrangible and subject to no exception. Although, these fundamental rules are not uniform in all conventions and pacts, they are generally similar. The importance of these rules is to a degree that it is impossible to respect other principles without observing them. In other words, these principles and norms are so fundamental that they provide a substance for other rights. (Zakerian, 2000: 1046). These fundamental rules are the prohibition of slavery, torture, the right to life, etc., which originate from the nature of human beings and that all states are bound to respect them, and that the international community shows special sensitivity to the breach of these obligations which are called fundamental human rights rules. An important part of the rules in humanitarian law is in this framework.

1-1. Relativism or Universalism of Humanitarian Law

The concept of relativism is based on the existence of different religions, traditions, cultures and philosophies regarding human rights in different societies. Proponents of this theory believe that human rights are dependent on the cultural framework of societies. (Parsa, 2001: 59) The core of cultural relativism is formed by mutual respect for cultural differences. Cultural relativists argue that external factors should not judge ethical rules and the social institutions of other societies, and reject the condemnation of a culture by the members of another society. In addition, the relativists believe that movement for the globalization of human rights norms eliminates the diversity of cultures, and merely opens another way for the harmonization of cultures in
the modern world. The comprehensiveness of all principles and rules of human rights, given the diversity and extent of the cultures, values and beliefs of the country members of the United Nations is an issue worth of study. Based on the theory of cultural relativism, the human rights rules can be interpreted on the basis of cultural differences of nations. (Goodheart, 2003: 936)

In fact, the relativist view is opposed to the view of the Universalists regarding the study of the norms of human rights and their relationship with culture. Because globalists believe that the Universal Declaration of Human Rights and International Covenants on Human Rights have a universal character. Meanwhile, cultural relativists believe that the principles and standards of human rights should be evaluated on the basis of cultural relativism and thereby, differently according to the characteristics of each society.

While accepting the theory of relativism in human rights, the author believes that as for the human rights law, the Universalist theory is rightful. Because humanitarian law does not deal with religious, cultural, historical or civilizational differences.

1-2. Conflating Universalist and the Relativist Views of Human Rights and Humanitarian Law

Proponents of conflating Universalist and relativist views reject the extremist version of both views. They believe that between these two extremes, there are two positions of strong relativism and weak relativism. According to the first position, human rights are largely determined by culture and other social conditions, but based on the second concept, priority is given to universal human rights, but its implementation depends on cultural differences. From their point of view, it is hardly possible to argue in the contemporary world, against the right to life, liberty, individual security, and prohibition of slavery, of racial discrimination and of torture. In addition, rights such as social security, employment, the right to food and clothing, education and health are also sensible in terms of human rights considerations. They set out a hierarchy of three categories to allow the involvement of relativism in determining the nature of human rights. At the top of this hierarchy are the fundamental human rights concepts, such as the right to life, the prohibition of torture, slavery, racial discrimination and the like. The middle part contains rights such as freedom of speech, freedom of opinion, religious freedom, etc. The lower part includes rights to housing, education, food, clothing, etc., which can be fully explained and interpreted by cultures (Donelly, 1992: 259).
It is hard to accept the arguments based on a culture in opposition to basic humanitarian rights such as the right to life, security, slavery, and the prohibition of genocide, torture, racial discrimination, and so on. These categories are clearly linked to the extra-cultural requirements of human dignity, and any notion conflicting with these rights is in itself untenable. Some rights like freedom of opinion, freedom of expression, freedom of assembly, etc. are somewhat more relative, and the rights indicated in the third category can be interpreted differently from one culture and society to another. The basic principles of humanitarian law, which are referred to in the Hague Conventions of 1899 and 1907 and in the 1949 Geneva Conventions, are included in the first category; they are fundamental concepts that are respected by all human beings.

2- Humanitarian Law in the Process of Globalization

The first international attempt to resolve the issue of interventionism was the 1899 Hague Conference. The conference was attended by Caesar. 26 countries, including the great powers of Europe and the United States, China and Japan had representative in it. Several topics were included in its agenda such as disarmament, peaceful settlement of international disputes and laws of war. On July 29, 1899, a convention for the peaceful settlement of international disputes was signed by the representatives of 25 countries out of the 26 countries attending the conference. Among other issues raised in the convention was the
demand for the replacement of coercion and violence with peaceful methods in foreign relations. The 1899 Hague Convention was approved by all countries at the start of the Second Hague Conference in 1907.

The Second Hague Conference, in 1907, was convened to revise the aspects and perspectives of the 1899 Convention relating to the peaceful settlement of international disputes and the issue of limiting the use of force for the recovery of public debt arising from contracts. The Second Hague Conference was attended by 44 countries, which included all the republics of Latin America. A number of conventions were adopted at the conference, one of which was related to the issue of intervention. Convention I called on all signatories to oppose the use of force for the recovery of the contract debts claimed by the government of one of these countries against another (Hiller, 2004: 23).

The second multilateral effort was regulate the intervention during the Versailles 1919 Conference that created the League of Nations. The goal of the foundation of the League of Nations was the establishment of international peace and security through collective action. The Ligue tried to make the interests of countries subject to the interests of the international community represented by the League of Nations. Under the Covenant of the League of Nations, countries accepted "non-resort to war." Article 10 of the Covenant invites countries to respect and protect the territorial integrity and political independence of all members of the Ligue against external aggression. Article 11 prepared the ground for collective action against countries that declared or threatened war. Article 12 invited countries to submit disputes to arbitration or to the council, or to abstain from resorting to war for up to 3 months after the ruling by the judges or the commission's report. But Article 15 reserved the right for states to take steps to preserve and protect their rights and justice. Of course, articles 12, 13 and 15 reserved the right for states to resort to war when necessary. The Ligue of Nations only obliged countries to avoid resorting to war during the arbitration of the dispute. (Musa Zadeh, 2005: 76-74)

The goal of the Pact of Paris or the Briand-Kellogg Pact in 1928 was the third international effort before the establishment of the United Nations to compensate for and redress these deficiencies in the Covenant of the League of Nations by the explicit prohibition of war as a tool of national politics. Article 2 of the Pact invites countries to resolve their conflicts through peaceful means and to avoid resorting to war as a way to resolve internal conflicts. The Pact was negotiated and the countries participated extensively in it and was approved by most countries before the beginning of the Second World War. (Hiller 2004: 25)
But World War II shattered all hopes of the mentioned covenants and pacts. Therefore, it was necessary to create an organization that would restrict and regulate the use of force. In addition, international lawyers also emphasized the need to prohibit the use of force. In this regard, the internationally renowned jurist, Lauterpacht argued that "no violence should exist between states." He considered this the first fundamental principle of legal obligations. A few years later, Hans Kelsen also said: "force and law of do not eliminate each other, but the law is, in fact, the same organized problem of force, and all governments should concentrate all of their power in a global state." "Based on these recommendations and a series of measures taken by the international community, the United Nations Charter sought to remove the ambiguities of the Covenant of the League of Nations regarding the use of force (Sadat Meidani, 2003: 109)

The international community believed that with the establishment of the United Nations and a new order based on accepted principles such as respect for the sovereignty and equality of states, equality of rights and self-determination of nations, independence and territorial integrity of countries, prohibition of using force and even the threat of using force in relations between states and nations, observance of human rights and adherence to humanitarian principles, life will be accompanied by peace and tranquility. But some existing facts do not show those values and aspirations. Although the UN Charter has prohibited the use of force, but since 1945 more than 100 major conflicts have occurred in the world. (Lawe, 2008: 87) The Geneva Conventions of 1949 and its annexed protocols after the Second World War are the core of international humanitarian law. Today, most of the world's governments have joined the Geneva Conventions and its annexed protocols, and those states that have not yet joined it, must comply it within the customary law. The important reason for the drafting of these conventions was that if for any reason a war broke out between two countries, they would observe, a minimum of humanitarian law in the process of war.

In accordance with international laws and treaties, the following are among the most important war crimes violating humanitarian law:
1. Conduct deliberately attacks against civilian targets
2. Mass destruction
3. Racial cleansing
4. Widespread and severe environmental damage
5. Attack or bombardment of defenseless areas
6. Killing or wounding people with disabilities
7. Human shielding of civilians or other protected persons
8. Keeping non-combatants hungry as a war method
9. Using unconventional weapons
10. Execution and massacre of prisoners of war

The United Nations Security Council is also obliged to carry out the following tasks as a trustee for maintaining international peace and security, a significant part of which are related to humanitarian law:
- Maintaining international peace and security based on the principles and objectives of the United Nations
- Setting up programs to create a system to monitor arms
- Inviting the parties to the disputes to resolve them peacefully
- Investigating any disagreement or situation that may lead to international conflict and providing methods of compromise in such disputes or setting their settlement conditions.
- Identifying the threats against peace or aggressive acts and providing advice on what should be done.
- Asking the relevant parties to comply with temporary measures that are necessary or desirable to prevent the deterioration of the situation.
- Inviting the members of the organization to take actions that do not involve the use of force, such as sanctions for the implementation of council decisions
- Using force or allowing it to maintain or restore international peace and security.
- Encouraging the peaceful settlement of local disputes with regional arrangements and using such regional arrangements to enforce measures under its authority (www.un.org/charter)

Obviously, if the UN Security Council implements its main task which is the maintenance of international peace and security, or it takes action in cases of the violation of international peace and security regardless of the political orientations of its members, can play an important role in preventing the severe violations of humanitarian law. But unfortunately, this Council is, in some cases, influenced by the interests of the great powers and cannot fulfill its missions. The Council's inadequate functioning in the 1990s against the Serbian war against Bosnia and Herzegovina, or the neglect of the violent violations of humanitarian law in the Saudi war against Yemen which began in March 2015, exemplifies the inappropriate performance of this Council. In the next section, the crisis in Yemen is examined as a case study.
3- Examples of Human Rights Violations in Yemen

The Yemeni Law and Development Legal Center reported that the number of Yemeni civilians who were killed and wounded in a 1,000-day Saudi attacks and its coalition has amounted to 35415 persons. In exact detail, the statistics say that 2,887 children, 2,027 women, 8,689 men, all civilians, were killed as a result of 1,000 days of hostilities in Yemen.

The Yemeni Independent Statistical Center reported that the number of injured was 21,812, of which 2,722 were children, 2,233 were women, 16857 were men, and more than 2,650 million were displaced. More than 409,356 residential homes have been destroyed or damaged by bombing missions carried out by the Saudi coalition within 1000 days, according to statistics.

According to statistics, 827 schools and educational institutions, 118 academic units, 30 media centers, 301 hospitals and health centers, 1,684 government centers, 174 power plants, 524 water reservoirs and water supply networks, 387 communication networks as well as 106 sports facilities, 15 airports, 14 ports, 2144 roads and bridges, 3378 vehicles, 548 food stores, 251 fuel tankers, 593 commercial markets, 300 factories, 337 gas stations, 692 warehouses, 245 poultry and cattle destroyed or damaged. (www.farsnews.com/19/December/2017/1396092800959)

The above statistics include only direct damages afflicted by Saudi attacks, in addition to that thousands of Yemeni people died as a result of the economic sanctions imposed on Yemen and the bombing of health centers.

A spokesman for the United Nations Human Rights Council, Rupert Colville, reported on December 18, 2017, that the Saudi coalition killed at least 136 Yemeni civilians from December 6th to 17th. He also confirmed the death of at least 45 detainees at a detention center in Sanaa where the supporters of the deposed president of Yemen were detained during a December 13 airstrike by the Saudi coalition. (https://www.reuters.com)

In another document, published by Al-Maiden on December 16, 2017, "Saudi fighter aircraft targeted a wedding caravan in Hareb al-Qaramish, in Marib, in which 10 women were killed. The fighters also targeted a vehicle carrying women, but nobody was killed, because the women had got off the vehicle beforehand. An eyewitness, the father of two of the women killed in a Saudi attack, said that Saudi fighter aircraft targeted women who were returning by
foot from a wedding in the village of Bani Shoja to the village of Hissan in Al-Qarramish. (Http://www.almayadeen.net)

In another document, al-Masirah announced on December 16, 2017, that three people were killed and three were wounded in a Saudi attack on the Hayes market in southern Al Hadida. In another attack on the Al-Sheikh area in the border town of Mana and in the al-Nijibih market in Hamillii, Ta'iz province, medical sources said that the number of casualties as a result of Saudi attacks was 50 persons. (https://www.almasirah.net)

Humanitarian Affairs Coordinator in Yemen and UN Representative, Jimmy McGoldrick declared in a report that continuous blockade of the harbors has led to the serious shortage of fuel, food and medicine in the country. He warned that 8 million Yemenis are on the verge of famine and one million people have been infected with cholera. This is due to the siege of Yemeni sea ports by Saudi Arabia. (https://reliefweb.int/organization/un-hc-yemen)

The World Health Organization, the UNHCR and UNICEF also called for the Arab coalition to immediately lift the imposed blockade against Yemen. In his interview with the CNN Network on December 10, 2017, United Nations Secretary-General, Guterres said: "I believe this is a stupid war. This war is in conflict with the interests of Saudi Arabia and the UAE ... and, of course, the Yemenis ... we need a political solution ... He also expressed his hopes that the blockade of Yemen's ports will soon be removed." (www.cnn.com/)

The International Committee of the Red Cross also issued a statement issued on December 9, 2017. He called for the attention of the parties involved in the war to the lives of civilians. In this regard, Robert Mardini, Director for the Near & Middle East at the International Committee of the Red Cross said: "It has been reported that the war has intensified on the Red Sea coast in densely populated areas. The clashes which began nearly three years ago have brought about a humanitarian catastrophe for Yemeni people. "Another part of the statement states:" The ICRC is concerned about the vital infrastructure of the region, including water and electricity networks that are critical to the survival of civilians. Given the continuation of the cholera outbreak, it would be particularly important that these infrastructures remain undamaged. "1396091900733 (www.farsnews.com/10/December/2017/)
Conclusion

Humanitarian law is, on the one hand, a branch of human rights and, on the other hand, it is linked to the law of war. Humanitarian law tries to regulate wartime behavior and to prevent the use of arbitrary violence by the parties involved, especially against civilians, wounded, prisoners, environment, protected areas, etc. Given the fact that since the shaping of human societies, war has existed among them as a tool for the expansion and consolidation of their realm, so humanitarian law has a long history. This law have progressed a lot over the course of history, and today it has become a peremptory norm, a rule that must not be violated. One of the most important reasons for the importance of humanitarian law and the necessity for states to comply with it, is the process of globalization and increasing communication and awareness among the people. Along these lines, it can be said that relationship between globalization and humanitarian law has the following characteristics:

- New technologies help propagate data and information, and therefore, people's awareness of their rights increases.
- Information and communication technologies cross the borders and limit the sovereignty of states.
- The role of non-governmental actors, especially the media and international non-governmental organizations, will increase.
- Due to the development of communications, the severe violation of human rights and humanitarian law by states is rapidly reflected at the international level, which hurt the prestige of states at the international level.

Therefore, today, in the process of globalization, states are not easily able to violate humanitarian law. Because these anti-humanitarian actions are rapidly propagated by communication tools and made available to global public opinion and international organizations.

