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DIAGNOSIS FOR THE AGRITOURISM DEVELOPMENT IN AN AGROECOLOGICAL COFFEE SYSTEM

Abstract

The coffee-growing region located in the coastal region of Oaxaca, Mexico, has stood out worldwide because of the quality of the high-altitude coffee beans. Oaxaca has a coffee-growing history and has taken international recognition. However, the presence of the rust plague among other pests, the erroneous government programs that favored the corn-growing in coffee-growing areas, as well as the climate change effects caused the coffee production to be in risk of being lost. With the determined participation of a group of coffee growers, the cooperative Union San Pedro for Sustainable Agriculture (USPAS) was formed, which after 20 years of work, managed to recover coffee production and is currently producing quality coffee. The interest in coffee and the nature that surrounds the coffee plantations has caused local and foreign people interest to visit them, opening an opportunity for the development of tourism in the form of agritourism. In this study, we carry out a diagnosis using a qualitative methodology in which key informants are used to know their perception of tourism and the arrival of visitors. With the use of the Atlas Ti software 22, the categories were obtained to define the agritourism project suitable for a coffee agroecological system and which were the foundations for integrating a project with the participation of cooperative members and inhabitants of the coffee-growing towns of the region.

Keywords: Tourism, agritourism, coffee, agroecology

JEL Codes: L11, L13, L51

Sánchez Maria Velázquez, R., Sánchez Gomez Velázquez, J., Ramos Flores, A. and Soriano Chávez, M. (2024). Diagnosis for the Agritourism Development in an Agroecological Coffee System. In Conference Proceedings: Full Paper Series of MIRDEC 22nd - Lisbon 2024 International Academic Conference on Economics, Business and Contemporary Discussions in Social Science, pp. (3-12). 15-16 May 2024. Lisbon, Portugal. https://www.mirdec.com/lisbon2024proceedings.

Introduction

Agrotourism for UNTourism (2024), is a modality that is carried out on agricultural holdings, whether farms or plantations, where the actors complement their income with some form of tourism in which, generally, they provide accommodation, food and the opportunity to familiarization with agricultural work for visitors.

Due to the interest of a group of inhabitants who have organized a cooperative of coffee producers, in this research a diagnosis was carried out to evaluate the viability of developing agritourism in an indigenous community in the Coast region of Oaxaca, Mexico.

The diagnosis was carried out based on the criteria developed by UNTourism (2024) for the Best Tourism Villages to identify the SWOT elements and evaluate the viability and feasibility for developing

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agritourism and, when appropriate, evaluate the viability to integrate the Community on the World List of Best Tourism Villages.

The results of the SWOT analysis showed that; The balance between external and internal factors allows defining the viability for the development of agritourism in Los Naranjos Esquipulas community. However, based on the criteria to integrate the community in the world list of Best Tourism Villages, it is necessary to address indicators and work with management for the endorsement of the Mexican Ministry of Tourism.

Literature Review

Starting from the UNTourism concept of agritourism UNTourism (2024) and the Best Tourism Village criteria, which mentions as objectives to reduce the regional inequalities in income and development, to fight rural depopulation, to advance in gender equality and the empowerment of women and youth and to improve the education and skill development. A review of research experiences carried out in destinations that offer the alternative of agritourism was integrated.

For instance, Rodríguez Alonso (2019), when conducting a qualitative analysis, concluded that agritourism is a variant linked to the Nature Tourism modality and that its purpose is to satisfy certain segments of the tourism market for those interested in knowledge of rural and countryside culture and that agritourism also promotes new forms of coexistence in regional tourism contexts by maintaining environmentally sustainable agricultural practices.

In this regard, Milena Mogrovejo, Herrera Martínez, & Maldonado, (2019), with a research carried out in Santander, Colombia, found that agritourism promotes several types of tourism, giving visibility to the potential of the regions and concluded that agritourism in rural communities has become an economic engine to boost the country's natural resources and has allowed social and economic development and the preservation of customs and cultures, including gastronomic and agricultural customs.

Mateo Burbano, Vite Cevallos, & Carvajal Romero (2020), carried out a study in the Rio Bonito Parish in Ecuador to analyze agritourism as a sustainable alternative for socioeconomic development. With the use of the diagnostic tool and a SWOT analysis, they got the results of the indicators that they included as strengths and weaknesses that allowed them to conclude the viability for the development of agrotourism in the community.

In an analysis of the agricultural sector as a support for agritourism to enhance local development, Pérez Anzardo, Infante Estrabao, & Hechavarria Laffita, (2023) evaluated the socioeconomic vulnerability of the agricultural sector in the Calixto García province, in Cuba. They studied the social, environmental, economic, legal and governance categories. They found that; training, profitability, marketing, cost-price-benefit relationship, financing, productive chain, quality of life, transportation, access and roads are the elements that allow evaluating the relationship between agritourism and local development.

In a case study conducted within Ngeringinrejo village, Kalitidu district, Bojonegoro regency, East Java for the design of an agritourism management model to maximize resources, Susila et al., (2023) found that participation is important for local government by providing support for training and improving infrastructure to develop an agritourism model as an interconnected ecosystem.

In the aspect of literature on agritourism, Stanciu, Popescu, & Stanciu (2023), reviewed the state of research in the field of rural tourism, agritourism and ecotourism in Romania. They analyzed secondary data from 440 journal articles, procedural article reports, and statistical data. They identified the main

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trends and future lines of research through the systematic bibliometric study of the literature retrieved from Web of Science, Core Collection Database. The results showed eight main research themes were identified in relation to rural tourism, agritourism and ecotourism in Romania.

Reviewing agritourism models, Zukhra Ilkhamovna, Shirin Nordirovna, & Saodat, (2024), conducted a study in Uzbekistan to analyze the practical experience in implementing three models related to agritourism: The model for the development of agritourism business. It involves the official implementation of the state policy of transferring the rural population from agricultural production; one of the components of this strategy includes supporting the development of a network of accommodation establishments in private micro hotels, based on the rural housing stock and existing agricultural resources in farms, apiaries, fish farms with the specialized ones such as sports centers, boat stations, stables, etc.

In the model for the construction of large and medium-sized private agritourism facilities in rural areas, Zukhra Ilkhamovna, Shirin Nordirovna, & Saodat, (2024), mention that it involves local and external investment for the construction of specialized private hotels in the form of stylized "agrotourism villages", cultural and ethnographic centers (typical of countries with a low level of comfort in the housing stock in rural areas, but with good tourism potential).

It requires, first of all, investment resources, both local and external, as well as support for relevant projects at the regional and local level. The model for the creation of state agricultural parks, in addition to the development of the tourism industry. The concept based on such a model focuses on the popularization, socialization and promotion of agricultural achievements of a particular country, the preservation of practical skills and the demonstration of national agricultural production techniques Zukhra Ilkhamovna, Shirin Nordirovna, & Saodat, (2024).

In an experiment in the city of Sabang, located in the western most strategic tourism region of Indonesia, Sentosa, et al., (2024), explored the development of agritourism focused on essential plants such as patchouli, cloves and nutmeg, to improve community well-being. According to the authors, the agricultural sector covers 19.23% of the total area and has not fully taken advantage of the potential of agritourism. With a community service approach, he used community-based learning and the Quadruple Helix model, involving academics, government, businesses and the community, resulting in a proposal for Sabang Agritourism with five zones with different activities: Reception, Agritourism, Park Theme, Family Garden and Accommodation. The comprehensive analysis of Sabang's essential natural resources underlines the region's potential as a leading agritourism destination.

Thinking about the challenges of agritourism Sobhan (2024), examined agritourism in Porsha, a subdistrict of Naogaon, Bangladesh, the willingness of tourists to pay for agritourism tours. Using mixed methods, she collected responses through purposive, multi-stage sampling and integrated a SWOT analysis. The results showed that visitors' education, income, and interest in agritourism affect their willingness to pay. Likewise, tourists with positive attitudes and higher preferences who had fewer problems at agritourism sites paid more. Interviewees found that the agritourism modality has faced many challenges despite its potential.

On the other hand, Vukolié, et al., (2023) studied motivational factors in a sample of 607 gastro-tourists who stayed in agritourism destinations in Serbia. The results show that; The dimensions of cultural experience, emotion, interpersonal, relationship and sensory appeal show a significant influence on the visit of agritourism destinations by gastronomic tourists. While the health concern dimension does not show statistical significance. They concluded that certain sociodemographic characteristics of gastro-tourists have an impact on the development of an agritourism destination that the more educated and

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women showed more positive attitudes toward the influence of motivational factors on the development of an agritourism destination.

Regarding agritourism in coffee cultivation, in the study carried out on a farm in Ecuador, Enriquez-Estrella, et al (2023) analyzed as indicators for the development of agritourism: the provision of accommodation, agricultural production and industrial activity and they took into account the market dynamics, the service offering and the proposed activities as elements for viability. They found that the farm they studied faces significant restrictions in the promotion of its tourist services, but that the development of agritourism provides an innovative proposal and has contributed to significant progress in its organizational structure.

In a larger study carried out in farms and ranches in the San Francisco del Milagro, Guaymas province, Ecuador, Garaicoa, et al; (2023), through a diagnosis of the geographical, economic, political and sociocultural possibilities with indicators of: Visits to farms through the exploration of crops and participation in cultural work and transformation of artisan products. The tasting of local products: serving as a jury in tastings and tastings of foods and drinks produced in the rural area, such as wines, cheeses, oils, honeys and other typical agricultural products. Participation in hiking and outdoor activities such as walking, cycling, horseback riding so that visitors can observe the rural environment of the area.

In addition to providing visitors with stays in rural accommodation in cabins or country houses, allowing visitors to immerse themselves in a rural life and enjoy the tranquility of the environment and with participation in local events and festivities: being part of the traditional events celebrated in rural areas Garaicoa, et al; (2023). They found that there is a close relationship between the variables agritourism, sustainability and local development for the farms and ranches they analyzed.

In a study carried out in Indonesia by Hidayat, Hakim, & Parmawati (2023), they describe the existing conditions and evaluate the sustainability of coffee agritourism. Through the evaluation of auxiliary services, attractions, accessibility, services, economy, ecology and socioculture. They found that from the institutional aspect, some agritourisms do not have legality, the main attraction is the coffee plantations, accessibility is difficult to achieve, the amenities still do not have quality according to standards, but the community expresses a very positive perception towards agritourism due to which all indicators showed that 29 attributes are a key influencing factor in sustainability.

Among the various agritourism destinations in located in Turekisa Village, Ngada Regency, East Nusa Tenggara, Indonesia Loke (2024), mentions that this tourist destination has gained prominence due to its stunning natural beauty, often nicknamed as the "land above the clouds", a reputation that continues to grow along with the increasing number of visitors to the hills and the abundant natural resources, particularly the important production of *Arabica* coffee. The objective of this study was to analyze the strengths, opportunities, weaknesses and threats, and determine development strategies for coffee agritourism.

Loke (2024) used the SWOT analysis, extracting data from interviews with six key informants: The head of the Department of Agriculture, the head of the Department of Tourism, the Agricultural Extension Officer, the president of the Coffee Producers Group, the Tourism Management and community leaders. The findings of this study indicate that coffee plantation agrotourism in Turekisa Village should be maintained and further improved given its significant quality potential.

Proposal for development (Sentosa, Muhammad, Izziah, Amiren, & Keumalasari, 2024). Attitude of gastro tourists (Vukolié, et al., 2023) and development in relation to coffee cultivation (Enriquez-Estrella, Herrera Chavéz, Samaniego-Erzo, & Calderón-Flores, 2023) (Garaicoa Fuentes, Montero

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Murthre, Rodríguez Bejarano, & León García, 2023) (Hidayat, Hakim, & Parmawati, 2023) and (Loke Nono, 2024).

As can be observed in studies aimed to agritourism with an alternative for local development, there are versions focused on analyzing the concept (Rodríguez Alonso, 2019), comparing agritourism with other tourist alternatives (Milena Mogrovejo, Herrera Martínez, & Maldonado, 2019). To review the agrotourism categories (Mateo Burbano, Vite Cevallos, & Carvajal Romero, 2020). The importance of the govenment participation (Susila, Dean, Harismah, Dwi Priyono, & Setyawan, 2023). Reviews (Stanciu, Popescu, & Stanciu, 2023). Model implementations (Zukhra Ilkhamovna, Shirin Nordirovna, & Saodat, 2024). Proposals for development (Sentosa, Muhammad, Izziah, Amiren, & Keumalasari, 2024). Attitude of gastro-tourists for agritourism interests (Vukolié, y otros, 2023) and development in relation to coffee cultivation (Enriquez-Estrella, Herrera Chavéz, Samaniego-Erzo, & Calderón-Flores, 2023) (Garaicoa Fuentes, Montero Murthre, Rodríguez Bejarano, & León García, 2023) (Hidayat, Hakim, & Parmawati, 2023)y (Loke Nono, 2024).

With the literature review and the experience of field work carried out in agricultural communities in Oaxaca, Mexico the following methodology was proposed:

Methodology

The methodology was based on a field study and an approach for the analysis of Strengths, Opportunities, Weaknesses and Threats (SWOT). The purpose of this approach was to collect complete, accurate, and objective data and ideas. The research involved observation and interviews with key informants. Qualitative methods are used, emphasizing deductive and inductive reasoning processes and analyzing the dynamics of the observed phenomena using scientific logic.

Furthermore, qualitative research methodology is rooted in post-positivism philosophy and phenomenology to analyze natural objects with key informant interviews, employing purposive and snowball sampling techniques for data collection, and combines primary data with research results. This is done to identify categories related to the field and worldview of community coffee agritourism.

The data used in this research are qualitative and comprises descriptive data. The research methodology we used was the SWOT analysis, extracting data from interviews with six key informants: The manager of the nursery, the manager of the bakery, the manager of the community kitchen, the representative of the Coffee Producers Group and the representative of community leaders.

The data used in this research are qualitative and comprise descriptive information that cannot be directly quantified but must be detailed, such as the general description of the research location, types of coffee, and community opinions on coffee-based agritourism. The data is derived from two sources: primary and secondary. Primary data originate from the results of in-depth interviews with key informants.

Data analysis techniques involve qualitative descriptive analysis and SWOT analysis. SWOT analysis is a systematic tool used to formulate strategies by evaluating various factors based on maximizing strengths and opportunities and minimizing weaknesses and threats.

The decision-making processes are closely linked to the development of the mission, objectives and potential of community coffee agritourism in the community Los Naranjos, Esquipulas, Oaxaca, Mexico for the strategic plan that involves the development of *Arabica* coffee with different flavors, which requires an analysis of strategic factors related to strengths, weaknesses, opportunities and threats based on the current situation.

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This process is known as situational analysis, with SWOT analysis being the most used model. The data collected, processed and analyzed descriptively adopts and adapts the SWOT analysis model, which involves a qualitative analysis of internal and external factors. Internal factors encompass strengths and weaknesses, while external factors consist of opportunities and threats to agritourism development.

Results and Conclusions

The Southern Highlands region and its border with the Coastal region in Oaxaca, Mexico is one of the main coffee producing areas in the province. Coffee production in the region experienced a decrease from 2013 to 2020 due to the change from coffee crops to corn fields driven by national agricultural policy. Starting in 2020, the task of the founder of the cooperative "Unión San Pedro para la Agricultura Sostenible" (USPAS), with experimental crops and results, managed to get the community members to return to coffee cultivation.

Arabica coffee stands as the dominant crop in the region. Community Grown Coffee has gained recognition for its organic Arabica coffee planting efforts, both locally, nationally and internationally. Arabica coffee, as a prominent agricultural product, has become an important source of income for farmers in the community. The growing demand for coffee, both nationally and internationally, requires continuous efforts to improve quality, but without applying chemicals that is why organic coffee has gained ground in the coffee market.

Several factors contribute to the understanding and the development of the coffee-based agritourism in Los Naranjos Esquipulas, Oaxaca. First of all, the strategic geographical location of the community improves its development potential. The community's proximity to the tourist area of Huatulco and its mountainous terrain add to its captivating natural beauty. In addition, the view of the coast and mountain countries further enriches the landscape. Organic Arabica coffee is recognized as the best, it is grown by the residents of Los Naranjos Esquipulas.

The natural vocation and high fertility of the soil contribute to the high quality of the crops grown on it. Coffee plants exhibit dense fruiting with each stem filled with coffee cherries. The community uses the water flow throughout the year for daily needs and to irrigate the coffee plantations.

Arabica Coffee is the star product of Los Naranjos Esquipulas, with an average surface area of 4 hectares per home. The use of traditional technology and superior seedlings, such as grafting stems from mature coffee trees with strong roots, guarantees the production of dense, high-quality coffee beans, and mixed cultivation with vanilla plants enriches the visitor experience.

For the development strategy of coffee agritourism in Los Naranjos, the key factors for the development of coffee agritourism were first identified. Table number one presents the sustainability indicators and factors.

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Table 1. Key Factors in the Development of Coffee Agritourism in Los Naranjos Esquipulas, Oaxaca, Mexico

Dimensions	Sustainability factors		
Organization	Lega framework of agritouris		
	Municipality organization		
	National Comission of Biodiversity (CONABIO) reports		
	Evaluation of the activities		
Attractions	Community local culture		
	Tourist packages		
	Tourist services		
	Hiking		
	Hospitality services		
	Traditional food cathering		
	Coexistence of the local inhabitants with the tourist		
	Souvenirs store – traditional products		
	Birds sightseeing		
	Coffee and foor preparation experience		
Accesibility	Cooperation for public transportation		
	Signs availability in the traffic areas		
	Security signs in the hiking paths		
	Coffee distribution system		
	Products sold by the producers		
Capacity	Parking lots		
	Hospitality capacity		
	Capacity for food services		
	Service infrastructure		
	Facilities and infrastructure		
	Grocery products availability		
Economy	Job opportunity		
Leonomy	Job training programs		
	Good wages		
	Environmentally friendly products for sale		
	Product price		
	Information about product price		
Ecology	Drainage system		
250106)	Coffee shade system maintenance		
	Associated plantations		
	Water management		
	Solid waste management		
	Water use optimization		
Socio cultural	Land tenure		
issues	Harmony in community		
135005	Activities for cultural promotion		
	ACHITICS IOI CUITUI DIOMOTOLI		

Source: Own elaboration based on (Hidayat, Hakim, & Parmawati, 2023) and with the results obtained in the in-depth interviews carried out with key informants.

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Based on the experience of (Hidayat, Hakim, & Parmawati, 2023), the dimensions Organization, Attractions, Accessibility, Amenities, Economy, Ecology and Sociocultural aspects were integrated into the in-depth interview.

To carry out the diagnosis, the SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) was used. With this analysis, the strengths, weaknesses, challenges and opportunities with potential for the development of Agritourism in the community of Los Naranjos Esquipulas, Oaxaca, Mexico were identified. The results of the qualitative analysis allowed us to define the factors to define the viability of agritourism in Los Naranjos Esquipulas. The results are shown table two:

Table 2. Internal and External Factor Analysis (5) (0 1)	Table 2. Internal	and External Factor	Analysis (SWOT)
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External factors		Internal factors	
Oportunities	Threats	Streghts	Weaknesses
Government programs to attract international tourists	Plagues and plant diseases	Fertile land	Maintenance of the hospitality services facilities
Coffee systems as attractions for tourism	Corn conversión of the coffee lands	Income by tourism	Human resource preparation
Organic market orientation for promotion with customers and social media of the product	Water cycle alteration	Medical center	Lack of tourist training
Travel agencies	Forest fires	Beautiful landscapes	Lack of english spoken
Cooperatives		Birds sightseeing	Lack of promotion
Social media		Traditional expressions of culture	Infrastructure for hospitality services
		Hiking paths	Infrastructure for food services
		Coffee process and experience attraction	
		Products diversification (traditional coffee and organic cosmetics)	
		Coffee Brand	
		Foreign alliances	

Source: Own elaboration based on the results of the discourse analysis expressed by the interviewed inhabitants.

As can be seen, the resulting set of opportunities allows us to visualize the momentum of the project in terms of external factors. Which is reinforced by the internal strengths that the cooperative and the community present. On the other hand, external threats are factors that farmers overcome as part of the coffee growing activity and learn from the effects caused by climate change. Regarding the weaknesses, it was observed that they are taking action on the matter to turn them into opportunities.

The results of this research allow us to conclude that the objective was met because the strengths, opportunities, weaknesses and threats were analyzed. With the results, it is concluded that the

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development of agritourism in the community of Los Naranjos Esquipulas, Oaxaca is viable. And the factors are identified to determine development strategies for coffee agritourism in the community.

Regarding the characteristics of the community to propose its participation in the Best Tourism Villages program of UNtourism. The data collected in the community of Los Naranjos Esquipulas allows us to analyze the indicators that meet among them:

- The community shows a low population density because it only has 974 inhabitants (INEGI, 2024).
- The community is located in a landscape at more than 1,382 meters above sea level between coniferous forests and views of the Pacific Ocean on whose lands organic high-altitude coffee is grown alternating with the cultivation of vanilla and cardamom.
- The community traditionally shares its festivals, traditions and culture with visitors.

So with the entry to the Best Tourism Villages program the community could:

- Reduce regional inequalities in income and development for community residents.
- Fight against rural depopulation.
- Progress gender equality and the empowerment of women and youth.
- Promote rural transformation and strengthen traction capacity.
- Strengthen multi-level governance, partnerships and active participation
- of communities (public-private-community collaboration)
- Improve connectivity, infrastructure, access to financing and investment.
- Advance innovation and digitalization.
- Innovate in product development and value chain integration.
- Promote the relationship between sustainable, equitable and resilient nutrition
- systems and tourism to preserve biodiversity, agrobiodiversity, heritage culture and local gastronomy.
- Advance in the conservation of natural and cultural resources.
- Promote sustainable practices for a more efficient use of resources and a reduction in emissions and waste.
- Improve education and skills development

However, one of the main limitations to integrating the proposal and despite all the indicators, will be the response of the authorities to present the proposal to UN Tourism.

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IRINA ANA DROBOT¹

THE HOUSE OF THE SLEEPING BEAUTIES BY YASUNARI KAWABATHA: AN ANALYSIS

Abstract

The purpose of the present paper is to analyse the novel The House of the Sleeping Beauties by Yasunari Kawabatha based on it being a fantasy literary work. Reality and fantasy intertwine in this novel. From the perspectives of reader-response criticism, intertextuality, and dialogism, the author of the paper can notice similarities with the short story At the Gypsies' by Romanian author Mircea Eliade. Both stories present us with the main character of a man advancing in age, and who meets an old woman leading them to spend time in their place with young girls. These young girls and their interaction with them present the men with flashbacks from their lives, and especially from their youth, about their major relationships with women. Strange incidents happen in these places. The old woman could be considered to be a guide, and she reminds of the archetype of the wise old woman in Carl Jung's theories. The young girls could be assimilated with the archetype of the anima, or of the feminine side in every man. The encounter with these women and these places can be seen as an equivalent of the exploration of their own personalities for the men who are the main characters. We can see, as cultural specific elements, the primacy of the smells and paying attention to sensations here and now for the Japanese man, and of the need to think philosophically and symbolically of the Romanian man. Self-analysis is common to both men.

Keywords: Memory, fantasy, self-analysis

JEL Codes: Z00, Z10, Z19, Y90, Y92

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Introduction

The novel *The House of the Sleeping Beauties* by Yasunari Kawabatha presents readers with a story that, while being at first perfectly reasonable, and realistic, at times breaks into the realm of fantasy. We readers can think that everything could be just part of our imagination, especially if we are not members of Japanese culture, but of Western culture. This is because the Japanese culture can provide the perfect excuse for us not being familiar with all their traditions, practices, and rituals, which are elements included in Baciu's (2012) culture identity manifestation grid, next to values, symbols, and personalities. We can think that maybe all the fantasy, unrealistic-like aspect can be part of our imagination, and that what the main character witnesses is, after all, a not so unusual practice in the lives of Japanese culture members. However, we realize that the main character, Eguchi, who is 67 years old, is just as surprised as us readers when faced with the "House of the sleeping beauties" in the title. It is a house which may remind Western culture readers of the houses of pleasure in old-times, traditional Japan, whose girls were confused with geisha. There has and still is much confusion about the culture of Japan, to the point where Western culture members have mostly imagined this culture and its habits than actually known it for what it was and for what it is. Therefore, this is a pretext to create a sense of uncertainty and confusion about the boundaries between reality and fantasy, which are blurred in this novella.

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A novella is either a short story or a very short novel. Kawabatha's *The House of the Sleeping Beauties* was originally published in 1961. It is a story about Eguchi who, at 67 years old is considered an old man, who can visit with no problems an inn meant for old men who are no longer considered able to have proper relationships with young women, as they are no longer manly, so there is a special inn, or house, made for them, which consists of young girls on medicine to sleep all the time while the old men spend time with them, and only look at them, without touching them in any way, and then they have tea, together with their sleeping medicine, and fall asleep next to them themselves. The old men have to leave in the morning, and the young girls awaken only after the old men leave. The young girls are not supposed to be awakened by the old men, but left to sleep during all the time they spend together with them. Eguchi confesses to the readers than, unlike the other visitors of the inn, he is still a man, yet he behaves entirely according to the rules.

As Western culture readers know, this may not be as surprising a behaviour from the part of the old men and of Eguchi himself, since it is well-known that the Japanese are very strict with themselves in observing rules. They are always willing to stick together and to comply with the social rules, a type of behaviour which is constantly being advertised on social media posts on pages and in groups on Facebook related to Japanese culture and to life in Japan. The image of a staircase with the persons climbing up on one side only while nobody descends at the respective moment shows how they respect the sides of going up and downstairs regardless of the context. They are known to be a strongly collectivist culture, even if, during modern times, the rising individualist trend is also visible in Japan as well. The Japanese have a high sense of ethics and work discipline, and we can see how in schools there is no janitor; instead, students and teachers do all the cleaning. They only have janitors in public places such as airports. The Japanese children go as young as kindergarten age by themselves in the train, and nobody harms them. They are highly disciplined and have a low criminal rate. This would explain or at least excuse, in the minds of the Western culture readers, the strange rules at the inn, and, perhaps, the even stranger habit of respecting them by the clients.

However, these are simple means to make us doubt the clearly-cut boundaries between reality and fantasy, ensuring a game on which the fantasy genre is based. Zgorzelski (1972) mentions the opinion of Ostrowski, claiming that it is more effective to balance fantastic and realistic elements rather than to oppose those fantastic elements to the real elements.

Readers of Romanian culture, familiar with Romanian literature, like the author of the present paper, may have a flashback when reading Kawabatha's story with another short story from Romanian author Mircea Eliade, *La tiganci* in Romanian, a title which can be literally translated as *At the Gypsies'*, and which has been translated as *With the Gipsy Girls* by William Ames Coates, in Eliade (1981).

In *At the Gypsies*' by Mircea Eliade, we notice the same storyline, of an old man going to a house where he meets some young girls, and again some strange happenings occurs there and, in the case of Eliade's story, even afterwards. Eliade's story includes a brothel house with which the inhabitants of old Bucharest were familiar, and, what is more, it belongs to gipsy girls and it is owned by an old gipsy woman. The gypsies are associated, in the culture of old Bucharest during the time of Eliade and in the past, with knowing magic, and guessing someone's future in crystal globes or being able to undo or create curses on someone once they are paid. This can function as an excuse for blurring the boundaries between reality and fantasy, in a similar way with how the same device works in the case of Kawabatha's story. We do not know much about the culture of the gypsies, and they are a closed community, with its own culture identity manifestations, and also with its secrets. We cannot truly understand another culture's mindset, or at least not in a genuine way, once we are outsiders. We can be fascinated by their lifestyle, mindset, traditions, rituals and practices, as well as values, yet we may simply create a fantasy version of the reality about them. Readers, together with the main character, piano teacher Gavrilescu, discover the strange happenings and practices occurring in the brothel house called *At the Gypsies*' by

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the inhabitants of the city, a place which is avoided for ethical reasons, but also, likely, for the fear of the magic that these girls and old woman can be considered capable of. They are considered to belong to a realm of fantasy and magic, as witchcraft has been, repeatedly, throughout history, considered a dangerous practice, a fascinating one, but also one that is broken away from the religious faith. Religious faith and magic are considered incompatible, to the point where magic is juxtaposed with the image of evil, of the devil and of the underworld, and religious faith is juxtaposed with the image of good and correctness, to the point where only religion can be considered able to save us from the evil magic. What we do not understand, and what is different from us, together with those members of other communities different from our own can be othered, meaning considered different in an evil way, to the point where we project those parts of our personality we fear or hate on the other. Once we consider magic a projection of our fear, we can further on consider what, in this life, everyone fears the most and what it is that remains without concrete proofs and explanations.

Materials and Methods

There are, in our lives, during various ages, moments of psychological crisis (Zautra & Beier, 1978). The passage from one age to another, such as from childhood to adolescence, from young adulthood to middle age (Oles, 1999), from mature age to old age is often accompanied by psychological dilemmas, existential questions related to the meaning of life, analyzing the current life, having regrets, wishing to make a change, and so on. There are radical changes from one age to another in these cases, which, in turn, prompt a need for further changes in someone's personality and life, in order to accommodate to the new role brought with the new stage in life.

Gavrilescu in At the Gypsies' seems to be in his middle age crisis, while Eguchi is in his crisis from mature age to old age. We can see how Eguchi is in a place of passage since he confesses to us readers that he is still a man, yet he foresees his future as becoming similar to the other old men coming to the inn of the house of the sleeping beauties. In the end, for both Eguchi and Gavrilescu, we can see how the ultimate destination of human life is death. In Kawabatha's story, we can clearly see how sleep and death are not that far apart. One of the young girls, sleeping with Eguchi at the inn, dies in her sleep. Eguchi is shock, together with the readers, as to how naturally the lady taking care of the arrangements with the sleeping young girls at the inn behaves in relation to the young girl's death. She treats the entire situation as if everything is perfectly normal. Readers may wonder why. We could interpret this attitude by resorting to our general knowledge background related to Japanese culture, and namely to Zen Buddhist beliefs, which, as we have read in various materials and web sites popularizing Japanese culture, claim that everything in this life is ephemeral, subject to change and to loss, and that, eventually we are all going to lose everything and everyone around us, including the loved ones, which is a natural fact of life that we need to come to terms with. Everything we have, according to Zen Buddhist belief, is life here and now, hence the focus on the awareness of the present moment. Still, Eguchi, just like Gavrilescu, seem at the present moment to be in-between the present and the past. Both of them go back to their memories and, then, they wish to go back to the present. Eguchi, however, seems more anchored in the present moment, as the young girls, even if asleep, allow him to focus on them and on their beauty. Next to the visual pleasure Eguchi experiences while looking at the young girls (Sari & Udasmoro, 2020), he also studies all the smells and perfumes the girls have, and then he recalls, based on the sense of smell, moments in his own life. He creates free associations in the same way as we have seen based on the sensation of taste, however, in the famous episode when the narrator in Marcel Proust's novel *In* Search of Lost Time has, during his adult age, a cake he enjoyed during his childhood. From there, the narrator starts reflecting on his life, childhood and youth, in the same way as Eguchi does in this short story. The only person hearing Eguchi's confession is the reader. The same can be said about Gavrilescu. Both of them go through free associations (Lothane, 2018) with various elements from the present to their past, through various episodes. Both of them go through a process of self-analysis, prompted by their change of age and life stage crisis, and both of them, eventually, look, in the future, on the

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possibility of death. The self-analysis is visible since we do not have a confession, based on free association, in the setting of a psychotherapist's office. In an analytic setting, every element is held in place, such as the couch of the analyst, the relationship of trust established between the patient and the therapist, as well as various elements of the setting which include a minimalist setting, a comforting setting, where certain colours are used, and so on. However, the process of self-analysis proves to be a natural part of our lives during transitions from one age to another, especially, and this natural process is reflected in the way in which readers have access to the characters' inner thoughts.