The United Nations Security Council (UNSC) is one of the important institutions that must take action in case of the occurrence of wars and prevent the violation of humanitarian law. However, the actions of this council are, in some cases, influenced by the political interests of the permanent members and lose its effectiveness. One of these cases could be observed in the Yemeni crisis where despite the numerous reports made by international supervisory bodies alleging the severe violations of humanitarian law, the UN Security Council has not showed any reaction and has remained indifferent to them.
References


www.farsnews.com/10/December/2017/1396091900733

http://www.almayadeen.net

www.cnn.com/10/December/2017

www.farsnews.com/19/December/2017/ 1396092800959
https://reliefweb.int/organization/un-hc-yemen

https://www.almasirah.net

https://www.reuters.com
The Relations between Migration and Trade: A Comparative Analysis on Turkey and Selected Countries

Assist. Prof. Deniz Ozyakisir
Kafkas University, Faculty of Economics and Administrative Sciences, Turkey
e-mail: dozyakisir@gmail.com

Abstract
The phenomenon of immigration, together with the globalization process, has significant effects on a country's economy. Particularly, international migration movements seem also to affect the commercial relations between countries.

In this context, several studies have been made on positive impacts of countries’ exports. Therefore, it is possible to mention the existence of a literature on the revival of bilateral trade relations and migrations between countries. In this study, the relations between migration and trade are discussed with respect to Turkey and its biggest 20 export partners.

Accordingly, the number of people who immigrated to these countries from Turkey and consumer goods exports to those countries are compared. The main aims are to reveal the relationship between Turkish migration to these countries, Turkish exports to those countries, and the direction of trade relations.

Keywords: Migration, Trade, Turkey

JEL Classification Codes: C23, F14, F22
The City of the Future. The Challenge of the ECHORD++ Project

Antoni Grau
Automatic Control Dept, Technical University of Catalonia, UPC, Barcelona, Spain, antoni.grau@upc.edu

Yolanda Bolea
Automatic Control Dept, Technical University of Catalonia, UPC, Barcelona, Spain

Alberto Sanfeliu
Institute of Robotics, UPC/CSIC, Barcelona, Spain

Ana Puig-Pey
Institute of Robotics, UPC/CSIC, Barcelona, Spain

Abstract

Focussed on application-oriented research and development, ECHORD++ (E++) is being funded by the European Comission in the 7PM for five years to improve and increase the innovation in robotic technology. Activities include small-scale projects and a “structured dialogue” incorporating public entities and citizens. Three instruments and processes are being developed under the ECHORD++ project: experiments (EXP), Research Innovation Facilities (RIF) and Public end-user Driven Technological Innovation (PDTI), all of them aimed at improving and increasing the innovation in robotic technology within SMEs companies and addressing answers to societal and industrial needs in different scenarios. This paper describes the outcomes and results of the project, the tasks of communication and dissemination and the structured dialogue between all the involved stakeholders.

Keywords: Pre-commercial Procurement; Smart Cities; Public End-users Driven Technological Innovation

JEL Codes: H42 (Publicly Provided Private Goods); R53 (Public Facility Location Analysis • Public Investment and Capital Stock); L53 (Enterprise Policy)
1. Introduction

The aim of this white paper is to introduce the novel PDTI process with the intention of boosting the innovative research in technologies and specifically in robotic technology and to contribute and join efforts to improve public services. After an overview of the innovative public procurement instruments, the PDTI process is described with emphasis in its relationships with one of these instruments, the Pre-Commercial Procurement (PCP) process, looking to investigate the 4 phases proposed in this instrument. The case study of the Echord++ PDTI in Urban scenarios brought us the opportunity to more deeply develop the phase 0 of a common PCP through a group of Activities for Understanding Public Demand with the active participation of the end users. Finally, this first Annual White Paper describes the outcomes and findings in robotic technology in urban scenarios and the future proposals for innovative public precommercial procurements.

Different policies from the European Commission have looked to take advantage of the very large volume of public procurement in helping to create an innovative Europe and solving the lack of an innovation-friendly market (Aho and Others, 2006). The Europe 2020 strategy includes innovative public procurement as one of the key market-based policy instruments for smart, sustainable and inclusive growth. Currently being around 19.4% of the Gross Domestic Product in Europe, Public Procurement has an immense potential to fully exploit research and technology for innovation while also delivering more cost effective and better quality of public services. In some cases, the technologies needed to make these breakthroughs exist or are close to the market; in other situations, investment in R&D is needed to assure the progress of technological solutions that meet the defined societal needs. In this last case, the instrument used by public entities is a Pre-Commercial Procurement (PCP), located into the procedures of Innovative Public Procurement. During the last years very few PCP have been initiated in Europe and in some cases the calls have been declared void. The possible reasons of this lack of success could be a range of deficiencies in the PCP process including information asymmetries, lack of interaction between buyers and potential suppliers, perceived exclusion of small companies, risk aversion on both the public and private sides (Georghiou and Others, 2014) and the lack of knowledge within public entities about what the technologies are and the problems they could solve.
However, the good results of the Innovative Public Procurement in the United States of America public sector, where spend in research, development and innovation is 20 times that in Europe, give us a clear goal to reach. It is in this scenario where the ECHORD++ project proposes the process “Public end users Driven Technological Innovation” (PDTI) to increase and improve the innovation in robotic technology developing deeper the phase 0 of the commonly accepted PCP definition. Situated in the demand-side innovation policy, the PDTI develops a group of tasks and activities aimed at developing a deeper knowledge of public demand and which could be defined as a public measure to accelerate innovations and/or speed up diffusion of innovations through increasing the demand, by specifying and defining new functional requirements for public products and services that could be met through robotic interventions. An intensive dialogue between all the stakeholders involved has been essential to narrow the wide field for innovative public procurement: public entities as procurers; technological consortiums as suppliers; users as surveyors and the research team as coordinator of all the process.

2. Overview of the innovative Public Procurement Instruments

Policy may act where the demand for innovations is insufficient, or non-existent, but where a technological product has a high potential benefit. Innovation life cycles are concerned with the life cycles of generation of technology from the perspective of the economy and society as a whole as opposed to the life cycle of a specific product (Cohen and Others, 2014). Two main public procurement instruments’ have been developed for use in the product innovation life cycle: Pre Commercial Procurement (PCP) and Public Procurement for Innovation (PPI). Public Procurement for Innovation (PPI) is procurement where contracting authorities act as a launch customer for innovative goods or services which are not yet available on a large-scale commercial basis, and may include conformance testing. Pre-commercial procurement (PCP) means procurement of research and development services involving risk and benefit sharing under market conditions, as well as the competitive development in phases, where there is a separation of the research and development phase from the deployment of commercial volumes of end-products, Figure 1.
Figure 1. Innovation Procurement Instruments

Despite the perception of innovative procurement as something of a policy panacea and repeated efforts to put procurement budgets to work to drive innovation, efforts have been met with limited success. Numerous barriers exist from demand and supply side: there are market failures (information problems) and system failure (poor interaction); suppliers of potential new products and services often lack the knowledge on what customers might require in the future; user-producer interaction and communication rarely helps to produce synergetic results and innovative supplier firms perceive a lack of expertise within procurers and see it as a strong barrier to supplying innovative goods or services (Uyarra and Others, 2014).

On the other hand, a public call for RTD tenders or proposals, may not be well understood by potential suppliers. Its complexity requires much more comprehensive development of the preliminary phases of public requirements, which takes account of the specifications and features of the new technology. It is necessary to develop the initial phase, the phase 0, of the Pre-commercial Public procurement procedures, through activities aimed at understanding the requirements of both of the authorities and the users. Moreover, the innovative technology that can give a response to these needs has to be fully analysed to determine how it will improve the quality of the public service or to reduce its economic cost. The aim is that a joint consortium of industry and academia could offer innovative pre-commercial products linked to real demand.

The analysis presented in the document Quantifying Public Procurement of R&D of ICT solutions in Europe (Digital Agenda for Europe, SMART 2011/0036, European Union, 2014) highlights the poor initiatives developed by
the 29 European Countries in regard to innovative public procurement. Only one country in Europe was working with policies aligned to innovative public procurement strategy in 2014: Spain. A series of policy measures supporting innovative public procurement in this country was the formal origin of the stimulus: the agreement of the Council of Ministers from 2/7/2010, where the State’s Innovation Strategy was adopted; the Science, Technology and Innovation Act (Law 14/2011, June 1st) explicitly mentions innovative public procurement, while an agreement of the Council of Ministers from 8/7/2011 sets out the procedure for the implementation of innovative public procurement in all ministerial departments and public bodies. 13 innovative public procurement contracts were awarded in Spain between October 2012 and April 2013, with a combined total value of about EUR 18 million. In Urban policies, the article Urban Competiveness and Public Procurements for Innovation presents the case study of six Nordic-Baltic Sea cities that have developed six specific Innovative Public procurements from 1998 to 2007. The authors of the article propound the position that the main triggers for procurement for innovation is based in the necessity of the cities to answer social needs. The experience of the Nordic-Baltic Sea cities reveals that, in general terms, the fact that there are a small number of cases relates to the reality that public procurement for innovation at the urban level is not very common. Public procurement for innovation has not, until recently, been seen as an inherent part of the cities’ innovation policy and mostly the cities tend to implement supply-side policy measures.

3. The PDTI process

Given this background, the lessons learned in the case study of the ECHORD++ project could help in the introduction of novel PDTI processes and generalize the process to other domains. Routed in the product innovation life cycle, and based on Pre-Commercial Procurements, the PDTI proposes a process that comprises two main phases (Figure 2):

- Activities for understanding public demand
- Activities for research and technological development of pre-commercial products.
Figure 2. Relation between PCP and PDTI processes.

The “Activities for understanding public demand” increase and structure the tasks developed in the phase 0 of a traditional PCP. The “Activities for research and technological development of pre-commercial products”, match the phases I, II and III of the PCP, ending in a pre-commercial product and making possible a Call for Commercial Tendering (PPI). Policy instruments mainly address the act of procurement itself and does not engage with the whole cycle from identification of needs. They also tend to omit the wider set of actors and stakeholders (Edler and Georghiou, 2007). To the importance of this identification of needs, as well as looking to bring future needs and future supply together at an early stage, the first part of the PDTI process, the Activities for understanding public demand, develops four qualitative phases inspired by the Delphi methodology (Dalkey and Helmer, 1963): Brainstorming, Narrowing Down, Ranking and Challenge Description. This group of activities ends in a Call for Proposals /Tenders, initiating the Activities for research and technical development of pre-commercial products structured as a Pre-Commercial Procurement: Solution Design, Prototype Development and Small Scale Test Series (Figure 3).
4. **The PDTI process: Activities for Understanding Public Demand**

The novelty of the PDTI is to develop the phase 0 of a traditional PCP, putting more emphasis on the preliminary tasks and proposing a previous and critical phase of knowledge and interactivity between the stakeholders. The public entities (demand side) and the technological consortiums (suppliers) under the coordination of a research team and the supervision of the users constitute the stakeholders. Moreover, the innovation procurement requires a shared vision of the future needs between purchasers and suppliers, and a systematic way of identifying and characterizing those possible needs (Georghiou and Others, 2014).

This part of the PDTI process, Activities for Understanding Public Demand, is a qualitative procedure inspired by Delphi methodology and allows a group of stakeholders to systematically approach a particular task or problem (Paré and Others, 2013). In our case, the objective is the reliable and creative exploration of social needs related to public services that could be solved through technology and the production of sustainable information for decision making in the area of Innovative Public Procurement. The methodology employs iterations of questionnaires and feedback through series of rounds to develop a consensus of opinion from the participants. There is not a limit of time, but it is necessary to consider a minimum and a maximum number of rounds. After each step, specific documentation will be generated as the conclusion of the developed activities as well as the starting point of the next phase.

Figure 4 shows the methodology to develop the Activities for understanding public demand, the stakeholders involved, the tasks to develop and the documents elaborated in each one of the four phases. First of all, a Collaboration Agreement should be signed between all the stakeholders as an official
requirement to start the process. This document will describe the roles of the different agents, the process and the proposed methodology.

<table>
<thead>
<tr>
<th>ACTIVITIES FOR UNDERSTANDING PUBLIC DEMAND</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>USERS SURVEYORS</td>
<td>USERS SURVEYORS</td>
</tr>
<tr>
<td>RESEARCH TEAM COORDINATOR</td>
<td>RESEARCH TEAM COORDINATOR</td>
</tr>
<tr>
<td>PUBLIC ENTITIES PROCURERS</td>
<td>PUBLIC ENTITIES PROCURERS</td>
</tr>
<tr>
<td>TECH CONSORTIA SUPPLIERS</td>
<td>TECH CONSORTIA SUPPLIERS</td>
</tr>
<tr>
<td>PROCESSES</td>
<td>PROCESSES</td>
</tr>
<tr>
<td>METHODOLOGY</td>
<td>METHODOLOGY</td>
</tr>
<tr>
<td>BRAINSTORMING</td>
<td>BRAINSTORMING</td>
</tr>
<tr>
<td>1-3 ROUNDS</td>
<td>1-3 ROUNDS</td>
</tr>
<tr>
<td>WORKSHOP</td>
<td>WORKSHOP</td>
</tr>
<tr>
<td>OPEN MARKET</td>
<td>OPEN MARKET</td>
</tr>
<tr>
<td>1-6 ROUNDS</td>
<td>1-6 ROUNDS</td>
</tr>
</tbody>
</table>

**Call for RTD Proposals / Tenders**
Figure 4. PDTI Activities for Understanding Public Demand: process, methodology, tasks and activities.

The stakeholders will be the Public Entities and their specific departments, the Users, the Users’ Associations, the Industry, the Technology Manufacturers, and the Research and Academy Institutions and Organizations. They have different roles to play in PDTI. The procurers are the Public Entities; the suppliers are the technological consortiums; the surveyors are the users; and finally, the coordinator is the research team, which will give the technological support to the public sector for developing and implementing the innovation-oriented procurement. The role of the coordinator is needed to drive and lead the complete process based on innovation. Due to the complexity of this process, it is valuable that the coordinator has a team of people coming mainly from technological areas but also from other areas such as economics, psychology or political science fields (Edquist and Zabala-Iturriagagoitia, 2012).
The participation of users will take place all along the development of the PDTI to survey the process and participate in it, through different activities. The contact and participation of users can be done through local associations such as Living Labs. These living labs offer us a real-life test and experimentation environment where users and producers co-create innovation in a trusted and open ecosystem.

4.1. Brainstorming

The process starts with an identification of the real needs as perceived by the users and budget holders rather than procurement officials. At this stage two tasks are developed: Task 1. Analyze the state of the art in technology applied to social needs and technological challenges; Task 2. Analyze the technological needs in existing or new public services. Sometimes the identification of the needs is constrained by lack of knowledge of the innovation potential. The objective of this step is the elaboration of a Questionnaire of Public Needs and its associated Innovative Technology, based on an improvement of existing public services, the associated cost reduction or the creation of new services. At the same time the benefits of innovative technology can be introduced in public sector stakeholders. Interactive collaboration between organizations is extremely important for innovations to emerge, in the demand/pull side as in the supply/push side (Edquist and Zabala-Iturriagagoitia, 2012). The success arises through interactions between the stakeholders in several rounds. A questionnaire of the public needs and the associated innovative technological solutions is the tool used within each round. The information elaborated in each round will be collected, edited and returned by the coordinator to prepare the next round. Finally, a consensus final Questionnaire is elaborated.