One common issues on which both characters in both stories reflect is death. Chiribău-Albu (2016) shows how critics such as Sorin Alexandrescu and Matei Călinescu have noticed, in *At the Gypsies'*, "an allegory of death" and, respectively, a "mythology of death." Additionally, the story's end brings us on "the road to another ontological level," which "is identified with a dream." This sensation of feeling that the dream is death can bring us towards the realm of fantasy, ensuring a smooth passage from reality to fantasy.

Death can be seen as being foreshadowed in both short stories. For Eguchi's story, readers are suggested, through the same natural process of free associations, that sleep can be so similar to death, since the young girls are not aware of what is going on with them while they are asleep. In fact, nothing should be going on, as the old men are not supposed to wake them up, and not to do anything indecent to them, such as putting their finger in the girls' mouths while they are asleep. The fact that one girl sleeping with Eguchi dies can foreshadow what can happen, eventually, to us all. Eguchi does not seem ready to accept what is going on with respect to the perspective of death, while the woman organizing his meetings with the girls at the inn tries to guide him towards accepting this as a natural fact of life. She tells him that there are other girls and that there is no problem, and that nobody will know he was the one sleeping with the girl that had died. In this case, he will not be suspected of murder. The woman shows Eguchi that, as readers can interpret her words, death is a natural end to life, and that we need to accept that and also get past this. In psychoanalysis, we are familiar with the theory of the stages of mourning, which range, at first, from denial of the loss, to anger at the loss, and then reaching towards acceptance of the loss and moving on (Aragno, 2007; Hangman, 1995; Pollock, 1978; Shapiro, 1996). This is why the woman tells Eguchi that he should continue his life and that he has another girl, who is living, to share his bed with. Eguchi should, readers interpret, understand that life here on Earth is limited. He has gone through various life experiences and has had many people in his life, and he has interacted with them during various stages in his and their own lives. Yet, everything is subject to change. The fact that everything is subject to change can be suggested through the fact that the woman at the inn tells Eguchi he will always be offered another sleeping girl, since he never mentions beforehand, well in advance, when he is going to visit the inn, so that she can prepare the girl he is asking for. Therefore, Eguchi can have access to several girls, and this reflects the process of change in life over which he has no control. Time goes on by, and so does life, as well as changes in our relationships. People we interact with can come and go in and from our lives. Our entire lives are subject to change, yet some changes from one age to another may be considered as more pronounced and more radical changes. Then, we need to reflect more and sometimes we need a guide. In both stories, we can see how the role of guide can be taken over by the women who lead and organize the houses, together with the girls.

In Kawabatha's story and in Eliade's story, we notice the common element of a house with young girls, and these houses are guarded by women, old in the case of Eliade's story, and middle aged, in her 40s, in Kawabatha's story. In Eliade's story, the place called at the gypsies, meaning "the gypsies' villa behind the walnut trees" is placed within "the fantastic 'zone" (Paraschivescu, 2010).

Additionally, we notice how, in both stories, we have the element of the room that is present, within the houses with girls, where the two men spend their time with the girls. According to Chiribău-Albu (2017),

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with reference to Eliade's story, the room is the symbol of an intimate space, where we can find a microcosm of someone's personality. It is in the space of a room that Eguchi and Gavrilescu start their reflections, prompted by their meetings with the young girls. Haruki (2010) notices how Eguchi is, in the presence of the sleeping young girls, in a similar position to a patient in front of "a mute analyst," where the patient feels free to do his free associations. According to Haruki (2010), "the process of psychoanalysis" can be described, in Kawabatha's story, "as a form of hospitality." We can further extend, through similarity, this process to Eliade's story.

From Jung's theory of the archetypes (Walters, 1994), we can identify the archetype of the wise old woman, in both cases of the patrons of the two houses in the story, and the archetype of anima, or the feminine side in every man's personality, in the young girls. The old or middle aged woman can be seen as wise since they have gained enough life experience to share with others. The young girls can be seen as examples or versions of anima, since they are projections of a certain side in the male characters, which otherwise is lived in romantic relationships. In a romantic relationship, we have the habit of saying that we are now complete, and that we have found our better half. This is because we feel that the other person, that we are in love with, represents a certain aspect of our personality, which can be what we have always wanted to be, or what we feel that we need, function of various Oedipal complexes. We can project on the person we love the image of the opposite sex parent we have perceived during childhood and which we continue to search, as this image shows our need for an authority figure, protection, emotional security, and so on.

Both old, or middle aged, women and young girls, in both short stories, prompt, from the part of Gavrilescu and Eguchi, the same reaction of transference that patients can establish in the relationship with the analyst, within a psychotherapeutic setting. The sleeping beauties in Kawabatha's story, due to their passive attitude, can all the more prompt Eguchi's need to confess and to go through the process of free associations, by showing how his memories of the past are triggered by various elements during the present day setting, when he is in the presence of the girls. The therapist in a formal setting is neutral, trustworthy, and allows the patients to express themselves freely. Here, Eguchi wishes, at some point, to know more about some girls, to the point where he not only imagines stories about them, which we readers obviously see in strong connection with what he has experienced in his past life, but also to the point where he wishes to see one of the girls waking up and talking to him. This could be understood as the point where the transference reaches its peak, and the point where, perhaps, the main issue in Eguchi's psychological life is coming to the fore. The peak point in transference could be considered under the form of these acute episodes, where Eguchi seems to lose his self-control, together with his observance of rules imposed by the inn regarding the relationship he can have, as a client, with the young girls. Transference can mean loss of emotional control, and the analysis of transference can reveal the traumatic and the most acute emotional outbursts and episodes of a patient. At this point, Eguchi loses self-control, together with his moral instance, and the instinct of pleasure and wishes seems to dominate. In general, in our social life, according to Freud's model of the unconscious, we are governed by the superego, or the moral instance. Then, the ego is the part of us who is aware of the consequences of not obeying certain social rules, and, eventually, we see how the ego is torn between the rules, or the moral instance, the supergo and the id, the latter being the site of wishes and needs, which can be unconscious, and which is focused on pleasure. Our entire lives are governed by an instance where we show awareness of reality, which is our ego, while we are also torn between a sense of duty and ethics, which is our superego, and, if it is very harsh, it can lead us to experience a strong sense of guilt, if we do not abide by the rules, and the id, or the part in us which tells us that we should fulfill our pleasures and desires. Therefore, we can claim that our entire lives are governed by the opposition between duty and pleasure, and between what is acceptable and what is not acceptable. We can see this conflict represented as under the scenario of Eguchi, presented with beautiful young girls who are asleep, whom he feels tempted to touch but he knows he is not allowed to. The rules set up by the inn and by their leader are very clear, and they reflect the moral instance of everyone, together with the rules of ethics set up by society. At

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this point they seem to overlap, not to mention that the personal values of ethics can overlap with those set up by society, since we are, after all, educated within the context set up by a society. Society can set up our values, which we need to internalize. Society educates us through rules, laws, and conventions very much in the same way as our family and the school we attend do. From this point of view, with respect to the way Eguchi has to behave, the woman in her 40s seems to act as a mother or as a guide through social and proper behaviour for him. She tells him what is proper to do, but also how he should consider death, as a natural part of life, as we see as readers, through interpreting the woman's attitude. The woman's attitude resembles that of a psychotherapist. Together with the young girls, who are definitely neutral and passive, allowing Eguchi to express himself freely, we can see how the readers are reminded of a psychoanalytical setting, which is, however, a truly unconventional one. Patients can start a process of self-analysis, as dialogue with an analyst is not always needed.

The young ladies in *At the Gypsies'*, who are Greek, Jewish, and gypsy, according to ethnicity, and three in number, remind of fairy-tales, as they offer three trials and three chances for Gavrilescu to come, in fact, to terms with himself. He is put to a test, as he has three tries to guess which one of the three girls is the gypsy girl. Three is a magic number in fairy-tales. The fairy-tale element is also present in the story by Kawabatha, especially in the image of the house of the sleeping beauties. The title echoes the famous fairy-tale of the Sleeping Beauty, referring to the princess that was put to sleep by magic and meant to be awakened by the prince who would prove his love for her by going through all sorts or tests or trials. Can Eguchi stand up to this trial? This is the question which we can start asking, and yet, the trial is more about coming to terms with the relationship with himself than with the relationship with another person. Relationships of love can, after all, be considered as a means to understand ourselves better. According to Heidegger, any relationships, with someone else, can be considered as saying something about and offering insights in ourselves. We define ourselves through our relationships with the others. We could also claim that we exist in relation with the others.

In *At the Gypsies*', we can see the fairy-tale element of three choices, or, at least, three experiences. Gavrilescu may experience the relationship with three helpers, just like in fairy-tales, under the form of the three young ladies. They present him with riddles, and they prompt him to ask himself questions about his past choices. Gavrilescu starts thinking about his choices in life. One of the major choices involved marrying Elsa, and not Hildegard, his first love. We can see how, in the end of the short story, Gavrilescu is being waited for by Hildegard, his first love, who acts as a guide to him in a horse-drawn carriage towards another realm, or towards another reality, which readers identify as the passage towards death.

Knowledgeable readers about past literary works can recall Emily Dickinson's poem *Because I could not stop for Death*, which includes the same image of a carriage, and death can be identified as a kind and protective figure of the loved person. The peaceful and poetic image resonates with Gavrilescu's experience, particularly in the first staza of Dickinson's poem: "Because I could not stop for Death —/ He kindly stopped for me —/ The Carriage held but just Ourselves —/ And Immortality" (Dickinson & Howe, 2004).

Additionally, readers can have a background in general culture and literature including Dante's *Inferno*, where Beatrice acts as a feminine figure, as an anima, and as a guide for the male character, or the male persona of the poet. In Eliade's story, Gavrilescu is led by "a girl who enticed him into the house" (London, 2008). Certain persons we meet can feel that they have a decisive influence in our lives, to the point where meeting them can radically influence and guide the course of our lives. In general, the experience of love can be considered life changing, as the emotions are so strong, and as they act as prompting various actions and taking various decisions on our side.

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Love is an emotion which is present, under various degrees and forms, in our relationships of various kinds, staring from our relationships as children with our parents, then moving on with our relationships with siblings, peers, romantic interests, and also with our relationships with God or other religious figures we worship. The emotion of love can be considered, from a psychoanalytic point of view, as major in our lives as human beings, and present under different forms. The relationship with the therapist relies, through transference, on the same emotion of love and its being projected from personal experience to the experience of the analytic setting. Even the experience established between readers and characters, with whom they can sympathize, is also based on love and on transference. Transference occurs not only within the analytic setting. It can be present in a variety of contexts, and it can explain, based on our past experience, the way we relate to and react emotionally to certain people we interact with in our lives.

Retreating in a fantasy world is present in both short stories, by Eliade and by Kawabatha. The main characters live in the fantasy setting provided, for the Romanian story, by the folklore surrounding the gypsies' world, with their own traditions, and, for the Japanese short story, by the setting provided by the traditional Japan setting, which remains, to this day, full of mystery and fascination for members of Western cultures. At the same time, it is fairy-tales which allow a universal connection with the two short stories between narrators and readers. The psychoanalytic theories offer an explanation for the coexistence of the world of fantasy and reality through the ego being placed in-between the superego, or the moral instance, and the id, or the part in us which prompts us to go for fulfilling our fantasies, daydreams, wishes and needs.

The interpretation of the two short stories, by Kawabatha and by Eliade, has relied on the response of readers based on personal emotions, as well as based on general culture background, in accordance with reader-response theories (Hirvela, 1996; Spiegel, 1998). It is due to always having a reader-response at hand that we can apply, function of our experience with and knowledge of other literary works that we can establish intertextuality (Bloome & Hong, 2013) with the current work we read and with previously read works. Previously read works can be regarded as laying foundation bricks on the basis of our knowledge. Our knowledge, in general, comes from our past experience. We always refer back to it, just as we always refer back to happenings in our past and relationships with persons in our past, as we constantly try to connect past and present selves. Our past experience becomes part of who we are, as it is believed that past experiences can add up to our personal growth and psychological development. We rely on previous experience and knowledge acquired in the past with respect to life experience, as well as with respect to our knowledge of past readings of literary works. From this point of view, intertextuality and identifying intertextual references between texts can be considered a natural reaction and a natural experience.

Additionally, dialogism (DeMan, 1983) between two texts, as well as between reader and author, can also be considered a natural part of human relationships. We always feel the need to communicate, and we always react emotionally with respect to our interlocutor, based on various factors from our personal past experience. We can see in our interlocutor a projection of ourselves, of someone else we have known in the past, or of someone we wish to have as a friend. The projection can be loving or hostile, function of the way we relate to various sides in our own personality and that of others around us. We may act understandingly or not in an understanding way, uncaringly or even in a hostile way to the experience of our interlocutor. The similarities with the way we relate to any interlocutor in real life and with any interlocutor in the literary works is similar. The author may be aware of this, intuitively, and start using various literary strategies to persuade us to side emotionally with the main characters.

In the case of Eguchi and Gavrilescu, we can see two persons preoccupied with existential dilemmas. We all reach such a stage in our lives, therefore it can be easy and natural to sympathize with them. Philosophy and psychology can be part of our everyday lives, under more dramatic forms at times than

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at others. Both stories deal with dilemmatic moments in the characters' lives. The main characters voice our own dilemmas, to the point where we can identify with them at various moments of crisis in our lives.

Results

Memory and fantasy are both part of our lives, in a very natural way. We can see how fairy-tales and even traditions rely on our common aspects of personality and psychological needs, regardless of the culture we belong to and the culture we wish to study closer, as we can come in contact with it through reading certain literary works. Literary works are reflections of the mindset we have, universally and related to various cultures. Fairy-tales can prove to be universal references to universal psychological dillemmas. We can feel that we are faced with trials in our lives, since we are faced with various choices function of the stages in our lives. Later on, we may regret or not our choices, or simply reimagine our lives if we made a different choice. We can be led to believe that, in the latter case, our lives may have taken an entirely different course. We imagine alternative scenarios in various moments of change in our lives, as a reflection of the fact that we may come to regret some choices we had made in the past.

The archetypes of the collective unconscious theorized by Jung can also echo the experience of fairy-tales, when the hero goes through a journey. The journey can be that of life-experience and of acquiring knowledge about the world and about the hero's own self and personality. Campbell's (2003) hero journey is based on the fairy-tale pattern, as well as on the cognitive, or conceptual metaphor that life is a journey (Lakoff & Turner, 1989). The journey includes various moments of facing change and choice, which can be found in both short stories. These short stories clearly make reference to such moments of doubt and personal growth faced by the characters. The journey is, after all, an inner, psychological one, as underlined by the process of self-analysis, which is clearly visible in the two short stories analysed in the present paper. The way we grow up and the way we transition from one age to another and acquire life experience suggest this approach.

While both characters reflect on the way that they can progress in their lives, we notice different approaches which are culturally related. The Eastern philosophy is more based in the concrete element, as Eguchi focuses on smells and the visual sensations of the beauty of the young girls' bodies, and Gavrilescu is more focused on the abstract, philosophical side. They reflect Asian philosophy and Western philosophy, respectively. These types of philosophy have become internalized by them as members of their own culture. As both characters are in a moment of psychological crisis, they see at present various signs which prompt them to go back to the past, and reflect on their memories from their lifetime.

Both characters have to deal with their feelings about the end of their lives, and, eventually, with death. In the case of Gavrilescu, death is represented in a poetic way, as reuniting with his first love, Hildegard, who waits for him and guides him towards the other realm, coming in a horse-drawn carriage, presenting death as a poetic journey, which starts with a dream. In the case of Eguchi, death and life also become blurred, and readers may, at some point, believe that he is, like Gavrilescu, like a hero in Joseph Campbell's theory starting off on his journey towards other stage in life, which includes death. They are in their call to adventure or initiation stage, where they are instructed by the wise old women archetypes and also by their anima figures. Sleep and dreams, as well as daydreams, are all a natural part of life, and the boundaries between dreaming, sleep, daydreaming, and death appear to become less and less clear.

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Discussions

At some point, Gavrilescu is lost among the memories, which is reflected in a literal way, as he jumps off in a future where he has been lost for many years, and where everything around him has changed radically. In fact, once we say that someone feels lost, or lost himself and needs to find himself, we use language which we can only consider from a figurative, not literal, point of view. Once we consider the literal sense of lost, we have the element of fantasy present in Eliade's short story. The passage from figurative to literal, concrete, visual meaning, brings us to blur the boundaries between fantasy and reality. An absurd world appears, where Gavrilescu is lost in his city, yet he is, in fact, lost among his memories. He starts living either in the past or in the future, to the point where he literally loses touch with reality. This is how he finds himself lost in an absurd, fantasy, even dystopic world, since the future where he has no home, but someone else has been living there since he suddenly disappeared twelve years ago, and since he cannot use his money as it has been outdates since some years, he tries to see explanations by going back to the point where he feels things started to go wrong and his life to collapse. He returns to the place of the gypsies, yet there the situation grows all the more absurd, as his true love from the past, Hildegard, is waiting for him and tells him that everything starts with a dream. It is an old theme, that of the blurred boundaries between real life and dreams. Dreams can be regarded as daydreams, as fantasies, or simply as wishes which blur and distort our perception of reality. We tend to perceive and to model reality according to our hopes, expectations, needs, and according to how we want it to be. Many times we tend to overlook what we do not like, to be in denial, not to accept reality, to the point where we start perceiving it in a distorted manner.

Death, our own and of our loved ones, can be denied, rebelled against, and, eventually, accepted. Eguchi shows an attitude of revolt against the attitude of acceptance of the lady taking care of the inn, of the death of one of the young girls who are called the sleeping beauties. It can be considered as a more gentle way to bring about the usual figurative meaning of death as sleep, or of likening death to sleep. It can be seen as more acceptable to conceptualize death as sleep, and to consider it alongside life, as in Japanese Zen Buddhism (Suzuki, 1991), as a natural phase. Religion has tried to offer answers to what happens to us after death, together with philosophy. Literary works and poetry have done the same. The two main characters, Eguchi and Gavrilescu, finds themselves in the position of fairy-tale heroes, prepared for the encounter with the experience of death in its various forms.

The play with the boundaries between literal and figurative sense is also visible in Kawabatha's story. The sleeping beauties are literal sleeping beautiful young girls, put to sleep through the use of special drugs. Readers can see the intertextual references to the well-known fairy tale of our childhood, *The Sleeping Beauty*. The princess in the fairy-tale is awakened by the prince, yet, in Kawabatha's story, the young girls cannot and must not be awakened by the old men who are the clients of the inn. One of the girls does not awaken, as she moves on towards death in her sleep. This can lead us readers to think that this is the fate of us all, and we can notice that it can be our end not only in our old age, which can be consider natural, but also in our young age, which can be considered unfair and unnatural, to the point where it can be understood as a tragedy, since it is believed that all lives should allow us to follow all stages, from childhood to youth to maturity towards old age. In this way, the journey we understand life as, through conceptual metaphors, should be complete.

The experience where Gavrilescu is lost in time and space in the city, and where he can no longer find himself, can point to another play upon literal and figurative meanings: he is lost, the same way as we are used to saying about someone who died, as having lost his or her life. We also speak of losing someone we care about.

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Eguchi loses one of the sleeping girls to death, realizing how close the two actually are. This girl can be seen as a projection of Eguchi's worst fear, that of the end of life, of losing his own life and that of his dear ones to death. It is a usual practice in psychotherapy for patients to confront their own fears, just as in fairy-tales, through the experiences heroes go through.

Other aspects of the play upon figurative and literal meaning are present in Kawabatha's story. The young girls who are asleep for the clients are exaggerated versions of the passive attitude of young girls and women, allowing the old men to feel that they are, symbolically, in a position of authority towards them. They are granted the power, since they are awake and they are asleep, while they also show protection towards the young girls, not waking them up and not doing to them anything that they are no allowed to.

Conclusions

We could, therefore, conclude that, in the case of the two stories, by Kawabatha and by Eliade, the blurring between reality and fantasy are accompanied by, to the point where they even overlap, the blurring between figurative and literal meanings. These blurred boundaries between figurative and literal meanings work through presenting certain situations that we conceive of in a figurative manner in the literal sense, as if by transposing them or translating them into the concrete facts. As an example, Eguchi goes to the inn to sleep with the girls. This is the figurative way of saying that we have intimate relationships with someone. Yet, at the inn, Eguchi literally meets sleeping girls, put to sleep using special drugs. He is also given a sleeping pill himself, and expected to go to sleep with the girl, literally, meaning to sleep next to the girl. Not being allowed to wake the girls up is also part of the experience of not ruining the translation from figurative to literal meaning. In order to sleep with someone, we are also expected to allow them to go on sleeping.

Gavrilescu, the main character in Eliade's story, literally loses his way through time, as he goes through his memories. Literally, his last journey and his only place left to go is the other world, and he meets there Hildegard, which can show us readers that he is no longer alive, once his old fantasies and wishes come true.

The ever after of fairy-tales is the ever-after of meeting again the loved person in heaven. We expect Eguchi to be, eventually, in heaven, or on his way to heaven as well, once so many sleeping beauties are offered to him and once he literally lives off memories, as many persons in their old age do.

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CARMEN LAZAR¹

COMPARISON BETWEEN REGULATION 343/2003/EU AND REGULATION 604/2013/EU CONCERNING THE MEMBER STATE RESPONSIBLE IN THE FIELD OF THE ASYLUM RIGHT IN THE EU

Abstract

The present article wants to compare the two Regulations adopted in the field of the right to asylum for third-countries nationals, called Regulation Dublin I and Regulation Dublin II because they have replaced the Dublin Convention of 1990, which established the principle of the single State for the examination of an application for asylum and set out the criteria serving of basis for the determination of the competent State. This Convention was related to the Schengen Agreements, which it completed, although the parties to it were not only the Member States of the - then - European Community, but also third States (Switzerland, Iceland, Liechtenstein, Norway) which have become parties to the Schengen Agreements. Following the inclusion of the Schengen Agreements into the European law, effected by the Treaty of Amsterdam of 1997, it was normal that the Dublin Convention be replaced with European law acts. The Regulation Dublin II has replaced on its turn the Regulation Dublin I, being more complex and more detailed on certain aspects.

We do not intend to make a detailed analysis of the two Regulations, but only to compare them, in order to see if the adoption of the Regulation Dublin II was justified in lieu of the amendment of the Regulation Dublin I, and to underline their possible deficiencies.

Keywords: European Union, Schengen Agreement, asylum right, Dublin Convention, Regulation Dublin I, Regulation Dublin II

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1. Introduction

At the beginning the asylum right in the European Union was governed by the Convention of Dublin, act of international law concluded in 1990 and entered into force in 1997 between the Member States of the EU and third States as Switzerland, Iceland, Norway and Liechtenstein which adhered to the Schengen Agreements². This act was designated to complete the Schengen Agreements under the aspect of the asylum right, though it was a separate and distinctive act, that is why it was open also to the third States mentioned and to the States members of the EU but non-members of the Schengen Agreements. It established the criteria according to which a single Member State³ is competent – so, responsible – to examine an asylum application or an application for another form of international protection⁴, in order to create uniform rules in the field of the asylum for the entire European Union, to manage the effects of the free movement of persons between the Member States following the suppression of the checks at

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² By this name are understood the Schengen Agreement of 1985 and its Convention of Application of 1990.

³ For the purpose of simplification, by "Member State" we will understand also one of the third States mentioned.

⁴ For the purpose of simplification, we will call all these forms by the name "asylum right".

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the borders and to ensure that the same Member States (the richest) will not be "flooded" with applications from the third-countries nationals, so that the economic and social burden be uniformly distributed between the Member States. Following the incorporation of the Schengen Agreements in the European Union law by the Protocole annexed to the Treaty of Amsterdam of 1997 (entered into force in 1999), having as consequence that they will be applied from now on through acts of Union law, it was normal and required that the Convention of Dublin be also replaced with acts of Union law, that is regulations or directives; the more so as the Convention has been criticised by the UNHCR⁵ for noncompliance with the requirements of the Refugees Convention and considered by the States themselves as not so effective (Vosyliute, 2011: 4)6. This happened with the adoption, by the Council, of the Regulation 343/2003⁷, called Regulation Dublin I, repealed later by the Regulation 604/2013⁸ of the Parliament and of the Council, called Regulation Dublin II, into force at the time being. They have been adopted in the field of the common asylum policy, initially part of the third pillar of the Union (Justice and Home Affairs), then transferred into the first pillar (the European Communities), where at the present time this policy is part of the Area of Freedom, Security and Justice. They maintain the principle of a single State responsible for the applications for asylum and the criteria laid down by the Convention for the determination of the competent State, but add new criteria and aspects, including more substantial and procedural details and an accelerated returning procedure.

It is to be mentioned that these regulations, as well as other European legal acts in this field, set out only minimum standards for the States, the lowest protection thresfold the States must comply with (Guild, Carrera, Eggenschwiler: 2). Also, as it has been shown, through them the potential applicants have only one chance to obtain asylum in the European Union⁹, because of the criterion of the single competent State. As a consequence, a decision of rejection of an application, on its merits, by the competent State has effects on the other States, which must reject as inadmissible a subsequent application from the same person; inversely, a positive decision has not effects on the other States, the person who received a form of international protection having not the right to move freely outside the State which has granted her this protection¹⁰.

These Regulations are, together with other complementary European legal acts (not mentioned and studied in the present article), a cornestone of the European Asylum System. They are considered stricter than the previous Dublin Convention, the States having more cases to refuse the examination of an application and being free to appreciate the safe character of a third or of a Member State, in order to return the applicant (Vosyliute, 2011: 5).

We do not have the intention to analyse in detail these two acts, but only to compare them, in order to see if there are significant differences in the later, which would have justified its adoption and not only the amendment of the former, and to underline their possible lacks or inconsistencies. Also, we shall not refer to the procedural provisions, but only to the substantial ones, nor to the provisions on administrative cooperation between the Member States.

⁵ United Nations Human Rights Commissioner

⁶ This author shows that the concern of effectivity has overweighted the human rights concern.

⁷ Published in the Official Journal of the European Union, L 50 of 25 February 2003.

⁸ Published in the Official Journal of the European Union, L 180 of 29 June 2013.

⁹ Idem.

¹⁰ It is true that these consequences do not result from the regulations we shall present, but from other Union legal acts which are complementary to them (see Directive of the Council 9/2003 laying down minimum standards for the reception of asylum seekers and Directive of the Council 85/2005 on minimum standards on procedures in Member States for granting and withdrawing the refugee status).

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2. Comparison Between the Two Regulations

It must be specified, first, that both Regulations govern only the applications for asylum made on the territory of the Union, so of the Member States, not also those made at the diplomatical or consular representations of the Member States in third States (even if, for diplomatical reasons, these representations are deemed to be a part of the territories of the accrediting States).

A first difference between the two Regulations is that the information given to the applicant by the Member State with which he lodged his application is more detailed in the new Regulation. So, while in the former only the language of the information was mentioned, in the second this obligation of the States concerns: the objectives of the Regulation, the consequences of making another application with another State or of moving in another State in the course of the proceedings, the criteria of the competence of the States and their hierarchy, the personal interview and another means by which the applicant may inform the Member State about his situation, the right of access to the personal data of the applicant and the exchange of data between Member States for the purpose of the processing of the application, the possibility to challenge not only the rejection of the application but also the transfer decision (to the competent State). Moreover, it is provided that the Commission will draw a common leaflet containing these minimum informations mentioned above. The Court of Justice has stated¹¹ that the obligation to provide this information is applicable not only for the first application, but also for a second – if the person lodges another one with another State – and for the procedure of the take-charge request, when the State with which the application is lodged establishes, on the basis of the criteria set out in the Regulations, that another State is competent and requests to the competent State to take the person on its territory.

In the two Regulations the Member States have the right to send the applicant to a safe third State, but in the former the reference was made to the Geneva Convention on the asylum right, which the States had to respect, while in the second the reference is made to the Directive 2013/32/EU of the European Parliament and of the Council on common procedures for granting and withdrawing international protection. Of course, the difference is only apparent, because the Directive must respect the Geneva Convention. In general, the European law must respect the international law to which it or its Member States have adhered and the imperative norms of the international law.

Before showing the criteria according to which an applicant who lodges an application for asylum with a Member State shall be transferred to another Member State, which is the competent State, we must mention that, despite the appearances, none Member State may be absolutely and automatically considered that it is a safe State, in other words there is no (more) presumption that it respects the fundamental rights. Moreover, the State with which the application has been lodged shall not transfer the applicant to the competent State, if it knows that in that State there are systemic deficiencies in the asylum procedure and in the conditions of the reception of the applicants, which are of a nature to make think that the applicant would risk there an inhuman or degrading treatment¹². This does not mean that the first State becomes competent and is obliged to examine the application on substantive grounds, but it shall continue the procedure for the determination of another competent State on the basis of the criteria set out, if it does not desire itself to make use of the discretionary clause mentioned below; however, if the procedure for determining the competent State takes too much time and, because of this,

¹¹ See Decision of the ECJ "CZA" 228/21, "DG" 254/21, "XXX.XX" 297/21, "PP" 328/21 and "GE" 315/21 of 30 November 2023

¹² See Decision of the ECJ "N. S." 411/10 and "M. E., A. S. M., M. T., K.P. and E. H." 493/10 of 21 December 2011, Decision "Puid" 4/11 of 14 November 2013. These decisions followed a Decision of the ECtHR (see Decision "M.S.S./Belgium and Greece" of 21 January 2011, Brouwer, 2013: 135), mentioned by the ECJ, which stated the same thing. We may wonder if the ECJ would state this if the ECtHR had not issued such a decision! However, there are authors who are of the opinion that the ECJ would have been more radical than the ECtHR (Vosyliute, 2011: 10).

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worsens the violation of the fundamental rights of the applicant, the State in question must assume itself the examination of the application by making use of the discretionary clause¹³. This jurisprudence led to the insertion in the new Regulation of the provision which says that, if in the competent State there are systemic flaws in the asylum procedure and in the conditions of the reception of the applicants, flaws resulting in a risk of inhuman or degrading treatment, the transfer from the determining State to the competent State shall not take place and the first State shall continue the procedure for the determination of another competent State in the order of the criteria mentioned above¹⁴. When the transfer may not be made to anyone of the Member States, because of the mentioned reason (which is a highly theorical hypothesis, we think), the determining State shall become the competent State to examine the application. When the infringement of the principle of non-refoulement (instituted by other European acts for the reason that the fundamental rights are not respected in a third State) exists in the competent State only for the applicant, the jurisdictions of the determining State, hearing an action against the transfer decision, are not obliged to declare this State responsible for examining the application and to compel this State to make use of the discretionary clause.

In both Regulations it is mentioned the situation of the minors accompanying the adult asylum seeker and being members of his family (as laid down in the act), being provided that their situation will be treated together with that of the adult applicant, including also the children born after the lodging of an application¹⁵. The difference is that in the new Regulation it is required that the indissociable treatment be in the best interest of the minor, while the former did not provide anything in this respect. This provision has been interpreted by the Court as establishing a (relative) presumption that it is in the best interest of the minor to be treated together with his parents or other adults family members accompanied by him, which means that the contrary must be proved¹⁶.

¹³ Idem. We wonder why the Court speaks about the worsening of the violation of the fundamental rights, when this violation did or does not take place in the State with which the application has been lodged, but would take place in the competent State, in which the applicant should be transferred!

¹⁴ See Decision of the ECJ "CZA" 228/21, "DG" 254/21, "XXX.XX" 297/21, "PP" 328/21 and "GE" 315/21 cit.

¹⁵ So, the case in which the parents of a minor applicant (together with them) in a Member State have already received international protection in another Member State does not fall under this provision. They should be applicants in order for this provision to apply, not beneficiaries (see Decision ECJ "RO" 720/20 of 1 August 2022). It results that in such a case the other rules apply, that is the State which is competent to examine the application of the minor and of his parents will be determined on the basis of the other criteria set out, so independently of the status already received by his parents. We may wonder if the interpretation of the Court was the same in the case in which only the minor would have made the application, because this interpretation would have led to the separation of the minor from his parents, which would have not been normal. Even here, given that the parents enjoy a form of international protection in another State, their application would be anyway rejected on this ground, on the basis of another European act (the Directive 2013/32/EU of the European Parliament and of the Council of 26 June 2013 on common procedures for granting and withdrawing international protection).

¹⁶ Decision "C. K., H. F., A. S." 578/16 of 16 February 2017.

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Concerning the minors who are asylum applicants themselves, because they are not accompanied by any adult, in the former Regulation the provisions concerning them are very summary, being provided only that the competent State is that in which an adult family member¹⁷ or a relative (not specified¹⁸) legally lives, if this is in the best interest of the applicants; in the absence of a family member or a relative on the territory of the Union, the competent State is that where the minor applicant has lodged his application¹⁹. It was not provided what is the order of priority between the family members or the relatives. The new Regulation, keeping these two criteria in the same order and the principle according to which the best interest of the child will be always taken into account, has an entire chapter dedicated to the unaccompanied minors. The spouse has priority over other members, but there is not an order of priority between the others, as there is not such an order between the relatives. It is specified what it is understood by relative: the aunt, the uncle and the grandparent(s). If the other family members live in more than one State, the competent State will be established by taking into account the best interest of the minor. The best interest of the minor does not mean, however, that the States are obliged to make use of the provision establishing that it has the right to examine an application even if it is not competent and without giving its reasons (the discretionary clause mentioned)²⁰.

Apart from the possibilities of the reunification with their families, the new Regulation provides that the States must take into account for the unaccompanied minors their wellbeing and development, security and safety (in relation with the human trafficking) and their views, according, of course, to their age and maturity. The minor will be represented or assisted by a representative²¹ possessing all the qualifications and expertise for minors, who is appointed by the competent authorities and will have access to any document concerning the minor and the application made by him. This provision has one deficiency: it does not specify when the representative represents and when he assists the minor. Of course, we can presume that this depends on the age of the minor, but it would have been preferable that the provision institutes an age or make reference to the age provided by the national law under which the minor needs representation and over which he needs only assistance, in order to avoid the arbitrariness of the authorities. In the Romanian law, for example, the minors under 14 are represented for all the legal acts, while above this age they are only assisted by their legal guardians (parents or others).

For the adults too, both Regulations provide that, if an applicant has a family member who has received a form of international protection in a Member State other than that with which the application has been lodged, the respective Member State is competent with the agreement of the applicant and of his family member²²; the same solution is applicable also when the application of the family member has not yet

¹⁷ By family member it is understood: the spouse or the unmarried partner in a stable relationship, if the partners are treated by the Member States in the same way as the married couples; the children - of the applicant or of the couple, born in or out of wedlock or adopted -, if they are minor, unmarried and dependent; the father, the mother or other legal guardian, if the applicant is minor and unmarried.

¹⁸ So, in the absence of a specification, any relative, regardless his degree of kinship, may be considered.

¹⁹ But what if the minor, after having lodged an application in a first Member State and before that application being examined, goes in another Member State and lodges there another application? The Court has stated that, in the light of the best interest of the child, the second Member State is the competent State, because it is that in which the minor is present (see Decision "MA, BT and DA" 648/11 of 6 June 2013). This favourable interpretation could not give rise to abuses from the part of the applicants – said the Court -, because the second application shall be examined only if the first has not yet been examined; if the first has been rejected, this shall be a reason for the rejection as inadmissible of the second. However, in our opinion an abuse is possible, consisting in the choice of a second State, which is more convenient for the applicant that the first, even if, for reasons of commodity or possibilities, it is the first that the applicant entered. Or, by the adoption of these Regulations the legislator has aimed just at the establishing not only of a single State, but also of an indifferent State for the applicant and at the fair distribution of the applicants between the States.

²⁰ See Decision "C. K., H. F., A. S." 578/16 cit.

²¹ Who may be a natural or a legal person, in which case it must appoint a natural person in order to carry out effectively its duties as representative. The language of the regulation is not very correct from a legal point of view, because it speaks about a "person or organization". Or, a person may be natural or legal and the notion of organization is not too juridical.

²² There is a slight difference between the two Regulations, in the sense that the former says: "if the persons so desire", while the second says: "if the persons express their desire in writing".

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been processed. However, the Court stated that this provision may not be invoked in a second State by the applicant who, after have lodged an application with a first Member State, in the course of the procedure leaves this State for the second and makes there a new application, unless the informations he provided to the second Member State show clearly that it is the competent State²³. Despite the lack of specifying, it results from the existence of the distinct provisions referring to the minors – accompanied or not – that this provision refers only to adult persons; moreover, a minor could not give a valid consent. Both regulations provide facilities for the families whose members applied simultaneously or to close dates for a form of international protection, but in different Member States. So, if on the basis of the criteria of competence established more Member States would be competent and, as a consequence, the members of a family would be separated, the competence for all will lie, first, with the Member State which is responsible for the largest number of the family members, second, with the Member State which is responsible for the oldest family member.

The other criteria are the same and apply in the same order in the two legal acts: the State which issued a valid residence permit; in the case in which the applicant has more than one permit, the State which issued the residence permit with the longer period of residency or, if the periods are identical, with the latest expiry date; the State which issued a visa, unless it did this on behalf of another Member State, case in which this latter is competent; in the case in which the applicant has more than one visa, the State which issued the visa with the latest expiry date, if the visas are of the same type, or, if the visas are of different type, the visa with the longer period of validity or, if the periods are identical, the visa with the latest expiry date; the State that the applicant has entered irregularly (without a required visa)²⁴ from a third country, for 12 months since the entry, respectively, after this period, the State in which the applicant has lived for at least 5 months continuously or, if he has lived in more than one Member States, the State in which the stay is the most recent; the State in which the applicant has lodged his application, even if he entered another Member State, if he did not need a visa for none of the two States, respectively the State he has entered, if he did not need a visa for it; the State in whose international transit area of an airport the applicant lodges his application. We consider that these last provisions complicate uselessly the system: normally the State of first entry, regular or not, in the absence of the application of the other criteria, should be the competent State and for an undetermined period, so irrespective of the fact that the applicant has lived for some time in another State, or a visa is needed or not or the visa is needed only for one of the two States mentioned. The criterion of the State of the first (irregular) entry is called the criterion of the indifferent (impartial) protection, because theorically the applicant is supposed not to seek the protection of a certain State, chosen by him, but the protection of any Member State of the EU (Bargiacchi, 2017: 48).

A difference appears, however: the former Regulation provides that, in the case in which none Member State can be designated on the basis of these criteria, the competent State is that with which the application is lodged, while the new Regulation does not anymore provide for anything. In our opinion it is not necessary to provide for something, because it is not possible, objectively, that a Member State cannot be designated at all. The criteria mentioned above are absolutely sufficient to cover all the situations which can occur.

The application of the above mentioned criteria of the residence permit and of the visa is not impeded by the fact that the permit, respectively the visa, has been issued on the basis of a false identity or of forged, counterfeit or invalid documents. Only if the fraud has ocurred after the issuing of the permit or of the visa, the Member State in question is not anymore competent. Those criteria apply also when the

²³ Decision "H" 582/17 and "R" 583/17 cit.

²⁴ An entry tolerated by the State is not equivalent to a visa but on the contrary, it is a irregular crossing of the border; in other words, the irregularity of the crossing does not necessarily suppose a clandestine or fraudulent entry, but only the fact of not having the required visa (see Decision ECJ "Jafari" 646/16 of 26 July 2017, Decision of the ECJ "Hasan" 360/16 of 25 January 2018).

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residence permit or the visa has expired, but less than 2 years previously for the permit, respectively less than 6 months previously for the visa, if the applicant is still on the territories of the Member States. If the residence permit or the visa has expired more than 2 years previously, respectively more than 6 months previously, and the applicant is still on the territories of the Member States, the State with which the application is lodged becomes competent.

Despite being non-competent on the basis of the criteria mentioned above, in both Regulations a Member State may however decide to bring together family members or relatives, on humanitarian grounds as family or cultural considerations. The derogation from the criteria applies also if there is a link of dependency between the applicant and a family member or a relative, because of the pregnancy, a newborn child, a serious illness, a severe handicap or an old age, regardless if the applicant is dependent on the family member or other relative or inversely²⁵. There are, however, differences between the two Regulations as regards these provisions. First, in the former there are not restrictions related to the family members, while in the second are expressely mentioned only the children, the parents and the siblings, the spouses being, though, excluded, which is abnormal; it is true that in the former the siblings are not included in the definition of the family members, while in the second they are included. Second, in the former the family ties must have existed in the country of origin only for the second case, while in the new this condition is required for both cases. Third, in the new Regulation it is also required that the family member or the applicant be able to take care of the dependent person, which is logical. Forth, in the new Regulation the State in which a family member is legally resident does not become competent if the applicant is not able, for health reasons and for a significant period of time, to travel to it, case in which the application will be examined by the Member State in which the applicant is present; also, this State will not be obliged to bring to its territory the family member of the applicant. Fifth, while in the former regulation the consent of the persons concerned (so both the applicant and the family member or other relative) and the request of the competent State are required only for the application of the humanitarian grounds, in the latter it is provided that also for the cases of dependency the persons concerned must express their desire in writting. Sixth, while the former regulation imposed the request of the competent State for the application of the humanitarian grounds, the latter does not anymore require this, providing only that that State may request the reunification of the applicant with family members or other relatives on these grounds. Interpreting the former regulation in the respect of the part of the provision related to the dependency, the Court has stated that, considering the drafting of this provision ("the Member States shall normally bring or keep together..."), that there is an obligation for the States to do so, not an option, in comparison with the part of the same provision, related to the humanitarian grounds, which do not impose to the States to take into account these grounds, using the words "may decide"26.

Apart from these humanitarian grounds, the second Regulation allows any Member State to decide to examine an application for international protection, even it is not competent on the basis of the criteria established, without giving its reasons (the discretionary clause mentioned above). In this respect, the European Court of Justice stated that the question of the application of this clause is not governed solely by the national law, as one could think, being a question of European law as interpreted by the Court²⁷. The use of this clause is not, however, mandatory for the States even in the cases in which the principle of the best interest of the child must be taken into account, but their legislations may require them to use it in this kind of cases²⁸. Also, the use of his provision is not mandatory because of the fact that the Member State, designated as competent on the basis of the criteria mentioned above, has notified its

²⁵ Even this provision refers to the dependency of the "person concerned" and this notion might, in the light of other provisions, be interpreted so as to understand by it the "applicant", the Court has decided otherwise (See Decision "K" 245/11 of 6 November 2012 in Morgades-Gil, 2015: 440).

²⁶ Decision "K" 245/11 cit.

²⁷ See Decision "C. K., H. F., A. S." 578/16 cit.

²⁸ See Decision of the ECJ "L.G." 745/21 of 16 February 2023.

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intention to withdraw from the Union²⁹; we are also of the opinion that it would not be the case even if that State had already withdrawn from the Union.

Determining the competent State on the basis of the criteria laid down is not a problem if the applicant is present in the State with which he lodged his application; this is the normal case. But what if the applicant is present in a State and lodged his application with another State (if, of course, according to the national law he may introduce an application through another person or on-line³⁰)? Both Regulations have an answer to this issue and provide for the same solution: the State charged with the procedure of determining the competent State is that in which the applicant is present. If an applicant withdraws his application lodged with a State before the determination of the competent State and lodges a new one with another State, the first State remains competent to complete the procedure, that is to determine the competent State.

The criteria established by the Regulations may not be contested by the applicants than if they can invoke systemic deficiencies in the asylum procedure and in the conditions of the reception of the applicants, deficiencies which make believe that the applicants risk to be subjected to inhuman or degrading treatments in the competent States³¹. On the other side, it is surprising that an author considers the application of these criteria optional for both the determining State and the competent State, speaking about the necessity of the willingness of those States (Gurita, 2011: 181)³². Or, if it is true that the determining State may make use of the discretionary clause, so it is not obliged to make a request to the competent State to take the applicant, the competent State may not refuse this if the cheks made by it reveal that the responsibility incumbs to it on the basis of the criteria mentioned. Even if a request is, formally, necessary, this does not mean that a refusal is possible from the part of the competent State. Otherwise these regulations do not have sense.

Concerning the obligations of the competent State, there are not, globally, differences between the two Regulations, except these: in the case in which an applicant withdrawns its application and goes in another Member State, if the competent State discontinues the examination, in the new Regulation this State must ensure that the applicant (taken back by it) has the right to have the examination completed or to lodge a new one, if the withdrawal has taken place before a decision on the substance has been taken at first instance; if an application has been rejected at first instance and the applicant goes in another Member State, in the new Regulation the competent State must ensure that the applicant (taken back by it) has an effective remedy against the decision of rejection; while the first Regulation makes reference to the applicant who goes in another Member State without permission, without specifying whose permission is requested (even if normally it should be about the competent State), the second makes reference to the applicant who goes in another Member State without a residence document. Although neither this provision specifies which State must have issued the residence document, it results from the following provisions that it is about the other State. For this case, both Regulations provide that the obligations of the competent State are transferred to the other State which issued a residence document. In other words, that State becomes competent for examining an application for asylum.

In both Regulations the obligations of the competent State cease if the applicant leaves the territory of the Union for at least three months without having a residence permit issued by the competent State, but the second Regulation adds that an application lodged after that period of absence will be considered as a new application - which in fact goes without saying -, triggering though a new procedure for

²⁹ Decision ECJ "M.A., S.A., A.Z." 661/17 of 23 Juanuary 2019.

³⁰ Which is not possible in Romania, for example.

³¹ See Decision "Abdullahi" 394/12 of 10 December 2013.

³² This author discusses about an hypothesis which may not legally exist: that in which the determining State decides to examine itself the application on the basis of the discretionary clause, while the applicant does not want this, he desires to be transferred to the competent State. Or, as we have seen, the use of the discretionary clause requires the consent of the person concerned.

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determining the competent State by the State with which the new application has been lodged³³. Another difference is that, while in the first Regulation the obligation of the competent State to take back the applicant from another State ceases if, after the withdrawal or the rejection of the application, it has taken the necessary measures for the expulsion of the applicant, in the second Regulation this obligation ceases only if the applicant has left the territory in compliance with a return or removal decision, following the withdrawal or the rejection of his application.

What it is interesting in both Regulations is the fact, despite the criteria mentioned above for the determination of the competent State, the State with which a person lodges an application remains responsible for the examination of this application if the request to take charge of the applicant is not made to the competent State within the time-limit imposed by the Regulations. Also, if the transfer of the applicant, following the acceptation by the competent State of the take-back request, is not carried out within the time-limit imposed by the Regulations, the first State becomes responsible, without it being necessary that the competent State expressely refuses to take charge of the applicant³⁴. If the person lodges a new application in the same State after this State has already issued a decision of transfer, this State is not obliged to request again the competent State to take back the person, it may carry out the first decision³⁵. If a person, after having lodged an application with a Member State, goes to another State and is transferred by it to the first State, then returns illegally in the second, this last must request again the taking back of the person by the first, the transfer of the person being not allowed to take place without a new request³⁶; we think that this interpretation is not correct, just because the move of the person is illegal. A time-limit which expired does not start to run again if the person lodges a new application with another Member State and this last State makes on its turn a take-back request to the competent State, which triggers another term-limit for the transfer; in other words, a new application in another State has no effect on the time-limit which has already run between another two States³⁷. Nor does this new time-limit interrupt the first time-limit³⁸. The Court has also ruled that the transfer of responsibility to the first requesting Member State takes place only if the time-limit for a take-back request between the second State and the competent State did not expire too in the meantime without the request being made, which implicitely means that, in case of its expiry without the request being made, the responsibility is transferred to the second Member State³⁹. Probably the solution would have been the same if it had been about two time-limits for the transfer of the applicant which expired. We think that this interpretation is erroneous, since, in the "competition" between two time-limits which run between the competent State and two different States, priority must be given to the first time-limit, that is to the first Member State, not to the second, because cronologically it is the first which expires and the transfer of responsibility to the first State occurs automatically, by virtue of the Regulation.

In this respect there is an essential difference between the two Regulations, that is the first does not specify the extent of this responsibility, which means that it comprises all the obligations imposed to the competent State, including also the examination of the application, while the second specifies that it is about the obligations to take charge of and to take back the applicant (if he is present or goes in another Member State). It is however illogical that the responsibility for the examination of the application lies with a State (that which is competent according to the criteria set out) and the responsibility to take charge of and to take back lie with another State (that with which the application has been lodged). In this case either the State of the application should remain responsible for all, or the competent State should become responsible for all, which means that the transfer be carried out without time-limits; the

³³ See Decision "Karim" 155/15 of 7 June 2016.

³⁴ See Decision of the ECJ "Shiri" 201/16 of 25 October 2017.

³⁵ See Decision of the ECJ "B" 323/21, "F" 324/21 and "K" 325/21 of 12 January 2023.

³⁶ See Decision of the ECJ "A.S." 490/16 of 26 July 2017.

³⁷ Idem.

³⁸ Idem.

³⁹ Idem.

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second variant is not preferable, however, considering one of the purposes of the Regulations, which is the rapid processing of the applications for asylum; or, in the absence of the time-limits for the transfer of the applicants (as well as for his taking back), the requesting States, which may not examine the applications on their merits, do not anymore have the interest to haste the things and the competent States may not yet examine them.

The transfer to the competent State must not take place if the applicant is in a bad physical or psychical condition, which would constitute an inhuman or degrading treatment; it shall be postponed but, in the case in which the state of health of the applicant is not expected to improve in a short term, the requesting State may choose to make use of the discretionary clause mentioned above⁴⁰.

3. Conclusion

The opinions on these Regulations are shared, but generally negative. First, they have been criticised by the scholar literature and the non-governmental organizations for not respecting the human rights and, so, raising, problems of compatibility with the international obligations of the States in the field of the fundamental rights⁴¹, despite the statement in their preamble that they respect the human rights and principles as enshrined in particular in the Charter of Fundamental Rights of the EU; the accelerated procedure for returning the applicants in the safe countries (not approached in this article) has particularly raised concerns⁴². Besides, the mentioned judgment of the ECtHR, "MSS/Greece" cit., constitutes a refutation by the ECtHR of the (relative) presumption that the EU has an equivalent level of protection of the human rights⁴³ - as it established in a previous case⁴⁴ - and, so, an end of the mutual trust on which is based the asylum system (and not only) (Ćorić, Knežević Bojović, Matijević, 2017: 84). The problem of the fundamental rights is one for all the States involved: those of the borders must respect in the meanwhile the fundamental rights and the requirements of the regulations and directives of the EU, the rest of the States must not send an applicant in the competent State if this last does not meet the requirements of the fundamental rights⁴⁵.

Second, it is considered that they had a negative impact on the lives of the applicants and failed at the same time to attain the objectives of solidarity and sharing of responsibility between States (Garlick, 2016: 159-160).

Third, on the basis of statistical data there are mentioned the different rates of acceptation of the asylum applications in more EU countries, the low rate of transfers to the competent States and the lodging of a second application with another State or of an application in more than one State (the so-called secondary movements)⁴⁶.

Forth, the border countries are, inevitably and practically, charged with most of the applications (Vosyliute, 2011: 9)⁴⁷, because, when no other criterion applies, the last one is, as we saw, that of the country entered first, legally or not, by the applicant, so it is the most applicable in fact; or, the country

⁴⁰ See Decision of the ECJ "C.K., H.F., A.S." 578/16 cit.

⁴¹ Idem, p.10. See also the Decision of ECtHR "M.S.S./Belgium and Greece" cit.

⁴² Ibidem.

⁴³ Idem, p.9.

⁴⁴ See Decision "Bosphorus/Ireland" of 30 June 2005 (Vosyliute, 2011: 9).

⁴⁵ Ibidem.

⁴⁶ And this despite the Directive of the Council 83/2004 on minimum standards for the qualification and status of third-country nationals or stateless persons as refugees or as persons who otherwise need international protection and the content of the protection granted.

⁴⁷ Even last time this is not so much the case, due to the fact that, on one side, many applications are not registered in the border countries, and, on the other side, the other States are reluctant to send the applicants in some border countries following the decisions of the ECtHR and ECJ on the deficiencies of the asylum system in that States (Malmersjo, Remac, 2016: 9).

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of the first entry is a border country. This is not fair (Bargiacchi, 2017: 49)⁴⁸ and this leads to deficiencies in the reception conditions, especially if it is about a poorer State, deficiencies for which these States are not helped by the others or by the EU as a whole. Moreover, the neutrality of this criterion is not realistic in practice, because the persons may have a lot of reasons (language skills, family or cultural ties etc.) for which a State is more close to them that another one; as a consequence, the criterion is not in accordance with the human security and freedom, as well as with the interest of the integration of the foreigners in the host States (Bargiacchi, 2017: 49 and 52)⁴⁹. In this respect, another author says that, if the principle of proportionality (see below) had been taken into account when drafting the first Regulation, it would not have come to difficulties between the border countries and the others (Vosyliute, 2011: 13).

Considering all these deficiencies and also for reasons of humanity and costs, some scholars propose that the State with which a person lodges her application becomes the competent State to examine the application on substantive grounds (Guild, Carrera, Eggenschwiler, 2009: 3.); in other words, they propose a single criterion instead of all which exist now. But then: what happens with the unaccompanied minors who have family members in other States? What happens with the adult applicants who have family members in other States? And, finally, this would lead to the choice of the State by the applicants, so to the overflooding of some States, exactly what the regulations tried to avoid. Although humane, this solution would make the regulations senseless. Of course that they can and must be improved.

The European Commission too has proposed more times the amending of the last Regulation. In a first proposal, the principle of the relocation of the applicants between the Member States would apply in all circumstances, not only in situation of crisis (like now, when the Council has adopted two decisions derogating from the second regulation in the context of a serious influx of refugees), the criterion of the first entry State being suppressed (Bargiacchi, 2017: 50). Although not specified, it is to be supposed that the relocation would be made on the same criteria than in the derogatory decisions, that is the language skills, family, cultural and social ties with the State of relocation, as well as the preferences of the States themselves for applicants with certain skills. Following the opposition of some Member States, a new proposal was less ambitious and kept the criterion of the first irregular entry State, making it applicable for an undetermined period and instituting the obligation for the applicants to lodge their applications in the State of first irregular entry (even if the sanctions of the non-respect of this obligation are not specified); the proposal provides for a corrective allocation mechanism, which is triggered automatically and allows for the redistribution of the applicants between the Member States in case of crisis (when the number of applications in a State exceeds 150% of the reference key, this last being established on the basis of the size of the population and of the total GDP) (Bargiacchi, 2017: 51). This proposal is deemed to be insufficient, because it takes into account more the interests and the problems of the States than those of the persons in need of protection. Another proposal, taking into account the principle of proportionality, sets as criteria the population size, the wealth and the absorption capacity of the Member States (Vosyliute, 2011: 5), the applicants going to be relocated between the States on these criteria irrespective of the State of their entry or of that of their application, which is fair; to this it can be objected that it does not take into account the needs of the persons but those of the States, as above. This redistribution would occur after the registration of the applicants by the border States. But this means that the border States have the obligation to examine the applications on their merits, otherwise how could they establish that the applicants must be returned because they do not meet the conditions for receiving asylum or another form of protection?

Some advocate for the free movement of the asylum seekers, that is the recognizance of the positive decisions in the other States (Vosyliute, 2011: 10). But this solution would make useless the

⁴⁸ This author speaks about discrimination against the border States.

⁴⁹ However, we saw that both regulations take into account these aspects when establishing the competent State.

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establishment of any criteria, since the applicant, once he received the asylum or another form of protection, will move in the State which is more convenient to him. Instead, it would be more useful to suppress any criterion and the system itself (so any regulation at European level) and to allow the applicants to lodge their applications in the State of their choice, which would be also less costly than the relocation envisaged by the Commission, but which will never be accepted by the Member States. All these discussions keep their sense with the adoption, the 14th of May 2024, of a new regulation of the Council and of the Parliament, called "Pact for migration", whose content will be presented in a future article.

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OLAYINKA UGWU¹ AND RAMANJIT K. SAHI²

PREDICTING U.S. CRUDE OIL PRICES IN THE PRESENCE OF GEOPOLITICAL FACTORS

Abstract

Probing complexities in the global oil market, this research offers an innovative lens to understand U.S. crude oil prices, factoring in the unpredictable undercurrents of geopolitical shifts. The thrust of our research is to elevate the accuracy of oil price predictions, employing leading-edge Artificial Intelligence methodologies such as regression, and thereby transforming the forecasting landscape. This study explores the impact of geopolitical factors and economic indicators on U.S. Crude Oil Prices, focusing on the West Texas Intermediate (WTI) Spot Price. Challenging the conventional view that geopolitical risks are the primary drivers, we hypothesize that a combination of both geopolitical and economic variables like U.S. Oil Production, Gross Domestic Product, and the Dollar Index have a stronger impact on Oil pricing. The investigation utilizes linear regression models to examine the impact of economic variables and geopolitical factors on WTI prices from the '90s to the present. By applying time series and regression models, we depict a detailed picture of the undercurrents that drive the oil prices we see today. The data indicates that economic indicators overshadow geopolitical drama in steering oil prices. Our findings suggest a stronger-than-expected role of these economic factors, urging those who watch the markets to turn their gaze to a greater extent of influence. This research offers a valuable insight for policymakers, market players, and scholars, for future strategic planning and research in energy economics and market dynamics.

Keywords: Regression models, time series, financial econometrics, large data sets, US crude oil prices, geopolitical factors

JEL Codes: C22, C25, C32, C35, C55, C58

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Introduction

Imagine the global economy as a grand stage, where crude oil takes center stage. Its oily grip extends to every corner, powering industries, fueling cars, and even shaping the dance of international relations. In this play, the United States occupies a front-row seat, both as a major consumer and producer of this liquid *gold*. This research delves into the intricate performance of oil prices, revealing a truth hidden in plain sight: they're not just puppets of supply and demand, but marionettes controlled by economic factors and the invisible strings of geopolitics. It is noted from the tremors of international conflict to the whispers of policy decisions, that each event weaves a narrative that impacts the price of this precious resource: Crude Oil.

Despite the undeniable influence of geopolitical events, a gap exists in comprehensive research that dives deep into this relationship, especially when it comes to US oil. This research aims to bridge this gap, by embarking on a thorough investigation of how geopolitical developments directly and indirectly influence US oil prices as well as the impact of economic indicators. In this research, we aim to

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illuminate the intricate relationship between US Oil and Geopolitics. We'll embark on a historical journey, analyzing data to uncover the hidden patterns and correlations between oil prices and key geopolitical events. Armed with cutting-edge artificial intelligence (AI) tools like regression analysis, we'll craft predictive models that anticipate the sway of oil prices based on the whispers of global politics together with economic indicators. Our goal is to empower policymakers and industry leaders with actionable insights, so they can navigate the volatile oil market with more informed steps.

The guiding questions fueling this exploration are:

- How have the past two decades of geopolitical dramas played out on the stage of US oil prices?
- Can the whispers of politics be decoded by AI, allowing us to predict the oil market's unpredictable twirls?

This research is poised to offer significant contributions. By shedding light on the geopolitical dance behind oil prices, we can:

- Guide policymakers: Craft more robust energy policies that navigate the complexities of the global political landscape.
- Empower industry leaders: Make informed decisions that thrive in a volatile oil market.
- Advance the field: Pave the way for more sophisticated predictive models in the energy sector.

Of course, our journey has boundaries. Our focus remains on US oil prices, and our investigation delves into major geopolitical events from the early 2000's to the present. While we strive for comprehensiveness, inherent limitations exist. AI model predictions rely heavily on data quality, and the ever-changing nature of global politics necessitates continuous updates. This research, then, is not the final curtain call, but rather a snapshot frozen in time. It offers a clear view of the complex interplay between geopolitics, economic factors, and oil prices, at this moment in history, thereby laying the foundation for future scholars to build upon as the global stage continues to evolve.

The relationship involving crude oil prices and geopolitical issues has been a mainstay of economic study due to its substantial implications for global financial stability and policy formulation. In this research, first we will briefly discuss the background of Crude Oil Pricing, a few Geopolitical events that have affected it and also the variables that drive Crude Oil Prices in the United State as a benchmark; after which we will delve into the existing findings on this topic in literature, focusing on studies that have shed light on the dynamics of U.S. crude oil prices in the context of geopolitical factors and other influencing variables. Then we will look at the methodology section, where we will apply analytical techniques on data to identify key patterns and influences on US oil prices, discussion of our results and findings, and finally conclusion and future work.