4.2. Narrowing Down

This phase has the objective of focusing the needs proposed in the Questionnaire using specific criteria. It consists of two tasks. The objective of Task 3 is to obtain a group of impact indicators. Clear narrowing down instructions should be provided emphasizing the clarity and simplicity (Delbecq, Van de Ven & Gustafson, 1975). These impact indicators sometimes exist in the Public Entities, and in this case they can be used as starting point. In any case, a list of impacts indicators must be created and they will be used in the evaluation and selection of the Innovative Challenge List.
Task 4 consists in the management of the stakeholder feedback. One way to develop this phase is by organizing a workshop with the different stakeholders involved, discussing and receiving the feedback through the impact indicators and elaborating the Innovative Challenges List. Users, Industry and Academia Consortiums can be invited to participate in order to gain their opinion. Also, the use of social media allows a large number of people to be reached covering a wide spectrum of experience and expectations, however it is not always easy to obtain an actionable result. To gather users’ opinion, it is very useful to organize activities with them all along the process. As we have said, the elaborated document at the end of this phase is the List of Innovative Challenges and each one of these selected challenges should be described and evaluated through the proposed impact indicators.

4.3. Ranking

The third phase of the Activities for understanding public demand is undertaken by an expert panel composed by designated people from the Public Entity and the Research Team. Task 6 consists of evaluating the List of innovative challenges while task 7 is where the selection of the public challenges is undertaken. The expert panel has to use the impact indicators; however other criteria can also be used in conjunction. In this process, the number of selected Public Challenges will depend on the budget of the Public Entity and of the potential market offered by the procurer weighted according to the size relative to the costs involved in the development of the Innovation.

4.4. Challenge Brief

The aim of this phase is to create the Challenge Brief. This is a document with a clear explanation of the public service and with enough information about the functions to be developed by the new technology. It is important to ensure that this Challenge Brief is not a common procurement document, but an innovative one, and has to be written taking into account the required innovative functionalities benefitting the public service instead of the standard requirements that could narrow the innovation field.

Further rounds of discussion between the public entity and the research team are required to ascertain the functionalities that meet the high-ranking innovative challenges. The definition of the functionalities should involve the end user of the public entity rather than general service personnel who are not directly involved in their implementation, especially if they do not have direct access to
the relevant information (Dalpé, 1994). At least, 2-6 meetings are necessary in order to get to the Challenge Brief. This document has to specify the functionalities of the new technology, which must be chosen from the current functions, those that can be developed but are not standard and the new ones that will optimize the benefit to the public service.

The translation of needs/problems/challenges into functionalities requires highly developed competences, or at least understanding, at the technological level on the part of the procuring organization (Edquist and Zabala-Iturriagagoitia, 2012) and the role of the researchers in the consortium is essential. The Challenge Brief will be the main document for the Call for Proposals/Tenders and the starting point of the second part of the PDTI process, the “Activities for research and technical development of pre-commercial products”.

5. The case study of E++ PDTI in urban scenarios

Urban areas have been identified as one of the application scenarios for the E++ PDTI. Cities cover 2% of the earth surface, and they represent more than 50% of the world’s population (Lovins and Cohen, 2011). Smart cities have become an important area where technology has an important impact in the areas of energy, environment or mobility. However, these smart cities present challenges that cannot be solved with the products and services that already exist, but they can be solved if research is undertaken to find the best solutions. More specifically, robotic technology will be one excellent capability that will able to solve problems that at present cannot be, or have not been, considered to answer urban challenges.

In this section we will explain, how the PDTI phase 0 described in the previous section has been applied to find robotic solutions to the urban challenges required by European cities. This work has been done by the Universitat Politècnica de Catalunya and the Technological University of Munich, inside of the E++ project.

The PDTI process is a tool for the municipalities to provide the enabling conditions for private sector exploring how local governments foster, support and aid in the creation and diffusion of innovation opportunities (Lember, Kalvet & Kattel, 2011) answering societal urban needs. On the other hand, robotic technology could give real answers to cities and citizens’ challenges, but is not well known by the public procurers. This lack of sufficient procurement expertise for complex purchases involving innovation and the good preparation
of the cities to receive new technological proposals have encouraged us to propose and develop the PDTI process in urban areas.

In October 2013 we started the Activities for understanding public demand, considering the following stakeholders: city councils as smart procurers; technological industry and academia consortiums as futures suppliers; citizens as surveyors; and the UPC research team as the coordinator. The objective was an open and coordinated structured dialogue between all the stakeholders involved following the four steps described previously.

We started with the Brainstorming phase, asking to the European City Councils about their Urban Challenges. We used a variety of different means: personal interviews with different departments, emails and telephone calls. We also analyzed the documentation of the Smart City World Congress 2012-2013 to understand the city challenges and, during the whole process, an essential task was to introduce the knowledge of robotic technology into the cities’ departments, Mayor, and other people related with the city councils.

A first group of urban needs were developed, and we started to discuss how the robot technology could provide a solution for these needs. First, we discussed with the UPC team, which was composed of robot researchers, economists and architects, and the outcome was a first document specifying the city needs and the associated robot technology. Then we talked again with the city councils to see if those solutions were suitable. We undertook rounds of discussion and the outcome was the E++ Urban PDTI Questionnaire.

To prepare for the Narrowing Down phase we reviewed the existing documentation regarding impact and evaluation criteria and we asked to the City Councils about their public procurement evaluation. We also analyzed the document “Analysis of the feasibility studies from the Future Cities Demonstrator Program: Cities Solutions” (Arup, 2013), developed for the Cities of United Kingdom. This document analyzes the expected benefits to citizens, to city economy and local authorities. This identified three new solutions for the public sector services, the first one is based on improvements in the citizens’ quality of life. The second one is based on the expected benefits from the future city economy characterized by the development of new products and services and catalyzing local start-ups. Finally, the third one is focused around improvements on decision-making, collaboration and transparency, along with more efficient delivery of services and costs’ reduction. Using these documents,
we elaborated a list of impact criteria, which included the following elements: i) **Social and Cultural Impact**, to improve citizen’s participation, independence, accessibility and mobility, and to improve the quality of life, better public services and replicability of the proposal in other districts and cities; ii) **Environmental Impact**, to improve resource efficiency, to improve sustainable mobility and potential for sustainable growth; iii) **Economic Impact**, to increase the support to small and medium companies and leverage private funding, increase or improve employment opportunities and the evaluation of the cost/benefit of the new technology; and iv) **Innovation Impact** based on the ability to execute, the evaluation of the risk/benefit of the proposal, the innovation in robotics and the capacity to integrate systems and synergies.

Finally, we also evaluated the **City Presentation** and its implication in a Pre-Commercial Procurement Pilot with the objective to increase and improve technological robotic innovation through public demand in urban environments.

The third phase, the Ranking, consisted in the evaluation and selection of the most promising Urban Robotic Challenges to be funded through the E++ project. A first evaluation round was undertaken remotely by experts that evaluated and weighted the proposals, and the outcome was a list of weighted challenges. The second evaluation was done by a panel of experts, during a physical meeting that selected the ECHORD++ PDTI Urban Robotic Challenge. The selected proposal was: “To mechanize sewer inspections in order to reduce the labor risks, objectify sewer inspections and optimize sewer cleaning expenses of the city” presented by Barcelona City Council. The criteria used for evaluation was the same that was described in the others phases of the process. The final document included a prioritized challenges’ list

Finally, we prepared the main document for the Call for RTD Proposals: the Challenge Brief. As we have said before, the translation of the needs into functional requirements requires a team of people with highly developed competences. The team was formed by four UPC robotics researchers and four people of the city council directly involved in the performance of the public service. During eight rounds we discussed the requirements of the new technology: “present” (actual requirements), “possible” (desired requirements) and “optimal” (optimal requirements) of the public service functions. The discussion finalized in a document, the Challenge Brief, where the functions were described with the inputs of the robotic team, looking to facilitate the innovation on one hand and
answering the real needs of the public service on the other hand, that would give rise to a pre-commercial product.

The second part of the E++ PDTI will include the activities for research and technical development of the pre-commercial products and they will be developed during the next 34 months. This part will start with a Call for proposals and will be structured in the known three phases of a Pre-Commercial Procurement: solution design, prototype development and small scale test series (Figure 5).

![Figure 5. Activities for research and technical development of Pre-Commercial Products.](image)

6. The outcomes of E++ Urban PDTI and the innovation in Urban Robotics

As we have said before, 14 urban robotic challenges were received from different European City Councils. The wide scenario of urban challenges was structured and analysed looking to establish synergies between the urban needs proposed and under a new technological-urbanistic point of view. We structured them in three groups: city infrastructures, information and communication technologies related to different urban areas and technologic challenges for pedestrian areas at the city, (Figure 6).
### INFRASTRUCTURES

**HELSDINKI, Finland**  
Traffic infrastructure inspection and maintenance. Decreasing the cost of maintenance and increasing the area livability through robotisation of the city's maintenance traffic at the Smart Kalasatama designated smart city area, including both vehicles and installed infrastructure in the area.

**BARCELONA, Spain**  
Automatic detection and road surface damage warnings. To find a solution that can gather data and analyze the 11Mm2 of asphalt paving surfaces, road, cycle and pedestrian across the whole city.

**CORNELLA, Spain**  
Improving waste management and street cleaning. Perform tasks with less cost for the maintenance of parks and gardens.

**BARCELONA, Spain**  
Utilities infrastructures condition monitoring. To mechanize sewer inspections in order to reduce the labor risks, objectify sewer maintenance.

### ICT AND ENVIRONMENT

**MALAGA, Spain**  
Environmental monitoring and control. This challenge aims at the deployment of a robotic collaborative network for monitoring and mitigating the presence of air pollutants (including pollen), as well as odors that may be unpleasant to citizens.

### ICT AND TOURISM

**GREENWICH, United Kingdom**  
Improving tourist services at the city. To provide a cost effective way of interacting with visitors to provide accurate information based on real time management data as well as information on attractions and related services.

### ICT AND PLANNING

**SEVILLA, Spain**  
Improving the management, planning and urban city observations. The use of aerial robots in the management, planning and urban city knowledge.

### ICT AND MOBILITY

**SEVILLA, Spain**  
Planning and information of urban accessible routes. The robotic challenge is the realization of a LAND ROBOT prototype, as the basis for a battery of them deployed around the city taking mobility accessibility data with references that are inherent in the development of the Planner.

**PADDOVA, Italy**  
Providing safe and secure environments for citizens. The new technology should improve the limits of traditional surveillance cameras and should have more features (i.e. proactive action, movement ...) compared with the actual passive video surveillance/acquisition.

### PEDESTRIAN AREAS

**BARCELONA, Spain**  
Personalized mobility support for pedestrian areas. To create a system or service that will guide the transport or mobility impaired through the neighborhood. The system must be integrated into the pedestrian area of the new city model raised.

**SITGES, Spain**  
Providing safe and secure environments for citizens. New robotic infrastructure where now there is a human intensive service. Objectives: noise reduction, surveillance and management of public spaces, especially in crowded events and support to disabled people in pedestrian areas.

**BARCELONA, Spain**  
Goods distribution technology to improve local retail. To create a sustainable system to make the distribution from the neighborhood Warehouse to each commerce. This robotic system must to be integrated in the pedestrian areas of new neighborhoods.

**COIMBRA, Portugal**  
Personalized mobility support. To contribute to the downtown urban life improvement, this service will be used in the pedestrian areas of the new city model raised.
We also organized two workshops with local living labs and we started the recruitment of E++ citizens’ collaborators, looking to receive their feedback through the different phases of the project. We used the E++ web site to publish this activity. 103 citizens were involved to survey the activities programed in E++ Urban PDTI and their first task was to evaluate the Robotic Urban Challenge List (Figure 7) at the Science and Technical Party celebrated in June 2014 in Barcelona. We arranged the survey according to ludic criteria, in order to motivate their feedback as a qualitative procedure. We received comments and suggestions that we collected and joined to the challenges’ evaluation.

<table>
<thead>
<tr>
<th>URBAN AREAS</th>
<th>CITY CHALLENGES</th>
<th>CITIZENS</th>
</tr>
</thead>
<tbody>
<tr>
<td>INFRASTRUCTURE</td>
<td>Traffic infrastructure inspection and maintenance</td>
<td>6.44%</td>
</tr>
<tr>
<td>INFRASTRUCTURE</td>
<td>Automatic detection and road surface damage warnings</td>
<td>6.44%</td>
</tr>
<tr>
<td>INFRASTRUCTURE</td>
<td>Improving waste management and street cleaning</td>
<td>12.23%</td>
</tr>
<tr>
<td>INFRASTRUCTURE</td>
<td>Utilities infrastructure condition monitoring</td>
<td>6.44%</td>
</tr>
<tr>
<td>ICT &amp; ENVIRONMENT</td>
<td>Environmental monitoring and control</td>
<td>11.30%</td>
</tr>
<tr>
<td>ICT &amp; TOURISM</td>
<td>Improving tourist services at the city</td>
<td>3.92%</td>
</tr>
<tr>
<td>ICT &amp; PLANNING</td>
<td>Improving the management, planning and urban city</td>
<td>5.98%</td>
</tr>
<tr>
<td>ICT &amp; MOBILITY</td>
<td>Planning and information of urban accessible routes</td>
<td>5.98%</td>
</tr>
<tr>
<td>ICT &amp; SURVEILLANCE</td>
<td>Providing safe and secure environment for citizens</td>
<td>3.64%</td>
</tr>
<tr>
<td>ICT &amp; MOBILITY</td>
<td>Improving the management, planning and urban city</td>
<td>2.52%</td>
</tr>
<tr>
<td>PEDESTRIAN</td>
<td>Personalized mobility support for pedestrian areas</td>
<td>8.87%</td>
</tr>
<tr>
<td>PEDESTRIAN</td>
<td>Providing safe and secure environment for citizens</td>
<td>13.33%</td>
</tr>
<tr>
<td>PEDESTRIAN</td>
<td>Goods distribution technology to improve local retail</td>
<td>4.04%</td>
</tr>
<tr>
<td>PEDESTRIAN</td>
<td>Personalized mobility support</td>
<td>8.87%</td>
</tr>
</tbody>
</table>

**Figure 7.** Citizens’ Evaluation.

### 7. Comparison and Conclusions

Urban competitiveness will drive municipalities to engage in the procurement for innovation, but the innovative public procurement is unknown for most of cities’ procurers. Municipalities could boost procurement for innovation in the initiation phase of the technology life cycle, co-creating new solutions with the private sector to sustainability challenges and opportunities in the cities. The development of technology is the key to mastering these challenges and
transformations in the European Cities and the PCPs and PDTIs are the right tools to accelerate them.

Few examples of Public Procurement for Innovation have been developed in Europe over the last few years. The last data presented by the European Commission DG CNECT Innovation Unit F2 in December 2015, showed that the ICT procurement amounts to 2.5% of GR (Gross Revenue) and the R&D procurement 0.1% of GR. As we have said at the beginning of this article, the United States of America public sector, invests $50Bn a year in PCPs as against €2.5Bn invested in the EU (European Commission 2015).

The case study of six Nordic-Baltic Sea cities (Lember, Kalvet & Kattel, 2011) brings us six specific Innovative Public procurements from 1998 to 2007. Tallinn faced the challenge of introducing a universal ticket system for public transport; Copenhagen’s case was initiated because of an emerging need in educational policy; Malmö’s photovoltaic energy-supply purchase was a direct result of its environmental policy; Stockholm public procurement for innovation is strongly driven by environmental goals and Helsinki case was launched to meet emerging problems in their public transport sector. In Spain, 83 procedures of innovative public procurement have been developed from 2011 to 2016; 56 are pre-commercial procurements and 6 have been presented by local authorities related to Smart Cities. In general terms the fact that there are a small number of cases relates to the reality that public procurement for innovation at the urban level is not very common. Public procurement for innovation has not been seen until now as an inherent part of the cities’ innovation policy and, mostly, the cities tend to implement supply-side policy measures.