Background: Geopolitical Events and Oil Pricing

Crude oil serves as the foundational pillar for industrialized societies, impacting transportation, manufacturing, and economic policy globally. Its price is highly volatile, influenced by geopolitical tensions, OPEC's production decisions, and advances in energy technology. Key events like the Gulf War, the Iraq War, and sanctions on Iran demonstrate the market's sensitivity to global affairs as seen in Figure 1 (Jenna Ross, 2022).

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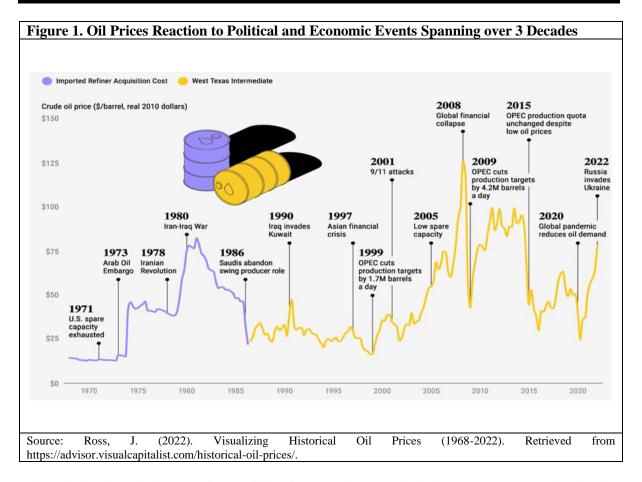
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This study looks at the impact of geopolitical factors and economic indicators on U.S. Crude Oil Prices with focus on the West Texas Intermediate (WTI) Spot Price. As seen from Figure 2, the key drivers can be seen as long term trends (economic indicators) and Short term trends (geopolitical events).

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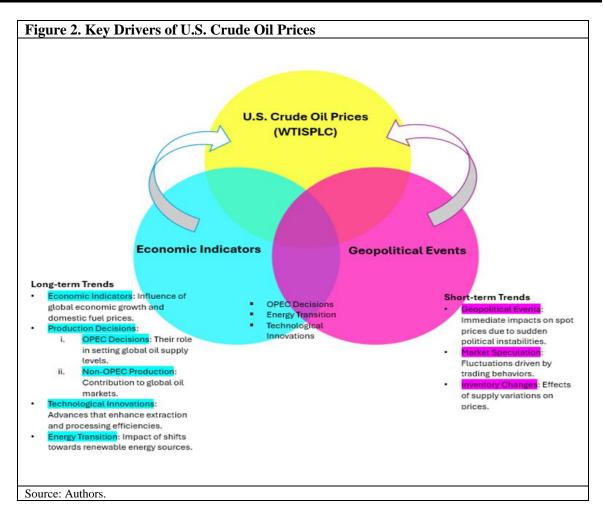
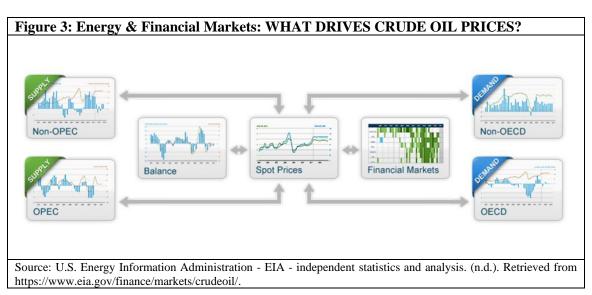


Figure 3 shows the factors influencing Crude Oil Prices in the United State (U.S. Energy Information Administration, n.d.).



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Literature Review

The price of crude oil, a potent elixir in the global economy's veins, is not just dictated by the waltz of supply and demand. Geopolitics, with its intricate tapestry of international relations, throws its own set of shadows on the oil market, influencing prices in ways that can be as sudden as a desert sandstorm. This literature review delves into the existing scholarly dances exploring this fascinating interplay, focusing specifically on the U.S. crude oil scene.

A study by (Li Fen, Huang Zhehao, Zhong Junhao, & Albitar Khaldoon, 2020) pirouetted through the dynamic correlation between geopolitical factors and oil prices, revealing a strong one-way relationship where political actions sent prices into a volatile tango revealing a strong correlation with crude oil prices, with the GPA (geopolitical acts) index driving the rise in prices during periods of political tensions. Their findings provide a foundational understanding of immediate geopolitical impacts on oil pricing. Similarly, a study by (Chien-Chiang Lee, Godwin Olasehinde-Williams, & Seyi Saint Akadiri, 2021) devised a novel technique called the "geopolitical threats index" to analyze the predictive power on oil price volatility. Their comprehensive approach established these threats as potent predictors on price fluctuations.

Previous research has shown a strong relationship between specific geopolitical events and its effect on oil pricing. For instance, (Krawiec & Furman Rafał, 2021) in their paper have zeroed in on identifying turning points in oil prices linked to geopolitical events, offering a perspective on how political developments impact the supply side. Also, the findings by (Sharif A., Aloui C., & Yarovaya L., 2020) orchestrates a complex symphony of oil price shocks, stock market tremors, and the ever-present drumbeat of geopolitical risk. Their findings on the significant impact of geopolitical risk on economic variables underscore the broader influence these forces have on oil prices.

A multifaceted approach has been undertaken by (Gikllas, Manickavasagam, & Visalakshmi, 2021). In their study, they analyze the influence of demand, supply, and expectations on oil prices. Importantly, they integrated geopolitical risk into their analysis, offering valuable instruction on the nuanced relationship between oil prices and geopolitical events.

The intricate interplay between macroeconomic indices and oil prices was studied by (Murthy, 2015). This study revealed a co-dependent relationship where variables like gold prices and commodity indexes set the stage for the oil price drama. While not directly focused on geopolitics, this study provides a valuable backdrop for understanding the broader economic context.

These studies collectively paint a vivid picture of the robust link between geopolitics and oil prices, employing diverse methodologies from econometric modeling to qualitative analyses. They emphasize the importance of understanding the complex interdependencies between geopolitical developments and economic market dynamics, a cornerstone of our research. Additionally, the focus on predictive power and macroeconomic influences provides crucial insights into the broader economic landscape within which U.S. crude oil prices operate.

While these studies offer invaluable knowledge, a notable gap remains in predictive analytics using AI techniques to forecast U.S. crude oil prices in the context of geopolitical events. Furthermore, while the impact of geopolitical events is established, there's less focus on the mechanistic understanding of their interplay over time and potential lag effects, crucial for policy formulation and investment strategies.

Our research aims to fill these gaps by using advanced AI models such as regression analysis to forecast U.S. crude oil prices while also providing an in-depth knowledge of the causal and temporal connections that exist between them and geopolitical dynamics. By combining rich historical data with AI-driven

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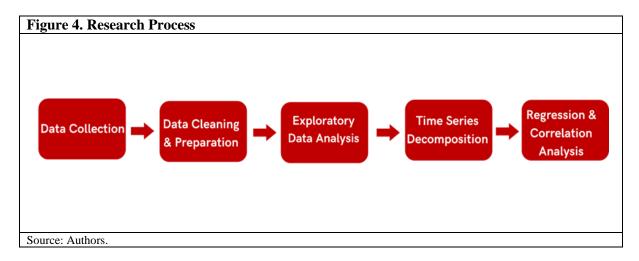
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research, we intend to provide fresh insights that help influence the economy and choices of strategy in the energy industry.

Methodology

In this research, we delved into the complex web of economic factors and geopolitical events that impact U.S. oil prices. We used predictive analytical approach to understand the complexity of the relationship between oil prices and geopolitical forces. To understand this dynamic, first we leveraged datasets from the U.S. Energy Information Administration (EIA), Federal Reserve Economic Data (FRED), and geopolitical archives, spanning January 1992 to October 2023, focusing on U.S. crude oil price dynamics. We then conducted a longitudinal study using R software to explore how geopolitical events and economic indicators impact U.S. crude oil prices, examining causality and correlation. After that, we used advanced statistical methods to identify key patterns and influences on oil prices. To understand the dataset's underlying structure and dynamics, first data was cleaned and prepared for an Exploratory Data Analysis (EDA). In EDA, first we looked at scatterplots to examine potential relationships between various predictor variables and the response variable WTISPLC (West Texas Intermediate Spot Price). Then generated summary statistics and histograms of key variables. After that, time series graphs of the main variables were conducted to visualize trends. Finally, we employed both simple and multiple linear regression analyses to understand the impact of various predictors on crude oil prices (WTISPLC). In simple linear regression we used WTISPLC as the dependent variable and GPR, GPRH, and Production as independent variables in separate regressions. For multiple linear regression, we used multiple predictors (GPR, GPRH, Production, RGDPI and Dollar Price) simultaneously. In linear regression, model diagnostics were conducted to evaluate the assumptions. The residual plots and histograms checked for homoscedasticity and normality of residuals, respectively. A Quantile-Quantile (QQ) plot was utilized to further assess normality. Additionally, a scatterplot matrix was generated to simultaneously visualize the relationships between all numeric variables, including their distributions and the correlation coefficients.

Flow chart below (Figure 4) shows the sequence of actions of our research:



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Data Analysis and Research Findings

After collecting the data, we prepared our data for further exploration.

Data Cleaning & Preparation

After cleaning our data, we had 382 unique snapshots (observations), each capturing the pulse of the oil market at a specific moment in time. These snapshots, spanning 9 crucial variables, paint a vibrant picture of the interplay between global events, economic forces, and the price of U.S. crude oil. At the heart of each snapshot lies a date, anchoring the data to its historical context. Global Policy Uncertainty, a potent force in the oil market, is represented by two measures: the overarching geopolitical risks (GPR) index and the historical GPR index (GPRH) (Caldara & Iacoviello, 2022).

U.S. crude oil production figures stand tall, showcasing the nation's output, while the West Texas Intermediate spot price acts as a barometer of market sentiment. Gasoline prices, a vital indicator for consumers, join the dance alongside the Real Gross Domestic Product Index (RGDPI), reflecting the overall economic health. We have the U.S. Dollar Price Index (Dollar Price) adds its weight to the equation, signifying the greenback's strength in the global arena. Finally, Geopolitical Events take the form of coded entries, each indicating a key worldwide event that may have had an impact on the oil market.

Description of the variables used in this paper are the following:

- WTISPLC: The West Texas Intermediate Spot Price of Light Crude is the dependent or response variable in the regression models, and it defines the spot price of West Texas Intermediate (WTI) crude oil. It is measured as dollars per gallon.
- **GPR:** This predictor variable, representing the Geopolitical Risk index and uncertainties that could impact oil prices, with extreme values reflecting higher geopolitical tensions.
- **GPRH:** Similar to GPR, this predictor variable focuses explicitly on Historical Geopolitical Risks that have significantly disrupted oil markets.
- **Production:** This predictor variable measures the total crude oil production in the United States, serving as an important supply-side factor influencing crude oil prices. Production is measured as thousand barrels per day.
- **RGDPI:** Real Gross Domestic Product Index is one of the predictor variables that reflects the economic output of the United States, adjusted for inflation, indicating economic health and demand-side pressure on oil prices.
- **Dollar Price:** This variable predicts the U.S. dollar's value compared to a group of foreign currencies, where a stronger dollar usually leads to a decrease in the price of oil in foreign currencies and influences worldwide demand.
- Gasoline Price (U.S. Retail Gasoline Price): This predictor variable represents the retail price of gasoline in the United States, used in the study of the transmission of oil price shocks to end consumers. It is measured as dollars per gallon.
- **Date:** This time variable represents the timeline over which our data is observed, helping to track the temporal dynamics and trends in the dataset.
- **Geopolitical Events:** These qualitative variables record significant geopolitical events that might impact oil prices and provide contextual information for interpreting the effects of geopolitical risks.

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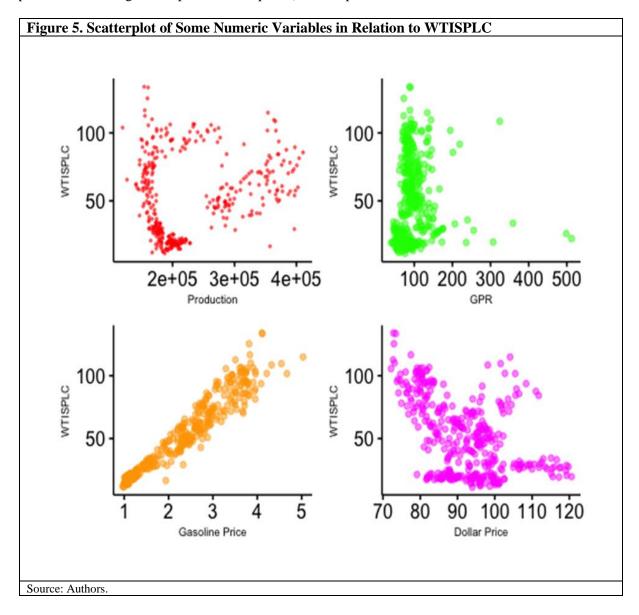
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Exploratory Data Analysis

Our exploratory journey through the data landscape unveiled key trends in crude oil production, price volatility, and the interplay between economic health measured by Real Gross Domestic Product Index and oil pricing. Initial exploration of the dataset revealed a total of 382 monthly observations from January 1992 to October 2023. Summary of all the numeric variables in the data set give scatter plots (Figure 5), insights into the inner workings of the relationship between some variables (such as production, GPR, gasoline prices, dollar prices) and oil prices.



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Descriptive analysis (Figure 6) of all the numeric variables helped in identifying central tendencies, dispersion, and the presence of outliers. A detailed analysis of each variable is as follows:

- **GPR:** Ranges from a minimum of 39.05 to a maximum of 512.53, with a median value of 89.71 and mean value is 98.98; indicating that geopolitical risks generally hover around this level, with significant outliers pushing the maximum value much higher.
- **GPRH:** Ranges from 28.03 to 303.59, with a mean of 79.63; reflecting the historical context of geopolitical instability's impact on the oil market.
- **Production:** Ranges from 119,208 to 410,703, with a mean of 226,149; highlighting significant variability in U.S. crude oil output and indicate the changes in supply levels over time.
- WTISPLC: Ranges from a minimum of \$11.28 to a maximum of \$133.93, with a mean value of \$51.95, indicating substantial volatility in crude oil prices over the observed period.
- Gasoline Prices: Ranges from \$0.962 to \$5.032, with a mean of \$2.289, highlighting significant fluctuations in retail gasoline prices in the United States.
- **RGDPI:** Ranges from 10,178 to 22,565, with a mean of 16,259, illustrating economic fluctuations over time.
- **Dollar Price:** Ranges from 72.17 to 120.59, with an average of 92.04 explaining the international trade dynamics' that affect oil pricing where the strength of the U.S. dollar influences global demand for oil.

CDD	CDDII	Duodustian	WTICDLO
GPR	GPRH	Production	WTISPLC
Min. : 39.05	Min. : 28.03	Min. :119208	Min. : 11.28
1st Qu.: 76.68	1st Qu.: 63.49	1st Qu.:171396	1st Qu.: 23.91
Median: 89.71	Median : 75.00	Median :197508	Median: 48.62
Mean : 98.98	Mean : 79.63	Mean :226149	Mean : 51.95
3rd Qu.:108.19	3rd Qu.: 92.20	3rd Qu.:274881	3rd Qu.: 74.38
Max. :512.53	Max. :303.59	Max. :410703	Max. :133.93
Gasoline Price Min. :0.962 1st Qu.:1.290 Median :2.302	RGDPI Min. :10178 1st Qu.:13827 Median :16544	Dollar Price Min.: 72.17 1st Qu.: 83.65 Median: 92.21	
Mean :2.289	Mean :16259	Mean : 92.04	
3rd Qu.:2.983	3rd Qu.:18897	3rd Qu.: 98.29	
Max. :5.032	Max. :22565	Max. :120.59	

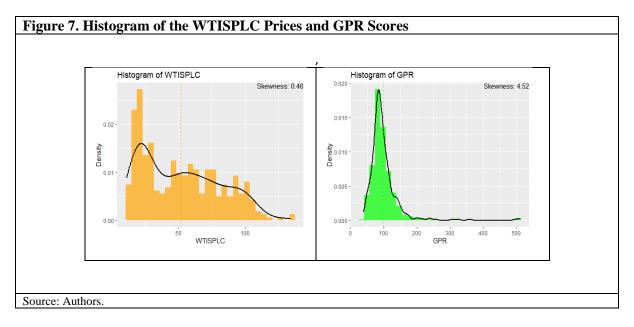
Descriptive analysis (Figure 6) and histograms (Figure 7) of WTISPLC prices and GPR scores show that WTISPLC prices and GPR scores are right-skewed, suggesting infrequent extreme values, which could indicate price spikes during periods of high geopolitical tension.

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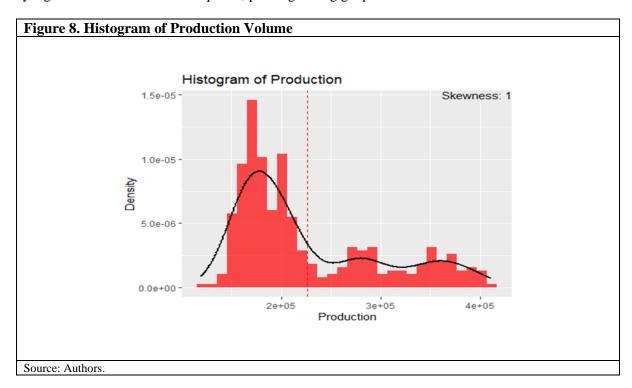
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Histograms (Figure 8) for production volumes showed a more uniform distribution, indicating a steadier trend in U.S. crude oil production over the period studied. Also, from the data, a marked increase in production volume was observed, with a 35% rise from the start to the end of our study period, paralleled by significant fluctuations in oil prices, peaking during geopolitical tensions.



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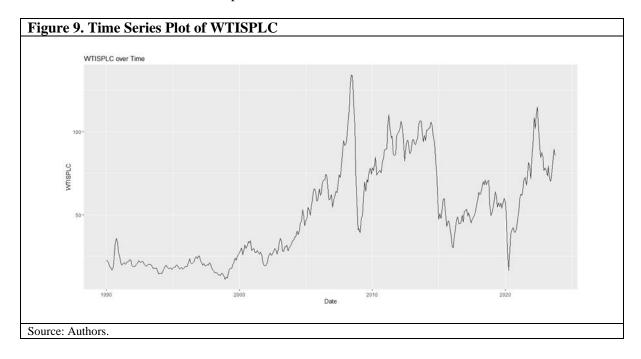
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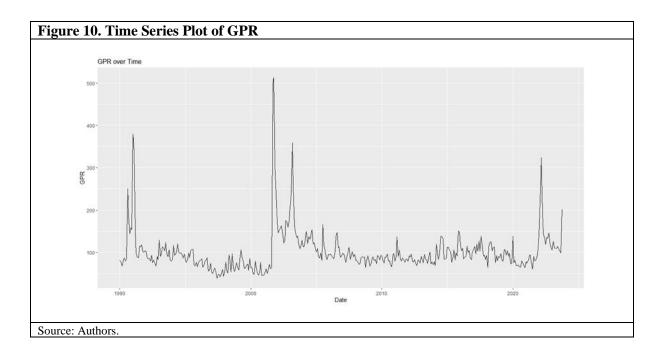
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Time Series Decomposition

Time-series graphs for WTISPLC (Figure 9) and GPR (Figure 10) revealed a cyclical pattern in oil prices, correlating with geopolitical events and economic indicators, underscoring the complex forces at play. This was particularly evident during the global crises, which corresponded with spikes in the GPR and fluctuations in WTISPLC prices.





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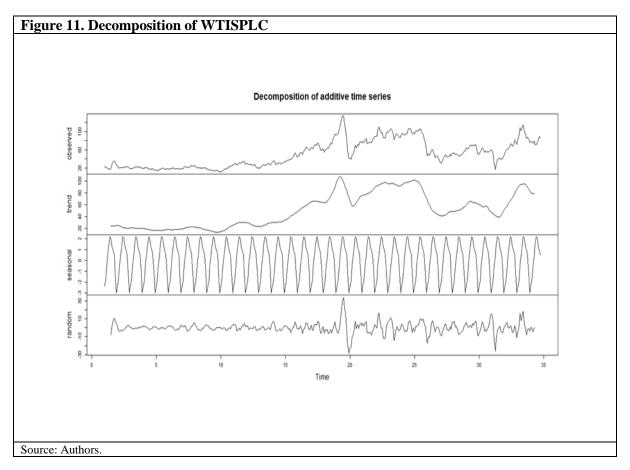
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Then, we decomposed the time series of WTISPLC (Figure 11) to untangle the components of oil price movements. This classical time series decomposition method broke down the data into trend, seasonal, and irregular components, thereby isolating the underlying patterns obscured by volatility. The time series decomposition indicated seasonality in crude oil prices, alongside a long-term upward trend and irregular components reflecting market shocks.



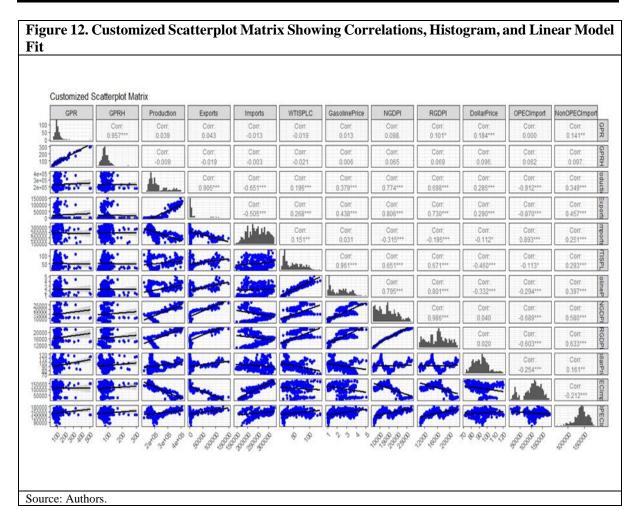
Additionally, we generated a scatterplot matrix (Figure 12) to simultaneously visualize the relationships between all numeric variables, including their distributions and the correlation coefficients. Specifically, we wanted to examine potential relationships between the explanatory variables (such as GPR, GPRH, Production, RGDPI, and Dollar Price) and the response variable WTISPLC.

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The relationships between the predictors and the response variable were further quantified using correlation analysis. This provided a clearer picture of the linear associations among the variables and helped in understanding the multicollinearity in the dataset, which is critical for regression analysis.

The scatterplot matrix and the correlation analysis provided a comprehensive view of the interrelationships among variables. A highly positive correlation (0.96059097) was observed between WTISPLC and Gasoline Price, while the Dollar Price showed a notable negative correlation (-0.48654772) with WTISPLC. This negative correlation between Dollar Price and WTISPLC, reinforced the economic principle that an appreciating dollar is often associated with lower crude oil prices. This finding was statistically significant and consistent with the literature, underscoring the influence of currency valuation on commodity pricing. Clearly, scatterplot matrices and histograms allowed for a visual understanding of the data's distribution and the strength of the relationships between variables. From this analysis, it became evident that Gasoline Prices and WTISPLC were highly correlated; hence, Gasoline Prices were removed from the regression analysis to avoid multicollinearity. Additionally, given our focus on geopolitical events, we excluded RGDPI and Dollar Price from the simple linear regression model. These visual analyses were crucial in confirming the patterns and trends suggested by the statistical tests.

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Regression Analysis

To understand the impact of various predictors on crude oil prices (WTISPLC), we studied simple and multiple linear regression models. The simple linear regression model allowed us to gauge the individual effect of each predictor. The mathematical formula for a simple linear regression is given by:

$$y = b0 + b1*x + e$$

where y is called the response variable, x is called the predictor variable, b0 and b1 are called the regression beta coefficients and e is the residual errors.

Then we progressed to a more comprehensive model (multiple linear regression) that incorporated multiple predictors simultaneously. This approach allowed us to control various factors and assess their collective impact on the response variable.

Suppose there are three predictor variables, then the mathematical formula for a multiple linear regression is given by the equation:

$$y = b0 + b1*x1 + b2*x2 + b3*x3 + e$$

where y is called the response variable, x is called the predictor variable, b0, b1, b2, b3 are called the regression beta coefficients and e is the residual errors.

Statistical Models and Interpretation

To evaluate the assumptions underlying linear regression, we first conducted model diagnostics. Here, we examined the coefficients, their significance levels, and the overall model fit statistics including R-squared values. This allowed us to determine the relevance and impact of each predictor on crude oil prices. The residual analysis confirmed the appropriateness of the regression models. The residuals displayed randomness without discernible patterns and adhered to the normality assumption, as supported by the QQ plot. The homoscedasticity check indicated a constant variance of residuals across the range of fitted values.

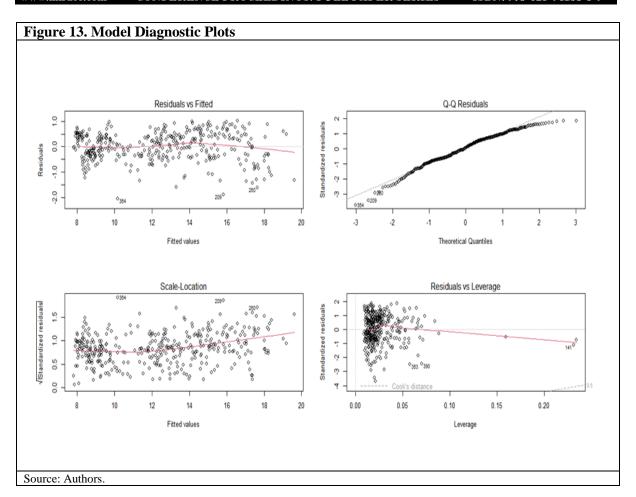
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Simple Linear Regression

From Table 1, 2, 3, we see that there is a weak linear relationship between WTISPLC prices and both GPR and GPRH for a confidence level of 95%. However, the model with Production as a predictor displayed a more meaningful relationship, indicating that changes in U.S. oil production have a noticeable impact on WTISPLC prices.

Predictor Variables	Coefficient	R-square	Adjusted R-Square	P-Value
GPR	0.01089128	0.0003098	-0.002321	0.7317

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Predictor	Coefficient	R-square	Adjusted R-Square	P-Value
Variables				
GPRH	0.02230981	0.000537	-0.002093	0.6516
GPRH	0.02230981	0.000537	-0.002093	(

Predictor	Coefficient	R-square	Adjusted R-Square	P-Value
Variables				
Production	8.060135e-05	0.04009	0.03757	8.128e-05

Multiple Linear Regression

In our research, we took GPR, GPRH, Production, RGDPI, and Dollar Price as our predictor variables and WTISPLC prices as the response variable for multiple linear regression model for a confidence level of 95%. Table 4 below shows that a combination of GPR, GPRH, Production, RGDPI, and Dollar Price could explain approximately 75% (R-square) of the variance in WTISPLC prices, with RGDPI and Dollar Price showing particularly strong effects. Also, the P-value of < 2e-16 clearly indicates that multiple regression model gives a clearer picture of the effect of economic indicators on the oil prices. The negative coefficient for Production suggested that increases in U.S. production may put downward pressure on WTISPLC prices.

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inear Regression Mod	el	
Predictor Variables	Coefficient	P-Value
GPR	0.1580219	0.00384
GPRH	-0.2068516	0.01286
Production	-0.0001185	8.58e-13
RGDPI	0.0076634	< 2e-16
Dollar Price	-1.2864254	< 2e-16

Conclusions

This study embarked on a quest to dissect the impacts of geopolitical factors alongside economic indicators on U.S. crude oil prices. Utilizing linear regression models and delving into data across three decades, the research has distilled several key insights:

Multifactorial Influence of Economic Indicators: The findings underscore the pivotal role of U.S. crude oil production, the Real GDP Index, and the U.S. Dollar Index as substantial predictors of West Texas Intermediate spot prices. These results corroborate with economic principles that advocate for a multifaceted set of influences on oil prices, encompassing supply dynamics, economic vigor, and currency strength.

Complexities of Geopolitical Risks: Contrary to the initial hypothesis of a pronounced direct impact, geopolitical risks revealed a subtler influence on oil prices. This suggests a potential evolution in market resilience to geopolitical fluctuations or the intercession of additional factors that temper the expected impact.

Transmission of Oil Price Shocks: This research underscores the tightrope between crude oil and gasoline prices. When the crude market trembles, gasoline prices, like loyal disciples, follow suit, amplifying the shockwaves downstream.

Beyond the Single Spotlight: Our journey illuminates the intricate tapestry of factors influencing crude oil pricing. Geopolitical events dance among a multitude of economic variables, demanding a multifaceted approach that acknowledges their complex interplay.

The findings serve as a beacon for stakeholders in the oil and energy sector, advocating for a holistic consideration of various market influences in strategic assessment and decision-making. Recognizing the elaborate tapestry of factors that sway oil prices can pave the way for more strategic policy-making and judicious investment approaches. Looking ahead, future research avenues beckon, promising to unearth the intricate causal relationships between geopolitical dynamics and oil prices, harness advanced predictive analytics, and possibly leverage real-time data for forecasting pivotal market movements.

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GULAY AKGUL YILMAZ¹ AND GOZDE NALBANT EFE²

WEALTH TAXATION IN TURKIYE

Abstract

In this study, the understanding adopted in wealth taxation in Türkiye, the wealth taxation system created in this direction, and the types of wealth taxes applied are discussed within the framework of legislation and practice. In addition, the shares of taxes collected on wealth subjects in local and central government tax revenues are analyzed. These taxes are evaluated within the framework of the principles of efficiency and equity in taxation. It has been revealed that wealth taxation is insufficient both to generate tax revenue and to improve income and wealth distribution, and that there is a need for reform in the field of wealth taxation in Türkiye.

Keywords: Wealth taxes, real estate tax, motor vehicle tax, inheritance and gift tax, valuable house tax

JEL Codes: H20, H27, H71, K34

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1. Introduction

Countries mostly design their tax system based on the ability-to-pay principle. Income, wealth and expenditures are three factors that show the ability-to-pay tax and they form the basis of taxation. Wealth is one of the factors mentioned because it provides income generation potential to the owner. It is defined as the sum of all economic assets owned by a person in a certain period and can be calculated as the marketable value of movable property plus immovable property less debts (Turhan, 2020). Generally, wealth comes from two main sources: The first is the wealth obtained by the saved part of the income and the second is the wealth obtained through inheritance (Piketty, 2014). A person who never saves income or receives no inheritance and gift is not able to accumulate wealth (Hyman, 2010).

Income and wealth are not distributed equally among population based on various reasons. As the degree of inequality in wealth and income distribution increases in a country, the importance of wealth taxation increases too. The distribution of income and wealth among social segments can be revealed by indicators such as the Gini Coefficient. The size of inequality detected in income and wealth distribution by these indicators provides guidance on whether government interventions to eliminate inequality are necessary and, if so, to what extent.

In this study, first of all, the wealth taxes in the Turkish Tax System will be briefly introduced, and their elements and features will be outlined within the framework of the current legislation. Afterwards, the development trend of the tax revenues provided by wealth taxes in the 2006-2023 period, their ratio in total tax revenues, and their weight in the central and local government budgets will be evaluated. In the conclusion, the extent to which these taxes are successful in taxing wealth will be discussed from the perspective of efficiency and equity, the obstacles to achieving their goals will be discussed, and solutions will be offered to increase the effectiveness of wealth taxation.

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2. Conceptual Framework

2.1. Reasons of Wealth Taxation

Wealth taxes enable the taxation of elements that cannot be taxed with income tax, but should be taken into account in determining the ability to pay. They also perform auditing and complementary functions if there are tax gaps or many exemptions in tax legislation based on economic and political reasons or the tax base is taken out of the taxation area through tax evasion methods, and the volume of unregistered economic activities is large (Turhan, 2020).

The state protects wealth directly and indirectly through the public services it provides, and also contributes to the increase in its value over time. Wealth tax must be paid on the benefits thus obtained (Rosen, 1995). Tax types such as real estate tax can be collected in return for the benefits provided by the services by local governments.

Wealth taxes are mainly applied not for fiscal purpose but they aim to reduce inequalities in income and wealth distribution. The institution of inheritance makes it possible for certain people to reach high income levels for generations (Edizdoğan & Çelikkaya, 2012). This situation is incompatible with the principle of social justice. In their analysis for the period 1990-2017, Eser and Genç (2020) found that the improving effect of taxes on wealth on income distribution was higher than income taxes in OECD. Differences in personal abilities and degree of diligence, inequality of opportunities in education and business world, wars and natural disasters, inheritance and property laws (they just do not cause inequality, they also cause the continuity of these equalities), non-competitive structure of markets, high rates of inflation and informal economy are main causes the unfair distribution of income and wealth in a country (Şen & Sağbaş, 2016; Akgül Yılmaz, 2020). Besides as the level of wealth increases, the probability of taking risks and the return increase, thus wealth inequality increases permanently (While the return on wealth is low for those with low amounts of wealth, the return on wealth is higher for those with higher amounts of wealth as a result of the financialization of wealth) (Piketty, 2014).

2.2. Types of Wealth Taxes

Wealth taxes can be applied in three main form: 1. Net (general) wealth taxes, 2. Partial (special) wealth taxes, and 3. Wealth transfer taxes (Battrel, 2007) and wealth appreciation tax (Turhan, 2020)

Net wealth taxes are recurrent taxes collected from all assets owned, after deducting debts and exemptions, if any. Only Norway, Spain, and Switzerland levy a net wealth tax in 2023 in Europe. France and Italy levy wealth taxes on selected assets but not on an individual's net wealth (Enache, 2023). In partial wealth taxation, selected wealth elements are subject to tax. Each element is taxed separately. Wealth transfer taxes are taxes levied when the change of ownership of property through inheritance or gift.

3. Current Wealth Taxes in Türkiye

When evaluated in terms of the type of tax there is no net wealth taxation understanding in Türkiye. Partial wealth taxes and wealth transfer tax are designed in tax legislation. Real Estate Tax, Valuable House Tax and Motor Vehicle Tax are partial wealth taxes, Inheritance and Gift Tax is a wealth transfer tax that are currently in force and implemented.

When evaluated in terms of the collecting administration, only Real Estate Tax is collected by local governments. Other wealth taxes are collected and budgeted by central government.

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3.1. Motor Vehicle Tax

It was first implemented in Türkiye with the Special Automobile Tax Law in 1957. It became the Motor Land Vehicle Tax in 1963. In 1980, when sea and air vehicles were included in the tax, it was named Motor Vehicles Tax. With a regulation made in 2009, motor sea vehicles were excluded from the scope of tax and a fee liability was imposed on these vehicles (Motor Vehicle Tax Law, 1963).

The subject of the Motor Vehicle Tax is motor land and air vehicles registered with the relevant registry offices in accordance with the law. Real person and legal entity in whose names motor vehicles are registered at the relevant offices are taxpayers. Registration of motor land vehicles to the traffic register and the civilian air-vehicles to the Ministry of Transportation are taxable event.

Motor Vehicle Tax is a specific tax. Lump-sum tax amounts determined according to the characteristics of motor vehicles included in three separate tariffs and assessed and accrued annually by the affiliated tax office. Tax amounts in the tariff are increased every year by the revaluation rate determined by the Ministry of Treasury and Finance, based on the previous year's inflation rate. The tax is paid in two installments, the first by January and the second by the end of July.

Motor vehicles are classified into three categories in terms of motor vehicle tax tariff:

-Tariff (I) includes tax amounts for cars, motorcycles, carryalls and terrain vehicles etc. For cars, carryalls, terrain vehicles etc. tax amount is determined based on three factors: the **cylinder capacity** of the vehicle's engine, its **value** and **age**. For motorcycles tax amount is determined based on **cylinder capacity** and **age**.

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The cylinder		Ages of vehicles and fixed tax amount (TL)					
capacity of the vehicle's engine (cm³)	The value of vehicle (TL)	1-3 age	4-6 age	7-11 age	12-15 age	16, 16+ age	
	1. Cars	s, Carryalls	s, Terrain '	Vehicles, etc.			
	Less than 180.600	3.359	2.343	1.308	987	347	
1300 cm ³ and less	180.600- 316.400	3.692	2.576	1.437	1.088	383	
	More than 316.400	4.032	2.809	1.573	1.188	413	
	Less than 180.600	5.851	4.387	2.544	1.798	690	
1301-1600 cm ³	180.600 – 316.400	6.439	4.828	2.801	1.972	754	
	More than 316.400	7.026	5.265	3.050	2.153	823	
1601-1800 cm ³	Less than 452.800	11.374	8.894	5.227	3.189	1.235	
1001-1800 CIII	More than 452.800	12.413	9.697	5.710	3.484	1.348	
1801-2000 cm ³	Less than 452.800	17.920	13.800	8.111	4.828	1.898	
	More than 452.800	19.553	15.061	8.848	5.265	2.072	
2001-2500 cm ³	Less than 565.500	26.885	19.517	12.193	7.282	2.880	
2001-2500 cm ³	More than 565.500	29.332	21.290	13.299	7.948	3.142	
2501-3000 cm ³	Less than 1.131.800	37.485	32.615	20.373	10.957	4.016	
	More than 1.131.800	40.898	35.575	22.227	11.955	4.383	
3001-3500 cm ³	Less than 1.131.800	57.093	51.374	30.944	15.446	5.657	
3001-3300 cm	More than 1.131.800	62.289	56.039	33.756	16.845	6.179	
3501-4000 cm ³	Less than 1.811.800	89.767	77.517	45.649	20.373	8.111	
3301-4000 CIII	More than 1.811.800	97.937	84.560	49.807	22.227	8.848	
4001 cm ³ and more	Less than 2.151.400	146.932	110.177	65.252	29.326	11.374	
toor cili and more	More than 2.151.400	160.285	120.196	71.186	31.991	12.413	
				f vehicles and			
		1-3 age	4-6 age	7-11 age	12-15 age	16, 16+ age	
100.0	250 am2		otorcycles	345	212	80	
	250 cm3 650 cm3	1.294	467 979	625	212 345	212	
	200 cm3	3.341	1.985	979	625	345	
	3 and more	8.106	5.355	3.341	2.652	1.294	

The value of the vehicle was added to the tariff in 2017. For vehicles registered before 31.12.2017, there is a tariff in which the value of the vehicle is not included. Table 1 shows the tax tariff which will be implemented in 2024.

-Tariff (II) includes tax amounts for minibuses, panel vans, motorized caravans, busses, trucks etc. For minibuses, tax amount is determined based on **age**, for panel vans and motorized caravans it is determined based on **cylinder capacity and age**, for busses it is determined based on **number of seats** and **age**, for trucks etc. it is determined based on **maximum gross weight** and **age**. Table 2 shows the tax tariff which will be implemented in 2024.

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Table 2. Motor Vehicle Tax Tariff No. (II)

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Vehicle Type and Secting / Marinum Total Weight	Ages of vehicles and fixed tax amount (
Vehicle Type and Seating / Maximum Total Weight	1 - 6 age	7-15 age	16, 16+a	
1) Minibus	4.016	2.652	1.294	
2) Panelvans and motorized caravans (The cyli	inder capacity of	the vehicle's eng	gine)	
1000 am2 and lass	5 255	2 2/1	1 095	

X7-1-1-1 (There are all Conditions / N/I1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	Ages of veh	ncles and fixed ta	tax amount (TL)	
Vehicle Type and Seating / Maximum Total Weight	1 - 6 age	7-15 age	16, 16+age	
1) Minibus	4.016	2.652	1.294	
2) Panelvans and motorized caravans (The cy	inder capacity o	f the vehicle's eng	gine)	
1900 cm3 and less	5.355	3.341	1.985	
1901 cm3 and more	8.106	5.355	3.341	
3) Buses and simila	r (Seating)			
Up to 25 people	10.146	6.059	2.652	
26-35 people	12.168	10.146	4.016	
36-45 people	13.541	11.485	5.355	
46 people and above	16.245	13.541	8.106	
4) Pickup trucks, trucks, tractors and si	milar (Maximun	n Total Weight)		
Up to 1.500 kg	3.601	2.392	1.171	
1.501-3.500 kg	7.295	4.226	2.392	
3.501-5.000 kg	10.960	9.122	3.601	
5.001-10.000 kg	12.168	10.333	4.844	
10.001-20.000 kg	14.624	12.168	7.295	
20.001 kg and above	18.292	14.624	8.498	

Source: Motor Vehicle Tax General Notification (2023, December 30).

-Tariff (IV) includes tax amounts for planes and helicopters. Tax amount is determined based on the maximum takeoff weight and age. Table 3 shows the tax tariff which will be implemented in 2024.

Valida Terra and Mariana Talan Off Walde	Ages of vehicles and fixed tax amount (TL)					
Vehicle Type and Maximum Take-Off Weight	1 - 3 age	4 - 5 age	6-10 age	11, 11+ ag		
Planes and	d helicopters					
Up to 1.150 kg	67.931	54.316	40.730	32.576		
1.151 - 1.800 kg	101.916	81.510	61.129	48.899		
1.801 -3.000 kg	135.909	108.719	81.510	65.211		
3.001 - 5.000 kg	169.902	135.909	101.916	81.510		
5.001 - 10.000 kg	203.898	163.107	122.312	97.834		
10.001 -20.000 kg	237.888	190.296	142.701	114.129		
20.001 kg and above	271.871	217.473	163.107	130.479		

In all tariffs, there is a negative relationship between age and tax amount, and a positive relationship between other factors and tax amount.

⁻Tariff (III) included tax amounts related to motor sea vehicles. It is not used as of 2009.

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Since the value is taken into account, one can calculate the approximate tax rate based on the determined tax amount for cars, carryalls and terrain vehicles, etc. in Tariff (I):

Table 4. Approximate Tax Rates for Cars, Carryalls and Terrain Vehicles (2024)

The cylinder capacity of the vehicle's engine (cm ³)	The value of vehicle (TL and ϵ)	Tax Rate	1-3 age	4-6 age	7-11 age	12-15 age	16, 16+ age
	Less than 180.600 (5.490 €)	Min	1,86	1,30	0,72	0,55	0,19
1300 cm ³ and less	180.600- 316.400 (5.490-9.620 €)	Between	2,04- 1,17	1,43- 0,81	0,79- 0,45	0,34- 0,60	0,21- 0,12
	More than 316.400 (9.620 €)	Max	1,27	0,89	0,49	0,37	0,13
	Less than 180.600 (5.490 €)	Min	3,24	2,43	1,41	0,99	0,38
1301-1600 cm ³	180.600 – 316.400 (5.490-9.620 €)	Between	3,57- 2,04	2,67- 1,53	1,55- 0,89	1,09- 0,62	0,42- 0,24
	More than 316.400 (9.620 €)	Max	2,22	1,66	0,96	0,68	0,26
1601-1800	Less than 452.800 (13.770 €)	Min	2,51	1,96	1,15	0,70	0,27
cm ³	More than 452.800 (13.770 €)	Max	2,74	2,14	1,26	0,77	0,29
1801-2000	Less than 452.800 (13.770 €)	Min	3,96	3,05	1,79	1,07	0,42
cm ³	More than 452.800 (13.770 €)	Max	4,32	3,33	1,95	1,16	0,46
2001-2500	Less than 565.500 (17.200 €)	Min	4,75	3,45	2,16	1,29	0,51
cm ³	More than 565.500 (17.200 €)	Max	5,19	3,76	2,35	1,41	0,56
2501-3000	Less than 1.131.800 (34.410 €)	Min	3,31	2,88	1,80	0,97	0,35
cm ³	More than 1.131.800 (34.410 €)	Max	3,61	3,14	1,96	1,06	0,39
3001-3500	Less than 1.131.800 (34.410 €)	Min	5,04	4,54	2,73	1,36	0,50
cm ³	More than 1.131.800 (34.410 €)	Max	5,50	4,95	2,98	1,49	0,55
3501-4000	Less than 1.811.800 (55.090 €)	Min	4,95	4,29	2,52	1,12	0,45
cm ³	More than 1.811.800 (55.090 €)	Max	5,41	4,67	2,75	1,23	0,49
4001 cm ³ and	Less than 2.151.400 (65.420 €)	Min	6,83	5,12	3,03	1,36	0,53
more	More than 2.151.400 (65.420 €)	Max	7,45	5,59	3,31	1,49	0,58

Source: Authors' calculations based on the Motor Vehicle Tax General Notification (2023, December 30).

Note: Because the tax is determined as fixed amount for every different vehicle classification, tax rates are estimated as min, between and max. For example, if the cylinder capacity of a 2-year-old car owner's vehicle is less than 1300 cm3 and its value is 180.600 TL or less, the fixed tax amount he must pay in 2024 is 3.359 TL. If the value of the vehicle is between 180.600 and 316.400, the amount is 3.692 TL, and if it exceeds 316.400, it is 4.032 TL (Table 1). In the first case, the tax rate will be at least 1.86%, and this rate will increase as the value of the vehicle decreases. In the second case, it may vary between 1.17 and 2.04%, in the third case it will be at most 1.27%, and as the value of the vehicle increases, the tax rate will decrease.

As can be seen from Table 4, the tax rate on a newly purchased automobile, carryall or terrain vehicle is subject to a minimum tax of 1.17%, depending on its cylinder volume and value, and as the cylinder volume and value increases, this rate may rise up to 7.45%. As the age of the vehicle increases, the tax rate in question also decreases. Compared to other wealth taxes that will be discussed later, these correspond to very high rates.

Motor vehicle tax is assessed and accrued annually by the tax office where the vehicle is registered. It is paid in two equal installments, the first in January and the second in July.

^{*}In order for the amounts in the tariff to be perceived more easily at the international level, vehicle values are given in parentheses in euros, based on the average Euro-TL exchange rate on January 1, 2024.

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3.2. Inheritance and Gift Tax

Inheritance and Gift Tax was first implemented in Türkiye in 1926. The Inheritance and Gift Tax law, which is implemented today, was drawn up in 1959 (Inheritance and Gift Tax Law, 1959). Five years later, significant changes were made to inheritance and transfer tax. With the amendment made in 1941, tax rates were doubled. With the change made in 1957, the tax base began to be calculated according to the current value instead of the tax value. This was necessary for tax efficiency and justice. With the amendment made in 1959, tax exemption was greatly expanded. In addition, the valuation of immovable properties returned to market value with the change made in 1970. According to the current legal regulation, the valuation provisions in the tax procedure law are applied to the valuation of goods transferred by inheritance or gratuitously (Bulutoğlu, 1976)

The subject of the inheritance and gift tax is the change of ownership of movable and immovable properties within the borders of Türkiye through inheritance or gift. Turkish citizens are subject to inheritance and gift tax on worldwide assets received. Real or legal person who acquires property through inheritance or gift is the taxpayer. Resident foreigners are subject to inheritance and gift tax on worldwide assets received from Turkish citizens and on assets located in Türkiye received from resident foreigners or nonresidents. Nonresident foreigners are subject to inheritance and gift tax on assets located in Türkiye only. Transfer of movable/immovable property from the assets of one person to the assets of another person through inheritance or gift is taxable event.

Inheritance and Gift Tax is an ad valorem tax. Value of assets that pass from one person to another, either through inheritance or gift is the tax base. The value is determined according to the provisions of the Tax Procedure Law. Tax is payable in biannual installments over a period of 3 years.

A progressive tax system has been determined according to the cumulative value of assets obtained. Brackets of tariff are increased every year by the revaluation rate determined by the Ministry of Treasury and Finance. Table 5 shows the tax tariff which will be implemented in 2024.

Tax Base	Tax Rate in case of inheritance (%)	Tax Rate in case of gift (%)
First 1.700.000 TL (51.690 €)	1	10
Following 4.000.000 TL (121.630 €)	3	15
Following 8.700.000 TL (264.550 €)	5	20
Following 17.000.000 TL (516.940 €)	7	25

Source: Inheritance and Gift Tax Law General Notification (2023, December 30).

For the part exceeding 31.400.000 TL (954.810 €)

Not: In order for the amounts in the tariff to be perceived more easily at the international level, tax bracket values are given in parentheses in euros, based on the average Euro/TL exchange rate on January 1, 2024.

10

30

In the application of inheritance tax, the inheritance is first shared among the heirs. Afterwards, the tax exemption amounts are exempted from tax. The remaining amount is subject to the tax tariff. In 2024 1.609.552 TL of the inheritance shares falling to each of the descendants and spouse, including adopted children, and 3.221.082 TL of the inheritance shares falling to the spouse if there are no descendants, are exempted from tax. In case of gift taxation, 37.059 TL of the gift is exempt from tax base. If the transfer of gift is made to the person from his/her mother, father, spouse and children, half of the rates in the tariff are applied. The tax is paid in three years, in two equal installments each year, in a total of six installments. If a sale occurs, the remaining tax must be paid before the sale.

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3.3. Real Estate Tax

Real Estate tax is started to be implemented in Türkiye since 1931 as two separate tax, building tax and land tax. The tax law which is implemented today, was drawn up in 1970. Collection authority has been left to local governments since 1986. Buildings within the borders of Türkiye are subject to building tax, while plots and lands are subject to land tax. The owner or the usufructuary holder of the building/plot/land is taxpayer. Those who own them in shared ownership are liable in proportion to their shares. Tax liability begins following budget year in the case of acquiring property, change in situation of property or end of exemption (Real Estate Tax Law, 1970).

Real Estate Tax is an ad valorem tax and the tax base is the **tax value**. It is determined by related municipality based on normal building square meter construction costs determined jointly by the Ministry of Treasury and Finance and Ministry of Public Works and Settlement, and based on land values determined by appraisal commissions. The tax amount determined by the municipality every four years in accordance with the principles in the law is increased **by half of the revaluation rate** each year.

Unlike other wealth taxes, a flat rate tax is applied. The tax is paid in two equal installments, the first in March, April and May, and the second in November. Table 6 shows the differentiated tax rates for buildings, lands and plots.

	Tax Rate (‰)	Tax Rate applied in Metropolitan Cities (%)
Buildings used as House	1 per thousand	2 per thousand
Other Buildings	2 per thousand	4 per thousand
Lands	1 per thousand	2 per thousand
Plots	3 per thousand	6 per thousand

Real estate tax rates are applied with a 100% increase within the metropolitan municipality borders. The President of the Republic is authorized to reduce tax rates by up to half or increase them by up to three times.

There are also various exemptions in the application of real estate tax. Many buildings and lands related to the provision of public services are permanently exempted from tax. ¼ of the tax value of buildings or apartments used as residences are granted temporary exemption for 5 years starting from the budget year following the year in which their construction is completed. Income and corporate taxpayers who have a tourism establishment certificate, if they use the business's buildings for tourism purposes, will benefit from temporary exemption for 5 years starting from the budget year following the year in which the tourism establishment certificate is received. The owners of buildings that have become unusable as a result of natural disasters are subject to a temporary exemption for 10 years starting from the budget year following the year in which they are transferred to the owners of buildings built in the place where the disaster occurred or in places designated by public institutions within 5 years at the latest. Buildings constructed in fair, exhibition and fairgrounds are exempt from tax as long as they are used for this purpose. Industrial facilities built in underdeveloped regions determined by the state are exempt from building tax for 5 years starting from the year following the completion of their construction. Buildings constructed within the scope of the Investment Incentive Certificate are exempt for five years from the budget year following the date of completion of their construction.

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There are also many exceptions and exemptions in land tax. 10,000 Turkish Liras of the total tax value of the land (excluding plots) within the municipal borders is exempt from Land Tax. The President is authorized to increase this amount up to three times. Land reforested by human labor, other than public forests, is exempt from tax for 50 years. If the land that cannot be cultivated due to swamp, turbidity, barren, maquis, bush, stony and other conditions is reclaimed and made suitable for agriculture again, it is exempt from tax for 10 years. If suitable land is turned into woodland, orchard, vineyard or garden, it is exempt from tax for a minimum of 2 years and a maximum of 15 years.

3.4. Valuable House Tax

Valuable House Tax was regulated with the addition to the Real Estate Tax Law on December 5, 2019 and has been implemented since 2021. While local governments collect real estate tax revenues, valuable house tax is collected by the central government.

Among houses within the borders of Türkiye, houses with a building tax value over 12.880.000 Turkish lira in 2024 (391.650 Euro) are subject of the Valuable House Tax. This lower limit is increased by half of the revaluation rate every year. The owner or the usufructuary holder of the house is the taxpayer. Those who own a house in shared ownership are liable in proportion to their shares. The tax liability starts from the following year if the building tax value of the house exceeds the specified amount.

Valuable House Tax is an ad valorem tax. Tax base is the part of the tax value that **exceeds the lower limit** specified in the law. The tax value is determined according to the procedures in Real Estate Tax. A progressive tax system has been determined according to the cumulative tax value of house. It is paid in two equal installments every year until the end of February and August. Table 7 shows the tax tariff which will be implemented in 2024.

Cax Base	Tax Rate (%)
For values between 12.880.000 TL (391.650 €) and 19.321.000 TL (587.510 €)	3 per thousand
For values between 19.321.000 TL (587.510 €) and 25.763.000 TL (783.400 €)	6 per thousand
For the part exceeding 25.763.000 TL (783.400 €)	10 per thousand

Source: Real Estate Tax Law General Notification (2023, December 30).

Not: In order for the amounts in the tariff to be perceived more easily at the international level, tax bracket values are given in parentheses in euros, based on the average Euro/TL exchange rate on January 1, 2024.

For those who own a single residential property or more than one residential property within the borders of Türkiye, the residential property which has lowest value and subject to valuable house tax is exempt from tax. Besides when applying tax, whether the houses exceed the lower limit is evaluated individually for each house, and the total value of the houses is not taken into account in cases where more than one house is owned.

4. Evaluation of Wealth Taxes in Terms of Efficiency

Graph 1 shows the distribution of income, wealth and expenditure taxes in total tax revenues of central government between 2006-2023. Accordingly, the most important part of total tax revenues throughout the period was taxes collected on expenditures on goods and services. While the share of taxes collected

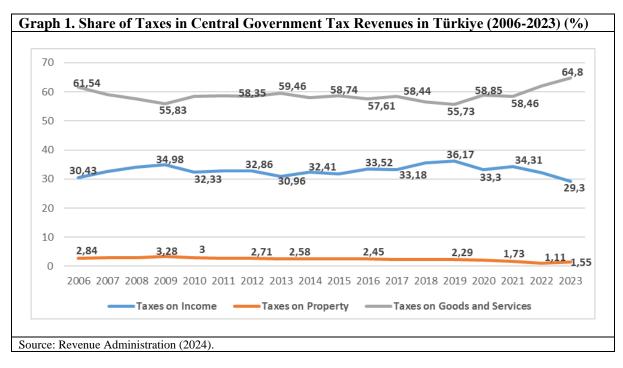
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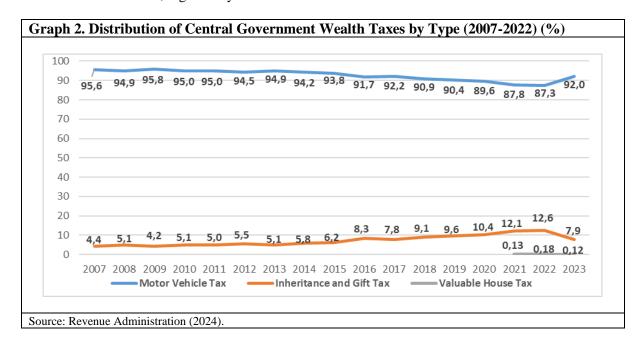
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in this group was 61.54% in 2006, it remained between 56-58% in the 2009-2021 period, and increased from 2022 onwards, reaching 64.8% in 2023. The share of taxes on income ranked second, and while the share of these taxes was 30.43% in 2006, it fluctuated between 35-30% throughout the period, and decreased from 2021 onwards, falling to 29.3% in 2023.



The share of wealth taxes in total tax revenues of central government is quite low. While this rate was around 3% in the 2000s, it gradually decreased after 2010 and fell to 1.55%.



Graph 2 shows the distribution of central government wealth taxes by type between 2007-2022. When the distribution of wealth taxes collected by the Central Government is examined, it is seen that approximately 90% of the revenue is obtained from motor vehicle tax, and the share of inheritance and

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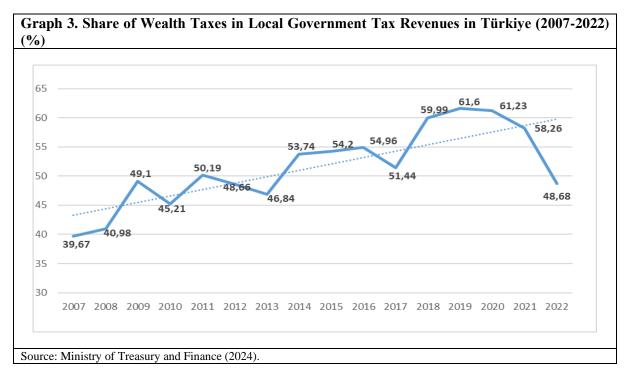
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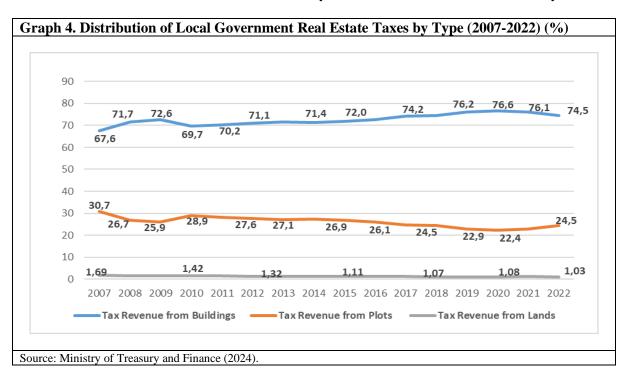
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gift tax has approached 10% in recent years. The revenue of the newly enacted valuable residence tax is very low and fluctuates between 0.1-0.2%. Considering the tax rates applied to motor vehicles tax (Table 1), inheritance and gift tax (Table 2) and valuable house tax (Table 4), it is an expected result that the highest tax revenue will be obtained from motor vehicles.



Real estate tax revenues have a significant share in the total tax revenues of local governments. It has increased from around 40% to around 60% over the years, but has decreased in the last few years.



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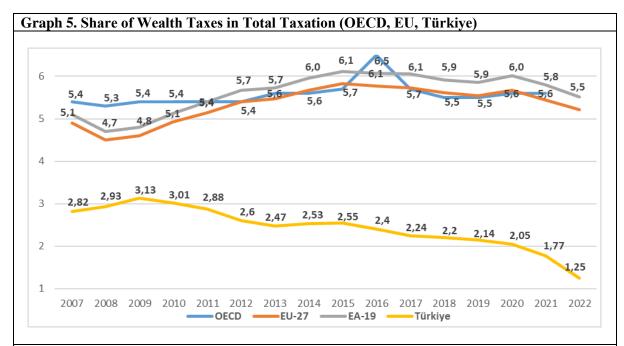
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When the distribution of tax revenues of local governments is examined, the tax type with the highest share is building tax with 75%. The tax revenue from plots is around 25%, and the share of tax revenue from land is very low at 1%.

To evaluate the total wealth taxation picture, the magnitudes of four wealth taxes in total tax revenue of central and local governments are displayed. The share of the four mentioned wealth taxes in total tax revenues in Türkiye has decreased since 2009. This rate, which was around 3% in 2009, has decreased over the years and is now down to 1.25%.



Source: OECD (2024a), Eurostat (2024), Revenue Administration (2024) and Ministry of Treasury and Finance (2024). Not: In the OECD tax classification, wealth taxes are included as recurrent taxes on immovable property, recurrent taxes on net wealth, estate, inheritance and gift taxes and taxes on financial and capital transactions (OECD, 2022). Recurrent taxes on motor vehicles are classified as expenditure taxes under the title "taxes on goods and services". However, in Türkiye, this tax is budgeted under the title of wealth tax. Additionally, in the OECD database, stamp tax, real estate purchase tax, title deed fees and notary fees are included for Türkiye under the title of "financial and capital transactions" as wealth taxes. However, in Türkiye, these taxes and fees are not budgeted under the wealth tax. For this reason, data for Türkiye was obtained from its own revenue administration in order to present the real view of the total wealth taxation.

The share of wealth taxes in total tax revenues is compared with OECD and EU countries in terms of evaluating whether wealth taxes in Türkiye are efficient or not. After the 2008 economic crisis, OECD and EU policy texts suggested increasing immovable property taxes and environmental taxes as a way to increase tax revenues without harming economic growth. Accordingly, the rate of wealth taxes in total tax revenue has tended to increase in OECD and EU countries (Nalbant Efe, 2021). In Türkiye, on the contrary, it is seen from Graph 5 that its rate in tax revenue has decreased by more than half. In this context, it should be said that wealth taxes are not collected efficiently in Türkiye.

5. Evaluation of Wealth Taxes in Terms of Equity

How income and wealth are distributed in a society can be revealed based on indicators such as the Gini coefficient and the S80/S20 ratio.

The Gini coefficient is an index for the degree of inequality in the distribution of income/wealth, used to estimate how far a country's wealth or income distribution deviates from an equal distribution. It is a

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coefficient between 0 and 1, and as it approaches 0, it is said that income or wealth is distributed more fairly in society. Although the Gini coefficient calculated for income and wealth gives an idea about the increase-decrease in inequality, one can also look at how income is distributed in various segments of society to get an idea about the size of inequality. The most common criterion used for this is the S80/S20 ratio.

S80/S20 ratio income inequality ratio is defined as "the ratio of total income received by the 20 percent of the population with the highest income (top quintile) to that received by the 20 percent of the population with the lowest income (lowest quintile).