In spite of this, the European cities are prepared. Their competitiveness makes them strong and at the same time, the innovative public procurement makes them more competitive. The lead-user role played by the cities can have spectacular results in innovative public procurement and the case study of Echord++ and the development of the first part of the PDTI bring us a structured and proactive process to achieve them: 14 urban robotic challenges posed and defended by 10 European City Councils, all of them with robotic technology associated one step below an innovative RTD public call.

Cities and citizens have specific needs, not solved by existing market products, which require innovative solutions. These innovative solutions are based in new
technologies that are unknown for public managers. At the same time, the technological consortia of industry and academia do not understand the real cities’ challenges. In this scenario, the PDTI process sets the link to public entities for the development of innovative public procurement. It is clear that the Innovative public procurement increases the support to companies and leverages private funding, thereby increasing and improving employments opportunities in the cities. The few cases of public procurement for innovation have had a positive impact, not only on the providers but also with regard to the positive influence that public sector can have on innovation-friendly markets. A positive impact on companies is evidenced by the increased exports and changes in companies’ routines having an end user driving their RTD development. The social impact improves citizens’ accessibility and mobility in most of the cases as well as resulting in better public services.

The results achieved in the Echord++ PDTI process, during the first months of work, in a continuous learning by doing, brought fourteen innovative urban challenges proposed by Cities’ Councils across Europe. All of the challenges encompassed innovative technology, specifications about functionalities and were one step away from a call for RTD tenders. The role of the academia was essential, not only in technological topics but also in the management of the whole process.

All of these proposals could be the starting point of a new Innovative Public Pre-Commercial Procurement.

Acknowledgments

This work has been funded with “ECHORD++ EU Project FP7-ICT-2012-601116”.

143
References


White Collar Crimes and Violent Crimes

Akalya Nathan
Saveetha School of Law, Saveetha University, India
akalyanathan75@gmail.com

Abstract
There is an unmistakable contrast in the way that white-collar crimes and violent crimes are managed by our general public, and by our criminal equity framework. This postulation examines how the dissimilarity in condemning influences recidivism, deterrence, and the overall cost to society. Statistics uncover that white collar criminals get fundamentally shorter, and less serious sentences for their crimes, than violent criminals do. Survey demonstrate that while a few people comprehend the issue white-collar crime postures to society, when all is said in done the general population isn't very much educated. Open discernment might sustain the issue, adding to the careless reaction to white collar crime. Recidivism is high in white collar criminals due to tolerance in condemning and discipline of white-collar criminals. Deterrence hypothesis bolsters this conclusion, in that the lack of assurance, seriousness and quickness of discipline for white collar criminals, is prompting higher recidivism rates.

Key words: White collar crimes ; Deterrence ; Recidivism ; Violent crimes .

1. Introduction
For the purpose of the thesis , the following terms will be characterized as indicated:

White-collar crime: “Crime committed by a person of respectability and high social status in the course of his occupation” (Siegel LJ (1997)) . In other words, white-collar crime envelops an assortment of nonviolent crimes typically carried out in business circumstances for monetary benefit. Examples of white-collar crime incorporate fraud , embezzlement , forgery , and bribery.

Violent crime: “Criminal behavior by persons, against persons or property that intentionally threatens, attempts, or actually inflicts physical harm” (Siegel LJ (1997)). Examples incorporate murder, assault, arson, and kidnapping.

White collar crime is an altogether different sort of crime. It doesn't include any sort of physical viciousness, and is for the most part dedicated by white collar individuals, normally individuals in offices or professional work. Be that as it may, it isn't a harmless crime. Effective partnerships like Enron, manhandle their
energy and exploit individuals, conning and taking a large number of dollars from American nationals. Foolhardy and ravenous development organizations skirt wellbeing codes and cost individuals their lives. This sort of crime is hindering to society, and apparently more destructive than violent crime. Be that as it may, that isn't the perspective of the criminal equity framework. The criminal equity framework concentrates more on the wrongdoer while deciding sentences and punishment, as opposed to the crime and the casualties. White collar criminals are all the more regularly subjected to fines and group benefit, as opposed to jail sentences like most savage criminals. White collar criminals are peaceful and along these lines not thought about a risk to society, but rather this view is credulous. White collar crime is of a significantly more prominent cost to society. It happens on a bigger scale and wrongdoers are not generally prevented by fines and group benefit. Recidivism is higher in light of the fact that the punishment for white collar crime is ineffectual. These are the topics that this thesis will be exploring.

The writing on this point uncovers that white collar crime has been considered earlier however has not done as such on a correlation premise to violent crime. The absolute most related writing on this theme originated from an investigation distributed in the International Journal of Law, Crime, and Justice, which analyzed the distinctions in length of condemning and the kind of white collar offense (Gottschalk P, Rundmo T (2014)). It likewise decided the length of a sentence for word related and corporate guilty parties when contrasted with road crime delinquents. The examination found that, in all cases, white collar criminals gotten a fundamentally shorter sentence than that of street criminals.

The hypotheses applicable to the investigation of white collar crime are Labeling Theory, Deterrence Theory, and Conflict Theory. Labeling Theory is relevant in light of the fact that white collar criminals are plainly marked as simply that, which is altogether different from a run of the mill violent criminal. This separation influences the way society sees white collar crime/criminals and the way that they are dealt with. White collar criminals are named all things considered in light of the fact that they are viewed as non-debilitating and high society people, which makes them altogether different from common criminals. At the point when criminals are named as white collar, the outcome is altogether different from individuals just marked as criminal. The disparity here will be investigated assist in the examination of this proposition. Deterrence Theory is vital to the understanding of recidivism in white collar crime contrasted with violent crime. The tremendous contrast in the punishments for white collar crime and violent crime is suspected to be an explanation behind an absence of deterrence and an expansion in recidivism among white collar criminals. Conflict Theory indicates that those in social power will utilize that energy to
further their own particular needs and needs, enabling the effective to control the weak. This is particularly applicable to white collar crime since these are individuals in places of energy, who proved unable perpetrate these crimes in the event that they weren't in a position to do as such.

White collar crime is for the most part that of promoting one's own particular end, the reason for existing is close to home pick up, and this sort of activity makes conflict. There is an unmistakable contrast in the way that white collar crimes and violent crimes are managed by our society, and by our criminal justice framework. How does that influence recidivism, deterrence, and the overall cost to society?

2. Literature Review

In the course of the most recent couple of decades, enthusiasm for white-collar crime has tended to take a rearward sitting arrangement to violent crime and offenses, especially as far as theory and research. Starting with the spearheading work of Edwin Sutherland, some regular subjects found in writing about white-collar crime incorporate the factors, circumstances, and social settings that separate white-collar crime from more customary criminal territories (Sutherland EH (1983)). Crime clearly changes in its temperament, setting, impact on society, and so forth., be that as it may, the general issue found in writing needs to do with crime avoidance and control. This examination concentrates on the particular distinction in the way white-collar crimes and violent crimes are managed by society and the criminal justice framework, and, even all the more particularly, recidivism rates, deterrence, and the overall cost to society. White-collar crime has been examined some time recently, be that as it may, has not widely been examined on a correlation premise to violent crime.

A portion of the more material writing on this point can be found in Edwin Sutherland's work. He has been viewed as one of the most powerful criminologists of the twentieth century, especially with his work in regards to white-collar crime. Amid a discourse to the American Sociological Association, Sutherland introduced an address titled "The White Collar Criminal" , which presented the idea of white-collar crime and basically scattered the preference that nobles can't be blamed under any circumstance. He begat a meaning of white-collar crime "roughly as a crime carried out by a man of respectability and high social status over the span of his occupation". For the duration of his life and investigate, Sutherland concentrated on Differential Association Theory and social life being not disordered, rather it is designed through educated conduct. This examination does not spend time examining Differential Association Theory in white-collar crime, be that as it may, Sutherland's work can likewise
be identified with Labeling Theory, which will be contemplated, and how individuals beforehand recognized privileged people as being above carrying out crime and how white-collar criminals' high social standing makes individuals not fundamentally think about them as hazardous or unsafe to society.

Labeling theory alludes to how the self-personality and conduct of people might be resolved or impacted by the terms used to portray or order them. One might say, labeling theory is a theory on stereotyping. Numerous criminal justice articles have been composed about labeling theory, yet there are a couple of that are especially appropriate to this examination, including Jack Katz's "Seductions of Crime: Moral and Sensual Attractions in Doing evil" (Katz J (1988)). His investigation was distributed in The Journal of Criminal Law and Criminology and contends that criminals don't want the material prizes, similar to cash, that originate from conferring a crime, rather they appreciate the erotic experience and outflanking the framework, or if nothing else attempting to. He is inconceivably fruitful with respect to reproducing criminals' encounters paving the way to the crime and bringing his perusers into a criminal's head.

Katz's article dispersed the generalization that crime is carried out to accomplish material objectives, however he additionally recognized that crime is mind boggling and will often fill down to earth needs close by the sexy fascination perspective. Between concentrate the psyche of the criminal, talking with criminals, and watching the spending examples of criminals, Katz sets up a lot of declaration that loans to his claim that material hardship isn't really a criminal's essential thought process. "Seductions of Crime" centered principally on violent crime and the thought process behind thefts, thefts, stick-ups, and even murders. In any case, Katz's investigation can be referenced from a white-collar crime point of view. As expressed beforehand, white-collar criminals are regularly of high societal position (who needn't bother with cash), which would bestow validity to Katz's claim that criminals don't generally approach their crimes "in the calculating spirit of making money." Although Katz's investigation did not particularly analyze white-collar crime, there is other writing on the subject that would support Katz's conclusion is right whether it is with respect to violent or white-collar crime.

In taking a gander at criminology and attempting to evaluate why individuals perpetrate crimes, we found that there is a particular connection amongst crime and a man's instructive foundation, and in addition their social and monetary foundation (Khan N, Ahmed J, Nawaz M, Zaman K (2015)) . Khan's investigation centered around factors that added to rate of crime in Pakistan from 1972-2011, including instruction, unemployment, destitution, and financial development. The outcomes shown a positive connection between crime rates
and unemployment, and in addition a negative connection between crime and advanced education. Advanced education diminishes unemployment, while likewise expanding the open door cost of crime for potential offenders, i.e. they have more to lose in wording of time spent on criminal movement, and higher income diminish the inspiration for carrying out crimes. unemployment can lead to poverty, and poverty can prompt high pressure and psychological maladjustment which could possibly inspire criminal movement.

In light of the investigations we discovered demonstrating a relationship amongst unemployment and crime, we chose to take it one above and beyond, and take a gander at what different elements could cause changes in unemployment. One investigation we discovered valuable was centered around the connection between military uses and unemployment (Azam M, Khan F, Zaman K, Rasil A (2015)). Azam considers the connection between military uses and unemployment in India, Nepal, Sri Lanka, and Pakistan from 1990-2013, considering macroeconomic factors for example, vitality utilization, GDP, and populace development rates. All through the examination every factor exhibited some compose of association with alternate factors. The outcome we found most captivating showed that military spending has a negative and versatile association with unemployment rates. Moreover Azam indicated a converse causality between the factors and unemployment rates. Be that as it may, there was still no sign of any critical connection between unemployment rates and populace development.

In surveying the literature, an investigation was directed which looks into a portion of similar subjects analyzed here. In an investigation on the impact of detainment on white collar criminals, analysts discovered that "prison does not have a specific deterrence impact on the likelihood of rearrest" (Weisburd DE, Chayet E, Waring E (1995) ). Examination of court forced approvals and recidivism rates were utilized as a part of this investigation and uncovered the importance of deterrence theory to white collar offending. This present investigation will likewise utilize condemning rules and recidivism, in connection to violent crime, keeping in mind the end goal to assess the part of deterrence theory in white collar crime.

The literature regarding this matter uncovered broad research on different subjects and components of white collar crime and condemning which gave profitable data to this proposal. Some vital themes investigated were fluctuating observations about white collar crime, sentencing variance and factors that affect sentencing, and factors that influence recidivism.
Observations about white collar crime have changed a considerable measure as of late. Studies have demonstrated that because of the current monetary downturn and expanded reputation of white collar crimes, there has been more open shock and a demand for harsher sentences. Cases like Enron and Arthur Anderson, which were secured widely by the media and influenced the lives of many individuals, prompted a more prominent open attention to this sort of movement and the way that it isn't satisfactorily rebuffed. However individuals are still genuinely ignorant of corporate mishandle of control, and don't completely understand white collar crimes. They are complex crimes and for the most part carried out by profoundly instructed people. These crimes are considerably more hard to distinguish and less demanding for individuals to escape with. Likewise, they tend to have more casualties, however because of the way that the damage endured is monetary as opposed to physical or passionate, people in general is still slanted to give white collar crime less extreme punishment than violent crime. One investigation particularly tended to the feelings of workers in a Swiss Bank who will probably be uncovered to white collar crime. The examination found that these workers will probably confront the issue consistently and are especially delicate to corporate crimes. In any case, while these representatives consider white collar crimes more important than most, they still give harsher punishments to conventional or more normal (violent) crimes.

Another investigation took a gander at open discernments on the adequacy of white collar crime in contrast with violent crime, particularly in connection to religion. The investigation found that individuals who had confidence in God were substantially less tolerant of white collar crime, contrasted with individuals who put stock in an unoriginal or on the other hand irreverent God. It demonstrated that solid ethics and religious feelings were more averse to attract clear qualifications the "wrongness of white collar vs. violent crimes". While modernization and social connections prompted more reliance of white collar crimes, which can be seen by some as harmless. This is to some degree like an examination that inquired about how white collar criminals see their own crime. These offenders do not see themselves as "criminal." "A distinguishing feature of the psychological makeup of white-collar offenders is thought to be their ability to neutralize the moral bind of the law and rationalize their criminal behavior". In any case, the discoveries likewise uncover this may not be fundamentally unique in relation to how violent criminals see their crimes, in that they both tend to attempt and defend or legitimize their activities.
The literature on sentencing was helpful in tending to an assortment of elements that can impact how a sentence is resolved and what may cause contrasts in sentencing. One investigation additionally thought about an elective punishment for white collar crime, recommending it could fill in as a superior obstacle, which would be less costly to as of now packed prisons. The investigation proposes disgracing sanctions which is basically the dehumanization of a man in broad daylight for their crime, which enables general society to take an interest in "shaming" the offender. Another factor that can affect sentencing is gender. Research demonstrates that the lawful treatment of white collar criminals tends to vary crosswise over sexual orientations. In any case, this could likewise be expected to the truth that ladies' parts in this sort of crime are often confined by their authoritative position in the business chain of importance. Their position can be limited in light of sexual orientation separation in the working environment. Results demonstrated that condemning is to a great extent in light of the blameworthiness of the offender, in spite of the fact that ladies are often observed as less "Blameworthy (Holtfreter K (2013)) . Blameworthiness is for the most part characterized as the degree to which a man is mindful, in light of the part they played in carrying out the crime (i.e. were they debilitated, was it their thought or did they simply do the activity, and so forth.). Another examination indicated contrasts in sentencing in light of the particular sort of white collar crime, with a core interest on word related versus corporate crime in connection to street crime offenses. The emphasis is on"whether the distinction long of the sentence could be clarified by the way that word related crime is carried out for the criminals' own particular purposes or advancement, while this is often not the situation among corporate criminals".

The final important component of research on this subject is recidivism. There are various distinctive variables that can affect recidivism, including hereditary qualities, individual identity and qualities, and deterrence/past punishment. Identity is for the most part utilized as a part of deciding remedial order, however inquire about shows it is additionally "a significant predictor of offender recidivism with neurotic personality type significantly predicting probability of rearrest" (Listwan SJ, Piquero NL, Voorhis PV (2010)). Another component comparative to identity is the inspiration for carrying out the crime. One consider followed the life course and improvement of white collar criminals, and the components that lead them to perpetrate crimes. It was certain that "situational factors alone cannot explain white collar crime" (van Onna JHR, van der Geest VR, Huisman W, Denkers AJM (2014)). Not exclusively do white collar criminals see themselves as non-criminals and non-debilitating, yet examines demonstrate that white collar crimes have a tendency to be carried out by those with a want for control, while violent crimes have a tendency to be
conferred by people with low self control (Schoepfer A, Piguero NL, Langton L (2014) ). While the distinction between these two inspirations isn't gigantic over white collar versus violent crime, want for control is appeared to be a more grounded indicator for corporate crime than low discretion.

An area where the literature is lacking, is research on the connection between past punishments and recidivism, for both white collar and violent crime. This investigation plans to expound on research and conclusions effectively made, and in addition to gather more data with respect to area where the past literature is deficient.

3. Data and Methods

The investigation of white-collar crime, especially with respect to recidivism rates, deterrence, and the overall cost to society, has been given little thought since the term was authored in 1939. This makes it progressively hard to gather data and data with respect to how white-collar crime is comprehended in society. Because of the deficiency of white-collar research, for the reasons for this investigation, the techniques used to gather data will be both primary and secondary. Primary data comprise of data that are gathered exclusively by the researcher(s) with a particular reason as a top priority. This often alludes to surveys, interviews, or focus groups and incorporates data that have been amassed out of the blue. Secondary data are gathered by a previous researchers however serve the reason for the present project. It takes to a greater extent an examination position by including previously gathered statistics and data.

This proposal will utilize survey, interview and secondary research to investigate the point. The primary data gathering strategy utilized as a part of this examination is a progression of reviews appropriated through informal organization locales. The study is designed more for a conclusion viewpoint and will scrutinize individuals' learning of white collar crime and relating sentiments on punishment and condemning. The examination will likewise assemble data by means of secondary data, especially inspecting insights and histories of white-collar criminals. Content-Analysis will likewise be investigated in connection to open recognition and sentiment on this theme. The data for this examination will be gathered as follows:

3.1. Secondary Data

Most of the data will be centered around secondary research about and the numbers found there. Research will take a gander at the pervasiveness of white collar and violent crime over the past 10-15 years, and whether there has been an expansion in white collar crime because of changes in innovation or different
components. This paper will likewise analyze recidivism rates for white collar crime and violent crime, looking at the use of marking and deterrence theory as they are applicable. Above all, this paper will look at the difference in condemning crosswise over violent and white collar crime. The punishment rate and length will be additionally be broke down in connection to recidivism rates. Other research will incorporate concentrate the expansion in patent law cases and innovative advances, especially measuring how these have affected white-collar crime.

3.2. Surveys

Doing solid research will require a wide assortment of points of view to be gathered through surveys. Despite the fact that data will be gathered on a college campus, the study won't be constrained to the suppositions of undergrads. It will be circulated on the web either through interpersonal organization or through email to students, staff, and faculty. The study will address open impression of white collar crime, the way it is seen by society, the way it is rebuffed, and its impact/cost to society. This review will likewise look at factors that may add to the absence of understanding encompassing white collar crime (Survey).

4. Content and Analysis

The last key part of this proposal is the role of public opinion and the cost to society. Content examination and survey techniques will be utilized to address these variables. For content examination, different media sources will be investigated utilizing coding and other observational strategies for investigation. The TV show White Collar and the Ocean's Eleven film arrangement will be utilized to look at how media shapes general society impression of white collar crime/criminals, and what sort of discernment is made. The criminological speculations most centered around in this paper are deterrence, labeling, and conflict theory. In view of recidivism rates, this investigation can examine deterrence theory as it applies here, seeing whether the punishments really do dissuade criminals. Interviews and recidivism examinations should distinguish the part of labeling theory, with specific thought of how individuals characterize white-collar crime. The overviews and popular supposition research will shape the utilization of conflict theory in this undertaking and the relationship it has with white collar crime.

Summary

As was expressed in the start of this paper, white-collar crime is an altogether different sort of crime. In spite of the fact that, it doesn't normally include physical savagery, in any case, it isn't a victimless crime. The examination found
an overabundance of white-collar situations where individuals had their characters stolen or extensive organizations were fiscally demolished. The speculation was right. There is an unmistakable contrast in the way white-collar crimes and violent crimes are managed by our society, and by our criminal justice framework. Correspondingly, a bit of the issue rests out in the open view of white-collar crime. The lion's share of individuals have not succumbed to this compose of crime and, accordingly, don't have a tendency to understand the hugeness of the issue.

Public discernment ended up being a substantially bigger issue than at first foreseen and made Labeling Theory fantastically pertinent to this extend. Labeling Theory is about how individuals see white-collar crime, and how a great many people discover it harmless in contrast with violent crime. Commonly, white-collar criminals are marked as non-undermining and high society. This generalization makes individuals defenseless against white-collar crime and horribly disparages the potential threat of these criminals. Concerning discernment, the study and substance examination were the best strategies for deciding how individuals see white-collar crime.

Utilizing Sourcebook, data were gathered from U.S. District Court condemning from 2002-2010 (Sourcebook of Criminal Justice Statistics (2004) ) . In the wake of choosing six noteworthy white collar crimes and six noteworthy violent crimes, Tables 1 and 2 show the normal sentence forced for every crime over a given year. From the two tables, an unmistakable disparity is available crosswise over white collar and violent crime. Violent crime sentences are essentially longer than any white collar crime sentences. The normal sentence length for an extortion conviction was 23.2 months in 2010, and 162.7 months for kidnapping/hostage taking. The violent crimes went from 37.6-276.1 month sentences on normal, while white collar crimes just went from 7.8-30.6 months. Also taking a gander at add up to cases, white collar crime is essentially more common than violent crime, with 880 cases of forgery/counterfeiting in 2010, and just 631 instances of strike. For the violent crimes chose, the most predominant was strike at 631 cases in 2010, and the least prevalent was kidnapping with 39 cases that year. For the white collar crimes chose, the most pervasive was fraud at 8,065, and the least prevalent was bribery with 224 cases in 2010
Table 1: White Collar Crime Imprisonment 2010 (U.S. District Court).

<table>
<thead>
<tr>
<th></th>
<th>Average Sentence Length (Months)</th>
<th>Median Sentence Length (Months)</th>
<th>Total Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Laundering</td>
<td>30.6</td>
<td>15</td>
<td>806</td>
</tr>
<tr>
<td>Fraud</td>
<td>23.2</td>
<td>10</td>
<td>8,065</td>
</tr>
<tr>
<td>Kidnapping/Hostage taking</td>
<td>162.7</td>
<td>144</td>
<td>39</td>
</tr>
<tr>
<td>Sexual Abuse</td>
<td>108.6</td>
<td>96</td>
<td>384</td>
</tr>
<tr>
<td>Arson</td>
<td>78.6</td>
<td>60</td>
<td>75</td>
</tr>
<tr>
<td>Manslaughter</td>
<td>72.6</td>
<td>44</td>
<td>64</td>
</tr>
<tr>
<td>Embezzlement</td>
<td>7.8</td>
<td>3</td>
<td>434</td>
</tr>
</tbody>
</table>

Table 2: Violent Crime Imprisonment 2010 (U.S. District Court).

<table>
<thead>
<tr>
<th></th>
<th>Average Sentence Length (Months)</th>
<th>Median Sentence Length (Months)</th>
<th>Total Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Murder</td>
<td>276.1</td>
<td>251</td>
<td>66</td>
</tr>
<tr>
<td>Kidnapping/Hostage taking</td>
<td>162.7</td>
<td>144</td>
<td>39</td>
</tr>
<tr>
<td>Sexual Abuse</td>
<td>108.6</td>
<td>96</td>
<td>384</td>
</tr>
<tr>
<td>Arson</td>
<td>78.6</td>
<td>60</td>
<td>75</td>
</tr>
<tr>
<td>Manslaughter</td>
<td>72.6</td>
<td>44</td>
<td>64</td>
</tr>
<tr>
<td>Assault</td>
<td>37.6</td>
<td>24</td>
<td>631</td>
</tr>
</tbody>
</table>
Tables 3 and 4 think about the kind of sentence for different crimes, counting regardless of whether the sentence included probation and community service. Most of the violent crimes included just imprisonment in the sentence, except for assault which had a lot of probation included. For instance, just 44.9% of those indicted embezzlement get jail time as a feature of their sentence, and just 35.2% of those individuals are given ONLY jail time as punishment. Though with arson, 96% of those indicted are given jail time, and 90.7% of those criminals are given ONLY jail time as punishment. White collar criminals are considerably more prone to get community service or probation as part (or even all) of their sentence.

Table 3: Type of Sentence 2010 (White Collar).

<table>
<thead>
<tr>
<th>Crime</th>
<th>% Receiving Imprisonment</th>
<th>% Receiving ONLY Imprisonment</th>
<th>% Receiving Community Service &amp; Prison</th>
<th>% Receiving Probation &amp; Prison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Laundering</td>
<td>76.9</td>
<td>72.5</td>
<td>4.5</td>
<td>6.6</td>
</tr>
<tr>
<td>Fraud</td>
<td>77.6</td>
<td>71.8</td>
<td>5.8</td>
<td>7.8</td>
</tr>
<tr>
<td>Bribery</td>
<td>73.1</td>
<td>66.4</td>
<td>6.7</td>
<td>11.7</td>
</tr>
<tr>
<td>Tax</td>
<td>62.9</td>
<td>53.7</td>
<td>9.2</td>
<td>17.4</td>
</tr>
<tr>
<td>Forgery/Counterfeiting</td>
<td>72.1</td>
<td>66.1</td>
<td>6</td>
<td>9.1</td>
</tr>
<tr>
<td>Embezzlement</td>
<td>44.9</td>
<td>35.2</td>
<td>9.7</td>
<td>12.3</td>
</tr>
</tbody>
</table>
Table 4: Type of Sentence 2010 (Violent Crime)

<table>
<thead>
<tr>
<th>Crime</th>
<th>% Receiving Imprisonment</th>
<th>% Receiving ONLY Imprisonment</th>
<th>% Receiving Community Service &amp; Prison</th>
<th>% Receiving Probation &amp; Prison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Murder</td>
<td>98.5</td>
<td>97</td>
<td>1.5</td>
<td>0</td>
</tr>
<tr>
<td>Kidnapping/Hostage taking</td>
<td>100</td>
<td>100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sexual Abuse</td>
<td>96.9</td>
<td>95</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Arson</td>
<td>96</td>
<td>90.7</td>
<td>5.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Manslaughter</td>
<td>98.4</td>
<td>95.3</td>
<td>3.1</td>
<td>1.6</td>
</tr>
<tr>
<td>Assault</td>
<td>83.3</td>
<td>79.1</td>
<td>4.2</td>
<td>3.7</td>
</tr>
</tbody>
</table>

Another critical piece of understanding how white collar crime is handled by the criminal justice framework, includes the examination of recidivism. Utilizing the Bureau of Criminal Justice statistical Data Analysis Tool, criteria were chosen to create recidivism rates for a particular gathering of offenders. This created recidivism data on detainees who were discharged in 1994, recovering data from 15 distinct states. In dissecting recidivism of violent criminals, the criteria utilized were any detainee with two or then again less earlier captures, who had been sentenced assault, crime, ambush, other sexual manhandle, or other violent crime. There was no segregation in light of age, race, or sexual orientation. The data uncovered the quantity of detainees who had been either rearrested, reincarcerated, re-convicted, or re-dimprisined in the three year period after their discharge from introductory conviction. 38.9% were captured for new crime inside 3 years of discharge. 7.9% were sentenced for another crime inside one year. 2.6% were reincarcerated (i.e. set in prison or jail) following a conviction on another crime inside a half year. 11.5% were indicted another crime and set in jail inside 3 years (Table 5).
Table 5: Recidivism: Percentage of Prisoners Released.

<table>
<thead>
<tr>
<th></th>
<th>6 months</th>
<th>1 year</th>
<th>2 years</th>
<th>3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rearrested</td>
<td>15.1</td>
<td>22.2</td>
<td>31.4</td>
<td>38.9</td>
</tr>
<tr>
<td>Re-convicted</td>
<td>2.9</td>
<td>10.7</td>
<td>15.9</td>
<td>27.9</td>
</tr>
<tr>
<td>Re-incarcerated</td>
<td>2.6</td>
<td>6.7</td>
<td>12</td>
<td>16.7</td>
</tr>
<tr>
<td>Re-imprisoned</td>
<td>1.9</td>
<td>4.7</td>
<td>8.5</td>
<td>11.5</td>
</tr>
</tbody>
</table>

Recidivism Data:

Violent Crime Criteria: All ages, all Races/Ethnicities, Male and Female, 2 or Fewer Prior Arrests.

Prior Convictions: Homicide, Rape, Assault, Other Sexual Assault, Other Violent Crime.

a. 38.9% were captured for new crime inside 3 years of discharge.

b. 20.6% were adjudicated (or conveyed to court) for another crime inside 2 years.

c. 7.9% were sentenced for another crime inside one year.

d. 2.6% were re-incarcerated (i.e. put in prison or jail) following a conviction on another crime inside a half year.

e. 11.5% were sentenced another crime and set in jail inside 3 years.

In examining at white collar criminals, the criteria use were any prisoner with two or fewer prior arrests, who had been convicted of larceny, theft, motor vehicle theft, or other property crime (which included types of fraud, embezzlement, etc.). To keep the data consistent, there was no discrimination based on age, race, or gender. The results showed the number of prisoners who had been either rearrested, re-incarcerated, reconvicted, or re-imprisoned in the three year period after their release from initial conviction. Compared to violent crime, these recidivism rates were significantly higher. 58.8% were arrested for new crime within 3 years of release. 12.4% were convicted for a new crime within one year. 4.4% were reincarcerated (i.e. placed in jail or prison) following
a conviction on a new crime within 6 months. 24.1% were convicted of a new crime and placed in prison within 3 years (Table 6). Each one of these statistics was higher than the equivalent data for violent crime. Based on recidivism rates, deterrence theory can be applied, examining whether the current punishments actually do deter criminals from re-offending.

**Table 6: Recidivism: Percentage of Released Prisoners.**

<table>
<thead>
<tr>
<th></th>
<th>6 months</th>
<th>1 year</th>
<th>2 years</th>
<th>3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rearrested</td>
<td>18.6</td>
<td>30.7</td>
<td>50</td>
<td>58.8</td>
</tr>
<tr>
<td>Re-convicted</td>
<td>4.6</td>
<td>12.4</td>
<td>32.3</td>
<td>39.2</td>
</tr>
<tr>
<td>Re-incarcerated</td>
<td>4.4</td>
<td>10.6</td>
<td>26</td>
<td>31.9</td>
</tr>
<tr>
<td>Re-imprisoned</td>
<td>4.2</td>
<td>8.7</td>
<td>20.7</td>
<td>24.1</td>
</tr>
</tbody>
</table>

White Collar Criteria: All ages, all Races/Ethnicities, Male and Female, 2 or Fewer Prior Arrests.