Table 8. Income Distribution in	ı Türkive by 5%	, 10% and 20% Grou	ns of the Population (2023)

Income share of 5% population (%)	of the	Income share of population (%)	10% of the	Income share of population (%)	20% of the
First 5%	0,9	First 10%	2,3		
Second 5%	1,4	FIISt 10%	2,3	First 20%	5,9
Third 5%	1,7	Second 10%	3,6	FIISt 20%	3,9
Fourth 5%	1,9	Second 10%	3,0		
Fifth 5%	2,1	Third 10%	4,4		
Sixth 5%	2,3	11111u 10%	4,4	Second 20%	9,8
Seventh 5%	2,6	Fourth 10%	5,4	Second 20%	9,0
Eighth 5%	2,8	Fourth 10%	3,4		
Ninth 5%	3,0	Fifth 10%	6,3		
Tenth 5%	3,3	FIIII 10%	0,3	Third 20%	13,9
Eleventh 5%	3,6	Sixth 10%	7,6	11111u 20%	13,9
Twelfth 5%	4,0	Sixui 10%	7,0		
Thirteenth 5%	4,4	Seventh 10%	9,2		
Fourteenth 5%	4,8	Seventii 10%	9,2	Fourth 20%	20.4
Fifteenth 5%	5,3	Eighth 100/	11.2	Fourth 20%	20,4
Sixteenth 5%	5,9	Eighth 10%	11,2		
Seventeenth 5%	6,8	Ninth 10%	140		
Eighteenth 5%	8,0	1 Miliul 10%	14,8	E:fth 200/	40.0
Nineteenth 5%	10,3	Touth 100/	25	Fifth 20%	49,8
Twentieth 5%	24,7	Tenth 10%	35		

Source: Turkish Statistical Institute (2024).

Table 8 shows how income is distributed among various segments of society in Türkiye in percentages. When individuals in society are ranked from lowest income to highest income, the 5% with the lowest income receive a share of 0.9% from the total income. The second 5% group generates 1.4% of the income. The 5% with the highest income in the 20th bracket obtained 24.7% of the total income. S80/S20 ratio is calculated as fifth 20% income share divided by first 20% income share.

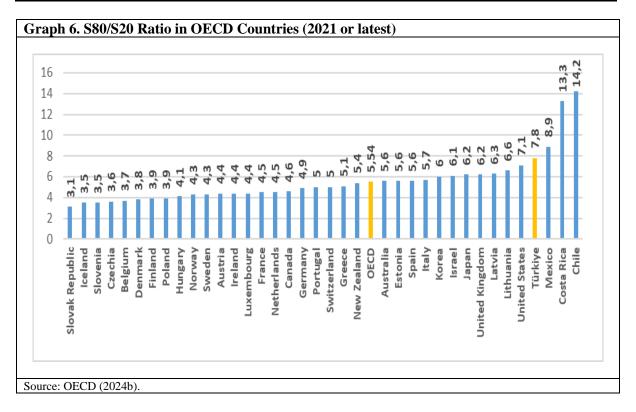
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Graph 6 shows the S80/S20 ratio for OECD countries. When the OECD average is examined, it is seen that the 20% of society with the highest income earns 5.5 times more than the 20% with the lowest income. When ranked according to this rate, Türkiye is the 4th country with the highest rate among OECD countries. In Türkiye, the 20% with the highest income earn approximately 8 times more than the 20% with the lowest income.

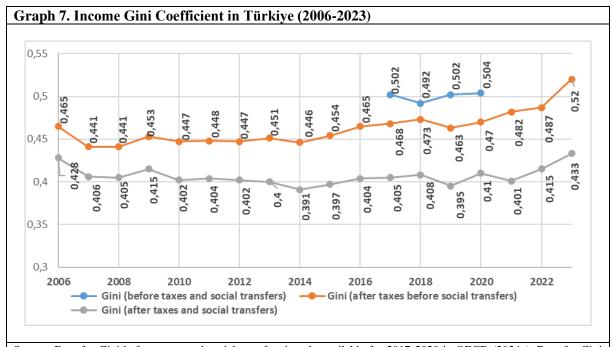
Graph 7 shows the development of the income Gini coefficient in Türkiye between 2006-2023. The blue line shows the Gini coefficient regarding the income distribution in the market before the government collects taxes and spends on social transfers. It is called market Gini Coefficient. The grey line shows the Gini coefficient formed after the government's taxes and expenditures, that is, with the effect of fiscal policy. This is called disposable income Gini Coefficient. Shown with orange line is the Gini, which occurs after taxes are collected but before social transfer expenditures.

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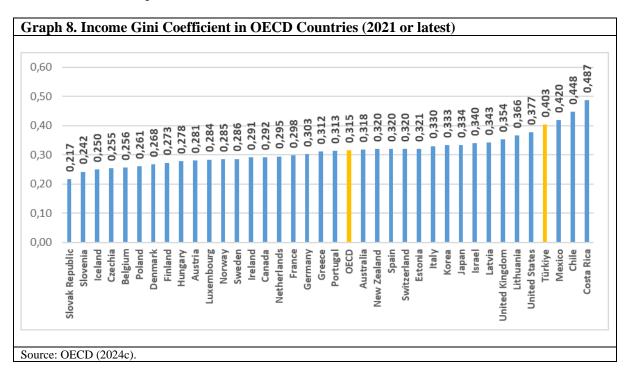
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Source: Data for Gini before taxes and social transfers is only available for 2017-2020 in OECD (2024c). Data for Gini after taxes before social transfers and Gini for after taxes and transfers are from Turkish Statistical Institute (2024).

When the different Gini indicators are evaluated based on 2020, the market Gini in Türkiye is around 0.50, with the effect of taxes, this coefficient decreased to 0.47, and thanks to social transfer expenditures, it decreased to 0.41. Therefore, while the effect of tax policy in terms of improving income distribution is low, the effect of government social transfer expenditures on improving income distribution is higher. In addition, one can see that income distribution in Türkiye improved until 2014, but started to deteriorate again after 2014. The Gini coefficient after taxes and social transfers has increased more than 4 points between 2014 and 2023.



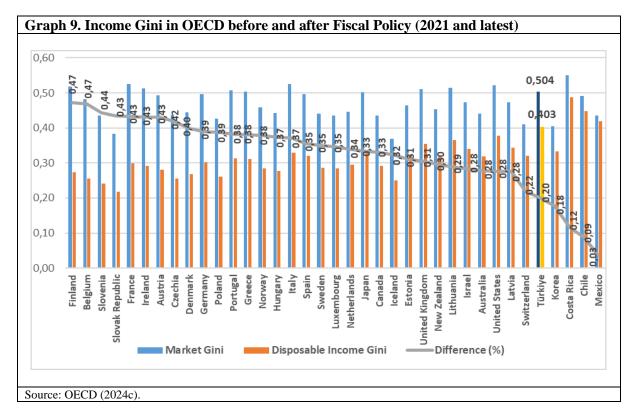
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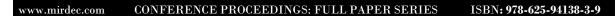
When Türkiye's Gini coefficient is considered in comparison with OECD countries, it is again the 4th country with the highest coefficient. The income Gini unweighted average of OECD countries in 2021 is 0.315, and Türkiye is well above this average.

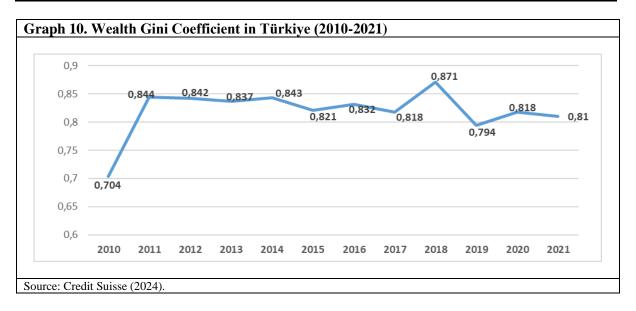


Graph 9 shows market Gini before taxes and transfers and disposable income Gini after taxes and transfers in OECD countries. The grey line expresses the reducing effect of government intervention on the Gini coefficient in per cent. The countries that can achieve the highest percentage decrease in the Gini coefficient with fiscal policy are Finland, Belgium and Slovenia. These countries have reduced the coefficient by almost half. Türkiye, on the other hand, could only achieve a 20% decrease in the Gini coefficient, from 0.50 to 0.40. If this graph is interpreted as the success of countries in redistributing income, Türkiye maintains its place at the bottom.

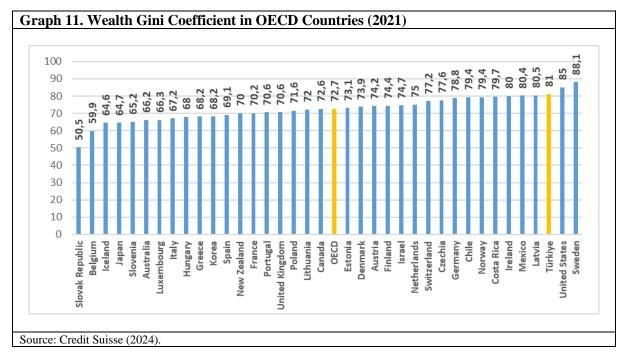
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Gini coefficient is also calculated for wealth distribution. According to the data received from Credit Suisse, the wealth Gini in Türkiye is around 0.81, and wealth is distributed very unequally, like income (Graph 10).



Graph 11 compares wealth Gini coefficient with OECD countries, The OECD unweighted average wealth Gini is 72.7. Türkiye is the third country with the highest wealth inequality.

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	Table 9. Wealth	Shares of Top	Percentiles in	OECD	Countries	(2021)	(%	6)
--	-----------------	---------------	----------------	-------------	------------------	--------	----	----

Country	Top 1%	Country	Top 5%	Country	Top 10%
Türkiye	40,7	United States	63,2	United States	75,9
Sweden	37,6	Sweden	62	Sweden	75,6
Colombia	37,3	Colombia	61	Colombia	73,1
Czechia	37,1	Türkiye	60,5	Türkiye	70,8
United States	35,1	Czechia	56,7	Czechia	67,6
Israel	34,1	Chile	54,5	Mexico	67,2
Chile	32,8	Mexico	53,5	Chile	66,5
Germany	31,7	Israel	53	Germany	64,8
Mexico	30,2	Germany	52,8	Ireland	64
Norway	29,7	Ireland	50,8	Israel	63,6
Finland	29,3	Norway	49,9	Norway	62,2
Ireland	27,2	Switzerland	49,2	Switzerland	62,2
Poland	26,9	Finland	48,9	Finland	60,9
Switzerland	26,5	Poland	47	Poland	59,6
Austria	25,8	Austria	46	Austria	58,7
Hungary	25,8	Canada	45	Canada	57,6
Canada	25	Greece	44,3	Denmark	56,6
Greece	25	Denmark	43,3	Portugal	56,3
Korea	24	Hungary	43	New Zealand	55,7
Denmark	23,8	Spain	42,9	France	55,2
Italy	23,3	Korea	42,6	Greece	55,1
Spain	23,1	New Zealand	42,2	Spain	54,7
France	22,3	France	42,1	Korea	54,5
Australia	21,80	Italy	41,7	United Kingdom	54,5
United Kingdom	21,1	Portugal	41,3	Hungary	54,4
Netherlands	20,7	United Kingdom	41	Netherlands	54
New Zealand	20,1	Australia	40,3	Italy	53,5
Portugal	19,5	Netherlands	40,2	Australia	52,3
Japan	18,7	Japan	37	Japan	49,9
Belgium	14,3	Belgium	31,6	Belgium	43,9

Source: Credit Suisse (2024).

Not: There is no data for Costa Rica, Estonia, Iceland, Latvia, Lithuania, Luxembourg, Slovak Republic and Slovenia.

Finally, Table 9 demonstrates how much of the wealth is owned by the top 1%, 5% and 10% of the population in OECD countries. By looking at how much of the wealth is held by the 1% population with the highest wealth in society, Türkiye comes first with 40.7%. This situation reveals again how high wealth inequality is in Türkiye. Among the 5% and 10% with the highest wealth, Türkiye ranks 4th among the OECD countries.

When all these indicators are evaluated together, it is seen that income and wealth inequality in Türkiye has increased in recent years and is well above the average of OECD countries. When evaluated together with the decline in wealth tax revenues, it is obvious that wealth taxation in Türkiye has failed to fulfill its function of income and wealth redistribution.

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6. Conclusion

There are four type of wealth taxes in Türkiye within the scope of partial wealth taxation. Among these, motor vehicle tax and real estate tax are the main sources of wealth tax revenue while inheritance and gift tax and valuable house tax revenues are quite low.

When compared to OECD countries, the share of wealth tax revenues in Türkiye is 1.25%, well below the OECD average of 5.5%. While wealth tax revenue has increased in OECD in recent years, it has declined rapidly in Türkiye. It is concluded that wealth taxation is not efficiently applied in Türkiye.

When the development of both income Gini and wealth Gini values in Türkiye observed, it is concluded that wealth taxation does not have a significant impact on eliminating income and wealth inequalities, which is the social and main purpose of wealth taxation.

It is obvious that there is a need for reform in the field of wealth taxation in Türkiye, which is a social state, in order to increase tax revenue and improve wealth and income distribution. In order to ensure efficiency and equity in wealth taxation, exemptions in the tax system should be reduced and tax brackets and tax rates should be reviewed.

When determining the tax value in real estate and valuable house taxes, the tax value should be increased by the revaluation rate, not by half. In order to increase the efficiency of the valuable house tax, the exemption applied to the first residence should be removed. It is possible to own multiple residences that do not individually exceed the lower value limit specified in the law. For this reason, a regulation should be made to take into account the total value of all residences of taxpayers.

To increase the efficiency of inheritance and gift tax, tax base must be all the assets left by a deceased person without being divided into inheritance shares. An exemption amount determined based on total wealth should be applied. When the wealth is distributed to the heirs and the high exemption amount applied to each heir is taken into consideration, the reason for the low share of tax revenue in wealth taxes becomes clear. Tax bracket intervals in inheritance and gift tax should be shortened and tax rates should be increased.

In motor vehicle tax, just like cars, carryalls and terrain vehicles, all vehicles in Tariff II and IV should be subject to tax based on their real value.

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ANA MARIA QUARESMA¹ AND SANDRA RIBEIRO²

GENDER DIVERSITY ON THE BOARDS: DOES THE ACADEMIC QUALIFICATIONS MATTER

Abstract

The Good Corporate Governance practices contribute to the sustainability and the market value of listed companies. The filling of the gender quota on the Boards of Directors on listed companies, imposed by law in Portugal, along with the good practice regarding gender diversity, has increased the number of women who are part of the Boards of Directors in companies listed on the Stock Exchange.

The main objective of this study is to obtain an overview of this matter in the companies that are part of the PSI the Euronext Lisbon Index. The Corporate Governance Reports for the year 2023 were analyzed and it was possible to observe that the 16 companies that made up this stock market index, on December 31, 2023, complied with the gender quota. Women were mostly in non-executive and independent positions. For the analysis of gender diversity, the academic qualifications were studied, analyzed by the degree of licentiate, master, and PhD. It is concluded that although the percentage of women graduates and master's is lower than men, regarding the doctoral degree it is women who hold this degree in greater number than men. In response to the research question: Gender Diversity on the Boards – Does the Academic qualifications matter? it was not possible to verify this preposition because there is no lower level of academic qualifications for women than for men, which not explains why the positions held on the Boards by women are fewer than those held by men.

Keywords: Gender Quota, Gender Diversity, PSI

JEL Codes: M160

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1. Introduction

Gender diversity on the boards of listed companies is a relevant issue and has been the subject of attention in several jurisdictions. In the European Union (EU), new rules have been adopted to improve the balanced representation of men and women on the boards of listed companies.

Increase the presence of women on boards of directors and, consequently, their participation in the economic decision-making process, is essential for companies with good practices of Corporate Governance measure by the market performance.

Gender diversity on boards of directors is crucial to the success of organizations and allow several positive impacts, such as better indicators of corporate social responsibility. Companies with greater gender diversity tend to adopt more sustainable and ethical practices, reflecting positively on their image and reputation; increased compliance with laws and standards owing to the fact that the presence of different perspectives on the board helps to ensure that the company is aligned with regulations and best

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practices; innovation and creativity because people with different skills, ideas and thoughts contribute to the development of the company and generate an environment rich in sustainable ideas; more robust decision-making result from the fact that diversity on the board enriches strategic debates and offers different views, resulting in better-informed and more comprehensive decisions. Therefore, promoting gender diversity on boards of directors is critical to the success and social responsibility of organizations. Academic qualifications play a crucial role on boards of directors. Some aspects of its importance can be listed, such as: expertise, strategic vision and informed decision-making. In summary, the presence of members with strong academic backgrounds strengthens the board's ability to run the company effectively and sustainably.

In this study, gender diversity on boards of directors is assessed by the gender quotas imposed by legislation and which has been accelerating the presence of women on boards. Relating this, to the academic qualifications of the members, trying to show whether there are differences between men and women in this aspect that can explain the lower presence of women on the boards of directors.

2. Theoretical Fundamentals

Corporate governance is worried with how power and control over resources and decision-making in a company are allocated among various actors through formal structures and processes. It can be defined as the rights and responsibilities of different stakeholders towards a company (Aguilera & Jackson 2003).

According to Adams *et all* (2010) the Board of Directors is an important corporate governance mechanism. It is responsible for approval major strategic and financial decisions. It also had the responsibility of monitors a company's management.

Around the world, men occupied most of the board director's position. However, in recent years, attention to this fact has heightened in many countries. Women's underrepresentation on boards is increasingly documented and publicized by consulting companies, women's networks and research institutions. Gender quotas define a proportion or number of positions to be filled by, or allocated to, women and to men. (IPOL, 2021)

Quotas gender have been introduced not only for corporate boards, but also for legislative assemblies and public bodies. The pertinence of this theme is called by a "gender quota revolution" in consequence of the requirement for women's presence in decision-making bodies (Lépinard and Rubio-Marín ,2018) In recent years, attention to the gender gap on boards has heightened, and an increasing number of Member States have introduced regulation intended to facilitate women's access to boards. In European Union nine Member States have introduced gender quotas for boards. In 18 Member States, Corporate Governance Codes have been amended to include recommendations for the representation of women on boards. (IPOL, 2021)

Legislation took effect in Portugal in January 2018 mandating that the supervisory boards of state-owned enterprises have 33.3 percent representation of women by 2020. Publicly traded companies were required to reach 20 percent representation by their first general meeting in 2018, increasing to 33.3 percent for the first general meeting held in 2020 (Deloitte & Alliance for Board Diversity, 2021).

The literature predominantly points to a positive relationship between the presence of managers and directors with an academic degree on the performance and financial policies of companies. This evidence is consistent with the arguments that academic education are important qualities for board directors to assume their monitoring and advisory responsibilities and for managers to manage their companies effectively and efficiently.

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Francis *et al.* (2015) shows a positive relationship between the company's performance and the presence of academics on its board. The authors conclude that academics are valuable advisers and effective monitors of the interests of shareholders. Huang *et al.* (2016) investigate the quality of financial reporting by companies with advisers from this field of study. The authors found that companies with accounting academics on their boards disclose higher quality financial information to the market. Swift (2018) assesses the positive impact of the presence of scientists with a PhD title on the innovation performance of companies. Shen *et al.* (2020) in a study with Chinese company's present evidence that academic experience at the highest-level promotes innovation. More specifically, companies whose top executives have some academic experience tend to invest more in R&D and have more registered patent applications.

3. Methodology, Sample and Variables

The methodology used reflects the bibliographic research, the analysis of corporate governance reports to obtain statistical data and their treatment was made through *EXCEL*. All data reports on 23/12/31. The **sample** was composed by all the PSI companies. PSI is the Portuguese Stock Exchange Index The Table below shows the sample composition.

Ta	bl	e 1	. 5	amp	le (Com	posi	tion

NAME	ISIN CODE
ALTRI SGPS	PTALT0AE0002
B.COM.PORTUGUÊS	PTBCP0AM0015
CORTICEIRA AMORIM	PTCOR0AE0006
CTT CORREIOS PORT	PTCTT0AM0001
EDP	PTEDP0AM0009
EDP RENOVAVEIS	ES0127797019
GALP ENERGIA	PTGAL 0AM 0009
GREENVOLT	PTGNV0AM0001
IBERSOL SGPS	PTIBS0AM0008
J.MARTINS SGPS	PTJMT0AE0001
MOTA ENGIL	PTMEN0AE0005
NOS SGPS	PTZON0AM0006
REN	PTREL 0AM 0008
SEMAPA	PTSEM0AM0004
SONAE	PTSON0AM0001
THE NAVIGATOR COM	PTPTI0AM0006

Source: Prepared by authors.

For the study of **gender diversity on boards of directors**, the following **variables** were considered:

Composition of the Board of Directors: translates how the boards of directors are structured in relation to the number of men and women they are part of;

Executive Members: highlights the number of members holding executive positions compared to non-executives and the weight of the number of women holding executive positions on the same boards;

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Chairman and CEO: shows the occupation of women in the positions of Chairman and CEO;

Independent Members: the aim is to verify gender diversity about female independent members compared to male independent members.

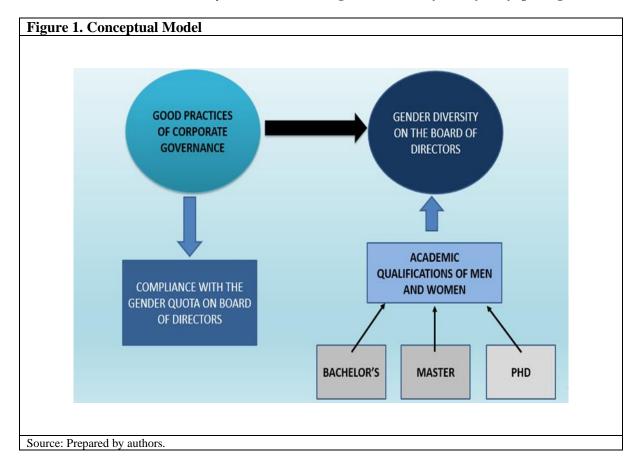
For the analysis of the **academic qualifications** of the members of the boards of directors, the following **variables** were analyzed: bachelor's degree, master's degree and PhD starting from the basis that are the academic qualifications that confer an academic degree. For other non-degree qualifications, the variable; Other Qualifications.

4. Conceptual Model

It is intended to this study make an overview:

First, carry out an analysis of the gender quotas of companies listed on the PSI.

Second, to verify the **academic qualifications** of the board members, assessed by the academic degrees: bachelor's, master's and PhD, and to understand if there are differences in these same qualifications between men and women that may be associated with **gender diversity (analyze by quote gender)**.



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5. Empirical Results

Regarding the **analysis of gender diversity on the Boards of Directors**, the following data were analyzed:

• Board Composition – Gender Composition

The table 2 shows that the 16 companies that compose the PSI have a total of 206 members, of which 137 are men and 69 are women.

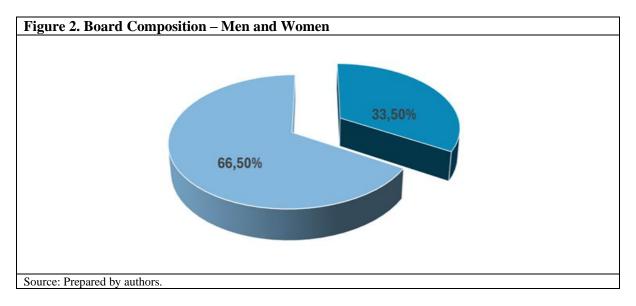
	# Board Members	# Women	# Men
ALTRI SGPS	15	5	10
B.COM.PORTUGUÊS	17	6	11
CORTICEIRA AMORIM	10	4	6
CTT CORREIOS PORT	11	4	7
EDP	21	6	15
EDP RENOVAVEIS	8	2	6
GALP ENERGIA	19	7	12
GREENVOLT	11	4	7
IBERSOL SGPS	5	2	3
J.MARTINS SGPS	11	4	7
MOTA ENGIL	16	4	12
NOS SGPS	15	5	10
REN	14	4	10
SEMAPA	8	3	5
SONAE	12	4	8
THE NAVIGATOR CON	13	5	8
TOTAL	206	69	137
	100%	33,50%	66,50%

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In percentual terms is possible to see that the Boards of Directors has 66,50% Men and 33,50% Women (figure 2)



Board Composition – Executive Members

About executive positions, the number of women is very low compared to men. Table 3 shows that in the 16 companies there are 64 executives, of which only 10 are women. Also, 7 for the 16 companies don't have's women in executive functions.

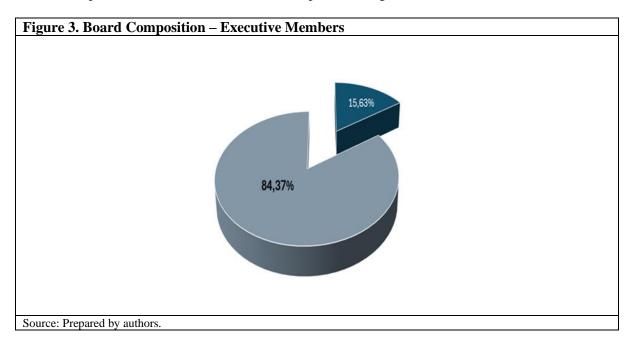
Cable 3. Board Composition – Executive Members						
ı	#					
		# Women	# Men			
ALTRI SGPS	6	1	5			
B.COM.PORTUGUÊS	6	1	5			
CORTICEIRA AMORIM	4	1	3			
CTT CORREIOS PORT	3	0	3			
EDP	5	2	3			
EDP RENOVAVEIS	2	0	2			
GALP ENERGIA	6	1	5			
GREENVOLT	1	0	1			
IBERSOL SGPS	2	0	2			
J.MARTINS SGPS	1	0	1			
MOTA ENGIL	5	0	5			
NOS SGPS	7	1	6			
REN	3	1	2			
SEMAPA	4	1	3			
SONAE	3	1	2			
THE NAVIGATOR CON	6	0	6			
TOTAL	64	10	54			
	100%	15,63%	84,37%			

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Compared to the percentage of men in the boards of directors, of 66.50% compared to 33.50% of women, in executive positions, it is possible to see that the percentage of women is still lower, with 15.63% compared to 84.37% of men in executive positions (figure 3).



Board Composition – Chairman and CEO

The analysis of the positions of Chairman of the Board of Directors and CEO shows that of the 16 Chairmen only 3 women are Chairmen and that there is only 1 woman CEO compared to the 15 male CEOs (Table 4).

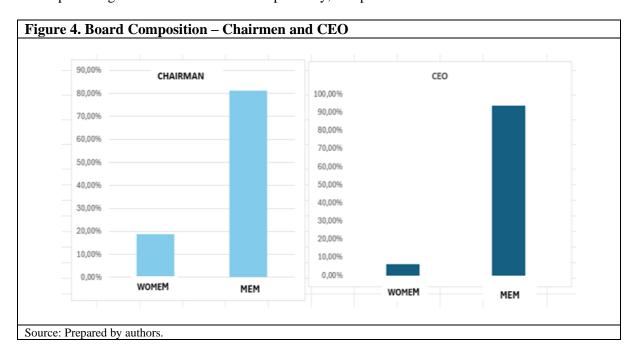
ble 4. Board Composition – Chairman a	ma CEC	<u> </u>	
	# V	Women	# Men
CHAIRMAN		3	13
%	10	18,75%	81,25%
CEO		1	15
%	6	6,25%	93,75%

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Figure 4 shows the huge discrepancy between men and women in Chairman and CEO positions. Women have a percentage of 18.75% and 6.25% respectively, compared to of 81.25% and 93.75% of men.



• Board Composition – Independent Members

The analysis of the number of independent members on the Boards of Directors shows that of the 64 independent members that integrate the 16 PSI companies, the majority are women. There were 42 women and 22 men. It should be noted that one company has no independent members (NOS SGPS) and that 2 (CTT and Navigator) only have women as independent members. (Table 5).

	# Independent Members	# Women	# Men
ALTRI SGPS	3	2	1
B.COM.PORTUGUÊS	5	3	2
CORTICEIRA AMORIN	3	2	1
CTT CORREIOS PORT	3	3	0
EDP	9	5	4
EDP RENOVAVEIS	3	2	1
GALP ENERGIA	6	4	2
GREENVOLT	4	3	1
IBERSOL SGPS	2	1	1
J.MARTINS SGPS	6	4	2
MOTA ENGIL	6	4	2
NOS SGPS	0	0	0
REN	3	2	1
SEMAPA	3	1	2
SONAE	5	3	2
THE NAVIGATOR COI	3	3	0
TOTAL	64	42	22
	100%	65,63%	34,37%

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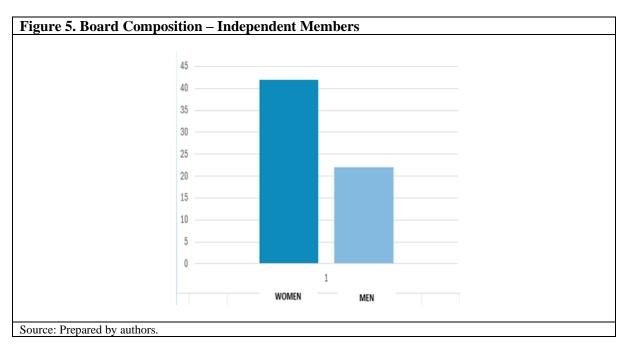
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There is a percentage of 65.63% of women as independent members compared to 34.37% of men independent members (Figure 5). The results obtained reverse those found in the composition of the boards of directors and in the members with executive positions.



Concerning the **analysis of academic qualification on the Boards of Directors**, the following data were analyzed:

,			
	TOTAL	# WOMEM	#MEN
Bachelor's Degree	132	42	90
Master Degree	37	10	27
PHD	25	11	14
Others courses without degree	12	6	6
Total	206	69	137
%	100%	33,50%	66,50%

In terms of **absolute numbers** (Table 6), it was possible to verify, in the 16 companies listed in the PSI, through the consultation of their CVs published in the Corporate Governance reports, the following distribution of academic qualifications by the 206 members of the boards of directors:

- Only 12 members (6 men and 6 women) do not hold an academic degree.
- The remaining 194 members hold an academic degree, although most of them have a bachelor's degree (132 members).

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In **relative terms** (Table 7), considering that the total number of women in the boards is lower than that of men, we can see that in relation to bachelor's and master's degrees, the percentage of men is higher than that of women, but in terms of PhD, women have a higher number than men.

Table 7. Academic Qualifications – Relative Terms				
	# WOMEM	#MEN		
1. Licenciate Degree	61,00%	65,50%		
2. Master Degree	14,50%	19,70%		
3. PHD	16,00%	10,30%		
4. Others courses without degree	8,50%	4,55%		
Total	100,00%	100,05%		
irce: Prepared by authors.				