1. 58.8% were captured for new crime inside 3 years of discharge.
2. 34.7% were adjudicated (or conveyed to court) for another crime inside 2 years.
3. 12.4% were sentenced for another crime inside one year.
4. 4.4% were re-detained (i.e. put in prison or jail) following a conviction on another crime inside a half year.
5. 24.1% were sentenced another crime and set in jail inside 3 years.

A huge piece of this investigation requires understanding open view of white-collar crime. Beside having a study to gather the suppositions of the people, it is likewise vital to understand how the media and Hollywood are depicting white-collar crime. Since Hollywood's ascent in the mid 1900s, there have been scores of movies and TV arrangement discharged that delineate white-collar crime in some sense. Among the more mainstream works are Steven Spielberg's Catch Me If You Can, the 1983 Exchanging Places, the very much enjoyed
Ocean's triology (Ocean's Eleven, Sea's Twelve, and Ocean's Thirteen), and the more up to date TV arrangement White Collar. With the end goal of this venture, content investigation may be directed on the Ocean's set of three and White Collar. Content investigation is intended to be a procedure for deliberately depicting composed, talked, or visual correspondence and to better investigate media (Champion DJ (2006)). Notwithstanding their portrayals of white-collar crime, these two shows are likewise notable and paint their criminal characters in a positive light that interests to groups of onlookers.

Ocean's Eleven takes after the life of Danny Ocean following his release from prison and his intend to victimize three casinos in Las Vegas at the same time with his partner-in-crime, Rusty, and with the assistance of a previous casino proprietor, Reuben. Through a progression of wanders aimlessly and the gatherings' capacity to escape strangely inconceivable circumstances, including being beaten by a bouncer and imitating S.W.A.T. officers effectively, the three figure out how to pull off the heist and cover their tracks also before Danny is captured for disregarding his parole. The film gives a triumphant burglary grouping that basically has the gathering of people establishing for the achievement of the crime when, actually, individuals ought to be scrutinizing Danny and Rusty's demonstrations and trusting they're brought to justice for the wellbeing of the bigger group.

Ocean's Twelve brings back the well known characters that made the principal film a win and discovers Danny Ocean enlisting another criminal to effectively total three noteworthy heists in Europe to keep away from issues with American specialists, and, more in particular, Terry Benedict, the proprietor of the clubhouse that were victimized. Ocean's Thirteen presents considerably more cons and more characters betraying each other. Danny Ocean is out for exact retribution for Rusty and plans to demolish Willy Bank on the opening night of his new hotel/clubhouse. Their designs incorporate undermining an analyst's stay at the lodging and gear the space machines to constrain a payout of more than $500 million, all while outflanking a best in class counterfeit consciousness framework that is intended to forestall swindling. These motion pictures are engaging and totally farfetched and effectively degenerate the general visibility's of whitecollar crime (Codebook 1).

Alongside Labeling Theory, this venture additionally connected Conflict Theory to white-collar crime. Basically, Conflict Theory implies that individuals in social power will utilize that energy to advance their own needs and needs (Williams FP, McShane MD (1993)). This was displayed in the whole Ocean's triology, especially where Danny Ocean initiates an old casino proprietor to help sidestep security and effectively loot three casinos. Danny utilizes his energy
and whatever is left of his gatherings' energy to pull off a heist that would be almost unimaginable for somebody with constrained social associations. White-collar crime is resolved to assist one's own end, to accomplish some sort of individual pick up, and this sort of activity makes conflict.

The TV arrangement White Collar, as the name may propose, extremely glaringly depicts white-collar crime. At last, the fundamental character, Neal Caffrey, is a hoodlum, a swindler, and a counterfeiter all in one. Following three years of running from the FBI, Caffrey is gotten and tossed behind bars. After an endeavored escape, Caffrey proposes a work-discharge program, in which he utilizes his skill to help the FBI catch other white-collar criminals (Codebook 2). It as a conspicuous show of the prominent blend great person/awful person, yet powers watchers to acknowledge Neal (the criminal) for being the savvy and amusing swindler. In spite of the fact that there is bounty of crime in the show, the discourse and interest of the characters minimizes the reality of white-collar crime, as is run of the mill of media depictions of genuine situations.

The study comes about demonstrated to affirm one of the underlying theories made with respect to this examination. The way people in general understands and sees white-collar crime is negligible and often halfway erroneous. Society does not understand the gravity, or earnestness, of white-collar crime. By a wide margin, one of the most fascinating conclusions drawn from the studies gathered was the relationship between's kin's understanding of white-collar crime and how they addressed different inquiries on the review. The lion's share of individuals reviewed either addressed that they had a direct or great perception of whitecollar crime (Table 7). In any case, the keep going inquiry on the overview requested that individuals recognize whether general society is well educated about white-collar crime (Table 8). A staggering greater part of individuals reviewed addressed that general society isn't well educated, yet no one addressed that they had no information of white-collar crime. This can be to some extent on the grounds that the lion's share of the overviews were dispersed to Advocates and law school students and the public people, a genuinely knowledgeable gathering of individuals. These reactions could likewise be added to individuals overstating their insight into whitecollar crime.
Table 7: How would you rate your understanding of white-collar crime?

<table>
<thead>
<tr>
<th></th>
<th>Responses (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>0.00%</td>
<td>0</td>
</tr>
<tr>
<td>Very Good</td>
<td>35.9%</td>
<td>65</td>
</tr>
<tr>
<td>Moderate</td>
<td>49.17%</td>
<td>89</td>
</tr>
<tr>
<td>Poor</td>
<td>14.93%</td>
<td>27</td>
</tr>
<tr>
<td>No Knowledge</td>
<td>0.00%</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>181</td>
</tr>
</tbody>
</table>

Table 8: In your opinion, is the public informed about white-collar crime?

<table>
<thead>
<tr>
<th></th>
<th>Responses (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>4.4%</td>
<td>8</td>
</tr>
<tr>
<td>No</td>
<td>95.6%</td>
<td>173</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>181</td>
</tr>
</tbody>
</table>

The most astonishing consequences of the review can be found in the open's reaction to address three. Table 9 demonstrates that simply under half of the general population studied trust that, in view of what they know, white-collar crime is more adverse to society, while the other bit of those reviewed trust that violent crime is the more dangerous of the two. In light of the foundation inquire about done for this investigation, white-collar crime is commonly the more antagonistic kind of crime to a great extent in light of the fact that the impacts of white-collar crime hurt a bigger number of individuals than the normal violent crime. It is conceivable that the reason a few people addressed that violent crime is more negative is on account of they have not had an immediate ordeal with white-collar crime. This is run of the mill on the grounds that the impacts of white-collar crime are not as evident as those of violent crime. Right around forty-four percent of individuals studied thought about white-collar crime the more hurtful. This could be because of individual encounter or simply find out about white-collar crime and monitoring it. The fourth inquiry in the review got
some information about regardless of whether white-collar crime is rebuffed suitably or not. Table 10 demonstrates that just about 60% of the general population that were studied trust that white-collar crime isn't rebuffed fittingly. The other part of individuals demonstrated that they didn't know enough about white-collar punishments to give a supposition. It was not astonishing to find that only 6% accepts it is rebuffed suitably, by and by, in view of answers to the inquiry with respect to individuals' understanding of white-collar crime, more individuals addressed that they didn't know whether white-collar crimes are rebuffed legitimately. These outcomes were entirely inverse to individuals' contemplations on whether violent crime is rebuffed suitably in society (Table 11-14).

Table 9: Which is more detrimental to society overall, white-collar or violent crime?

<table>
<thead>
<tr>
<th></th>
<th>Responses (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>White-collar</td>
<td>44.2%</td>
<td>80</td>
</tr>
<tr>
<td>Violent</td>
<td>55.8%</td>
<td>101</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>181</td>
</tr>
</tbody>
</table>

Table 10: Based on what you know or don’t know, is white collar crime punished appropriately?

<table>
<thead>
<tr>
<th></th>
<th>Responses (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>6.6%</td>
<td>12</td>
</tr>
<tr>
<td>No</td>
<td>60.2%</td>
<td>109</td>
</tr>
<tr>
<td>I don’t know</td>
<td>33.2%</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>181</td>
</tr>
</tbody>
</table>
Table 11: Is violent crime punished appropriately?

<table>
<thead>
<tr>
<th>Responses</th>
<th>Responses (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>37.1%</td>
<td>67</td>
</tr>
<tr>
<td>No</td>
<td>59.1%</td>
<td>107</td>
</tr>
<tr>
<td>I don’t know</td>
<td>3.8%</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>181</td>
</tr>
</tbody>
</table>

Table 12: Is white-collar crime more morally acceptable than violent crime?

<table>
<thead>
<tr>
<th>Responses</th>
<th>Responses (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>39.4%</td>
<td>71</td>
</tr>
<tr>
<td>No</td>
<td>50.2%</td>
<td>91</td>
</tr>
<tr>
<td>Not sure</td>
<td>10.4%</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>181</td>
</tr>
</tbody>
</table>

Table 13: Can white-collar crime ever be justified?

<table>
<thead>
<tr>
<th>Responses</th>
<th>Responses (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>17.1%</td>
<td>31</td>
</tr>
<tr>
<td>No</td>
<td>63%</td>
<td>114</td>
</tr>
<tr>
<td>Not sure</td>
<td>19.9%</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>181</td>
</tr>
</tbody>
</table>
Table 14: Can violent crime ever be justified?

<table>
<thead>
<tr>
<th></th>
<th>Responses (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>28.7%</td>
<td>52</td>
</tr>
<tr>
<td>No</td>
<td>68</td>
<td>123</td>
</tr>
<tr>
<td>Not sure</td>
<td>3.3%</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>181</td>
</tr>
</tbody>
</table>

Ultimately, while portions of the review comes about displayed clear, understandable popular conclusions about white-collar crime, different segments made it hard to decipher how much individuals really understand. Question nine and table 15 got some information about individuals’ observations about crime and probability of re-offense. Around fifty-five percent of individuals reviewed propose that violent criminals will probably reoffend and just marginally less individuals think white-collar criminals will reoffend. The numbers are sufficiently close that it makes it hard to really understand regardless of whether people in general truly realizes that much about crime, in general.

Table 15: Who do you think is more likely to reoffend, white-collar or violent criminals?

<table>
<thead>
<tr>
<th></th>
<th>Responses (%)</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>White-collar</td>
<td>44.2%</td>
<td>80</td>
</tr>
<tr>
<td>Violent</td>
<td>55.8%</td>
<td>101</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>181</td>
</tr>
</tbody>
</table>

Conclusion

As already expressed, Table 8 uncovers individuals’ suppositions concerning whether the general population is all around educated about white-collar crime. The outcomes were overpowering, and very nearly one hundred percent of the 181 individuals overviewed trust that the open isn’t properly instructed with respect to white-collar crime. Sadly, less reviews were gathered than anticipated. Leading this examination again would require studying a bigger amount of
individuals and a more prominent grouping of ages. This think about requires more assortment to better understand open observation and appreciation of white-collar crime and its consequences for society. What's next for white-collar crime in our society? Changing the way people in general observes white-collar crime starts with training. Schools need to actualize courses that consider both white-collar and violent crime, and their consequences for society and the criminal justice framework. With respect to genuine white-collar crime, there should be expanded sentences for white-collar criminals and more serious punishments, which will ideally be a change to current deterrence techniques and diminishing recidivism rates. Changing the government condemning rules will serve in both general and particular deterrence in diminishing the commonness of white collar crime. In advancing training and changing condemning rules, the expectation is for a lessening in recidivism encompassing white collar crime and an illuminated open impression of the issues white-collar crime really exhibits.

References


The Economical Effects of Public Investments on TRA2 Region in Turkey

Prof. Adnan Akin  
Kirikkale University, Turkey

Dr. Imdat Dogan  
Independent Researcher, Istanbul, Turkey

Prof. H. Bayram Isik  
Kirikkale University, Turkey

Esra Gorgulu  
Research Assistant, Kirikkale University, Turkey

Abstract

In this research, the economical effects of public investments on TRA2 region are explored. Particularly, the effects of public and agricultural investments on the production of selected agricultural products are examined. The effects of public and agricultural investments on net migration are also examined. Trend analysis by graphical representation, descriptive data analysis are employed for comparison of total public investments, agricultural investments and net migration rate among four provinces in the region. The results indicate that Iğdır is being the most fluctuated city in the region in terms of public investment and agricultural share in public investments and it is the only city decreased from 2010 to 2016. Dramatic decline of agricultural investments share in total investments in 2011 and 2012 could be due to its high exposure to weather conditions since Iğdır has a much higher crop production and horticulture than other cities in the region. Iğdır has the smallest decrease in net migration rate due to its milder and better weather conditions. Ağrı has the largest decrease in net migration rates due to its harsh weather conditions along with more security problems. Should there be more data available in the future, more efficient analyzes can be made.

Key Words: Public Investment, Agricultural Investments, Regional Development Agency.
The Fourth Industrial Revolution and Turkey: A Study in the Framework of the National Innovation System

Onur Bilgin
Res. Asst. Kirikkale University
Prof. H. Bayram Isik
Kirikkale University, Turkey

Abstract

The technology, which evolved from prehistoric to the 18\textsuperscript{th} century, in a rather slow and evolutionary way, has increased its momentum in the last 250 years and has caused changes which are called as industrial revolutions. The process of industrialization, beginning with the noise of steam engines, is on the verge of a new revolution in countries that shaped national cultures with the support of scientific enthusiasm and technical inventions. Now, the world is witnessing the Fourth Industrial Revolution, which has begun to make major changes in people's lives as in the previous revolutions. The purpose of this study is to examine the possible effects of the Fourth Industrial Revolution within the framework of the Turkish national innovation system. For this end, Turkish National Innovation System was examined, and economic development, employment and foreign trade has been evaluated in the context of Turkey's economy. As a result of the study, it was emphasized that the National Innovation System should be structured on the axis of general purpose technology.

Keywords: Industry 4.0, Technology, National Innovation System, Turkish Economy
JEL Codes: N70, O40
Turkey and Uzbekistan: An Analysis of Relations in the post-Karimov Era

Prof. Mehmet Dikkaya
Kirikkale University, Turkey

Assist. Prof. Murat Gul
Kirikkale University, Turkey

Abstract
The historical background of Turkish-Uzbek relations sets forth that the once-close relations between the two countries deteriorated in the late 1990s and was characterized by ups and downs since then. In November 2016, regarding the bilateral relations between the two sides, Eurasianet wrote “It all started well”. This is due to Turkey became the first country to recognize Uzbekistan’s independence on 16 December 1991 and diplomatic relations were established between two countries on 4 March 1992. The end of the Cold War and the collapse of the Soviet Union opened up new opportunities for Turkey and Central Asian countries to improve relations and brought risks with it, as well.

Turkey’s strategic importance and contribution to the “Western Camp” was started to be questioned during the post-Cold War era. While the western academia and press was “blessing” the liberal democratic system and its “ultimate victory”, the situation was not the same for Turkey. Turkey was surrounded by strategic vacuum, regional problems (such as invasion of Kuwait by Iraq and the bloody dissolution of Yugoslavia), asymmetric threats (from drug trafficking to proliferation of WMDs) and terrorism. Turkey was not able to find the support it quested from its Western allies and renewed its foreign policy goals towards improving its relations with Central Asian and Caucasian countries.

Meanwhile, the ex-Soviet Republics aimed to improve their relations with the Western countries, and with Turkey within this context (since Turkey was a NATO member and had contractual relations with the EC). This is the reason ex-Uzbek President Islam Karimov visited Turkey within a week following Turkey’s recognition. However, Turkey’s capacity was far from answering Central Asian states’ expectations and Turkey’s rhetoric of “creating a Turkic world from Adriatic to Chinese Wall” could not go behind wishful thinking and romanticism. The breakdown in political relations was sparked by the spread of Turkish schools belonging to Gülen network in the late 1990s and Ankara’s tolerance of Karimov’s rivals (such as Muhammad Salih).
The relations between Turkey and Uzbekistan were in remission during the following years. The death of Karimov on 2 September 2016 and the election of Shavkat Mirziyoyev as the President of Uzbekistan on 4 December 2016 were important milestones for Uzbek political spectrum. The newly elected Uzbek President visited Turkey in October 2017 and his trip marked the first visit by an Uzbek president to Turkey since Islam Karimov in 1997 and underscored a bettering of relations between the two countries. Mirziyoyev took steps to end Uzbekistan’s self-enclosed policy since the country’s independence: Mirziyoyev determined Uzbekistan’s 2017-21 strategy to be constructed upon liberal-democratic values and reforms towards rule of law. In addition, he underlined a constructive foreign policy based on mutual interests. Following diplomatic regional visits, he made his first exregional visit to Turkey and signed 25 agreements with Ankara. Thus, on the political front, conditions are ripe for rapprochement between the two sides. Economic opportunities also require the beginning of a new era between Turkey and Uzbekistan. In terms of foreign trade, direct investments, and the activities of construction firms, Turkey-Uzbekistan relations bears great development potential.

**Keywords:** Turkey, Uzbekistan, Central Asia, Islam Karimov

**JEL Codes:** F50, P31, P33, H77
A Glimpse of Indian Judiciary: Traditional and Modern Approach

Assist. Prof. Tulishree Pradhan
KIIT School of Law, India
tulishreepradhan@kls.ac.in

Abstract

Courts and court procedure exercise great fascination for the general public and, with the increasing complexity of our societies, most of us find ourselves taking recourse to the courts at one time or another in our lives. Today the administration of justice is not confined to traditional civil and criminal courts. During the last half century or so, a large number of tribunals, commissions, etc. have come into existence which dispense justice in various types of disputes and grant relief that is not available in the traditional courts. These include, for example, the Monopolies Commission, Consumers Courts, etc. One of the important characteristics of civilized societies is how their inhabitants settle disputes peacefully. Where there is peace, there is progress. If people get justice, they will remain content. If they fail to get justice, they will revolt. A plausible combination of analytical and doctrinal research has been followed as methodology in order to give a proper shape to this article. Analytical research is involved in-depth study and assessment of available information as an attempt to explain complex phenomenon. Here, the author has used facts or information already available and analyzed these to make a critical consideration of the facts. The purpose of this article is mainly to place India’s present day judicial system and its history before the general public in simple language and to acquaint ordinary people with the civil, criminal, and other courts and tribunals. The author has attempted here to give a picture of the Indian judiciary-its evolution, as it exists today, and its various functions from the perspective of Indian mythology. The article does not trace the evolution of civil or criminal law or procedure; rather it looks at the development of the judiciary in India from ancient to modern times. This article is meant for lay persons. The author has tried to present the information in simple, accessible language, while retaining its authenticity. There is a great deal of criticism these days on the functioning of various courts, the inordinate delays, the high costs of litigation, the honesty and integrity of judges, lawyers, and the officials/staff of the courts, as well as of political interference in the judicial process. The author has refrained from joining the chorus except pinpointing such complaints in the concluding remarks.

Keywords: Administration of Justice, Indian Mythology, Administration of Law
Organisation of the judiciary

Scholar of Social Sciences and legal history, all across the globe have expressed the view that in all early societies, there seems to have been no organized system for the judicial settlement of disputes. The administration of justice was a private affair, settled by fight and might, although in some cases and at a later period it came to be administered with the help of community. Indeed, it was when communities came into existence that some role of conduct was brought in as well. Disrespect of community rules was tantamount to disrespect of the community. Lawbreakers were treated severely, and punishment was executed collectively.

The main aims of the administration of justice are twofold; the search for truth and the attempt to make people abide by the rules of law. In ancient times, according to Vinogradoff, more emphasis was laid on solving problems than on the search for truth. Justice was administered by the king and Manu and Narada have compared the position of the king to that of a surgeon. The Mahabharata says that the king who is also the one who dispenses justice should not deviate from the path of truth and he should be a cultured person with an intellectual bent of mind. The Naradiya Dharmasatra states:

Judicial procedure has been instituted for the protection of human race, as safeguard of law and order to take from kings the responsibility for crimes committed in their kingdoms. When humanity was strictly virtuous and veracious, there existed no quarrels, nor hatred, nor selfishness.

Virtue having become extinct them, judicial procedure has been established, and the king, having privilege of inflicting punishments, has been instituted judge of lawsuits.

In much of India, it was through the Danda, or the fear of punishment, that people were made to honour the right of others. It was the king’s duty to punish lawbreakers and ensure that condition were conducive for the smooth functioning of society. Every person had the right receive justice and it was the state which delivered it to them. But through powerful, the king, who symbolized the state, did not have the right to legislate. He was the upholder and promulgator of law and the administrator of justice. He presided over the highest

---

5 Paul Vinogradoff, Historical Jurisprudence, and the Critique of Sociology
6 The Mahabharata is an ancient Indian epic
7 Nāradasāṃkriti is a part of the Dharmasūtras, an Indian literary tradition that serves as a collection of legal maxims relating to the topic of dharma.
court of the state. But he had to perform his duty as prescribed in the law books known as codes. It was in the Vedic age that the conception of Rita, the existence of an order in nature, developed. This in turn, led to the establishment of a social and political order culminating in the development of law for regulating human relations. The realisation that every individual member of society must get justice according to the law of the land, and their rights must be safeguarded, resulted in introducing a system of judiciary. It was through the state that justice could be dispenses to the people and dispensing justice thus became the most important duty of the ancient Indian king. The conception of state and the judicial system were intimately linked as it was the state that implemented law and gave impartial justice to the people.

There has been a gradual development over the time, from a single system of imparting justice as in the Vedic period, to an elaborate and refined one by contributors and lawgivers. The major stages of development were Vedic, that is, the pre-Mauryan, Mauryan and Gupta periods. In the pre-Mauryan stage, it is possible to determine the true state of law as the Vedic Dharma sutra periods.

In Vedic times, the Sabha and Samiti played a vital role in the judicial sphere. They also increased the judicial powers of the king. However, references to the functions of the king in the Rigveda show that the early Vedic king, in return for the tax paid to him by the people performed the duties of a judge. Thus, the establishment of order by punishing offenders was among the most useful and important duties of the ruler. As life was simple, the maintenance of law and order was well organized and court were not needed. No mention is made in Vedic literature of a separate body called the court since the king was himself a court of both civil and criminal jurisdiction. Dispensing justice was his responsibility.

In ancient India justice was administered according in the judicial sphere. They also increased the judicial powers of the king. However, references to the functions of the king in the Rigveda show that the early Vedic king, in return for the tax paid to him by the people performed the duties of a judge. Thus, the establishment of order by punishing offenders was among the most useful and important duties of the ruler. As life was simple, the maintenance of law and order was well organized and courts were not needed. No mention is made in Vedic literature of a separate body called the court since the king was himself a court of both civil and criminal jurisdiction. Dispensing justice was his responsibility.
In ancient India justice was administered according to the Smritis and was one of the most important and obligatory functions of a king. It was his responsibility to protect the people through the proper and impartial administration of justice. Any indifference towards this important function was supposed to bring problems to the king himself as well as to his people.

Ancient Indian jurists devoted a great deal of attention for evolving a law governing the administration of justice. The writings on the subject suggested that the seat of the highest court should be located in the capital city. The lower courts were also established under royal authority. There were also the people's courts which had the power to decide disputes at village level. The qualifications of judges and other officers of the court were laid down. The appointment of experts as assessors to assist the court on technical questions, whenever necessary, was also provided for. Laws of procedure and of evidence were made. A code of conduct for judges and others concerned in the administration of justice, as well as provisions for punishment of officers committing offences in the course of such administration of justice, were also provided by lawmakers such as Brahaspati, Narad, Manu, Kautilya and others.

The Law Commission in its Fourteenth Report has stated that though ancient writers have outlined a hierarchy of courts which existed in the remote past, their exact structure cannot be established with any certainty; but later works of writers like Narada, Brahaspati and others seem to suggest that regular courts must have existed on a fairly large scale, if the evolution of a complex system of procedural rules and of evidence can be any guide. Popular tribunals, particularly the village courts survived for a long time and existed even at the time British rule began in India. Their continuance was favoured by their antiquity as there were practically no other effective tribunals within easy reach. The principal functions discharged by such tribunals were conciliatory and local rulers did not usually interfere in their working.

**Different Kinds of Courts in Ancient India**

The court presided over by a king was the highest court. There were also others, some of them appointed by the king, and others which were people's courts recognized by the Smritis as having the power to administer justice.

---

8 Law Commission of India is an executive body established by an order of the Government of India.
9 Shruiti is “that which has been heard” and is canonical, consisting of revelation and unquestionable truth, and is considered eternal. It refers mainly to the Vedas themselves.
These were, in ascending order:

I. Kula (gatherings or family council): This used to be an assembly of impartial persons belonging to the family or caste of the litigants, which functioned as Panchyatdars or Panchayat Mandalis and decided disputes among those belonging to the same family or caste.

II. Shreni (corporation): As in commercial guild arbitration these courts were made of corporations of persons following the same craft, profession or trade.

III. Gana (area assembly): These were assemblies of persons who belonged to one place but were of different castes and followed different vocations.

IV. Adhikrita (courts appointed by the king).

V. Nripa (courts of the king).

Apart from the above, there was the Pratistitha, a court established at a particular village or town. The Pratistitha was a mobile court, which moved from village to village while the Mudrila was a court appointed by the king and authorized to use the royal seal, and the Sasita was the court over which the king presided.

**Jurisdiction**

The Kula, Shreni and Gana courts could decide all disputes other than those that came under the title Sahasa. Fines and corporal punishment could only be decided by the king.

The people's courts consisted of Panchyatdars. These had the authority to decide all civil and criminal cases except those that involved trial for an offence committed with violence. They had no authority to execute sentences of fines and corporal punishments. These matters had to go before the king who alone could approve and order the execution of such sentences.

A Shreni could review the decision of a Kula and a Gana had the power to review the decision of a Shreni. Judges had power to review the decision of a Gana, and the king was the highest court of appeal, and his decision was final.

The prerogative of the sovereign to function as the highest court of his kingdom was recognised. A party could approach the king for a review of the decisions given by any tribunal such as a Kula, a Gana, a Shreni or any other court. Yajnavalkya provides that the king may review and set aside a decision which has been wrongly given even by him. He could also award costs. This part of the sovereign power is comparable to the power which the Mughal Kings and the
British Sovereign enjoyed and exercised through the Privy Council, and which is now conferred on the Supreme Court under Article 136 of the Constitution of India. This is the source of its power of review.

**King’s Court**

Sasita, or the court over which the king presided, was the highest court in any kingdom. This court, according to the Smritis, was to be situated in the royal palace at the capital city.

The king (Raja), the chief Justice (Pradvivaka), and the Judges (Sabhyas) were the judicial officers of the court. The Accountant (Ganaka), the Scribe (Lekhaka) and the Bailiff (Swapurusha) used to be the non-judicial officers of the court.

The king was invested with power to pass final decrees. The Chief Justice had a give his final opinion on cases, and the duty of the judges was to investigate the merits of each case. The duty of the accountant (Ganaka) was to make calculations regarding the suit claims and the duty of the scribe (Lekhaka) was to record the proceeding of the court which included the plaint, depositions of witnesses and the judgement of the court. It was the responsibility of the bailiff (Swapurusha) to ensure the attendance of the defendant, the assessors and the witnesses. The Smritis furnish the basis for passing a decree. Gold and fire were kept for purposes of administering oaths.

**Chief Justice**

A person who was well versed in law and proficient in logic (Tarka), interpretation (Mimamsa) and other relevant subjects, master of the Vedas and Smritis, and who had the capacity to extract the truth from the judicial proceedings by application of the law, was eligible to be appointed as Chief Justice.

**Judges and their Qualifications**

The king would appoint as members of the court of justice honourable men whose integrity had been tested and tried and who were able to bear the burden of the administration of justice; they were also expected to be well versed in the sacred laws as well as the rules of jurisprudence and were noble and impartial towards friends or foes.
The king being the fountainhead of justice had to depend upon these judges and it was in his interest to ensure that there were reliable and worthy men on these positions.

Katyayana adds a few more criteria to indicate the suitability of a person to be appointed as a judge:

i. A judge should not be cruel, he should be sweet tempered, king, clever and energetic but greedy;

ii. A judge should not confine his study to a single branch of learning but should know many Sastras.10

The first preference was to be given to a Brahmin endowed with these qualities and, if he was not available, a Kshatriya or a Vaisya with similar qualifications could be appointed. Sudras, however, were never recommended for such appointments as according to the ethos of that period they were not supposed to learn the sacred texts.

All the Dharmasastras and Smritis clearly enjoined that dispensation of justice was the highest Dharma of judges.

It was recorded that

i. In a case where Dharma (justice) had been injured or made to suffer at the hands of Adharma (injustice) and the judges failed to give the justice, they had to suffer for their act (of omission) which was Adharma.

ii. Where Dharma (justice) is sought to be destroyed by Adharma (injustice), and truth sought to be destroyed by untruth-if judges failed to prevent this and remained mere spectators, they were sure to be destroyed.

Administration of Law

At the stage when justice was administered by the Kula or guilds or villages, the law which they were called upon to administer was founded on usage and custom, except in matters which fell within the sphere of sacred law. In due course, the custom, which was studied by scholars of the community, tended crystallize into definite which were embodied in the manuals and later became Dharma sutras of the particular schools.

10 Sastra (Sanskrit: “sacred text; teaching.”) is used to denote education/knowledge in a general sense.
Gautama lays down that in administering justice the king has to derive his law from three sources:

i. The scriptures, including the Vedas Dharma sutras the Vedangas and the Puranas;
ii. The costume and usages of countries, communities and Kulas;
iii. Costume and usages prevailing among cultivators, traders, herdsmen, moneylenders and artisans, determined by the different communities in matters relating to themselves.

The old texts also specify that members of a court should not connive with the king if he acts unjustly. If they, along with the king will fall head downwards into hell. It is also stated that judges who agreed with the king when he acted in an unjust manner became parties to the sin flowing from such an unjust decision. They then needed to mollify the king by speaking at first of things that are agreeable to him and then, through persuasion, gradually bringing him round to the right path.

If the king directed a judge to give an unjust decision in a case, it was laid down that the judge should beseech the king against such an order and dissuade him from wrongdoing as this could only lead to injustice. Judges were exhorted to give their decisions only in accordance with law and justice and if kings disregarded such decisions, the judges incurred no sin.