6. Conclusions

Related to the filling of **gender quota** on the Boards of Directors and according to our study, the average, by the end of 2023 the EU's target quote of 33.33% of women on boards was reached. The average in the 16 companies listed on the PSI is 33.50%.

Individually, of the 16 companies listed on the PSI at the end of 2023, 13 had a quote equal or greater than 33.3% (2 had a 40% quote) and 3 of them the quote has not yet been reached (all of them belong to the electricity sector).

It was observed that board of directors of PSI has about 2/3 (66.5%) men and 1/3 women (33.5%), but regarding **independent members** the situation is reversed. Women are about 2/3 (65.6%) of the independent members and men about 1/3 (34.4%). In this way, the filling of gender quotas ends up meeting the recommendation of good Corporate Governance practice regarding the number of independent members who should be part of the boards of directors.

Most of senior positions are still held by men. According to the latest report published by the EU about Gender Equality, in 2021, although the numbers have at least doubled since 2012, women still hold only 8.5% of non-executive positions and 7.8% of those in executive positions in average terms.

In our study, at the end of 2023, PSI companies had 18.75% women in non-executive positions and only 6.25% in executive positions (still lower than the 2021 EU average).

It was also concluded that of the 16 PSI companies, in only 3 the Chairman is a woman and in only 1 the CEO is a woman, showing a long way to go.

In the last Census of the Portuguese population, in 2021, the percentage of women with an academic degree was higher than men. Historically, in the 1960s, the percentage of women graduates was low, and was even residual until the 1980s (entry into the EEC).

This fact may explain the lower number of women in the boards due to the necessary professional experience associated with academic qualifications to exercise these positions.

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An important conclusion of this study is the evidence of a **higher number of women with PhD compared to men**, which can be taken as a driving factor for future change.

In answer to the question. "Gender Diversity on Boards: Does Academic Qualifications Matters?", the study indicates that academic qualifications are not at the root of the differences between men and women on boards as no discrepancies were found to explain this.

We suggest for further studies to extend the review period to at least five years to provide an overview of the evolution of the filling of the gender quota on the Boards of Directors, concerning the analyses of the academic qualifications must include other non-degree training and also look at professional experience in addition to academic qualifications.

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BRIGIDA BRITO¹

SOCIO-ENVIRONMENTAL ACTIONS CONCERTED WITH THE 2030 AGENDA: COMPARATIVE ANALYSIS OF PORTUGUESE SPEAKING AFRICAN COUNTRIES

Abstract

The 2030 Agenda for Sustainable Development has been taken up by the governments of Portuguese-speaking African countries as a challenge to be met. Given the different contexts the challenge of sustainability has been differently understood, which shows the existence of different strategic and political models, forms of intervention and a wide range of actors. The aim of this communication is to present a comparative analysis of five Portuguese-speaking African countries - Angola, Cape Verde, Guinea-Bissau, Mozambique and São Tomé and Príncipe - with reference to three of these Goals: the 13th, Climate action, the 14th, Protect marine life, and the 15th, Protect terrestrial life. The mid-term review has shown that it is difficult to fully realise these Goals, and that there is a particular focus on certain areas of action depending on the cases. A number of factors have conditioned the positive evolution of these three SDGs in these five countries: geographical and environmental particularities; extreme climatic events and socio-environmental impacts; ancestral socio-cultural characteristics that condition the preservation and the conservation; diversity of political strategies. The methodology focuses on a comparative analysis, based on a survey of previously defined indicators, such socio-environmental, the actors namely national governments, local communities, the civil society organisations and the International Organisations.

Keywords: Sustainable development goals, public policies, achievments, environment, ancestral cultures, indicators

JEL Codes: F60, F64

Brito, B. (2024). Socio-Environmental Actions Concerted with the 2030 Agenda: Comparative Analysis of Portuguese Speaking African Countries. In Conference Proceedings: Full Paper Series of MIRDEC 22nd - Lisbon 2024 International Academic Conference on Economics, Business and Contemporary Discussions in Social Science, pp. (89-100). 15-16 May 2024. Lisbon, Portugal. https://www.mirdec.com/lisbon2024proceedings.

Introduction

The topic under analysis *Socio-environmental actions in concert with the 2030 Agenda* is vast given the complexity that characterises the achievement of the Sustainable Development Goals (SDGs) ratified at the New York Summit and adopted by the United Nations General Assembly in 2015 (Mustajoki et al, 2022; Ogara et al, 2023). The complexity is clearly increasing in poor and externally dependent contexts, as is the case with most African countries. Africa is a continent defined, among other factors, by the ancestral precariousness of the life models of local populations, which result in dependence on ecosystems, natural resources of fauna, flora and aggregates, but also by inefficiency in the management of public affairs.

In the study that led to this paper, of the seventeen SDGs, the three oriented towards socio-environmental relations were favoured, specifically SDG 13 on Climate Action, SDG 14 on Life below Water and SDG 13 on Life on Land. The paper presents a comparative analysis between the five Portuguese-speaking

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African countries (PALOP) based on the evolution of these three environmental SDGs, highlighting some of the improvements achieved, but also the most critical sectors.

The analysis is framed by the research project underway at OBSERVARE entitled *Responses to Climate Change* and seeks to answer the following two questions that frame the entire study:

- a) Is there a tendency for the realisation of the environmental SDGs to differ according to whether they are island or continental territories?
- b) Which environmental SDG shows interim results that are more in line with the agreed targets?

The aim of the study was to make a critical contribution to the (in)ability of some states to fulfil the socio-environmental commitments made at the Sustainability Summits organised by the United Nations.

The methodology followed during the study was predominantly comparative. On the one hand, the analysis was based on the author's in-depth prior knowledge of the countries presented - Angola, Cape Verde, Guinea-Bissau, Mozambique and São Tomé and Príncipe, as well as the projects underway in the three thematic areas, which made it possible to define exploratory assumptions from the outset. On the other hand, because the analysis is centred on a comparative reading between the five PALOP countries, it makes it possible to answer the questions posed.

In order to carry out the study, bibliographic research and analysis techniques were followed, with the selection of scientific articles from databases, including Scopus and Web of Science, but also documentary elements, favouring United Nations sources. In this way, indicators were identified, mostly selected from United Nations databases within the framework of the SDGs and which guarantee the credibility of the information analysed.

1. A Brief Overview of the 2030 Agenda

The issue of sustainable development is not new, having been formally presented and defined in the *Our Common Future* Report, produced in 1987 by the *World Commission on Environment and Development*, under the coordination of Commissioner Gro Harlem Brundtland. At the time, the possibility of establishing a new socio-environmental relationship was being considered, complementing the economistic and ecological approaches and following on from the concept of eco-development that had previously been created. Karl William Kapp (1977) had defined the concept of ecological economics, Ignacy Sachs (1981) and Maurice Strong² made eco-development viable and Ernst Schumacher (1973) reinforced technological reinvention from the dimension of *Small is beautiful*³, advocating a characteristically intermediate and appropriate introduction of machines in less developed countries. The concern with economic growth, equating it with one of the pillars of promoting change, is present in each of the concepts mentioned. It should be emphasised that even if economic growth is valued, the reduction of the resulting environmental costs must be the priority.

Sustainable development has been defined as the process in which "Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development, 1987, 3:27). Following the dual orientation of intergenerational solidarity on the one hand and interdimensionality on the other, Lafferty and Langhelle (1999, p. 13) state that "Development is only sustainable when it takes into account both human needs and long-term ecological sustainability". With this in mind, the three main dimensions of sustainability can be identified: environmental, social

² Maurice Strong was the mastermind of the United Nations Conference on the Human Environment (1972), commonly referred to as the Stockholm Conference.

³ Schumacher, E. F. (1973). Small is beuatiful. A study of economics as if people mattered. Harper & Row.

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and economic. For the approaches that defend sustainability, the integration between the different dimensions that make it up is consensual. However, it is important not to favour one over the others.

The implementation of the SDGs has promoted critical reflection that favours conscious and responsible intervention through the involvement of all stakeholders, whether public, private, civil society, national or international. The first Voluntary Report on the Sustainable Development Goals (UN, 2023) reads: "The SDGs are global and all have targets directly linked to the responsibilities of local and regional governments, particularly those concerning the provision of basic services. This is why local and regional governments must be at the centre of the 2030 Agenda." Bearing in mind the philosophy underpinning the motto of the SDGs since the agreement made by the different states - *Leave no-one behind* - the choice of the inclusive methodology is easy to understand. It is in this context that the involvement of all actors, whether funders, executors or beneficiaries of the actions, fits in. Everyone is given a share of responsibility and protagonism in building sustainable, integrated and lasting change.

Although the concept of sustainable development has evolved since its initial formalisation with the Brundtland Report (WCED, 1987), for the majority of states, particularly in Africa, it has remained a challenge due to the difficulty of achieving it globally. The Sustainable Development Goals (SDGs) were discussed, created and agreed upon in the context of the difficulty of implementation and uncertainty about the outcome.

The SDGs - also defined as Agenda 2030 - resulted from the evolution of the predecessor Millennium Development Goals (MDGs). These were active between 2000 and 2015 and, admittedly, the targets were not achieved by the countries that had made the commitment to change in eight main areas of life⁴, including ensuring environmental sustainability (MDG 7). Sustainability framed by eight major thematic areas, albeit sectoral, gave continuity to the efforts made within the framework of the United Nations Development Programme (UNDP). The methodological and framing assumptions that underpinned this broad, international initiative to achieve sustainability were values that were more than accepted in the work of the United Nations Agencies, in particular the development agency (UNDP) and the environment agency, the United Nations Environment Programme (UNEP): freedom; equality; solidarity; tolerance; common responsibility; and not least respect for nature.

The development process thus envisaged the multi- and inter-dimensionality of change, reconciling efforts from a holistic perspective and, to a large extent, fostered by international cooperation which, however, over time, in most cases proved to be complex and difficult to realise. Although the global effort of all those involved is recognised, materialised in the establishment of partnerships and the creation of networks, the results achieved were marked by inequality and above all by the inability of the weakest states to promote significant changes in any of the eight MDGs. The mid-term evaluation made it possible to foresee the need for an extension, with a possible reformulation of the Goals, even though the guiding value assumptions of what is meant by development and sustainability remained present and current. Thus was born the project for the new Development Goals which, more than for the new millennium, are intended to be sustainable because they are also durable.

The new project was outlined as a continuing challenge based on previous experiences and with the aim of achieving sustainable development during the period between 2015 and 2030. The discussion around what would become the SDGs was embodied in the principles agreed in Resolution A/RES/66/288, under the slogan "The Future We Want" and which resulted from the United Nations Conference on Sustainable Development, commonly known as Rio+20 (2012). The United Nations General Assembly

⁴ The eight MDGs were (1) Eradicate extreme poverty and hunger; (2) Achieve universal primary education; (3) Promote gender equality and empower women; (4) Reduce child mortality; (5) Improve maternal health; (6) Combat HIV/AIDS, malaria and other diseases; (7) Ensure environmental sustainability; (8) Establish a global partnership for development.

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endorsed the principles already discussed through Resolution 70/1 on the theme "Transforming our world: the 2030 Agenda for Sustainable Development".

From the outset, this initiative proved to be ambitious, although apparently more achievable than the MDGs. The initial eight Goals were broken down into seventeen major thematic areas⁵ broken down into 169 targets (Ogara et al, 2023; Mustajoki et al, 2022). In addition to the guiding values, which are common to the MDGs, the SDGs focus on the 5Ps: people; prosperity; peace; partnerships; and the planet (Ashraf, 2023, p. 824). People because they are at the centre of the development process, closely linked to the assumptions of the concept of sustainable human development advocated by the UNDP: the process of change centred on people. Prosperity, which involves economic development, growth, increasing opportunities and harnessing potential. Peace, because without balance and harmony there are no conditions for promoting change. Partnerships that bring together and aggregate efforts, valuing everyone's differences, experiences, successes and challenges. The planet that fits in with the other Ps, whether because of the diversity of ecosystems and life forms or the wealth of resources.

2. Lusophone Africa: Some Elements of Characterisation

Worldwide, the African continent is the third largest in terms of territory, covering 30 million kilometres², corresponding to more than 20% of the world's total land area (Pacheco, 2013, p. 6). Thirty-two sub-Saharan African countries are part of the group of Least Developed Countries, the LDCs (UN, 2021), and in 2020 the total population totalled 1.2 billion people, with projections of continued growth until 2050, which is estimated to double the figure.

The five Portuguese-speaking African countries - the Republic of Angola (Angola), the Republic of Cape Verde (Cape Verde), the Republic of Guinea-Bissau (Guinea-Bissau), the Republic of Mozambique (Mozambique) and the Democratic Republic of São Tomé and Príncipe (São Tomé and Príncipe) have a combined population of over 70 million (see Table 1).

Table 1. PALOP Characteris	sation	Indicators
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Country	Territory Km ²	Population	SDG Index Rank	SDG Index Score	GDP 2021 USD	GDP per capita 2021 USD
Angola	1.246.700	35.049.572	155/160	50,8	\$ 224 billion	\$ 6.491
Cape Verde	4,003	590.503	89/160	68,8	\$ 3.9 billion	\$ 6.717
Guinea-Bissau	36.125	2.083.089	NA/160	NA	\$ 4.1 billion	\$ 2.012
Mozambique	801.590	32.518.418	149/160	52,7	\$ 43.2 billion	\$ 1.348
São Tomé and Príncipe	1.001	225.155	119/160	62,7	\$ 993 million	\$ 4.452

Source: Adapted from Sachs, 2023.

Despite the differences in the demographic profile, in the five countries considered the pattern coincides, since regardless of the case it is a young population in which the 0-15 age group is prevalent, with a low

⁵ The seventeen SDGs are (1) No poverty; (2) Zero hunger; (3) Good health and well-being; (4) Quality education; (5) Gender equality; (6) Clear water and sanitation; (7) Affordable and clean energy; (8) Decent work and economic growth; (9) Industry, innovation and infrastructure; (10) Reduced inequalities; (11) Sustainable cities and communities; (12) Responsible consumption and production; (13) Climate action; (14) Life below water; (15) Life on land; (16) Peace, justice and strong institutions; (17) Partnerships for the goals.

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average life expectancy at birth aggravated by high mortality rates, including infant mortality (UN DESA, 2022).

From a socio-cultural point of view, these countries are defined as mosaics of peoples and cultures (Moreira and Ribeiro, 2013; Martins, 2008), as is the case throughout the continent. The diversity of ethnic groups⁶ often becomes predominant to the detriment of a national identity. These cultural patterns interfere with everyday patterns of life, particularly with regard to the relationship established with nature, the use made of it, production and consumption. Ancestral cultural practices marked by tradition and custom, with a strong religious influence, especially when there is a strong animist presence, influence choices and decision-making.

The per capita income pattern shows socio-economic weaknesses (see Table 1), which are reflected in the low incomes recorded in 2021. Although the population of these countries falls within the context of poverty, with reference to the indicative values of the United Nations, on average the total population cannot be considered to be living in extreme poverty, since it is not aligned with the reference standard of \$ 1.90 USD.

The mosaic attribute goes far beyond the human, social and cultural dimensions. The multiplicity of ecosystems with varying landscapes and abundant biodiversity of flora and fauna is at the centre of the environmental richness of these countries. This situation is referenced in forest, river, mangrove, coastal and marine environments, including the identification of endemics. And it is precisely in nature that these populations find means of subsistence and raise natural resources to acquire income through the sale of surpluses and possible artisanal processing. Activities such as recollection, predominantly artisanal fishing, hunting, family farming and pastoralism stand out.

Nature is so important that all PALOP countries have natural protected areas, some of which are very important in terms of their proportionality and their diversity of biological life and endemism. In São Tomé and Príncipe, protected areas with the classification of Natural Park represent more than 30 per cent of the national territory, and it is worth noting that the entire island of Príncipe has been classified as a Biosphere Reserve by Unesco with special protection status. In Guinea-Bissau, there are nine Nature Parks, three Ecological Corridors and the Bolama-Bijagós Biosphere Reserve. In Cape Verde there is a distinction between Integral Reserves, Nature Reserves, Nature Parks, Natural Monuments, Protected Landscapes and Ramsar Wetlands. In Angola there are Natural Parks and Protected Areas. In Mozambique, a distinction is made between National Parks and Nature Reserves.

All of the countries analysed have a physical territory influenced by the sea, with Angola, Cape Verde, Guinea-Bissau and São Tomé and Príncipe converging with the Atlantic Ocean, referring to the South Atlantic, while Mozambique is influenced by the Indian Ocean. The diversity of ecosystems present in these territories is related to their geographical and climatic location close to the equator, which on average, with the exception of Cape Verde, gives them humidity levels complemented by high temperatures. These territories are rich in endemic terrestrial, riverine, mangrove and marine flora and fauna.

⁻

⁶ In Angola there are three main ethnic groups, Ovimbundo, Ambundu and Bakongo; in Cape Verde, although they are not considered an ethnic group, the population is Creole and mixed; in Guinea-Bissau there are more than 30 different ethnic groups, although it is possible to identify the prevalent ones, such as the Balanta, the Fula, the Manjaco, the Mandinga, the Papel and the Bijagó; in Mozambique the Makonde, the Makhuwa, the Nyanja, the Tsonga, the Chope, the Shona; in São Tomé and Príncipe, although there are no clearly defined ethnic groups, there are groups by origin and/or residence, the Angolares, the Cape Verdean-based Creoles and the Moncó from the island of Príncipe.

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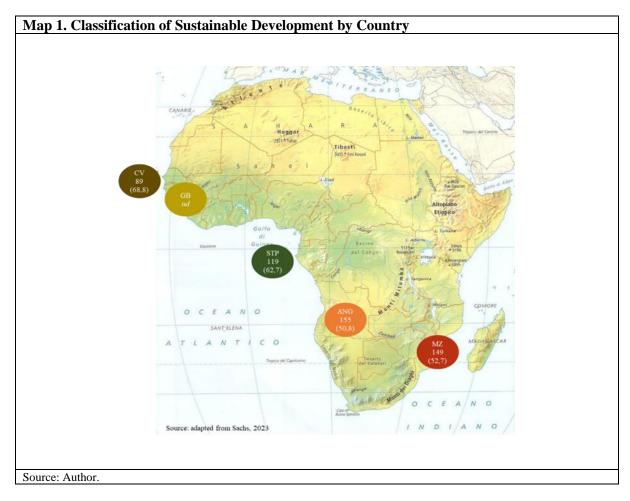
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3. Persistent Challenges of the Environmental SDGs in Lusophone Africa

The issue of sustainable development has been discussed for almost four decades without having established a perfect strategic and implementation model that guarantees the desired results. The context of sub-Saharan Africa is defined by ancestry, but also by uncertainty.



When we look at the PALOP, five young nation states that have suffered the effects of a long process of Portuguese colonisation, the uncertainty seems to be more evident. The island PALOP countries - in descending order Cape Verde and São Tomé and Príncipe - show a better performance in achieving sustainability than the mainland countries - Mozambique and Angola - while in the case of Guinea-Bissau, the fragility of the available data does not allow for a consistent assessment of all the indicators (see Map 1).

Given the importance of ecosystems and natural resources for the development of the PALOP, the three environmental SDGs were prioritised in the analysis, namely Climate Action (SDG 13), Marine Life (SDG 14) and Terrestrial Life (SDG 15).

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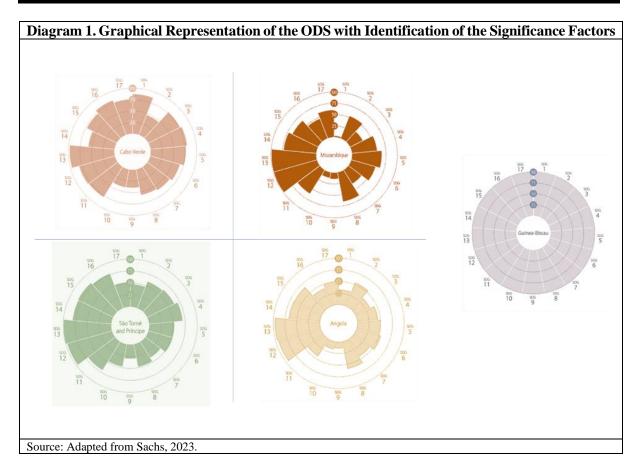
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The graphical representation shown in Diagram 1 makes it clear that, with the exception of Guinea-Bissau, which does not have any global evolutionary data since the implementation of the SDGs, the Goal that has received the most attention is Climate Action. Given the international recognition of the anthropogenic causes of climate change and the human influence on the multiplication of extreme climatic events, the five countries have made efforts towards both mitigation and adaptation.

In the Portuguese-speaking African island countries - Cape Verde and São Tomé and Príncipe - the adoption of strategic action programmes to combat climate change seems obvious. Island states in themselves tend to be sensitive to climate issues due to the geographical and morphological situation that characterises these territories (Baritto, 2008). The fact that they are Small Island Developing States emphasises the risk factors when faced with the emergence of high-impact extreme climatic phenomena, namely the situation of insularity and dependence on the sea, whether for subsistence or to acquire sources of income, but also for the sake of maintaining the territory. It should be noted that São Tomé and Príncipe has already lost 4% of its original territory - from 1,001 Km² to 960 Km² (The World Bank, 2023).

Climate action has become the most real concern of these PALOP islands, where public institutions and state representatives have taken on commitments at international summits, adopting action measures tailored to their respective realities. The pursuit of institutional measures with the involvement of other stakeholders, particularly civil society, is an example of the effort to combat deforestation or desertification, the protection of beaches with the monitoring of aggregate extraction in an attempt to control erosion, the conservation of endangered species and the valorisation of endemism.

Countries with continental territory, albeit mixed because they have small islets, some of which are uninhabited, are also concerned about climate regulation. These are larger countries (see Table 1) with

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a greater diversity of ecosystems, even though they all converge with the oceans and suffer from the pressure of a possible rise in sea levels. All these countries - Angola, Guinea-Bissau and Mozambique - have major river basins which, when extreme weather and climate occur, are faced with floods and inundations with a socio-economic impact, loss of agricultural production, damage to property and population loss. However, they are also countries sensitive to climatic variations, such as prolonged periods of drought in territories marked by aridity.

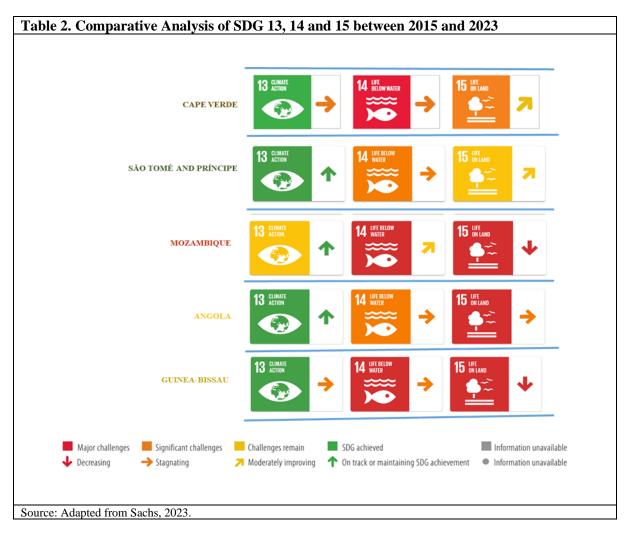


Table 2 shows the interim results between 2015 and 2023. In general, with regard to SDG 13, the interim results are auspicious and demonstrate the involvement of different actors, planning and implementation of concerted actions that are appropriate to the objectives and commitments made. However, there are some particularities that can be highlighted:

- 1. São Tomé and Príncipe and Angola have implemented measures to adapt to and mitigate climate change, achieving their commitments and are in the process of maintaining and consolidating them.
- 2. Mozambique has achieved the agreed commitments, even though it continues to suffer the impacts of regular and intense extreme weather events that cannot be controlled, which means that the challenges still remain.
- 3. Cape Verde and Guinea-Bissau have realised the targets, but the mid-term review indicates stagnation in the implementation of the measures and their results.

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With regard to the SDGs aimed at preserving different ecosystems and conserving biodiversity, including species threatened with extinction or marked by endemism, the situation differs substantially from what was highlighted for Climate Action. In this case, none of the countries have adopted Strategic Plans or implemented concerted and consistent action programmes so that the maintenance of ecosystems or the conservation of species is an effective reality.

The country where global actions to enhance marine and terrestrial life appear to be most consistent is São Tomé and Príncipe, with a clear commitment to protecting the status of the Príncipe Island Biosphere Reserve, but with moderate improvements in the terrestrial environment (SDG 15). As far as marine life is concerned, the challenges persist and are considered significant, which makes it possible to understand that conservation actions tend to be sectoral or resort to intervention by type of actor without a common, global strategy (Brito, 2021).

As far as the other countries are concerned, it is worth highlighting the persistence of major challenges which, until 2023, had not seen consistent interventions or had even resulted in stagnation, requiring urgent action. These are the cases of Cape Verde and Guinea-Bissau with regard to SDG 14 and SDG 15 on marine life, for example with regard to the targets for the average protected area important for biodiversity, both marine and terrestrial. A similar situation occurs in Angola with regard to SDG 15 on terrestrial life, and it is also important to note the decrease in action on cleaning up ocean waters (SDG 14). The most critical and challenging situations are those that have seen a decrease in action, showing disinvestment and lack of concern. These are the cases of Mozambique and Guinea-Bissau with regard to SDG 15 on terrestrial life and freshwater ecosystems. In the case of Mozambique, there has been a decrease in intervention in the protection and conservation of species identified as threatened and described on the International Union for Conservation of Nature (IUCN) Red List.

Analysing table 2 also shows that between 2015 and 2023 the improvements achieved in the pursuit of the SDGs in the Lusophone African countries were recorded on an ad hoc basis, in some cases intermittently and by area of intervention, and were neither general nor systematic. In any of the environmental SDGs considered in the analysis - SDG 13, SDG 14 and SDG 15 - and for the countries considered, there is no evidence of consolidation, and the challenges regarding the need for urgent environmental and socio-environmental valorisation by the PALOPs persist.

Conclusion

The complexity of the SDGs, although centred on the environment, and the scope of the actions, particularly in the African context, make it clear that there are limits and difficulties in taking on the commitments made at international level.

Trying to answer the questions initially posed:

a) Is there a tendency for the realisation of the environmental SDGs to differ according to whether they are island or continental territories?

The answer is not simple and requires a double consideration. From a global point of view, it can be assumed that in lusophone African island territories there is a tendency to create concerted actions in order to preserve spaces and protect species. This assumption is not so evident in continental or mixed-territory PALOP. In general terms, the two island PALOPs are the best classified in terms of sustainability. The preliminary assessment indicates that, overall and in 2023, the best performing Portuguese-speaking African country is Cape Verde, followed by São Tomé and Príncipe. However, a sectoral approach by SDG raises uncertainty regarding the consistency of actions, given that the differences in action result depending on the SDG considered, with Climate Action being clearly more

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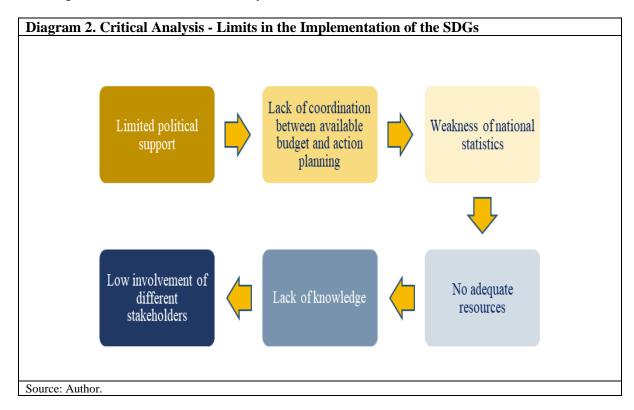
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valued to the detriment of SDGs geared towards maintaining ecosystems and conserving biodiversity. Thus, regardless of the country and SDG - even though Climate Action shows more consistent results over the period considered - the challenges tend to persist and from 2023 to 2030 a planned and targeted intervention is required in line with the agreed goals and objectives.

b) Which environmental SDG shows interim results that are more in line with the agreed targets? The answer to this question seems clear from all the analysis carried out above. The three SDGs that are directly related to the environment were prioritised: Climate Action, Marine Life and Life on Land. Of the three, it is clear that the environmental SDG with the most consistent results, although not fully consolidated, is the one relating to Climate Action (SDG 13). All the PALOP countries show a significant commitment to adaptation and mitigation. However, Mozambique remains in the limbo of the challenges that persist, and this case is confronted with the margin of uncertainty due to the geographical context in which it is referenced, being regularly buffeted by the violence of extreme weather events, which are increasingly frequent and intense in the impacts they generate.

So, on the one hand, in the mid-term review, at a global level, it can be said that in the PALOP the Sustainable Development Goal with the best results is climate action. On the other hand, the indicators relating to the preservation of ecosystems and the conservation of species still show weaknesses and are not being met, and there is a risk that they will not be achieved.



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There are several interdependent limits to the implementation of the SDGs (see Diagram 2) that can be systematised in a simple way:

- 1. The possible fragility of the dominant political system in some states, conditioning strategic options and decisions, even if they are taken at summits, declarations and protocols, relegating environmental issues to the last priority.
- 2. The lack of coordination between the planning of actions and the available budget, which leads to errors in decision-making and subsequent implementation.
- 3. The lack of an effective statistical system, or when there is one, it proves to be ineffective due to lack of knowledge or incapacity due to a lack of technical means to better characterise the context and identify needs.
- 4. The lack of adequate resources, be they financial, human, material, technical or legal, to enable the implementation of actions and the consequent monitoring and control.
- 5. The lack of capacity building and specific training in key areas of sustainability.
- 6. The weak involvement of all stakeholders, considered in a generalised way and even if it is evident in one country or another, in one or another area of action of the SDGs.

As a result of a certain laxity - or procrastination - on the part of decision-makers and interveners, a plan for the African continent that is broader than the SDGs has been agreed. This new extended action plan is scheduled to last until 2063, is precisely called Agenda 2063 and is guided by the motto "The Africa we want", redefining principles of self-determination in relation to the global context.

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HUDA ALHAJJAJ¹

THE IMPACT OF SOCIAL WORKERS ON SCHOOL AGE CHILDREN

Abstract

Education has played a major role in the attempt to solve social problems in our society. Social workers have made a significant contribution to developing education systems and student behavior.

While school social workers exist in many countries across the globe, many countries such as Jordan remain without school social workers. The primary aim of this qualitative study is to explore the impact of social workers on school-age children. A secondary purpose is to explore the social and behavioral challenges that face students as identified by parents. Lastly, this study explores the factors and systems contributing to student challenges and the lack of school social workers in Jordan.