We also learn that the kings were never supposed to be angry towards their ministers, judges and physicians, particularly if the latter spoke frankly since they were expected to say what was proper and correct and not merely what was acceptable to the sovereign. In a kingdom where the ministers, judges and physicians we were made to give their rulings according to the wishes of the king, the latter would soon be deprived of his kingdom and indeed of happiness use of his disregard for Dharma.

The noble role of judges in the administration of justice as laid down in the Smritis and the requirements of fearlessness, impartiality and independence their part, even if their decisions ran counter to the wishes of the King, is important and should be appreciated. The fact that ancient law-writers were bold enough to incorporate such provisions shows their wisdom and interestingly, no king dared to question the authority of the Smriti writers with incorporated such provisions. Such provisions which speak of the independence of the judiciary and the supremacy of Dharma as binding even on the king, show the importance of justice. This was also in conformity with the definition of 'law was the king of kings'. The sanction from the faith of the people and that of the king in Dharma. This was what formed the foundation of an independent judiciary whose brief
was to ensure Dharmic supremacy even where the king was the head of the state under the monarchic system.

**Dharmadhikarana (Hall of Justice)**

The court hall was called Dharmadhikarana (hall of justice). The Smritis prescribed that a spacious hall in the palace should be reserved for the king to hold court. Trees should be grown in the premises and water should be made available in the vicinity. The courtroom was also to be equipped with the required number of seats, decorated with flowers and jewels, and pictures and idols of deities were to be displayed on the walls.

**Responsibilities of King as the Highest Court**

The Smritis\(^{11}\) emphasised the necessity of the king himself to take responsibility for the administration of justice. As far as his court was concerned, any person could approach the king for justice either by way of an original petition or by way of appeal against the decisions given by the lower courts. Except when it was unavoidable, (for example if he was preoccupied with other important matters of state), the king himself was required to preside over the highest court at the capital and to dispense justice according to 'law.

Only in exceptional cases could he depute or authorise the Chief Justice to preside over the court. Further, administrating justice was considered a divine duty. Kings were normally required to wear the crown and royal robes and occupy the throne while participating in the Rajyasabha or Darbar\(^{12}\), and carrying on the executive functions of the 'state.' However, in order to exercise judicial functions, kings had to dispense with such expensive attire and were required to enter the court hall in "a simple dress' and 'with a pleasant demeanour'. Thus clearly indicating the distinction between the judicial and executive functions of the king. The elaborate paraphernalia which we see in the courts today seems to have been introduced by Muslim rulers and further elaborated by the British who were very fond of pomp and show.

Where disputes among traders, craftsmen, artisans, artists, etc. were concerned, if the courts found it difficult. To arrive at correct decisions, perhaps because of the technical problems involved, they could seek the help of experts in the

\(^{11}\) ibid

\(^{12}\) Darbar may refer to: Durbar (court), a term for a court in Urdu from the Persian
concerned field as assessors who could help in deciding disputed questions of fact.

The usefulness of associating experts in decision-making on disputes in such specialised fields has been recognised and adopted even under the modern system. The Evidence Act makes the evidence of experts relevant for arriving at a decision. Another instance in modern times of taking the assistance of experts to decide particular types of cases is the constitution of special tribunals which are made up not only of judicial persons but also those who have technical or profession a qualifications as well as experience in matters dealt with by such tribunals.

Unanimous decisions which would leave no room for doubt were regarded as the best alternative. Where there was no unanimity among the judges, the opinion of the majority of Sabhyas (judges) would prevail - which is also the case today.

The fact that the king had to accept the opinion of judges or to act according to their advice did not mean that he had no responsibility for deciding cases. The rules expressly state that the king should try cases, with great care and should give decisions according to law, adhering to the opinion of judges. These rules mean that he was to be guided by the opinion of judges only in questions of law, but on questions of fact, he could also take the help of merchants appointed to assist the court. Further, while referring to the duties of a king in the course of a trial, it is laid down that he should be careful about the evidence adduced before him by the parties. He was required to observe the demeanour of the witnesses in order to gauge the truth of the statements made by them before the court. The king or judges could take the assistance of a person well versed in law, something that is comparable to the appointment of amicus curiae by the courts, prevalent under the present system. The king was supposed to be very attentive during the trial. He was also the ultimate authority who had to pass the final order in a civil case as well as the sentence in a criminal one after taking the opinion of judges on questions of law.

There was a clear distinction between civil and criminal cases. In all civil matters, the king had to abide by the opinion of the judges if he was presiding over the court. If not, the verdict of the court itself was final, subject only to the review powers of the king. It is only in criminal cases that a special provision was made vesting the king with the power to fix the quantum of penalty.
Kautilya's Concept of justice

The judicial organisation and legal procedures of the Mauryan period were based on the Arthasastra's concept of law. This was the outcome of social and economic conditions of a particular country and the country's capability to deal with those. The growth of justice was connected with the social and political conditions of the time. The moral and political theories determined the origin and development of law. The Arthasastra of Kautilya is a detailed code and makes legal provisions to safeguard the life and property of the citizen and to protect citizens against encroachment, defamation, assault and attempts on their lives and property, as well as assaults on the liberty of a person and atrocities on the part of government officials.

The judicial system in the early world was dominated by royal legislation. The causes of codification were (i) to preserve the king's person and his rights, (ii) to ensure the benefits of good government, and (iii) to prescribe punishments for such crimes as were not included in old laws.

Kautilya's conception of law, though stringent, was comprehensive and all-embracing in character. According to him, law was the eternal order, it was justice and duty. Danda or punishment was the basis of the state. Laws were made to synchronise with people's needs and economic conditions. Kautilya said, "Law is a royal command enforced by sanction and the regulating factor of all types of human activities". He regarded Danda as the fountain-head of politics. The king was the highest authority but he king was expected not to be arbitrary in administering justice.

The Arthasastra of Kautilya reveals that during the Mauryan period there were two types of judicial courts: (i) the Dharmasthya or the civil courts, and (ii) the Kantakasodhana or criminal courts. The Dharmasthya courts were organised and directed by the Amatyas. Their main function was to dispose of such cases as arose out of violation of traditional rules and regulations. They could only impose nominal fines and their scope was limited to the application of Dharmasthya laws.

The Kantakasodhana was very important from the social and constitutional points of view. It regulated various economic and social problems, and also demonstrated that the origin of the court lay in royal ordinances. Its jurisdiction included regulations for the police, public safety, criminal punishment and

---

13 The Maurya Empire was a geographically extensive Iron Age historical power founded by Chandragupta Maurya which dominated ancient India between 322 BCE and 187 BCE.
14 Kantaka Sodhana - Courts consisting of three commissioners (Pradestaras) with jurisdiction over matters of commerce and industries and prevention of breach of peace.
proceedings for simple as well as serious offences. The Kantakasodhana court falls into two main divisions as it relates to the urban and the rural respectively. This court was intended to carry out the king's laws in minute details, regulate the administrative organisation of the Rashtra, and determine the rule of law relating to the activities of the administrative authorities.

Another important function of this court was to save the country from famines and epidemics. Jurists were later associated with it in order to help in implementing the decisions of a highly organised bureaucracy in all matters that were brought under control and regulation for the first time under the auspices of the first organised empire in India. The Kantakasodhana court was meant to provide protection to the people against anti-social forces.

There is little doubt that the Kantakasodhana was a very important court. It may be characterised as a quasi-judicial department and is compared more or less favourably with the court of Star Chamber in England. It was in this court that disputes arising out of the violation of State laws and regulations were tried. The following important items came under such courts:

i. protection of the interests of artisans;
ii. protection of the interests of merchants;
iii. ways and means of dealing with national calamities;
iv. preventing people from maintaining themselves by sordid means;
v. detection of youths of criminal tendency;
vi. seizure of criminals on suspicion;
vii. examination of sudden deaths;
viii. cases of sexual intercourse with immoral women;
ix. punishments for violating justice; and
x. Trials of torture in instances of illicit confession.

It is important to bear in mind that the judges of the Kantakasodhana courts were chiefly high executive Officers appointed to exercise judicial functions and were also meant to be steadfast in Dharma, law and justice. There was no complete separation of the executive and the judiciary; executive officers also presided over the Kantakasodhana courts. Another point to note is that Kautilya always speaks of a bench of judges, not a court presided over by a single judge.
Local and Territorial Courts

Apart from the two important courts, a large number of popular courts also functioned, and the Arthasastra speaks of many cases which fell under the jurisdiction of the unofficial courts. This decentralisation of the administration of justice was favoured probably because it avoided delay and other complications connected with the investigation of cases. The local population was expected to be better acquainted with local problems. Thus, disputes about boundaries were to be settled by the village elders. A sense of public responsibility in all aspects of village life was expected from every village. Offences against caste and religion were tried by committees, called Parishads, as such matters could be dealt with efficiently by those who were experts in this field.

Kautilya refers to courts in different territorial divisions and subdivisions of the kingdom such as Sangrahana (10 villages), Dronamukha (400 villages) and Sthaniya (800 villages), but does not indicate whether there was any gradation of judges or courts, whether judges of the same rank presided over all the courts in larger or smaller administrative units. The Arthasastra simply speaks of the appointment of three Dharmasthas and three Amatyas for the court. It could not have been possible for this Court to function everywhere specially to attend to cases at smaller units. Therefore it seems probable that there was decentralisation of judiciary to some extent. Moreover, while there was an inherent right of appeal to the king, there is no evidence of graded courts of appeal from one court to another higher court. Judges of the Kantakasodhana courts were not only responsible for punishing criminals whose guilt was proved, but had also to keep strict watch over the anti-social activities of persons or groups and had to make necessary investigations in order to detect crimes or anti-social activities and to apprehend the actual or potential culprits.

The Mauryan judicial system continued unchanged till the death of Bindusara. But during the reign of Ashoka, significant administrative changes were introduced which involved the appointment of new officers as well as extension of their duties. Such officers were known as Rajjukas, Mahamatras and the Pradesikan. The responsibilities of Rajjukas increased as they were entrusted with the executive and judicial powers. From the pillar Edict IV of Ashoka it is known that criminal offences involved arrest, imprisonment and death sentences as punishment.

The edicts of Ashoka contain very interesting details of the judicial system of that great monarch which, on the whole, shows general agreement with the
framework of the judiciary as described in the Arthasastra. According to Huen Tsang, in his early career Ashoka was a cruel ruler who had constructed a jail that was called Hell. The edicts bear witness to the rigour of the early judicial system of the emperor. The Rock Edict I of Dhauli refers to some aspects of the judiciary under Ashoka. The record commences, with the statement, by the word command of Devanampriya that the Mahamatras of Tosali (Orissa) who are the judicial officers of the city (Nagala- Viyohataka) have to be told this. The emperor then states:

For you (Mahamatras of Tosali) are occupied with many thousands of men, with the object of gaining the affection of men... and you do not learn, how far this my object reaches. Some single person only learns this and even he (only) a portion but not the whole. He who is fatigued in administration of justice will not prosper. From the above extract of the royal command, we can deduce that in judicial procedures under Ashoka:

i. the city judges were high ranking officers, that is, Mahamatras who dealt with many thousands of men;

ii. Their duty was to execute the emperor's orders and they were supposed to administer justice according to Niti (Dandaniti) and decide cases;

iii. The judges had to be impartial and were not to fall victim to the many dispositions enumerated or to anger or to hurry.

In fact Ashoka's judicial system was based on Niti which has been understood to be Dandaniti. The edict says that it is desirable that there be impartiality in judicial proceedings and punishments. Ashoka was very careful and saw to it that every five years his high officials called the Yuktas, Rajjukas and Pradeshikas went around the country to see that the judges performed their duties properly.

It is revealed by the available data that during the Ashokan period Indian courts fell into two categories: the regular (Mukhya) and the special (Amukhya). The latter comprised special courts intended for the trials of cases between parties belonging to special professions, trade guilds and castes which were to be decided according to special laws or customs applicable to those classes. The regular courts were either stationary (Pratishthita) or circuit (Apratishthita) and these were again divided into two classes, Sastrita, or courts, presided over by the king in person, and Mudrita, or courts presided over by judges appointed under the king's seal. It is generally presumed that the Supreme Court was, as a rule, presided over by the kings in person and that it appointed judges to preside over provincial courts. According to Manu, a king was empowered to appoint a
substitute (Pratinidhi) when he could not himself preside over a court and the officer so appointed had the right to exercise all the powers of the king.

**Popular Courts and their Usefulness**

It was through a series of successive gradation of courts, starting from Sabha (Grama Sabha) and culminating with the king's court (Rajya Sabha) and through a number of local popular courts that justice was imparted to the people. Kautilya and Manu have put forward two different systems for the gradation of courts. Kautilya does not attach the same importance to popular courts as does Manu. In the former's scheme, courts were instituted at Sangrahana, Dronamukha, Sthaniya and where districts met. According to the scheme of Manu, adopted by Yajna, valkya, Narada, Brahaspati and Katyayana, the Sabha system provided the basis for forming and grading courts. It was with this idea that Kautilya who favoured a highly centralised form of government left a number of cases under the jurisdiction of unofficial courts; disputes concerned with boundaries, for example, were to be settled by the village elders.

On the whole, ancient Indian law and legal procedure, beginning with the Vedic age and ending with the middle ages, was fairly developed. Kautilya's rules of legal procedure deal not only with the examination of the plaintiff and the defendant and witnesses, but also with such technical matters as framing the plaint, allowing adjournments to the plaintiff and the defendant for stating their cases, disqualifications for entering into legal transactions and the grounds for judgement of the parties to the suit. The plaint, in particular, was required to comprise the following items; the year, the season, the month, the fortnight and the day (of the subject-matter), the relevant documents, the court hearing the case, the amount of debt or other money Payment due, the country the village, the caste, the family, the names and the occupations of the plaintiff and the defendant, and the mutual relationship of the parties. We also learn that some court fees were payable to the king by the parties in some cases. It may be noted that Gautama has a clauses similar to Kautilya's about the period of adjournment allowable to the parties to the suit.
References

Paul Vinogradoff, Historical Jurisprudence, and the Critique of Sociology
https://etherwave.wordpress.com

The Mahabharata, It is an ancient Indian epic
https://en.wikipedia.org/wiki/Mahabharata

नारदस्मृति, it’s a part of the Dharmaśāstras, an Indian literary tradition that serves as a collection of legal maxims relating to the topic of dharma.
www.hindupedia.com/en/Nāradasmṛti


Shruti, “that which has been heard” and is canonical, consisting of revelation and Unquestionable truth, and is considered eternal. It refers mainly to the Vedas themselves. https://www.britannica.com/topic/Shruti

Sāstra, (Sanskrit: "sacred text; teaching.") is used to denote education/knowledge in a general sense. www.hindupedia.com/en/Alaṅkāra-śāstra

Darbar, it may refer to: Durbar (court), a term for a court in Urdu from the Persian

One or more of the preceding sentences incorporates text from a publication now in the public domain: Chisholm, Hugh, ed. (1911). "Durbar". Encyclopædia Britannica. 8 (11th ed.). Cambridge University Press. p. 697

The Mauryan Empire, it was a geographically extensive Iron Age historical power founded by Chandragupta Maurya which dominated ancient India between 322 BCE and 187 BCE. https://www.ancient.eu/Mauryan_Empire/

Kantaka Sodhana, Courts consisting of three commissioners (Pradestaras) with jurisdiction over matters of commerce and industries and prevention of breach of peace. https://ithihas.wordpress.com/2013/10/08/judicial-administratio in-ancient-india