This qualitative study utilized a case study design to explore the need for school social workers in Jordan. Data were collected using a semi-structured discussion guide with a purposive sample of (17) parents in Jordan. Data was tape-recorded and transcribed. Open coding was utilized with NVivo software. Thematic analysis was conducted to derive three key themes: (1) the role of the school social worker, (2) challenges and barriers for school social workers, and (3) student problems in schools. The findings of this study indicate that there is an impact for school social workers to address numerous challenges among students in Jordanian schools. Moreover, findings suggest several key socioeconomic challenges in developing school social workers in Jordan. The finding of this study demonstrated to be significant to the field of social work and to the school system in Jordan.

Keywords: Social Workers, School Age Children, Education, and Students' Challenges

JEL Codes: I20, I21, I29

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Introduction

According to the National Association of Social Workers (NASW), school social workers serve a critical role in the educational system tackling the social, emotional, behavioral, and mental health needs of students. Their services improve academic and behavioral outcomes, promote a positive school climate, and provide effective and vital student support services by maximizing school-based and community resources (NASW, 2013). Furthermore, the Minnesota School Social Workers Association (MSSWA) and the Minnesota Department of Education (2007) pointed out that school social workers build partnerships between families and the school to develop a shared approach that will promote the individual student's learning. They provide services to all students related to student's social and emotional adjustment to school, family, community, and society. Social workers are the link between the home, school, and community, providing direct and indirect services to students, families, and school personnel to promote and support students' academic and social success (MSSWA & Minnesota Department of Education, 2007). Social work links clients with services, resources, and opportunities

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that might provide them with the help they need. These connections contribute to problem-solving for clients (Walker, 2005).

Social work has played a significant role in addressing social problems, such as family problems, crime, unemployment, poverty, and refugees. Schools, as an accessible environment for social workers, are highly likely to inform social work of community needs (Yamano, 2011). According to Al Gharaibeh (2012), social work aims to develop communities in order to solve the problems that are beyond the ability of individuals who suffer (Al Gharaibeh, 2012).

This study explored the need for social workers in schools in Jordan from the perspective of parents. Another purpose of this study was to explore the psychosocial and behavioral challenges among students in Jordan. This study explored the factors and systems contributing to student challenges and the lack of school social workers in Jordan.

Data Collection

A semi-structured interview was developed by the researcher. Subjects were interviewed using a semi-structured process. The interview questions were developed using the research questions as a framework, and they were open-ended. Responses for this study were recorded using field notes and an audio recording device, which were transcribed verbatim.

Background

The Hashemite Kingdom of Jordan has a competitive human resource system of a quality that provides all people with lifelong learning experiences relevant to their current and future needs to respond to and stimulate sustained economic development through an educated population and a skilled workforce (Managing Directorate of General Education and Students' Affairs Division of Non-Formal Education, 2007).

Institutions in Jordan are divided into two types. Government institutions adopt a needs-based approach and are trying to move towards a right-based approach by improving the practice of social, economic, and cultural rights. The second type of institution is the non-government institutions, which make up civil society in Jordan, such as the political parties, professional guilds, and student unions (Al Gharaibeh, 2012).

School social workers need to participate in research that emphasizes their specialized knowledge, crucial skills, and ability to intervene in various ways and at many levels within a school district to help students succeed in school and graduate (Alvarez et al., 2013).

Jordanian students face unique social and cultural challenges, such as child labor and early marriage (International Labor Organization, 2009; The Phenix Center for Economics and Informatics Studies, 2012). School social workers should maintain a close working relationship by keeping the principal informed in all matters relating to school social work services within the school. The school social worker interprets professional practice to the principal and faculty (Lakshmi, 2014). Social workers should have more opportunities for continuing education on early childhood issues.

Methodology

This study is an exploratory qualitative approach using a case study design. Qualitative research was selected to gain a better understanding of the context and environment of the data and to explore the meaning of social work in general and school social work specifically. This approach helps in providing

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the means for a deep understanding of the reason for the lack of school social workers in Jordan from the perspective of the study sample, using their experiences in their real lives.

The research questions shaping this study are:

- RQ1- Is there an impact of school social workers on the students?
- RQ2- What is the role of school social workers?
- RQ3- What are the students' challenges that require school social workers?

Population and Sampling

Population. The research population for this study is the Hashemite Kingdom of Jordan, the capital of Jordan – Amman and Al-Salt.

Sample. The purposive sample for this study included parents (n = 17), aged (25 - 58). They were informed about the research study at the beginning of the discussion by introducing the purpose of the study. The purpose of this exact sample is to be suitable for the research questions since the target of this study is to know the needs of school social workers and the challenges that face students from the perspective of parents.

Study Themes

Three main themes were developed: the roles of school social workers, common problems that require school social workers, and the barriers that challenge and limit the involvement of social workers in the school. Some subthemes were developed under each main theme. These themes and subthemes were developed by parents who were part of the study.

Main Theme: The roles of school social workers. The first main theme from the research of the parents' perspective is the role of school social workers. Subtheme under this theme include intervention, psychological adjustment, focusing on the student's problem, social worker contacting the student's parents in need, social worker links the teacher with the community, social worker is supposed to organize more activities for the students such as field trips, and cooperating with all members in schools besides the home visit. Gerdes and Stromwall (2009) indicated that school social workers can give teachers a new tool, a conative assessment that will help teachers uncover previously hidden student strengths in problem-solving.

Subtheme: Intervention. Participants pointed out that the social worker in school has a role in the intervention in some student issues like confusion, hyperactivity in the class, family issues, and every problem which could affect the academic life.

Social workers must always look for creative solutions that help students. They must be able to work at the individual level and in small and large groups with students and staff, create programs and interventions that serve diverse populations, craft policies that make sense for the institution and those it serves, and manage budgets, work streams, and reporting (Bent-Goodley, 2014). The role of social worker is solving students' problem, such as student dropout or if there is a student late of school, in this case social worker could make case study and have individual intervention, call this student, and have a conversation to find out the reason for this then social worker could contact the parents to deal with this.

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Subtheme: Psychological adjustment. Parent participants indicated that the school social worker has different roles based on the different issues related to the students. Those issues and problems could affect their thinking and concentration on the teacher's homework. The social worker is supposed to deal with all these problems. There is an increasing need to address substance use among young Jordanians to forestall future problems with hard drugs. Very little is known about the knowledge, attitudes, and beliefs regarding substance use among Jordanian adolescents (Haddad, Shotar, Umlauf, & Al-Zyoud, 2010).

The social worker has multiple roles since the problems are different in the school. The noticeable problem is that student come to school under stress and uncomfortable because of the problems in their home. According to the academic achievement issue, the social worker needs to make psychological adjustments for the student, because when the student is nervous or worried this will affect his/her achievement negatively.

Subtheme: Focusing on the students' problems. Participants pointed out that the social worker has the ability to understand students' problems and find the reason and the best solutions more than the parents. They mentioned that when their children face problems in the school, the first person they would think to contact is the social worker. The social worker is closer than the parents and has more knowledge to deal with this issue.

I believe the social worker in his/her knowledge, education, and experience can treat with the student issues even better than parents. My teenage son does not tell me everything about himself but he could talk confidently to the social worker and accept the social worker opinion.

Subtheme: Social workers contact the student's parents in need. Participants suggested that the school social worker is responsible to call and invite the parents for meetings. Many cases need family intervention, and social workers are supposed to contact the parents to discuss issues related to their children. In some cases, it is best for students and parents to have a home visit which is done by the school social worker. The social worker can organize meetings with the parents to discuss their children's problems and interests.

Social workers could deal with the family's parents, and solve problems between the student and his/her parents. For example, child labor and poverty push some children to work then this will lead to low academic achievement. Usually, parents blame the school for their children's low academic achievement, here social worker is supposed to intervene with the parents, for example, linking the family with social services to offer them the amount of money that lets them not force their child to work and focus more on his study. Greenberg (2014) describes opportunities for school social workers to become both advocates for children and families and leaders in developing and maintaining these services. Greenberg indicated that social workers are well prepared to use not only direct practice skills, but also those related to administration, research, and policy.

Subtheme: The social worker links the teacher with the community. Parents suggested that the school social worker could link the teachers with the organizations in the community to have training and workshops in some areas. This will improve the teacher's ability and knowledge, which reflects their teaching and performance. One parent suggested, "Social worker could link the teacher with the community, also create activities in the school. Counselor could make learning plan to improve academic achievement ". Zhijun, Zeyun, and Baicai (2016) indicated that good teachers and good schools increase the scores of children whose fathers have low education levels and come from families with low incomes.

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Subtheme: The social worker is supposed to organize more activities for the students such as field trips. Participants suggested that the school social worker could organize some activities for students, especially males, such as taking them to sports games since males love football. Those activities help students to act friendly and to take a break from the pressure that is happening because of studying.

Social workers could organize activities that attract the students and let them love the school, organize entertainment activities, because it is just about learning and studying the students will feel bored and hate coming to the school, then getting in troubles.

Subtheme: Cooperate with all members in schools besides the home visit. Participants pointed out that the school social worker works with all members in the school. Also the social worker is supposed to have their own office and give sessions during certain times through the school week. Participants assured the importance of the awareness of sessions and home visits that were done by the school social worker.

Social worker supposed to be member in school has at least 3 classes a week. School administration put in the student schedule the social worker class exactly like math or science class. Also with the parents, social worker has to have home visit and counselor sessions for them, including awareness about the children problems and changes and how those parents supposed to deal with those problems.

Main Theme: Common problems that require school social workers. The second main theme for this group is Common problems that require school social workers. Participants presented multiple school problems they as parents are suffering from. Those problems including dropouts, low academic achievement, issues in the class such as teacher's behavior against the students, school budget and facilitators, bullying, drug use and smoking, and emotional issues which required a professional to deal with and reduce.

Subtheme: Dropouts. Dropping out is the common problem that all groups in this study agreed existed and needs to be solved or at least decreased in the schools. Parents pointed out that the most important problem is dropping out of school and students escaping schools.

Most of the student does not like school, this guide us that there is something wrong in the school, could be related to the teacher or administration. Why when school start we feel how our children bothering. Because they do not like school, they do not feel it is comfortable. The teacher has to have a good manner when dealing with the children and has the ability to work with the student positively, our schools will improve as a result. I am mother and I feel sad when I see the student walk to the school, they just want get good grades, some of them dropout. If the administration wise, then all members in the school will deal with students accurately. Even the counselor does not help students.

Subtheme: Low academic achievement. Low academic achievement and studying issues are common problems in the schools. Parents suggested that both the counselor and the social worker are supposed to collaborate together, as well as working as a team with teachers, parents, and the administration of the school to find out the reason for low academic achievement for each student and based on this a plan to treat it.

Low academic achievement is a problem, maybe the reason is the teacher because the teacher just wants to give the class to all the students in the same way without any consideration of individual differences. In my opinion, the teacher is most important than the counselor because the teacher contacting with the student the most. If there is cooperation between the student, teacher, school administration, and counselor, then it will be a perfect school. When the teacher makes activities to help the student love the school, he/she will encourage the student to come to school and succeed. The behavior of teachers in

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the class is one of the most important issues. Social workers and counselors are supposed to be in schools together to deal with those issues.

Subtheme: Issues in the class such as teacher's behavior against the students. Mothers pointed out that sometimes there is a misunderstanding between the student and the teacher which creates bad feelings between them. This affects studying and grades. Students could hate school because of this teacher, which reflects his/her behavior in the class and affects his/her academic achievement. Mothers mentioned things like this always happening, and the social worker would be a mediator and find a way to find a safe environment for both teacher and student.

For example, my son is excellent and always his grades full marks, but one of his teacher treat him badly and I have a photo of his physical marks from her. He does not tell me because she scares him. He asked me to move him with other teacher but he does not want to leave the school. When I asked him is she bullying just you or all the class, he said most of the class, and when I went to meet with her she was very nice. We need social worker to deal with such issue. This affect my son; he is more violence with his brothers. He is in public school.

Subtheme: School budget and facilitators. Participants pointed out that the problem related to the school budget is that the resources inside the school are poor. Some schools need a lot of equipment to make the education process easy for the teachers and the students. School social workers in this case could contact the policymakers or the organizations to offer this equipment. They could, for example, offer transportation for students, especially those who are in need.

The school budget, the school is far and we cannot offer transportation to drop the children to the school. Students walk very early in the dark in winter to get school in time. I think if there is a social worker, he will contact the decision makers to solve this issue and offer free transportation for poor children.

Subtheme: Bullying. Bullying is a phenomenon that occurs in most of the schools, either physically or verbally. The school social worker, as parents suggest, could prepare more training sessions and discussion groups including parents and students to alleviate the bullying problems. One parent noted, "Since we suffering from bullying in many schools in many schools in our community. I think school social worker should prepare awareness seminars about the bullying and mistreatment, also contact both teachers and parents for this issue ".

Subtheme: Drug use and smoking. Some parents pointed out that they have problems with their children who smoke. The reason for this is that they learn it from their friends. Parents in this group discussion hoped that there would be a social worker to discuss those problems with the students, especially teenagers, talk to them about the consequences of smoking and drugs, and make them aware of this serious problem.

One of the recent problems is drug, students sell drugs in schools, and schools become a bad environment for the students which could affect their behaviors badly, and then students will take these behaviors to the community if there is no control over these kinds of behaviors and problems inside the school.

Subtheme: Emotional problems. Participants pointed out emotional issues related to the students, especially at the teenage level. Parents suggested that schools need to have social workers to take care of students' emotional problems and noted that other members of the school including the parents do not pay attention to this problem.

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"The emotional issue is different from one person to another, social workers could collect the students in their leisure time and make them entertainment activities which invest their energies and productivity. Social workers should find group activities once a week. When the students do not find free time, they will be fine, especially for males who have emotional problems. Using the free time is the best way to eliminate the corruption ".

Main theme: The barriers that challenge and limit the involvement of social workers in the school. The last main theme for parents is the barriers that challenge and limit the involvement of social workers in the school. Subthemes under this theme are the administration of education does not notice the significance of the school social worker, economic factors, cultural factors, and social workers are unknown in the community.

Subtheme: The administration of education does not notice the significance of the school social worker. Participants indicated that the policy and the administration of education would be the reason for not having a school social worker. They did not experience a social worker in the school, so they do not believe in their ability to change. Parents believe both the principals and social workers need to work to prove the need for the existence of the school social worker in the community.

Maybe the administration of education considers the social worker is not that significant. If the school administration (principal) sends a letter and discusses with the administration of education our need for a social worker in the school, then the administration may be looking at this issue. We have a lot of problems in school we can show the administration of education those issues, especially these days we have problem with merging refugees which have different cultures and cause a lot of problems ".

Subtheme: Economic factor. Participants pointed out that economic factors could be a problem. The administration of education can simply just tell them that they do not have enough money to hire more members in the school.

Based on this conversation I feel the social worker is the most important member in the school, even more important than the teacher. The administration of education should notice the importance of the social worker in the school. They could limit social workers because of the economic factor.

Subtheme: Culture factor. Parents believe the social culture will accept the existence of a social worker and will welcome them too. They hope if schools have a social worker, that person will take care of their children and link the teachers, students, and their families together to have a perfect academic environment. One participant said, "Culture factor would not limit the existing social worker, because the recent generation does not care or feel shy to talk about anything, I don't think they have a problem dealing with the social worker".

Subtheme: Social worker unknown in our community. Parent participants also assure that the reason for limited school social workers is that there is no knowledge about social workers generally. It is a recent major and not all the members of the community know about it or believe in social worker roles and effectiveness on the students.

One of the reasons that no one notices the importance of social workers is that we consider the counselor supposed to solve student's problems. Even a lot of parents know that the counselor does not have any effect on the student's problems.

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Result and Recommendations

This study aimed to investigate the impact of school social workers on the students; School social workers can provide insight and help formulate and implement plans for bridging educational and social policy agendas (Walker, 2005). Of note, school social workers are uniquely qualified to address the needs of students, families, schools, and communities.

The main goal of social workers is to assist individuals and families with their needs and solve their problems using a multi-disciplinary approach. In order to be effective, social workers work closely with many agencies and professionals and link these agencies with individuals and groups in need. Schools are the strength in the life of students who have many problems such as skipping classes, dropping out of school, and having low earnings. Social workers have made a significant contribution to developing the education system and improving students' behavior (Walker, 2005).

This study indicated that school social workers have multiple roles, including intervention and integrating students with their classmates in the school, especially those who come from different groups like refugees. Also, their roles based on the participants' perspective involve linking the school with the resources in the community. Moreover, the role involves cooperation with all members of the school to solve students' problems and improve their academic achievement.

In summary, the problems that require a school social worker are many but the same in most schools. The basic problems are dropouts, drug use and smoking, low academic achievement, and behavioral and emotional problems.

The challenges and barriers that limit the existence of school social workers in the Jordanian community are many. Most participants agreed that our culture has been changed and developed, and that parents nowadays are more aware of their children's school problems and they need someone professional to help deal with these problems. Bent-Goodley (2014), Berzin et al. (2011), Williams (2011), and Yamano (2011) confirmed the finding of Theme 1 by emphasizing social work roles as intervention, collaborating with other members in school, and creating programs to serve clients. Otherwise, Avant (2014) contradicted that the challenges for the school social worker have increased in complexity with response to interventions.

The impact school social workers are making in delivering services is systematic. Working with students with the goal of making appropriate choices will influence schools, families, and communities; and influence students become valuable and reliable adults who positively inspire and shape their society (Lloyd, 2013). Schools have played an important aspect in the student's life.

Based on the findings, researchers recommend that policy makers should ask to involve school social workers in each school in the government. Also, there is need to connect between the school and family to solve students' problems which could affect the student academic achievement.

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JOAQUIM RAMOS SILVA¹

THE FUTURE OF GLOBAL VALUE CHAINS IN A FRAGMENTED WORLD

Abstract

In the context of 2020s, the global value chains (GVCs) became a hot issue in international economics. During the prior worldwide financial crisis, which became known as the Great Recession of 2007-2009, the role of GVCs, tying different countries across the world through the segmentation of production in all its dimensions (among others, design, manufacturing and distribution) and concomitant trade and foreign investments, was mainly considered a positive factor insofar they slowed down the risks of the usual threatening protectionist and isolationist tendencies that arise after the breaking of crises. According to this view (van Bergeijk, 2010), one step forward in this last direction would be harmful for all trading partners, or at least for most of them, because it would increase the crisis and hinder the way out of it. However, when we approach the middle of the 2020s, the international situation is very different from that one. Major global developments of the last years such as the Pandemic Covid-19, started in the beginning of 2020; the Russian's invasion of Ukraine in the 24th February 2022; the terrorist attack of Hamas in the 7th of October 2023, and the Israel-Hamas war that followed, although not alone, strongly contributed to the change of views on GVCs, particularly in some critical goods and sectors or with some powers. Due to its high relevance for populations it is no surprise that concerns over health defense and health have been the most determinant factors in this change of views.

Keywords: Global value changes, great recession, global economics, Covid-19

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How did we arrive at this very important turning point? To begin with, some clarifications must be given about what was called modern globalization. With the end of the Cold War (particularly marked by the fall of Berlin Wall, 1989, and the end of Soviet Union, 1991), there was a clear shift towards greater openness of national economies throughout the world. Moreover, this move was already obvious in most of the previous decade (1980s), characterized by increasing liberalization and the removal of barriers to free circulation in the products and factors markets. For example, China led by Deng Xiaoping began its "open door" policy just by the late 1970s, and in the early 1990s, it was the time for India to give up its "closed economy" policies (Rangarajan, 2010), which prevailed in the initial decades after its independence (1947), i.e., the two more populous countries of the world also became increasingly integrated into the global marketplace, which would have profound implications not only for them internally but also for the world economy in the whole. So, during modern globalization, meaning by that the period that lasted from the early 1990s to the great recession of 2007-2009, the flows of trade (goods and services), capital (among other forms, foreign direct investment, bank credit and portfolio investment), people (migrations and related remittances) largely expanded, and reached new regions and countries. Surely, not all these flows increased at the same pace and had the same intensity but they were, in general, clearly above the patterns of the previous decades.

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Multinational corporations (MNCs), in their search for competitiveness, were pivotal in the globalization process, particularly through the formation of global value chains / global supply chains. Indeed, this was prone to a rationalization of MNCs' activities on the widest possible geographic scale (for example, in terms of costs and access to foreign markets and resources). Also, and very important, beyond the creation of new jobs and the increase of production in host countries, a key aspect of these developments was the transfer of knowledge and technological know-how that could come with MNCs and their parts, rising the local patterns in this highly decisive field, and so giving new opportunities for catching-up particularly necessary for developing areas and countries. As this technological progress was not automatically deriving from freer circulation, host governments often incentivized it, implementing adequate policy measures that could produce technological positive externalities in large sectors. The process was thus beneficial for both sides from several perspectives. Furthermore, according to the theoretical predictions of economics, and as timely emphasized by Irwin (2023): "Starting around 1990, developing economies began to grow more rapidly and catch up the higher income levels enjoyed by advanced economies" (p.14), leading to convergence rather than divergence, which was the historical norm.

Inevitably, political aspects of globalization must also be considered here. After the political changes of the two last decades of the 20th century, there was, among many policymakers and authors, particularly in the West, the belief (mostly tacit) that greater economic integration on a global level (beyond growth, better distribution of income, technological upgrading, etc.) would also have beneficial extra-economic outcomes such as peace and better political understanding on fundamental issues. Although, as in other historical eras, considerable differences remained in political regimes (totalitarian, authoritarian, confessional, and democratic states, just to mention their most important forms in this age), they could live together if sharing a minimum of common core values. This was presumed to be the case for many policymakers and representative authors (for example, as regards the acceptance of the Charter of United Nations Organization respecting the sovereignty of all member states, or the recognition of the rule of law and not that of force and impositions in international relations), and so, according to these views, peaceful international cooperation and a preference for diplomatic and multilateral institutions would prevail in the overtaking of serious political and military conflicts bequeathed by history. But, the events of the 2020s, particularly the wars, by their scale, clearly showed that this expected shared mindset was not at all the case, and such optimistic, if not naïve, views were no more than wishful thinking. Of course, in the absence, of a minimum of common core values to live together, for example in the field of defense and security, there are no conditions to enjoy the benefits of free circulation at a global scale, or even to optimize them.

Furthermore, in spite of its impressive economic benefits in terms of growth and convergence, as already mentioned, modern globalization was strongly criticized since its beginning. In fact, increasing international competition mostly led by firms requires, in many sectors across the economies, rigorous preparation to compete successfully at this level and adjustments in their existing practices are required, in the end, the outcomes of these processes of change are not clear, and certainly not immediate, and so, one of the first limitations raised against globalization was the issue of its "winners and losers". But the opposition to globalization went far beyond that, particularly in terms of economic policy: the need for a stable and predictable macroeconomic background to compete outside in better conditions was caricatured as the "Washington Consensus", and the search for a better and more qualified state intervention in economic and financial flows rather than its pure and simple enlargement, at the first occasion, was caricatured as "neoliberalism", just to refer two of the most common targets of the globalization's critics. Some books like Stiglitz's Globalization and its Discontents (2002) in his ideological critique of "market fundamentalism" (see, for example, pp. 73-74) were highly impactful in spite of its theoretical baseless in economics. Surely, globalization was not perfect, and was often object of a simplistic view by followers, but the influence of those persistent ideas discredited, created disarray and threw confusion over the results of the globalization process (in terms of global welfare and in other

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domains), and thus contributing to its gradual decline, which became obvious in the 2010s (Escaith and Miroudot, 2015). As recently underscored by Kose and Ohnsorge: "Ordinarily one of the most powerful drivers of economic growth, global trade in 2010-2019 grew only as fast as overall economic growth, down from twice as fast during 1990-2011" (2023, p. 04).

Beyond ideological struggles brought about by globalization, perhaps politically understandable in view of its actual success in the first decades, it is necessary to look more carefully at GVCs in light of recent developments. Effectively, GVCs represent a greater economic rationality on a world scale but also important actors of the process (like MNCs headquarters and host governments) loose or reduce their knowledge over important segments of the supply chain, their origin and composition, which is critical for example in the case of advanced technological goods. The growing relevance of state-owned MNCs, where there is still less transparency gave even more emphasis to this problem. As the pandemic and the wars showed quite well, in the circumstances of the 2020s, it is a risk to fall into dependence on strategic sectors and products from a few providers, and more so, from one. The case of closer economic integration between the European Union and the Russian Federation, and especially Germany the biggest economy inside EU, with a focus on the energy sector, insofar energy commodities can hardly be substituted in the short run, is evidence of the risk of dependence on a partner that cannot be trusted. Effectively, when a partner wants to destroy or weaken the other, or part of it, through the most aggressive means (including systematic nuclear blackmail and with the use of other highly destructive weapons against civil population and infrastructures, as happened after the invasion of Ukraine by the Putin's regime), a dangerous situation emerges if we let to follow the pure economic logic. The risk of the pursuit of this policy was emphasized in van Bergeijk (2022): if in a "resource exporting country", the power of elites "is actually strengthened by international trade", and if such elites are "more war prone" as happened during "the last two decades of Russia's foreign and domestic policies", there is a case to "critically rethink" free trade (p. 11). Moreover, in a seminal work, National Power and the Structure of Foreign Trade, Albert Hirschman demonstrated long ago (1945) how Nazi Germany instrumentalized trade, in very similar terms to those applied by the Putin's regime in the 21th century, to proceed with their aggressive military purposes towards weaker trade partners. Therefore, in this kind of situations, it is not a simple question of letting the international division of labor, international specialization, and comparative advantages produce their effects, as argued in most economics' textbooks, particularly in the field of international economics. Other key aspects of the process have also to be considered, like defense, security, and geopolitical concerns.

In this setting, it is useful to recall the contribution of authors of the 18th century, like Adam Smith and David Hume, which were both at the foundations of political economy, and that put forward some important clues to perceive the global situation in the middle of third decade of the 21th century. Although advocating free trade in *The Wealth of Nations*, Smith was also quite clear on a point, stating that: "defence is of much more importance than opulence" (italics are ours). Hence, some sacrifice of opulence, whose maximum could be reached through complete free trade, should be accepted if defense imperatives are imposed to a country or countries. In his turn, Hume pointed out that "nothing is more favorable to the rise of politeness and learning, than a number of neighboring and independent states, connected by commerce and policy ..." (D. Hume, Political Essays, 1742, italics are ours). Therefore, according to Hume, some policy proximity or convergence in principles is also necessary to have the extra-economic fruits of free trade like good and peaceful relations, a more refined civilization, etc. This is very near of what we have considered before as a minimum of "common core values". So, countries do not need to have the same political regimes (such objective would not make any sense), but they need a minimum of common values or rules to have the maximum of benefits from the free course of trade among them. Summing up this point, defense, security, and proximity in basic values to live together must be considered a necessary requirement for a normal course of trade and foreign investment, and not put apart as "non-economic". Although much of this classical economic thinking was overlooked in the following centuries, particularly in the international economics textbooks, it is important to remind

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here the high relevance of these views insofar they completely apply to the context of 2020s. It must also be argued that the recognition of some limits to specific situations and cases in no way justify a return to a generalized protectionism.

In light of all the previous global changes just mentioned and the teachings of classical political economy, rather than to simply continue the same path, GVCs/GSCs have to be adapted to this new and more complex setting in view of reinforcing their resilience and in order to remain competitive, Gereffi (2023) for example, proposes some policy lines:

- 1) the most important product in GSCs often is not the finished good, but rather key components or raw materials (which can be highly valuable for some critical products in our perspective and hardly can to be found, like cobalt, lithium and rare earths);
- 2) focus on solutions for high-priority markets (like in defense, and some high-technology and effectively strategic sectors);
- 3) international production partnerships remain often necessary (the author remembers that "the Covid-19 vaccine developed by BioNTech and Pfizer involves 280 components from 86 suppliers from 19 countries around the world");
- 4) human capital is critical for resilient supply chains ("projected employees in the typical semiconductor plant: 70% will require two years technical college degree, 20% MA degrees and 10% PhD degrees").

The author is more sceptic about the simple return to domestic production instead of GVCs, subject that has a heavy weight in the political debate in democratic states, and considers that "making supply chains more domestic does not guarantee resilience", and adds that reshoring is feasible and possible, but must be "selective". Following Gereffi (2023) and other authors, we will look more carefully at these last issues just after.

Bearing in mind that in the response to these new challenges it will not be possible to reach the maximum of "opulence", to use Smith's term, and as proposed by different authors, the restructuring of GVCs in order to become more resilient, can follow, depending on the circumstances, some lines like:

- making them shorter (e.g., near-shoring, that reduces physical distance);
- when problems of distance persist, making them through countries that do not have opposed values on global coexistence or have similar political views, which are not necessarily geographic neighbors (e.g., "friendly shoring", this would reduce geopolitical risk);
- making them more diversified (e.g., less dependent on one or a few providers);
- making them greener (e.g., power shoring, making them through countries and regions less dependent on fossil energy, and that are providers of renewable energy);
- making them more digital (e.g., using digital versions of real products through digital technology to track the chain better).

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Of course, we could continue this list, but that is not our main objective in this paper, but more so to raise the problem that clear rules of the game are necessary to have similar benefits to those of globalization.

Finally, facing the new stage in which the GVCs find themselves, where generalized uncertainty and insecurity tend to prevail in the future, we need to focus on the case of production for defense, likely the most relevant issue of all those considered in this paper. Following our previous considerations, although in general some restrictions to trade and foreign investment are predictable, this sector is highly sensitive and must be carefully monitored and scanned. Usually, the most fundamental of the armament industry is domestically produced or provided by political allies, even if sometimes foreign direct investment may be involved. Only a part of the products of arms' industry is purely traded in the market (if we exclude the components whose importance may be decisive, as already underscored). The case of technologically advanced armament, which can decide the outcome of a war and effectively help to defend a country from its aggressors, is of utmost importance. Certainly, restrains to the movement of MNCs in their GVCs must be adopted in the field, and the best solution, in the sense of not sharing the information that can lead to the most critical goods for defense of a country (or countries), must be taken together by the defense statecraft, the firms involved, and the technical experts in the field (Kornai, 2019). These restrictions, may be narrower or wider, according to the circumstances, but when war is not only a long-term possibility and actually threatens large parts of the world, like happens in the 2020s, is very important on due time, to carefully follow this sector of production determinant for a better and more peaceful world, leading later to the normal course of trade and investment.

This paper is certainly a work in progress. Although our central issue was already well known by the classical economists and philosophers of the 18th century, it has been often neglected in the following centuries, but in the first half of the 2020s, it was put again in the research agenda, in a very harsh way indeed, and for many policymakers and representative authors mainly in the West, almost suddenly, without "warning". So, we focused on the main problems arisen in the new global context from the perspective of international economics and the principles of free trade and circulation mediated by GVCs, a very important feature of the world economy in the last decades. In our view, we think these problems and their complex connections are here to stay, and we made a first attempt to approach them theoretically as well as in the realm of practical policies. Due to its implications, particularly in the terms of the loss of human lives, this effort must absolutely be continued by all those that want the global economy, with time and appropriate conditions, will bring all its benefits, which is very important particularly for developing countries and areas.

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